

Central Hawke's Bay District Council

**Long Term Plan
2012-2022**

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1. Introduction

From the Mayor and Chief Executive

Our Long Term Plan (LTP) provides a basis for future decision making for our District, and holds the Council accountable to its ratepayers for its implementation.

Getting it right is therefore very important and Council has welcomed the feedback from you which has helped Councillors ensure that we have the right Long Term Plan for Central Hawke's Bay.

This LTP covers the years 2012 to 2022.

During this time there will be a number of capital works undertaken as outlined in our LTP, including the Waipukurau/Waipawa sewer project, the addition of upgraded filtration systems to the Waipukurau and Waipawa/Otane water treatment plants, cell extensions to our landfill, funding for a public toilet facility in Takapau and provision for the possible maintenance and upgrade of the Civic Theatre once the current management contract ends in 2014.

\$1m of reserve funds used to repair infrastructure damaged in the 2011 Easter storms will be replaced over this period, and a number of bridges in the District will need major work to remain useable and safe.

All of this, including the relevant loans, will be rate funded, and Council has been very aware that rates must remain within acceptable levels. Costs therefore reflect what is affordable.

In the case of facilities such as the Waipawa Memorial Pool and the District Halls, rate funding for maintenance has been capped, which means that there is a risk of closure should significant repairs and maintenance be required.

The redevelopment of communal facilities such as the sports fields at Russell Park and Coronation Park, cannot be rate funded although Council will work with community groups to help facilitate any redevelopment.

This LTP therefore has –

- Largely maintained existing levels of Council services
- Restricted the capital projects to those listed above
- Is based on a thorough review of Council operating costs and an independent review of its organisational structure.

In mid June this year, Government introduced the Local Government Reform Bill, requiring that the Bill be reported back by October 2012.

We are unable to anticipate the impact that any resulting legislative change will have on CHB, and this LTP therefore recognises the reality of our District today, and the affordability of rates into the future.



Peter Butler

Peter Butler
Mayor



John Freeman
Chief Executive

LTP Overview

What is a Long Term Plan (LTP)?

The LTP is a ten-year planning document that presents a blueprint for the future by providing a long term focus for the decisions and activities of Central Hawke's Bay District Council. Under legislation, the LTP has to include a lot of information, but the essence of what it outlines is what sort of sustainable future Council believes Central Hawke's Bay residents want and how Central Hawke's Bay District Council will contribute towards that future. It provides an opportunity for participation by the ratepayers of Central Hawke's Bay and is a basis of accountability of Council to the community.

How has the LTP been developed?

The LTP has been in development over time. This is the fourth LTP Council has produced, this being the third full document under the Local Government Act 2002. This is however the first LTP produced under the amended Local Government Act adopted in November 2010, and includes a number of additional requirements – such as the need to include a Financial Strategy.

Council talked with the community in 2005/2006 to identify what are called Community Outcomes, and these have been a part of each earlier LTP and the relevant Annual Reports.

The revised Local Government Act has “reframed” the Community Outcomes to be outcomes which Council has the ability to influence and achieve, and to design performance measures around these outcomes which provides feedback to the community and demonstrate that Council is achieving its objectives.

Council sought feedback from the Central Hawke's Bay ratepayers in November 2011 to ensure that the services and outcomes it was delivering, met the social, economic, environmental and cultural wellbeing of the community, and that the performance measures to be used would allow them to judge how well Council was performing.

The responses to this feedback and the relevant performance measures are included in this document.

Consultation Process and Decisions

The key to this document is sustainability, having sought initial feedback, what resources will it take to meet the Central Hawke's Bay Community's expectations, and how this will impact on the Community in terms of future rate costs.

The rating impact is important, as the present ratepayers must be able to meet their needs without compromising the ability of future generations to meet theirs.

So, what is in the LTP?

The LTP includes a lot of information, including:

- **Summary of Issues** – How has Council sought to ensure costs remain affordable.
- **Changes Planned for the next 10 years.**
- **Our Financial Strategy** – Which outlines the financial strategy underpinning our LTP.
- **Council Activities** – Council provides a huge range of activities, some of which you use every day. The water that comes from your tap, using the playground at the local park, getting books from your local library and ducking into the public toilet down the road are just a few of these. The LTP includes an overview of these activities, including the levels of service we will provide, the future day to day and capital work programme and how much it will cost.
- **The Figures** – Every plan has to include the dollars, and the LTP is no exception. Detailed and overall financial information is included in the LTP, including the costs of providing services into the future and how they will be paid for and what your rates might look like in the future.
- **Policies** – Policies that Council use to make decisions and run Council operations are also included. A couple of examples are the Revenue and Financing Policy which sets out how an activity will be funded (eg rates or fees) and the various rating policies that detail the Council's approach to rating.

It is a big document, and hopefully most of what will interest you is summarised on pages 10 - 25.

Mayor and Councillors



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Our Place:

Central Hawke's Bay District - Te Taiwhenua o Tamatea



This district covers an area of 3260 square kilometres with a population of 12,957 (2006 Census). This is an increase of 129 people or 1%, since the 2001 Census.

It covers the area from Pukehou in the north, to Takapau in the south, and from the western Ruahine ranges to the eastern coast. Each of the four corners of the district has a marae. These are: Pukehou, Kairakau, Rongo Maraeroa (at Porangahau) and Rakautatahi (at Takapau).



Our Communities

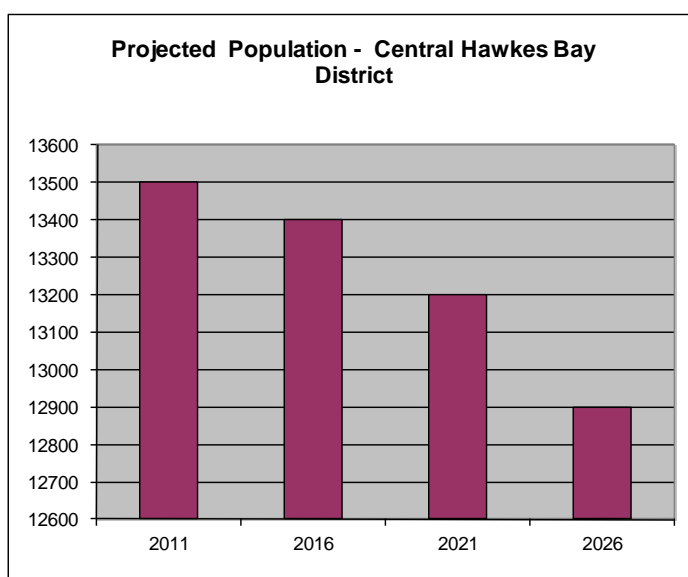
There are two main towns in Central Hawke's Bay - Waipukurau and Waipawa - with a number of smaller townships including Otane, Takapau, Tikokino, Porangahau and Onga Onga, as well as several beach townships including Kairakau, Pourerere, Blachead, Te Paerahi.

Approximately 45% of the District's population lives in urban areas. The main towns of Waipukurau and Waipawa have 4090 and 2040 residents respectively. In addition there are the villages of Takapau and Otane with 500 - 600 people each.

Our People

Limited updated information is available because the 2011 Census was cancelled after the Canterbury earthquake. However, Statistics NZ have compiled the following information from other sources:

- Population projections indicate that over the next 20 years the population will decline slightly.



- The number of households is currently 5300 (2011). It is expected to increase to 5500 by 2016, and then remain static. Based on the 2006 census the growth in households will be concentrated in Waipawa and Waipukurau.
- Average household size in 2011 was 2.5 people, dropping to 2.3 from 2021.
- The population of Central Hawke's Bay is expected to age significantly.

	Total population	% above 65 years
2012	13480	15.5
2026	13140	26.4

- In 2011 86% of the Central Hawke's Bay residents identified as NZ European and 23% as Maori (NZ Maori 15%).
- In 2011, average income over all people in the Gisborne/Hawke's Bay area was \$32,708 (NZ: \$36,556). This has been static since 2010.
- Median income for people in the workforce was \$36,296 (NZ: \$39,884). This has been declining since 2009.

Our Economy

The region's "bread and butter" is still sheep and beef farming, vegetable and grain crops, pipfruit, with an increase in dairy farming. Non-traditional industries are being explored and finding success including top quality vineyards.

A proposed water storage dam which would provide irrigation options, may mean increased intensification of land use for up to 19,580 hectares of the Ruataniwha Plains in the future.

Our Environment

The District extends from high hill country bordered by the Ruahine Ranges through gently rolling plains into rugged coastal farmland.

Much of the area is highly modified for pasture and cropping, with remnants of forest and scrub.

Sheltered by the Ruahine ranges, Central Hawke's Bay enjoys a dry sunny temperate climate. The District averages around 2200 sunshine hours and an average rainfall of around 900mm.

The District is drained by three main river systems: the Tuki Tuki, Waipawa and Porangahau Rivers.

There is a major groundwater system under the Ruataniwha Plains. It comprises a shallow unconfined aquifer, with several deeper confined aquifers.

The district has a number of outstanding natural features and landscapes, with the mountain, river and beaches as key features.

The Issues

The key focus on this update of our LTP remains one of **sustainability** – by definition - *the ability to meet the needs of present ratepayers without compromising the ability of future generations to meet their own needs.*

In other words – ensuring that future generations are not saddled with high levels of debt and high rating levels.

Against this background, this update had to consider the impact of –

- Having to replace nearly \$1m of reserve funds which were used to repair damage to infrastructure following the Easter 2011 storms
- Recognising a net increase of \$5.45m in debt (mainly for the Waipukurau/Waipawa wastewater upgrade) and additional operating costs for the project
- Increased costs for the repair of several bridges within our District's road network

The amalgamation debate continues, and opportunities for shared services either through amalgamation or other methods will continue to be explored to lower overall costs.

Council will participate in a Council Controlled Organisation (CCO) jointly with Napier City Council and Hastings District Council – to explore shared services opportunities.

However the 2012/22 LTP still requires that the District must remain sustainable as it is currently structured.

This LTP therefore recognises the need for a sound long term vision for Central Hawke's Bay, considers future management options and public private partnerships or community funding for some community assets. It also revisits the levels of service for the core Activities Council provides for the community.

Also as part of the review of this LTP, Council has renegotiated or retendered its Facilities Management Contract and Roading Professional Service contract, sought to maximise all non rating income streams and completed an external review of Council's management and organisational structure.

If rates are to remain within acceptable levels, then spending must reflect what is affordable.

What changes are planned for the next ten years?

Council's focus is on maintaining existing core services and infrastructure, rather than providing for growth.

This recognises that the District population is stable, though ageing, and that within the timeframe of this LTP, there will be little change in land use or in economic development within Central Hawke's Bay.

The agricultural sector is the significant contributor to the District's economy. Three years of drought have reduced herd and flock numbers but a favourable 2010/11 season and buoyant commodity prices have reversed the trend.

A feasibility study, commissioned by the Hawke's Bay Regional Council, is currently underway to consider future long term large scale irrigation options on the Ruataniwha plains. The most recent results from the Ruataniwha water storage project feasibility study has identified that the best route forward is to concentrate on a single dam site. A decision whether or not to proceed to the consenting stage is expected shortly. Should construction go ahead, it is estimated that water will be available at the farm gate by October 2017.

The current District Plan review will consider the impacts that the water storage scheme will have on Central Hawke's Bay, but there is no provision in this LTP for any impact from this scheme.

The global economic crisis has also affected building activity in the District and has seen a drop in property values.

In keeping with Council's overall strategy of sustainability the following are the key changes proposed for the next 10 years.

Wastewater (sewerage) upgrades Waipukurau/Waipawa

The biggest issue facing Council is the sewerage treatment upgrades for Waipukurau and Waipawa. However the reality is that the upgrading of all the sewerage treatment plants will need to be carried out in the next ten years to meet resource consent requirements.

Council has been criticised in some quarters for delaying the implementation of a solution which meets our existing consent conditions. The key requirement is that any discharge to the river must meet substantially tighter discharge limits by 2014, particularly with respect to nitrogen and phosphorus.

In 2009, the Hawke's Bay Regional Council offered to assist Central Hawke's Bay by purchasing land upon which forest could be established, and using the effluent to irrigate the trees. It was hoped that such a land based solution would remove all the effluent from the river.

Early detailed investigation showed that such a solution was not feasible. This is due to the level of stormwater infiltration into the sewerage networks, the seasonal ability to discharge to land and the requirement for the building of significant storage as a consequence.

A partial land based discharge option was then proposed, with construction of sufficient storage to only allow discharge to the river at times of high flows. This would have minimal effect on the health of the river, but would require a new consent.

Subsequent to the adoption of a draft LTP, further information was received from CHBDC's project consultants indicating that the capital cost had risen significantly and detailed investigations were then undertaken on alternative treatment options which would meet the existing consent requirements by the September 2014 deadline. The most favoured option involved the use of worm farms, with chemical dosing to remove phosphorus and ultra violet treatment to destroy pathogens.

As part of the submission process, the Hawke's Bay Regional Council offered to project manage and deliver the partial land based scheme for \$8.2m, but with costs for a new consent remaining with CHBDC.

After hearing all submissions and after considering the merits of alternative options (including the proposal from the Hawke's Bay Regional Council), Council adopted a process incorporating floating wetlands installed on the oxidation ponds with the plant roots growing down into the waste water. The plants take up nutrients, and organisms growing on the roots of the plants treat the waste water.

The waste water that leaves the oxidation pond will then be treated by chemical dosing to remove phosphorus, and by ultraviolet light to kill pathogens.

This solution will meet existing consent conditions, and has lower capital and operating costs than the alternative options which were considered.

This LTP therefore provides \$6.35m in loan funding for this project with annual operating costs of \$108k.

There is also allowance made within this LTP for some additional capital expenditure at Porangahau/Te Paerahi which will finalise the consent conditions for the consent issued in 2010, as well as an estimation of work which may be required to renew the existing consent at Takapau in 2015.

Water

Council is required to upgrade the Waipawa/Otane and Waipukurau water treatment plants to meet the mandatory New Zealand Drinking Water Standards (NZDWS) in 2015.

Upgrades of both the Waipawa/Otane and Waipukurau pump stations should be completed by June 2012, and the addition of required treatment systems to fully meet the NZDWS are included in this LTP. These costs will be loan funded.

There are no further capital projects contained in this LTP, although the annual renewals program funded from rates, also provides for improvements in the levels of service (eg by replacing a 50mm water main with a 100mm pipe).

Stormwater

A small extension to the stormwater network is planned in Waipukurau, to take account of a proposed new subdivision.

Remedial work will also be undertaken during the period of this LTP on the Eastern Interceptor drain.

These projects will mainly be loan funded.

Land Transport

The costs of maintaining the District's road network including, roads, bridges, culverts, retaining structures and footpaths, is the Council's single largest expenditure. The majority of this work is secured through a contracting process which ensures a competitive market thus providing value for money for the District.

The District is responsible for the maintenance and renewal of the road assets along with any capital improvements such as new seals and creating new roads. Council has recognised that due to inflation the costs of maintaining and renewing the existing assets continually increases and has made the decision not to create new infrastructure unless absolutely necessary.

The New Zealand Transport Agency (NZTA) provides a subsidy to Council for some of the maintenance and renewal activities while others are funded completely by rates. This funding used to be provided on a yearly

basis but since 2009 NZTA have provided a three year funding programme which enables the District to create efficiencies in accomplishing the work.

NZTA has increased the funding allowance for CHBDC from 57% to 58% for the period of 2012 to 2015. However, there are fewer dollars available nationally which means the total subsidy is less than optimum, and will have an impact on the longer term maintenance and renewal activities.

To stay within the funding levels provided and to minimise the rate impact, the District will reduce the number of kilometres of reseal completed each year along with the amount of major re-metalling of the District roads while still maintaining the long term sustainability of the network.

In line with this there will be changes to the mowing schedule throughout the District to move from amenity mowing to mowing for safety and fire hazard reasons.

Council has also reviewed their method of procuring their Roading professional services. These services will from the 1st July 2012, be delivered from Council's premises at a reduced cost and allowing more direct input into how these services are delivered.

A study of the four most "at risk" bridges in the District has recently been completed which indicated that some major work will be required over the next several years to ensure the bridges will continue to be usable and safe. Funding of \$300k has been earmarked over the next three years from within the Structures Maintenance budget of \$2.4m for the two bridges requiring most urgent repairs.

Council is also working with NZTA and other similar sized Councils to review road maintenance standards in an effort to spend the available funds where they provide the most benefit to the most people and the economy of the District. Example: Should roads with very low volumes of traffic receive the same level of service as those roads with high traffic volumes. This has the potential of a significant impact on the maintenance and renewal costs.

Solid Waste

Solid Waste operations have been thoroughly reviewed. New contracts have been let to maximise efficiencies, and the sale of landfill space, largely to Tararua District Council, has reduced the unit operating costs to ratepayers within the current levels of service. Should external sales reduce, then the additional operating costs would require to be rate funded.

Further cost savings can probably only now be realised by reducing the levels of service, for instance reducing the number of transfer stations.

Feedback to Council is that this is not a preferred option.

A switch to a user pays approach for kerbside rubbish collection has taken time to be effective, largely due to the number of unused bags in the community when these had earlier been distributed without regard to household size or use.

Landfill cell extensions included in this LTP are dependent on volumes received into the landfill, and timings of cell extensions may change.

Public Toilets - Takapau

Takapau is currently the only community that does not have access to public toilets. As part of the 2011/12 Annual Plan consultation, Council received a number of submissions from local residents asking that this be addressed.

The LTP includes a provision of \$75k in 2012/13 towards the cost of providing public toilets in Takapau.

Council is advised that local residents intend to use this funding towards building an amenity which will be an attraction for visitors.

Civic Theatre

The Civic Theatre provides a popular venue for movies in Central Hawke's Bay. This has recently been improved by the installation of digital equipment, expanding the availability of popular releases and being able to offer 3D viewing.

Currently, the day to day management operations are leased to a private contractor.

The present management contract expires in 2014.



Council earlier sought ratepayers' views on the future of the Civic Theatre.

Possible options could be – subject to them proving to be economically viable:

- Continue the operations as they are at present and advertise the lease of the Civic Theatre complex
- Upgrade the premises, including upgrading the seats in the auditorium, and advertise the lease
- Close the theatre and sell the building. This would achieve rates savings of \$200k per annum in operating and maintenance costs with potential to reduce debt from the proceeds of the sale of the building.

Having considered ratepayers' views Council has provided \$460k in year 2014/15 of this LTP for the possible general maintenance and upgrade of the premises, and will advertise the lease at the expiry of the current management contract in 2014.

Russell Park/Coronation Park/ Waipukurau Holiday Park

Council provided sports grounds are a popular amenity and are used by a wide variety of sporting codes. Although only 7kms apart, the Russell Park grounds are possibly overused, with less use of the Coronation Park fields.

A 2010 report from the NZ Turf Institute has highlighted that both grounds need resurfacing with additional soil, fertilizing and reseeding. In order to maintain the availability of a sports turf, this would need to be managed on an alternate basis between the two grounds.

There is also a potential need for a multi sport all weather surface at Russell Park.

However, in order to attract sporting teams to Central Hawke's Bay, it would also be necessary to have suitable accommodation, which could include the upgrading of the adjacent Waipukurau Holiday Park facilities. (Although Council own the facilities of the Waipukurau Holiday Park, its day to day operations are currently leased to a private operator until 2016).

By keeping rates to an acceptable level in this LTP, it has meant there are insufficient funds for any major redevelopment of either Russell Park or Coronation Park, such as that proposed by the NZ Turf Institute.

There is a risk therefore that reliance on rate funding alone may mean that in future, grounds may require to be closed.

Therefore any potential redevelopment of the Sports Grounds, including an all weather multi sport surface, will require a sound long term vision and supporting business plan, and either a public/private partnership arrangement or community fund raising to upgrade facilities.

A redevelopment of the Waipukurau Holiday Park would require loan funding, supported by a formal business plan which demonstrates that the loan service costs could be met from operating revenues.

There are numerous examples where local communities have successfully been able to upgrade existing facilities and where there have been positive economic development spinoffs as a result of increased visitor numbers.

Earlier, Council sought ratepayers' views and vision for the redevelopment of these community facilities.

Feedback received was generally positive.



Coronation Park – Waipawa



Russell Park - Waipukurau

Although this LTP does not contain any additional rate funding towards the redevelopment of these facilities, Council will facilitate progress by:

- assisting in preparing relevant business plans
- researching similar experiences with other local authorities
- and working with interested groups to explore how progress might be achieved

Waipawa Memorial Pool

The Waipawa Memorial Pool was constructed in 1961 from public donations and was intended to be a Centennial Memorial for the Town and District.

Pools are expensive to maintain and in the case of open air pools, can only provide swimming options in the summer months.

Since 2002, a total of \$118,000 has been spent on the pool, on repairs, painting, concrete repairs, fencing, erecting a shade sail, filter repairs and refurbishing the changing rooms.

However, Council continues to provide this facility as part of its commitment to providing safe and accessible recreational facilities which contribute towards healthy living and meeting people's leisure needs.

Estimated maintenance costs in the 10 year period 2012 to 2022 are in excess of \$325,000. (This includes a provision of \$103,000 for the possible replacement of the filtration system).

Annual operating costs are approximately \$75,000 per annum.

In the 2010/11 season, the pool was used by 6,621 swimmers, including students from the Waipawa Primary School, Otane Primary School and CHB College.

Council called for feedback from the community on possible options for the future of the pool including -

- Continuing with the status quo.
- Capping the rate funding of the pool's operating and maintenance costs, with the local community fund raising for any shortfalls in these costs.
- Closing the pool as there is an alternative pool available 7 kilometres away in Waipukurau.

As a result of feedback received and in order to keep rates to acceptable levels, Council will continue to maintain the asset but has not budgeted to undertake any significant repairs and maintenance to the pool, such as replacing the main filter unit.

Should significant repairs be required, community funding will need to be sought to meet any shortfall in rate funding.



District Halls

Ratepayers support, to varying degrees, 12 Council controlled and non Council controlled halls in the District. Grants paid out annually are over \$80k, with a further \$60k per annum set aside for maintenance costs.

Due to their age, many of the halls are likely to require significant additional maintenance costs within the timeline of the 2012/22 LTP.

Some Halls have only limited local community use.

In the past, the majority of these halls have only received sufficient maintenance for them to obtain their annual Building Warrant's of Fitness (BWOFS) and to remain open.

However in order to keep rates to acceptable levels, renewal budgets have been reduced by \$30,000 per annum which could have a detrimental effect on long term maintenance needs.

There is a risk therefore that reliance on rate funding alone may mean that in future, halls may not obtain their BWOFS and may require to be closed.

Central Hawke's Bay District Cemetery

The Central Hawke's Bay District Cemetery is being developed next to the Waipawa and Hadley Cemeteries.

Planning for the development of the District Cemetery is progressing.

The new cemetery land was consecrated in March 2012, and concept plans for the development of the 1.6ha site are available for comment.

Landscaping work is expected to take place from October 2012.

Insurance

Given the significant increases in insurance costs, Council considered whether or not it continued to be appropriate to fully insure all Council's assets, or only to the extent that they would be replaced in the future.

Whilst this might be reviewed in the future, Council has decided to continue fully insuring its assets on the basis that Council are acting as guardians of many community assets.

However, the Christchurch earthquakes have impacted significantly on the insurance cover of Council's underground assets. These assets are insured through the Local Authority Protection Programme (LAPP) – a mutual fund owned by the majority of NZ local Authorities.

In order to rebuild LAPP's funds – member Council's are exposed to a level of mutual self insurance – which will give rise to a possible contingent liability of 25% of this Council's annual contribution (estimated at \$56k). This is unacceptable and Council will withdraw from LAPP and will in future obtain the necessary cover on the open market.

District Plan Review

The Central Hawke's Bay District Plan is a document that provides for change, development and use of the environment, while protecting and safeguarding natural and physical resources for future generations. The District Plan sets a framework for use of the environment and imposes obligations to protect it. Council is required to prepare the District Plan by the Resource Management Act 1991.

The Central Hawke's Bay District Plan was declared operative in May 2003. Prior to 2003 Council had developed a Rolling Review Program of the District Plan by section and based on issues considered to be a priority at the time. Council had been undertaking the review of the District Plan in accordance with the Rolling Review Program.

However, the rolling review approach was changed in February 2011 when Council agreed to undertake an in-house exercise to determine the spatial distribution of the location of resource consents in the District. As a result of the mapping exercise the Council decided to adopt an issues based approach to the District Plan Review and agreed in a subsequent Workshop (May 12th) that a political working party of Councillors be established to work with officers on a full review of the District Plan.

Council has now adopted a complete review of the District Plan and is working towards a goal of public notification when all three sections of the reviewed District Plan (Rural, Coastal and Urban zones) are completed. Recent amendments to the Resource Management Act 1991 (The Streamlining and Simplifying Act 2009) require a full review of the District Plan every ten years..Council believes it is best practice to commence the review during 2011/12 to enable adequate time in which to undertake an issues based review of the District Plan.

At the initial meeting of the District Plan Working Party, comprised of Councillors Waite, Williams, Sharp and Maori Consultative Committee Representative Morry Black, and chaired by Commissioner Mick Lester, the Committee considered the priority for review of the District Plan.

In response to an established pattern of land subdivision in the rural zone, particularly on the Ruataniwha Plains, the Rural Section has been identified as the first part of the District Plan to be reviewed. The Working Party will then proceed to consider the coastal and urban centre's respectively as the second and third phase of the District Plan Review.

As part of the Rural Review Council officers will prepare a Discussion Document to engage with members of the community to both inform the public that Council is undertaking a full review of the District Plan and to seek

feedback on the issues within the rural zone that the public believe should be addressed through the Review process. It is envisaged that the issues raised will cover land subdivision through to protection of heritage sites. The Rural Discussion Document was released for public comment in February 2012.

Council officers contemplate the preparation of Discussion Documents for both the Coastal and Urban Centre's during the 2012/2013/2014 period to engage the community in the review process on these sections of the District Plan and seek feedback about relevant resource management issues relating to each zone.

Central Hawke's Bay District is now a member of a collaborative relationship with both Napier City and Hastings District Councils for the purpose of reviewing the District Wide Activities of the three District Plans. This will provide standardisation of performance standards relating to District Wide activities in the Rural Zone. It is envisaged that the collaborative relationship with the planners from Napier City and Hastings District will be relatively long term to extend over the period when the Coastal and Urban Centre's of the District Plan are being reviewed.

Council is also in the process of engaging a planning consultant to prepare the Rural Section of the District Plan. It is envisaged that consultants will also be necessary to assist with the review of both the Coastal and Urban Centre Reviews.

Economic and Social Development

Economic Development in Central Hawke's Bay is delivered through a number of providers on behalf of Council. These service providers include:

- CHB Promotions Inc – including the operation of the District's Visitor Information Centre,
- Business Hawke's Bay.

The Economic Development portfolio currently sits with the Community Development Coordinator. The Community Development Coordinators position is funded through the Department of Internal Affairs Community Development Scheme and is a three year contract.

Central Hawke's Bay District Council participates in Economic Development initiatives at both a Regional and Local level.

Regionally, CHBDC is represented on the Business Hawke's Bay Advisory Group which also includes memberships of all local and regional authorities in Hawke's Bay and key stakeholders. Business Hawke's Bay is a subsidiary agency of the Chamber of Commerce with an arms-length private sector Board with the aim "To develop Hawke's Bay as the best regional location in which to work, invest and grow".

Locally, an Economic Development Forum made up of key businesses and Iwi from Central Hawke's Bay has been established. The forum has met twice since its inception in November 2011. From these initial meetings key initiatives have been identified and work will start on these initiatives in February 2012.

These initiatives are:

- Infrastructure
- Communication
- Water
- Tourism
- Population Growth
- Technology

2. Financial Strategy

Introduction

Council has set its Financial Strategy having regard to the strategic direction of Council and the underlying concept of sustainability.

It recognises

- growth in public debt, principally to fund wastewater upgrades
- limitations on future rate rises
- the need to contain costs by maintaining the existing levels of service and existing core services and infrastructure, rather than providing for growth
- and the application of a user pays principle will mean above average increases in targeted rates

Capital renewals and maintenance will be focused on replacing existing assets as part of the annual expenditure on infrastructure renewals.

Water upgrades to meet the New Zealand Drinking Water Standards, wastewater upgrades to meet consent requirements and ongoing landfill extensions, will be loan funded to maintain intergenerational balance.

Changes to Council's property holdings, including the provision of a public toilet in Takapau and refurbishment/upgrade of the Civic Theatre, will likewise be loan funded, but the maintenance requirements of infrastructural and other assets, as determined from Asset Management Plans or independent consultant's reports, will be funded from rates. Only essential capital renewals are to be undertaken to achieve an acceptable level of rating for ratepayers.

The cost of additional debt will increase targeted rates, and recognising that the rating base is largely fixed with a stable population and little change expected in land use or economic development, it is Council's intention within this LTP to ensure that by reducing the future costs of existing levels of service, overall rates might remain affordable and that the rate burden is made as fair as possible across all ratepayers.

Balanced Budget

CHBDC has a view that each year of the LTP will have a balanced budget. In other words total revenue will match total expenditure.

An exception may be made where accelerated debt repayment is used to repay debt ahead of planned new debt funded capital expenditure.

Most years will show an operating surplus, as a portion of rates revenue will include amounts for the purchase of capital items.

Council does not fully fund depreciation, but funds renewals which are based on individual Activity Asset Management Plans or separate consultant reports.

Although not fully funded, the annual depreciation charge will contribute to a deficit or reduced surplus in any particular year of the LTP. Hence in this LTP, deficits are forecast in years 2014/15, 2017/18, 2019/20 and 2020/21. However in each of these years the depreciation expense exceeds the funded renewals of Council infrastructure as below:

	Annual plan	LTP									
	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22
	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000
Operating Surplus / deficit	2,394	396	71	-245	656	254	-306	292	-283	-985	34
Depreciation	9,868	11,050	11,528	12,006	12,512	12,909	13,464	13,995	14,530	15,327	15,928
Funded Depreciation	7,767	9,221	9,303	9,327	10,594	10,682	10,762	11,775	11,915	12,005	13,412
Unfunded depreciation	2,101	1,776	2,171	2,624	1,860	2,168	2,641	2,157	2,550	3,254	2,444
Net Cash Operating Surplus / deficit	4,495	2,224	2,295	2,434	2,574	2,481	2,396	2,512	2,332	2,337	2,549

Council have assessed that the funded level of renewals are adequate to maintain the integrity of Council's core infrastructure and as cash income exceeds cash expenditure in each of these years, Council believes the objective of a balanced budget is achieved.

Council also rates for some items, such as election expenses, in every year even though expenditures largely will occur in the year of an election. This enables the smoothing of rates to avoid one off jumps in rates. Funds are held in reserves for the purpose for which they were raised, until they are required.

It is also important that Council maintains adequate levels of reserves to meet natural and other disasters which might befall the District. Nearly \$1m of these funds were used to meet Council's share of the cost of reinstatement of the roading network following the April 2011 storms which affected coastal areas. These reserves require to be replaced, and it could be necessary to rate to rebuild these reserves. The timing of the rebuilding of these reserves should not however compromise the ability to fund operating and capital needs.

Public Debt

Council borrows for capital projects but does not borrow for operating expenses.

There are a number of funding options available to Council including issuing Debt Securities, bank borrowing and the private placement of debt.

Borrowing and security are included in Council's Liability Management Policy. Council gives security over special rates as its preferred method of providing security.

Council's current debt profile sees \$7.15m of existing debt from the projected debt at 30 June 2012 of \$11.1m repaid within 5 years. However \$13.3m of new debt to fund the capital projects on page 22 will require to be drawn down in the same period.

Council debt will peak at \$16.6m in 2017/18.

Unfortunately, the timing of the debt funded capital program is largely determined by consent or legislative requirements, and there are few options to spread the debt requirement over a longer period.

Council proposes that debt service costs will not exceed 10% of total revenue.

Investments

Council has prudently established reserves for special purposes, and holds these reserves in low risk conservative investments. These include funds set aside to repay maturing debt, fund future capital and operating costs and for emergency purposes.

Investments are governed by Council's Investment Policy.

Council's primary objective when investing is the protection of its investment, but generally Council aims to achieve a return equal to the 90 day bill rate on its non commercial investments.

These returns are credited to each reserve based on the opening balance of the reserve for the financial period.

However income earned from the management of surplus cash funds, is used to reduce corporate overheads.

Council holds a 34% share of Infracon Limited, as that company provides a number of critical services to Council, including road maintenance, the operation of water and sewerage treatment plants, landfill operations and maintenance of parks, reserves and cemeteries.

Council's investment in Infracon Limited is treated differently and the social wellbeing of the employment created in the District and economic wellbeing generated, is also considered.

The trading conditions in the construction industry remain grim and only a low level of dividend return of \$50k per annum from the Infracon investment is recognised in this LTP.

Development Contributions

Council will endeavour to charge up to 10% of the growth related portion of new capital projects to those who create the demand.

Grants and Subsidies

The level of income from grants is low, and generally funds received are administered and dispensed by Council in terms of the conditions attached to the particular grant.

However Council receives significant subsidy (58% for approved maintenance expenditure and 68% for capital projects) from the New Zealand Transport Agency towards the upkeep of Council's roading infrastructure.

This level of subsidy determines the level of rate funding required each year and the ability of Council to maintain its roading asset.

Other Significant Items

There are a number of critical factors which impact on this Financial Strategy including –

- The level and total of funding received from the New Zealand Transport Agency to subsidise maintenance and renewal of our roading network.
- The impact of Central Government legislative changes, particularly where these affect water and sewerage supply.
- The level of external sales of landfill space, which in turn reduces this Council unit cost.

Rates

Council has the highest proportion of rates within its total revenue, of all Hawke's Bay Councils.

Rates are therefore the primary source of income and there are few options for non rate funding, apart from subsidies received from the New Zealand Transport Agency for maintenance of the District's road network.

A formal rating review was conducted in 2005 and rating policies have been reassessed for each Activity and are contained in the Revenue and Financing Policy.

The majority of rates are collected on a uniform (as opposed to a differential) basis, using land value as an appropriate basis for land transport costs and capital value when it is considered wealth to be an appropriate basis for targeting a rate. Uniform annual charging is used when the benefit is considered to be shared equally by all ratepayers.

Currently 56% of rates are collected on a uniform basis with 30% collected as targeted rates from those connected to services, and 10% from a Uniform Annual Charge.

Council expects to face higher than household CPI inflation demand as a result of the large impact of oil, metals, and labour costs in Council's operations, as well as the increased levels of public debt. For this reason Council believes that the Local Government Cost Index is a more appropriate measure.

This will result in total rate increases over the next 10 years at a greater rate than incomes.

Unfortunately, the impact of increased borrowing on targeted rates would initially mean that these increases may not be uniform across all ratepayers.

However, by:

- Largely maintaining existing levels of service
- Restricting capital improvements
- Reviewing operating costs and Council's organisational structure

Council has set the following limits on rates -

To provide a degree of certainty, Council aims to maintain an overall increase in rate requirement at the annual Local Government Cost Index (ie LG CPI)

The actual rate increases we are proposing however will vary dependent on:

- *Increases in targeted rates where Council is required to meet consent or legislative requirements (eg Waipukurau/Waipawa sewer consents or meeting the Drinking Water standard)*
- *When three yearly increases in NZTA funding require an increase in equivalent rate funding in that year*

This is demonstrated below:

	Annual plan	LTP									
	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22
	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000
Total rates	15,671	16,262	16,706	17,469	18,558	18,739	19,248	20,146	20,293	20,757	21,943
Overall Rates Increase compared to previous year %		3.77	2.73	4.57	6.24	0.97	2.72	4.67	0.73	2.28	5.72
Increase in General Rates (Average over 10 years 3.6%)		3.81	3.51	2.87	8.43	0.24	2.18	5.15	0.99	1.96	6.94
Increase in Targeted Rates (Average over 10 years 3.1%)		3.70	1.04	8.32	1.61	2.62	3.91	3.63	0.16	3.01	3.03
Movement in LGCI (Average over 10 years 3.6%)		3.79	3.46	3.17	3.27	3.42	3.26	3.38	3.69	3.89	3.90

These limits apply to the average rate increases for individual properties and are dependent on a range of factors (such as property valuation, and connections to Council water and sewer systems).

Capital Expenditure planned for the District

<i>To replace existing assets</i>										
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Emergency Management	10	10	10	0	0	0	0	0	0	0
Land transport	7,992	8,009	8,024	9,234	9,251	9,270	10,333	10,356	10,381	11,787
Solid Waste	1,763	86	89	92	186	2,192	103	108	113	243
Water	534	534	1,206	570	591	636	638	665	696	728
Wastewater	3,000	590	4,833	731	966	892	705	736	770	805
Stormwater	185	192	199	205	213	221	230	240	251	262
Parks, Reserves & Pools	111	110	142	324	311	209	81	113	86	89
Public toilets	34	31	32	33	35	36	37	39	41	43
Retirement Housing	77	80	83	87	91	93	97	100	104	108
Libraries	80.5	80.5	80.5	80.5	80.5	80.5	80.5	80.5	80.5	80.5
Theatres, Halls & Museums	126	138	540	162	168	174	180	186	192	198
Cemeteries	39	40	41	42	44	45	46	48	49	51
Properties & Buildings	84	73	94	81	90	72	75	77	80	82
Total	14,037	9,973	15,374	11,643	12,024	13,921	12,605	12,749	12,842	14,478
<i>To improve the level of service</i>										
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Wastewater	0	0	0	0	0	494	494	0	0	0
Stormwater - 14	0	0	95	0	0	0	0	0	130	0
Parks, Reserves & Pools	0	60	0	0	0	0	0	0	0	0
Public toilets	75	0	0	0	0	0	0	0	0	0
Cemeteries	80									
Properties & Buildings										
Total	155	60	95	0	0	494	494	0	130	0

These include –

- \$3,989k for cell extensions to the landfill
- \$655k for filtration systems to Council water treatment plants to meet the New Zealand Drinking Water Standards by 2015
- \$6.6m to meet wastewater consent requirements for Waipukurau/Waipawa and \$183k for Porangahau/Te Paerahi, with a further provision of \$337k for possible work required for the Takapau wastewater plant when its consent is renewed in 2016
- \$75k towards the construction of public toilets in Takapau
- \$460k towards the refurbishment of the Civic Theatre in 2014
- \$60k towards the construction of a children's play area in Russell Park

What will it cost?

The preceding pages have outlined the issues facing the District, and the Financial Strategy Council has adopted as a consequence.

Consultation on this LTP will enable ratepayers to comment on the proposed changes and the steps Council is planning for the future of Central Hawke's Bay.

Further on in our LTP, there are details on each Activity, rating structures and the financial reports covering the 10 years of plan, but the important question now is "What does this mean to you?"

Below is a table showing the proposed operating and capital expenditure, and how this is to be funded.

	Annual plan 11/12 \$' 000	LTP 12/13 \$' 000	13/14 \$' 000	14/15 \$' 000	15/16 \$' 000	16/17 \$' 000	17/18 \$' 000	18/19 \$' 000	19/20 \$' 000	20/21 \$' 000	21/22 \$' 000
Income											
Non targeted Rates (Gen 3459k UAC 1612 Land 6061)	10,724	11,132	11,522	11,854	12,853	12,884	13,164	13,842	13,978	14,252	15,241
Targeted Rates	4,947	5,130	5,184	5,615	5,705	5,855	6,084	6,305	6,315	6,505	6,702
Interest	296	500	553	532	524	575	514	585	663	649	696
Fees and Charges	2,630	2,734	2,800	2,864	2,932	3,005	3,072	3,142	3,221	3,308	3,397
Grants Recd	6,310	6,792	6,752	6,713	7,718	7,719	7,719	8,570	8,571	8,572	9,671
Development Contributions	97	23	23	23	23	23	23	23	23	23	23
Dividend	50	50	50	50	50	50	50	50	50	50	50
Total Income	25,054	26,361	26,884	27,650	29,805	30,110	30,626	32,516	32,821	33,358	35,780
Operating Expenditure											
Operating Expenditure	12,211	14,151	14,519	14,811	15,572	15,926	16,371	17,061	17,453	17,949	18,805
Depreciation	9,868	11,050	11,528	12,006	12,512	12,909	13,464	13,995	14,530	15,327	15,928
Interest	582	765	767	1,078	1,066	1,021	1,097	1,169	1,120	1,067	1,013
Total Expenditure	22,661	25,965	26,813	27,895	29,149	29,855	30,932	32,224	33,104	34,343	35,746
Operating Surplus / deficit	2,392	396	71	-245	656	254	-306	292	-283	-985	34
Capital Expenditure											
Renewals	7,900	9,372	9,440	9,504	10,926	11,005	10,975	11,915	12,058	12,152	13,564
New Work	2,516	4,820	593	5,965	717	1,019	3,439	1,184	690	820	913
Total Capital Expenditure	10,416	14,191	10,033	15,469	11,643	12,024	14,414	13,099	12,749	12,972	14,478
Funded By											
Loans	1,198	3,935	0	5,387	87	388	2,799	480	0	130	126
Reserves	167	11	60	46	14	14	23	14	0	0	0
Development Contributions	7,767	9,221	9,303	9,327	10,594	10,682	10,762	11,775	11,915	12,005	13,412
Funded Depreciation	402	341	0	0	0	0	0	0	0	0	0
Special funds	540	370	370	370	429	429	429	480	480	480	547
Grants	342	312	300	339	519	511	401	350	353	358	392
Cash from operating	10,416	14,191	10,033	15,469	11,643	12,024	14,414	13,099	12,749	12,972	14,478
Total Funding	10,416	14,191	10,033	15,469	11,643	12,024	14,414	13,099	12,749	12,972	14,478
Additional Waste Water Rates to accelerate Debt Repayment	244										
Catastrophic events fund		0	50	250	150	200	200	150	0	0	0
Emergency Reinstatement		0	0	0	0	0	0	0	0	0	0
Debt repayment - principal	827	916	895	815	822	635	719	811	699	712	772
Unfunded depreciation	957	1,776	2,171	2,624	1,860	2,168	2,641	2,157	2,550	3,254	2,444
Total rates	15,671	16,262	16,706	17,469	18,558	18,739	19,248	20,146	20,293	20,757	21,943
Overall Rates Increase compared to previous year %	3.77	2.73	4.57	6.24	0.97	2.72	4.67	0.73	2.28	5.72	
Increase in General Rates (Average over 10 years 3.6%)	3.81	3.51	2.87	8.43	0.24	2.18	5.15	0.99	1.96	6.94	
Increase in Targeted Rates (Average over 10 years 3.1%)	3.70	1.04	8.32	1.61	2.62	3.91	3.63	0.16	3.01	3.03	
Movement in LGCI (Average over 10 years 3.6%)	3.79	3.46	3.17	3.27	3.42	3.26	3.38	3.69	3.89	3.90	

The table above incorporates two distinct Statements, an operating statement showing revenues and operating expenditure, and a capital/reserves statement.

Operating expenditure includes costs associated with running facilities and activities on a day to day basis. This includes maintenance, labour costs, depreciation, contract costs and energy. Operating expenditure is generally funded from rates, and fees and charges.

Capital expenditure consists of the costs of renewing or improving services or building new infrastructure. New work includes, for example, new treatment plants and landfill expansion. Capital expenditure is generally funded through loans and Development Contributions, with capital renewals of assets funded by rates.

The Operating Surplus consists of funding for renewals (shown as Cash from Operating in the Capital Statement), grants from the NZTA for capital roading projects, Development Contributions received in the current

year to be transferred to reserves, interest on special funds, dividends transferred to reserves and amounts to be set aside for the future repayment of debt. There is also a reserve transfer to smooth rate changes during the 10 year period. The operating surplus is therefore an amount either required to be set aside in reserves for specific purposes, or represents amount to be spent on capital expenditure. The operating surplus does not represent a "profit".

The interest income is largely credited to the various funds Council have in the past set aside for specific purposes.

Dividend income, derived from Council's minority shareholding in Infracon Limited – has been set at levels considered prudent for planning purposes. However shareholders in the company, whilst recognising the challenging environment in which the company operates, will be working to ensure more appropriate returns are achieved.

Rate Samples

So what does this mean for you?

The proposed charges for rates over the next three years will vary according to where you live in the District, and the services you receive.

Rates Samples

PROPERTY DESCRIPTION			2009 VALUES		HISTORIC RATES			PROPOSED RATES		
Type	District	Value	Land Value	Capital Value	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Residential town	Waipukurau	Low	20,000	113,000	1669	1707	1862	1896	1934	2069
Residential town	Waipukurau	Medium	86,000	210,000	2099	2060	2223	2263	2296	2442
Residential town	Waipukurau	High	85,000	275,000	2221	2183	2347	2386	2414	2563
Residential town	Waipawa	Low	32,000	160,000	1783	1836	1984	2019	2054	2192
Residential town	Waipawa	Medium	32,000	180,000	1819	1875	2023	2058	2091	2230
Residential town	Waipawa	High	27,000	280,000	1968	2053	2204	2238	2263	2405
Residential town	Otane		70,000	205,000	1648	1723	1885	1930	1992	2127
Residential town	Porangahau	Low	55,000	97,000	1504	1581	1740	1780	1834	1966
Residential town	Porangahau	High	55,000	245,000	1636	1723	1885	1930	1993	2128
Residential town	Takapau		25,000	126,000	1489	1533	1690	1728	1782	1912
Residential town	Takapau	Lifestyle	270,000	430,000	1777	1937	1995	2057	2142	2211
Residential town	Tikokino		60,000	185,000	559	661	658	673	698	717
Beach	Blackhead		400,000	700,000	2070	2014	2055	2118	2195	2256
Beach	Kairakau		215,000	440,000	1834	1808	1861	1917	2001	2064
Beach	Mangakuri		460,000	820,000	2505	2281	2331	2403	2490	2560
Beach	Te Paerahi	Low	265,000	325,000	2370	2330	2515	2581	2661	2819
Beach	Te Paerahi	Medium	410,000	650,000	3093	3009	3214	3304	3413	3591
Rural	-	Lower	290,000	300,000	1227	1305	1341	1387	1431	1475
Rural	-	Lower	370,000	415,000	1646	1617	1664	1721	1777	1831
Rural	-	Lower	265,000	295,000	1310	1237	1271	1314	1357	1398
Rural	-	Medium	920,000	1,020,000	3685	3587	3701	3828	3951	4073
Rural	-	Medium	890,000	1,635,000	4276	4102	4226	4369	4531	4657
Rural	-	Medium	970,000	1,070,000	4057	3761	3882	4014	4144	4271
Rural	Aramoana	High	3,100,000	3,630,000	12365	11597	11983	12392	12800	13189
Rural	Ruataniwha	High	3,400,000	3,800,000	14930	12518	12937	13379	13814	14237
Rural	Ruahine	High	7,120,000	7,745,000	23802	25699	26571	27478	28365	29240
Rural	Ruahine	High	1675000	2200000	5900	6626	6840	7073	7314	7531
Commercial	Waipukurau		200,000	560,000	4998	5254	5840	5938	5989	6463
Commercial	Waipawa		56,000	83,000	1767	1851	1992	2039	2082	2219
Industrial	Waipukurau		195,000	400,000	2826	3303	3608	3674	3699	3957

(GST inclusive)

3. Significant Assumptions

One of several key components of the Long Term Plan is the disclosure of significant forecasting assumptions and risks underlying the financial estimates. Due to the nature of the LTP as a strategic plan looking forward into the not so distant future, we must ensure the information on which decisions within the LTP have been made are reasonable and present minimal risk.

According to Schedule 10 of the Local Government Act 2002, which dictates the contents of the LTP, where there is a high degree of uncertainty we must identify the uncertainty and estimate the potential effects of that uncertainty on the financial estimates.

The forecasting assumptions include such matters as:

- Useful life of significant assets
- Sources of funds for the future replacement of these significant assets
- Growth (population vs. household) and demand
- Inflation
- Depreciation

Forecasting Assumptions do not include statements of fact that fall within the decision making discretion of the Council, nor do they include reasonably unlikely events or probabilities about which an assumption needs to be made. Such matters are included in the Activity Statements or description of activity groups in this document.

List of Significant Assumptions
(Last updated: 22 December 2014)

Forecasting Assumption	Risk	Likelihood of Occurrence	Financial Effect	Effect of Uncertainty																																												
KEY ASSUMPTIONS																																																
<p>Inflation - Business and Economic Research Ltd (BERL) provides independent Local Government Cost Index (LGCI). The numbers used are the confirmed figures from October 2011.</p> <table><thead><tr><th></th><th>Overall LGCI</th><th>Operating expenses</th><th>Capital expenses</th></tr></thead><tbody><tr><td>Jun-13</td><td>3.79</td><td>3.39</td><td>4.31</td></tr><tr><td>Jun-14</td><td>3.46</td><td>3.13</td><td>3.88</td></tr><tr><td>Jun-15</td><td>3.17</td><td>3.04</td><td>3.34</td></tr><tr><td>Jun-16</td><td>3.27</td><td>3.17</td><td>3.41</td></tr><tr><td>Jun-17</td><td>3.42</td><td>3.25</td><td>3.63</td></tr><tr><td>Jun-18</td><td>3.26</td><td>2.83</td><td>3.8</td></tr><tr><td>Jun-19</td><td>3.38</td><td>2.86</td><td>4.03</td></tr><tr><td>Jun-20</td><td>3.69</td><td>3.18</td><td>4.31</td></tr><tr><td>Jun-21</td><td>3.89</td><td>3.35</td><td>4.54</td></tr><tr><td>Jun-22</td><td>3.90</td><td>3.31</td><td>4.61</td></tr></tbody></table>		Overall LGCI	Operating expenses	Capital expenses	Jun-13	3.79	3.39	4.31	Jun-14	3.46	3.13	3.88	Jun-15	3.17	3.04	3.34	Jun-16	3.27	3.17	3.41	Jun-17	3.42	3.25	3.63	Jun-18	3.26	2.83	3.8	Jun-19	3.38	2.86	4.03	Jun-20	3.69	3.18	4.31	Jun-21	3.89	3.35	4.54	Jun-22	3.90	3.31	4.61	That inflation will be significantly higher than projected. These are national figures, with insufficient data to prepare robust local figures.		Moderate	May mean improvement projects will be cancelled or levels of service reduced.
	Overall LGCI	Operating expenses	Capital expenses																																													
Jun-13	3.79	3.39	4.31																																													
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<p>Population Growth – Population growth has been allowed for at a rate equivalent to the medium projection made by Statistics NZ. (Source: Statistics NZ Projected Population) – currently 13,480 (June 2011).</p> <table><thead><tr><th>2012</th><th>2022</th><th></th></tr></thead><tbody><tr><td>13480</td><td>13140</td><td>-2.52%</td></tr></tbody></table>	2012	2022		13480	13140	-2.52%	<p>That population growth is higher than predicted.</p> <p>That population growth is lower than predicted.</p>	<p>Low</p> <p>Moderate</p>	<p>Low</p> <p>Low</p>	<p>Will put pressure on Council to provide additional infrastructure and services. Small increases can be covered, but extensions into new subdivisions will be costly.</p> <p>May put pressure on Council to maintain existing infrastructure and services while the rating base falls.</p> <p>Official population projections are based on a standard set of variables that do not tend to change quickly (fertility, mortality and migration).</p>																																						
2012	2022																																															
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Forecasting Assumption	Risk	Likelihood of Occurrence	Financial Effect	Effect of Uncertainty									
<p>Population and Age Breakdown -</p> <table><tr><th></th><th>Total population</th><th>% above 65 years</th></tr><tr><td>2012</td><td>13480</td><td>15.5</td></tr><tr><td>2026</td><td>13140</td><td>26.4</td></tr></table>		Total population	% above 65 years	2012	13480	15.5	2026	13140	26.4	There will be a decline in the ability to pay measures, with more people on fixed incomes.			Levels of service could be at risk.
	Total population	% above 65 years											
2012	13480	15.5											
2026	13140	26.4											
<p>Housing Growth –</p> <p>Total new Households per year: 40 to 2016, less than 10 to 2022</p> <p>This is based on housing growth not declining with the population as there has been a trend to a lower number of people per household. Demographic trends show growth is likely to occur in urban areas. Statistics NZ</p>	<p>That housing growth is higher than predicted.</p> <p>That housing growth is lower than predicted.</p>	<p>Moderate</p> <p>Moderate</p>	<p>Low</p> <p>Low</p>	<p>Will put pressure on Council to provide additional infrastructure.</p> <p>Lower number of ratepayers to fund Council activities. Affordable Levels of service are at risk.</p>									
<p>Economic Growth</p> <p>Although only limited economic growth has been recognised in this LTP – it is nevertheless important that there should not be negative growth (or a decline) in the District.</p>	That the number of businesses and employees reduces.	Moderate	Low	Lower affordability, decrease in rate payers									
<p>Water Storage Dam – A water storage project will have a significant impact on the District, but remains dependent on the successful completion of the feasibility study, the obtaining of resource consents and funding for the project.</p> <p>The current District Plan review will consider the impacts that the water storage scheme will have on Central Hawke’s Bay – but there is no provision in this LTP for any impact from this scheme.</p>	That increased infrastructure including roads, will be required, without a corresponding increase in income.	Moderate	Low	The impact is not considered likely in the ten years of this LTP.									
Climate Change and Natural Disasters - Climate change predictions are that storm events will become more frequent and more intense.	Emergency work is required that exceeds normal budgets and the Catastrophic Events fund.	Low to Moderate	High	The potential effect of a natural disaster on Council is dependent upon the scale, duration and location of the event. At the time of such an event, the Council can apply to NZTA for additional funding.									

Forecasting Assumption	Risk	Likelihood of Occurrence	Financial Effect	Effect of Uncertainty
				Council also holds funds in Reserve to assist in payment of Council's share of any such event – as occurred with the post Easter 2011 flooding in coastal areas.
Earthquake prone building policy review- This national review will be conducted once the finding of the Royal Commission on the Canterbury Earthquakes has reported back late in 2012. The current policy is likely to require earthquake strengthening to be completed in less than the current 20 years allowed and/ or to a higher standard. No funding has been allocated currently, as it is outside the time of the plan.	That earthquake strengthening is required sooner and/ or to a higher standard than currently required.	Moderate to high	Unknown	Four Council buildings have been identified as requiring an engineering report.
Interest Rates – Interest on debt is calculated at 8% per annum. Interest on investments is calculated at 7% per annum. In both cases the interest rate assumed is based on a mix of age and maturity to provide an average rate.	Interest rates will be significantly higher than projected.	Low	A change of 1% on interest cost would increase costs by \$178k.	The cost of debt servicing of many 'big ticket' items in the Long Term Plan such as water treatment and oxidation pond upgrades may be underestimated.
New Zealand Transport Agency subsidy (NZTA) – Subsidy rates and criteria will remain the same or similar. Level of funding will increase by Berl.	The subsidy rate may fall, reducing the amount of subsidy paid to Council. The level of funding from NZTA increase at a lower rate than Berl.	Low for 3 years, then high	Moderate	The subsidy is the largest source of Council revenue after rates and is projected at a base rate of 58%. This is set for 3 years, then will be reviewed within the Hawke's Bay Region. Of greater concern is that if the total subsidy available is reduced, this could have a longer term detrimental effect on our network. Levels of service may have to reduce if subsidy rates or level of funding decreases.
Fuel Costs and road resealing costs - based on Berl figures at present, but likely to increase all costs.	May increase more than forecast, flowing through to other costs.	Moderate	Moderate	This could result in increasing both operational and capital costs and affecting the timing of projects or levels of service.

Forecasting Assumption	Risk	Likelihood of Occurrence	Financial Effect	Effect of Uncertainty
Major capital projects –The wastewater treatment plant upgrades(Capital cost \$8m)required to meet the new resource consent conditions will be the largest project ever undertaken by the Council. Until resource consents are obtained and final design and tendering is completed, the accurate costs cannot be known. The estimates used in the LTP are based on consultants' advice and are not currently contracted.	The cost of the proposed treatment option are based on estimates provided by consultants and may differ from the final option adopted once consent requirements are known and the design of the project is finalised.	Moderate	Moderate	The costs could exceed estimates and require a review of the timing and funding of the project.
Funding Sources Council is dependant on a number of sources of income through fees and charges. These are usually levied on a user pays basis.	User charges may not be achievable.	Moderate in some activities	Moderate in some activities	<p>This may occur through changes in major businesses or reduction of revenue without the ability to reduce costs, especially in landfill income.</p> <p>There are significant increases in Regulatory user charges forecast in this LTP to reduce the level of general rate to support these Activities. However Council is confident that these increases are achievable.</p>
Revaluation – Annual Berl figures have been used to estimate changes in asset valuation for calculating depreciation.	A revaluation may alter the depreciation expense.	Moderate	Low	Although actual renewals may vary from the Berl estimates, this will have a Income Statement (but not cash effect) as maintenance of infrastructure is funded based on asset management plans.
Depreciation – based on Berl figures as above. New capital works will be depreciated according to their expected life for utilities and roading. Landfill capital improvements will not increase depreciation for rating, as it has a finite asset life and post closure costs are covered.	That depreciation is not being collected at the correct level.	Moderate	Low	Ratepayers are faced with loans and debt servicing costs to replace existing assets at the end of their lives.

Forecasting Assumption	Risk	Likelihood of Occurrence	Financial Effect	Effect of Uncertainty
Asset Life – the useful life of assets is as recorded in Asset Management Plans.	Assets wear out earlier than expected.	Low	Low	Asset lives are robust estimates established by engineers and valuers. Capital projects could also be brought forward in the event of early expiration of assets. In addition, some assets may last longer than expected.
Contracts – there may be significant variations in terms of price from the re-tendering of operations and maintenance contracts.	There is a significant variation in price from re-tendering contracts.	Low year 1-3 Medium years 4-10	Low Medium	Tenders are currently more competitive than in previous years. The risk is likely to come from fluctuating input prices – fuel, construction materials. If contract prices were to increase significantly, Council would be forced to review the amount of work programmed and undertaken.
Renewal Works Costs – Renewals to replace existing assets is based on: <ul style="list-style-type: none"> Asset management plans Consultants' advice 	The real cost of renewals exceeds the budgeted amount.	Moderate	Moderate	Ratepayers are required to fund additional costs to maintain the level of service.
Capital Works Costs – the costs of major capital works will not vary significantly from the estimates at concept stage.	That some project costs are greater than estimated, resulting in increased debt levels.	Moderate to High	Moderate	Council has less confidence in the long-term regarding the costs of capital projects due to fluctuations in the economy, growth patterns, consent conditions etc.
Central Government Reform - There will be no effect of central government-initiated structural reforms in areas such as land transport, emergency management, or further devolution.	There will be structural reforms initiated by central government that impact on local government.	Moderate		While change is likely, the implications cannot be quantified. In addition, some changes may result in positive outcomes for the Council, where responsibility for activities passes from Council to central government agencies.
No changes to government funding regimes – including petrol tax and grant schemes.	Central government will remove or alter funding schemes.	Low to Moderate	Low to Moderate	The Council receives approximately \$130,000 as our local share of petrol tax, \$13,000 from Creative New Zealand (on a population basis), and \$5,000 from Sport and Recreation New Zealand annually. The withdrawal of this funding would put pressure on Council to make up for it.

Forecasting Assumption	Risk	Likelihood of Occurrence	Financial Effect	Effect of Uncertainty
No changes to legislation likely to increase the cost of service delivery.	Recent legislation – such as the Waste Minimisation Act – have introduced costs to Council – not all of which are recoverable through user charges.	Moderate	Moderate	Asset Management Plans take account of known legislative changes – but the passing on of central government costs without the ability to recover these costs in user charges will have a direct impact on the rating base.
Levels of Service - No changes to levels of service are proposed, either in terms of increasing or reducing them so that they impact on asset requirements or operating costs unless otherwise stated in Activity Statements.	That there are significant changes in customer expectations.	Low	Low	<p>The community has largely defined the levels of service taking into account what they receive and how much they are prepared to pay for that level of service.</p> <p>The LTP does stress that rate funds are limited and that community funds might be necessary to upgrade recreational assets or to meet major renewal expenditure.</p>
Shared services / amalgamation of Hawke's Bay Councils Further investigations of various forms of shared services continue, but no effects have been predicted in this LTP.	N/A	N/A	N/A	
Emissions Trading Scheme (ETS) This LTP takes no account of any flow on cost increases – or reduction in Landfill revenue which might occur as a result of the ETS. Instead, Council is to hedge its future ETS liability and recover this cost through increased fees and charges at the time.	The value of NZUs required to be purchased to meet Council's liability exceed the value of NZUs hedged and funded through Fees and Charges.	Moderate	Moderate	There could be an unfunded liability - although monitoring of tonnages received into the landfill through the year will allow an adjustment to Fees and Charges to reduce this liability. It is also likely that any significant increases will be attributable to specific customers and adjustments can be negotiated with those customers.

Forecasting Assumption	Risk	Level of Uncertainty	Effect of Uncertainty
FINANCIAL ASSUMPTIONS			
Term of loans – future loans will be taken out for a 20 year term, but are dependent on the liquidity of financial markets at that time.	That banks will not lend money for this term.	Low	Non availability of capital may restrict planned capital projects.
Securities Amendment Act – This will allow the Council the option of borrowing on its own account.	Interest rates may be cheaper than 8% during the life of the LTP.		Reduced cost of borrowing.
Council-Controlled Organisations - Council will continue to have a shareholding in Infracon, through its 100% holding in Tamatea Ltd.	Council's CCO does not perform financially or operationally which impacts adversely on costs in this LTP and dividend returns.	Low	This shareholding is listed as a significant asset in Council's Significance Policy.
Property values - Relative property values used for rating basis remain constant throughout the district over the 10 years of the plan.	Some parts of Central Hawke's Bay may have larger increases in rateable value than others.	Low	This could affect the affordability of rates in some parts of the district. In extreme cases these may mean a review of how rates are applied over the district.
Vested Assets – No vesting of assets has been included in the LTP.	N/A	N/A	N/A
Goods and Services Tax (GST) – GST is excluded from all financial statements, with the exception of accounts receivable and payable, and the funding impact statement. GST cannot be claimed on the Retirement Housing Activity.	N/A	N/A	N/A
Rates Increases The expected annual rates increase charged by the Council to activities incurring rates over the next 10 years will be based on Berl.	Rates are significantly higher than projected.	Low	Low impact as rates costs do not make up a major proportion of total costs.
Insurance – Insurance costs are based on 2011/12 costs of renewal - \$259k plus annual Berl increases with no effect of 3 yearly revaluations.	That these costs are significantly higher than budgeted.	High	Insurance may be targeted to cover only key assets to reduce costs.

Forecasting Assumption	Risk	Level of Uncertainty	Effect of Uncertainty
ACTIVITY SPECIFIC ASSUMPTIONS			
Knowledge Base – that consultants employed to prepare Asset Management Plans are expert and experienced at producing Asset Management Plans.	As a result of consultant's errors Council does not set aside sufficient funds to maintain its infrastructural assets.	Low	Renewals and maintenance of assets is underfunded which impacts on the life and replacement of affected assets.
Regulatory Services Changes No changes in Building Control, Food Premises and Liquor Regulations have been included , although possible changes have been flagged by Government.	Central Government legislation causes increased operating costs to Council.	Low	Increased costs require to be met from increased user charges or rates.
Growth in Rooding Use - (Source: Rooding AMP prepared by Opus) Arterial and Distributor routes (Opus AMP): Increase per annum Average daily traffic 2% Heavy vehicles 3% - 5%	The assumptions allowed are insufficient.	Low	Data is collected from regular traffic count surveys. Traffic use is increasing higher than population/housing as it is independent of population and is driven more by economic growth, tourism etc.
Land transport regulation – There will be no significant changes in regulation over the LTP period.	That the regulation changes increase the ratepayer share of the rooding costs.	Moderate	Over the second half of the plan period. This could affect the affordability of the levels of service. Changes could also be positive.
Bridge Renewal - As part of the annual bridge condition survey four bridges have been identified as requiring further work. Further surveys could identify more bridges requiring additional spending.	This may change the funding requirement from ratepayers.	Low- first 5 years Mod - second 5 years	
Landfill operation costs A waste management and minimisation plan (WMMP) was required to be adopted under the Waste Management Act 2008 by July 2012. By adopting a WMMP Council is required to comprehensively review all of the existing waste management practices, to help achieve effective and efficient waste management and minimisation within their districts. The Council is selling landfill space to offset the operating costs of the landfill. This plan assumes the income level remains at budgeted levels. Landfill cell extensions included in this LTP are dependent on volumes received into the landfill – and timings of cell extensions may change.	Budgeted sales are not achieved	Low to Moderate	Current problems exist through the closure of the Manawatu Gorge – where alternative routes make the transport of waste to CHB uneconomical. Whilst this is an extraordinary event – it does show that the economics of achieving budget sales have very thin margins for customers. Council does have an exposure to external sales income and a relatively small pool of potential customers.

4. Community Outcomes

Councils exist, under legislation to meet the social, economic, environmental and cultural well being of their communities. Communities express the importance of each of these well beings through "Community Outcomes".

Review of Community Outcomes

Earlier LTPs featured Community Outcomes which had been formulated on a regional and collective basis, and performance measures were developed around each to allow a transparent evaluation of the levels of service provided by Council, and whether or not this had been achieved. These outcomes belong to the community, they are not Council outcomes.

Changes to the Local Government Act have "reframed" Community Outcomes, as the Council's contribution towards community wellbeing i.e. what the Council's role should be within the community.

Council has therefore reviewed:

- The Activities and Services currently provided
- Considered how these contribute towards Community Outcomes
- Determined if any changes should be made.

Because this Council already has a significant bias towards expenditure on core services, perhaps not unsurprisingly the Activities and Levels of Service in this LTP are largely unchanged from the 2009/19 LTCCP.

This is also reflected in our Financial Strategy, in that:

- Council believes it should maintain existing levels of service as far as possible.
- Capital improvements will be restricted to meeting growth demand and maintaining Council's infrastructure assets.

The Community Outcomes and Activities and how these meet the well beings of the Central Hawke's Bay Community, are summarised below -

Wellbeing	Community Outcome	Council Contribution by Activity to meet the Community Outcomes									
		Leadership, Governance, Consultation	Economic & Social Development	District Planning	Landuse & Subdivision Consents	Building Control	Public Health	Animal Health	Emergency Management	Bylaws Parking & Litter	Land Transport
<i>Social and Cultural – A healthy, safe place to live</i>	Safe and healthy communities through a range of Council regulatory responsibilities.	√				√	√	√	√	√	
	Risks to public health are identified and appropriately managed	√				√	√	√	√	√	√
<i>Social and Cultural– A desirable place to live</i>	People are involved in their local community and have a vision for their future	√	√								
	People have a range of opportunities to participate in leisure, cultural and learning activities	√									
	Our historic and cultural heritage is protected for future generations	√									
<i>Economic – A place with a thriving economy</i>	Central Hawke's Bay District is well promoted as a good place to do business and visit	√	√	√	√						
	Central Hawke's Bay District has an efficient and affordable roading, waste and water infrastructure	√									√
<i>Environmental – A place that is environmentally responsible</i>	We plan to develop sustainably and with minimal environmental impact	√		√	√						
	We encourage recycling, and manage the rest in a sustainable way.	√									
	We plan and manage water use and wastewater disposal to minimize the effect on the environment	√									

Wellbeing	Community Outcome	Council Contribution by Activity to meet the Community Outcomes										
		Solid Waste	Water	Wastewater	Stormwater	Parks	Public Toilets	Retirement Housing	Libraries	Theatres & Halls	Cemeteries	Property & Buildings
<i>Social and Cultural – A healthy, safe place to live</i>	Safe and healthy communities through a range of Council regulatory responsibilities.											
	Risks to public health are identified and appropriately managed	√	√	√	√		√	√			√	√
<i>Social and Cultural– A desirable place to live</i>	People are involved in their local community and have a vision for their future					√		√		√	√	√
	People have a range of opportunities to participate in leisure, cultural and learning activities					√			√	√		
	Our historic and cultural heritage is protected for future generations					√				√	√	
<i>Economic – A place with a thriving economy</i>	Central Hawke’s Bay District is well promoted as a good place to do business and visit					√			√	√		
	Central Hawke’s Bay District has an efficient and affordable roading, waste and water infrastructure	√	√	√	√							
<i>Environmental – A place that is environmentally responsible</i>	We plan to develop sustainably and with minimal environmental impact											
	We encourage recycling, and manage the rest in a sustainable way.	√										
	We plan and manage water use and wastewater disposal to minimize the effect on the environment		√	√	√							

Performance Measures

In order for ratepayers to evaluate Council's performance, these Activities must be supported by quantifiable Performance Measures.

For instance, the Library opening hours are convenient to customers or, wastewater is managed without risk to public health.

To assist Council define its Services and relevant Performance Measures, Council called for feedback from ratepayers in late 2011 and this feedback has been considered in the preparation of this LTP.

As a result, there have been a number of changes from the Performance Measures from the 2009/19 LTCCP.

Key measures identified to assess achievement towards community outcomes are presented below, with further details in Section 5 of this LTP.

All performance measures will be reported in each Annual Report in order that ratepayers can assess how well Council is achieving the objectives it has set.

Key measures identified to assess achievement		
Community Outcomes	Measures to ensure we are achieving outcomes	Performance targets established in Activity
Safe and healthy communities through a range of Council regulatory responsibilities.	<ul style="list-style-type: none"> Measure compliance within Building, public health animal control, emergency management and bylaws activities against regulatory standards designed to ensure safe and healthy communities 	<ul style="list-style-type: none"> 5,6,7,8,9
Risks to public health are identified and appropriately managed	<ul style="list-style-type: none"> All Council owned properties have current building warrants of fitness Measure the trend in accident statistics relevant to the road network Meet required safety standards for landfill, water, wastewater and stormwater 	<ul style="list-style-type: none"> 5, 17, 19,21 10 11, 12, 13, 14
People are involved in their local community and have a vision for their future	<ul style="list-style-type: none"> Ensure the public has adequate opportunity to participate in open, transparent decision making of the Council, through meetings, reports, plans and other consultation Involve a range of sectors of the community through: consultation with Te Taiwhenua, Positive Ageing and Youth Strategies Provide access to community facilities such as parks, reserves, pools, libraries, theatres and halls 	<ul style="list-style-type: none"> 1 2 15, 18, 19, 21
People have a range of opportunities to participate in leisure, cultural and learning activities	<ul style="list-style-type: none"> Ensuring all facilities are accessible, including pools, camping grounds, libraries, museums, through their opening hours Ensuring all facilities, including parks, reserves and cemeteries, are well maintained through audit of the management contracts and response to service requests 	<ul style="list-style-type: none"> 15, 18, 19 15, 16, 20

Our historic and cultural heritage is protected for future generations	<ul style="list-style-type: none"> Ensuring war memorials and cemeteries are well maintained through audit of the management contract and response to service requests Provide current and accessible cemetery records to the public Ensure the museum is accessible to the public, through opening hours 	<ul style="list-style-type: none"> 15, 20 20 19
Central Hawke's Bay District is well promoted as a good place to do business and visit	<ul style="list-style-type: none"> Develop and monitor Economic Development Strategy and District Plan to facilitate growth and development Ensure CHB Promotions meets its objectives, including providing a visitor information centre and organizing the annual Lamb Country festival Providing facilities attractive to visitors, including parks, reserves, pools, camping grounds, libraries, theatres, halls museums 	<ul style="list-style-type: none"> 2, 3, 4 2 15, 18, 19
Central Hawke's Bay District has an efficient and affordable roading, waste and water infrastructure	<ul style="list-style-type: none"> Roads meet road roughness rating measures set Customer satisfaction with solid waste is surveyed biennially Ensure continuity of supply by completing repairs to water and wastewater faults within specified timeframes Measure incidences of failures in solid waste, wastewater and stormwater to ensure they do not exceed the targets. 	<ul style="list-style-type: none"> 10 11 12, 13 11, 13, 14
We plan to develop sustainably and with minimal environmental impact	<ul style="list-style-type: none"> Develop and monitor the District Plan to balance the use and development of natural and physical resources against the long term sustainability of the district 	<ul style="list-style-type: none"> 3, 4
We encourage recycling, and manage the rest in a sustainable way.	<ul style="list-style-type: none"> Achieve waste diversion targets through the transfer stations and recycling programmes 	<ul style="list-style-type: none"> 11
We plan and manage water use, wastewater and waste disposal to minimize the effect on the environment	<ul style="list-style-type: none"> Meet environmental standards by complying with resource consent requirements 	<ul style="list-style-type: none"> 11, 12, 13

5. Groups of Activities

This section includes a summary of the levels of service/activities provided by Council.

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

1. Community Leadership
2. Planning and Regulatory
3. Land Transport
4. Solid Waste
5. Water Services
6. Wastewater (Sewerage)
7. Stormwater
8. Recreation and Community Facilities

These eight groups cover twenty-one separate activities as follows:

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
9. Bylaws

Land Transport Group

10. Land Transport

Solid Waste Group

11. Solid Waste

Water Supplies Group

12. Water Supplies

Wastewater (Sewerage) Group

13. Wastewater (Sewerage)

Stormwater Group

14. Stormwater

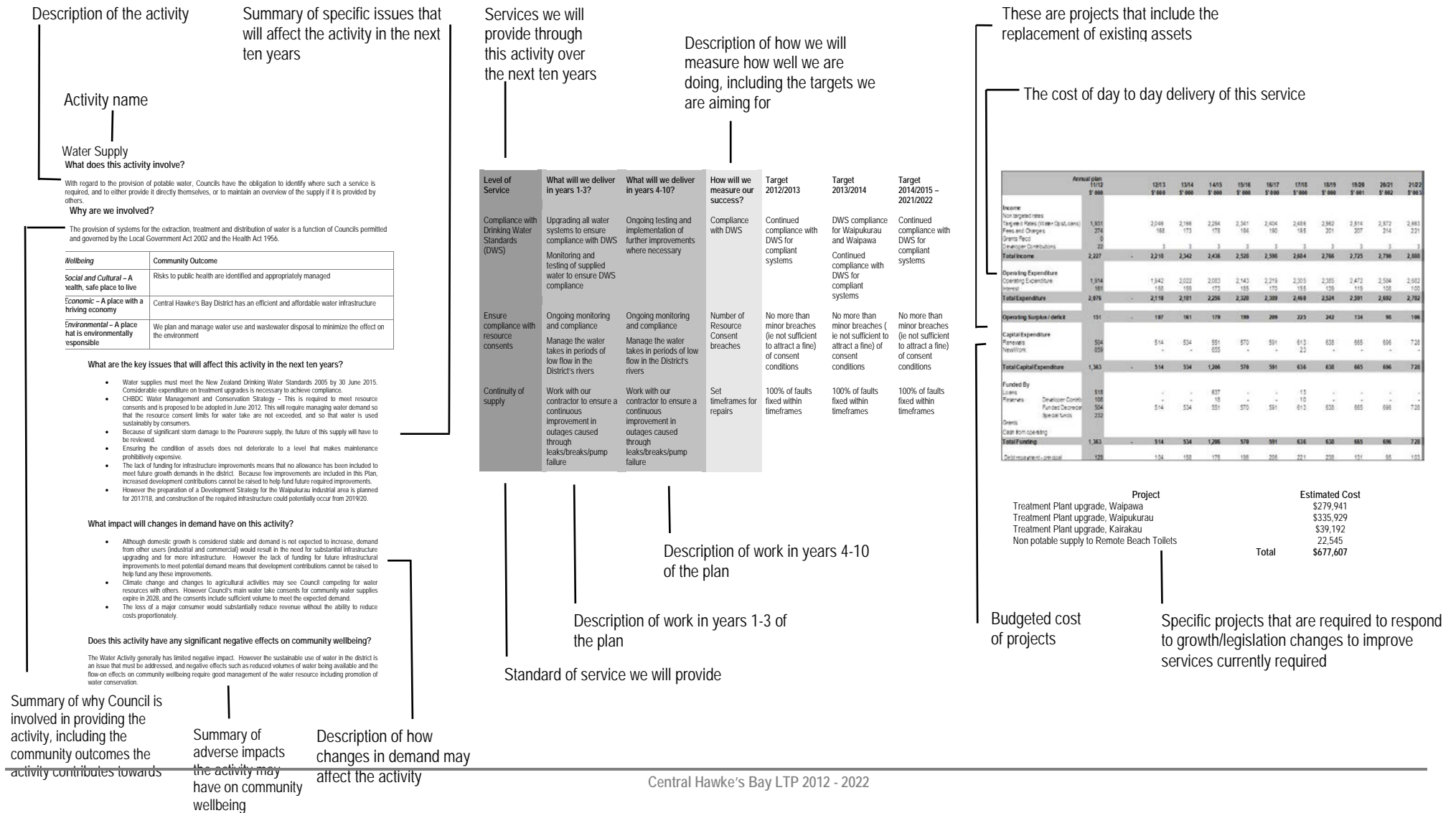
Recreation and Community Facilities Group

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

Activities

Council has twenty one activities, as shown on the previous page.

The following diagram gives an explanation of how this section has been laid out and what the various parts mean. Levels of service have been simplified to represent the items that are of critical importance to rate payers. The change in the levels of service between the 2009/19 and 2012/22 LTP's does not represent a fundamental change in the services the Council is proposing to provide.



Leadership Governance and Consultation

What does this activity involve?

The Leadership, Governance and Consultation Activity include the following components:

- Facilitating Council decision-making by running elections, holding meetings and maintaining standing committees to ensure the good governance of the District, providing information to elected representatives, secretarial support, minute-taking, and providing notice of meetings.
- All local authorities now have more stringent consultation requirements, in addition the public and elected members demand better communication and information flows both to and from the public.
- Council provides and administers grant and scholarship schemes to provide individuals and groups with financial assistance. The Central Hawke's Bay District Council has one Council Controlled Organisation, Tamatea Limited, which holds Council's 34% share in Infracon Limited. There are three other Council Organisations: CHB Promotions Inc, CHB Early Settlers Museum Society, and the Howard Estate Advisory Board.

Why are we involved?

This activity contributes to all outcomes through advocacy for Central Hawke's Bay District to outside organisations, such as Central Government and Local Government NZ.

It provides open and transparent decision making through meetings, plans, reports and other consultation.

Wellbeing	Community Outcome
<i>Social and Cultural – A healthy, safe place to live</i>	Safe and healthy communities through a range of Council regulatory responsibilities
	Risks to public health are identified and appropriately managed
<i>Social and Cultural– A desirable place to live</i>	People are involved in their local community and have a vision for their future
	People have a range of opportunities to participate in leisure, cultural and learning activities
	Our historic and cultural heritage is protected for future generations
<i>Economic – A place with a thriving economy</i>	Central Hawke's Bay District is well promoted as a good place to do business and visit
	Central Hawke's Bay District has an efficient and affordable roading, waste and water infrastructure
<i>Environmental – A place that is environmentally responsible</i>	We plan to develop sustainably and with minimal environmental impact
	We encourage recycling, and manage the rest in a sustainable way
	We plan and manage water use and wastewater disposal to minimize the effect on the environment

What are the key issues that will affect this activity in the next ten years?

- Changes to Local Government structures through Central Government change
- Changes to Hawke's Bay Local Government structures through mutual agreements
- Devolution of Central Government functions
- Increasing burden of legislation change which impact on Local Government
- Change which might arise through the development of a Memorandum of Understanding with Tangata Whenua

What impact will changes in demand have on this activity?

The Local Government Act 2002 and other Central Government legislation has placed a requirement for local authorities to promote the four community wellbeing's – the social, economic, environmental and cultural wellbeing of our community, in the present and for the future. This requires local authorities to consider the longer term and plan much more strategically to ensure the sustainability of the District's infrastructure and services. Other legislation, such as the mandatory requirement to adopt New Zealand Drinking Water Standards, the Waste Minimisation Act 2008, the Building Act and requirements under the Resource Management Act, place further demands on this Council's resources.

Does this activity have any significant negative effects on community wellbeing?

While decisions are made for the benefit of the wider community, these could potentially negatively affect specific groups of people.

How will we deliver this activity in the next ten years?

Level of Service	What will we deliver?	How will we measure our success?	Target 2012/13-2021/22
Advocate on local, regional and national issues for the Central Hawke's Bay District	Advocacy on appropriate Central Hawke's Bay Community issues	Number of formal submissions to Central Government, Local Government NZ and similar advocacy institutions	5 submissions
Develop Policy and make decisions for the benefit of the Central Hawke's Bay Community	Council and Committee meetings	Number of annual meetings	8
Communicate and consult with the Central Hawke's Bay Community on key issues	Statements of Proposal requiring consultation using Special Consultative Procedures to be made available on the Council web site, at Council libraries and offices, and to be discussed in public meetings	Meet statutory requirements	100% compliance
Meet Local Government Act 2002 statutory reporting requirements	Production of Annual Plans, Annual Reports and Long Term Plans	Meet Statutory Deadlines	100% compliance

Operating and Capital Work Programme 2012 – 2022

This section outlines significant operating programme planned for the next ten years.

	Annual plan	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22
		\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000
Income												
Non targeted Rates (UAC)		533	544	565	580	593	612	636	652	668	697	713
Targeted Rates												
Fees and Charges												
Grants Recd		21	21	21	22	23	24	24	25	26	27	27
Development Contributions												
Total Income		554	565	587	602	616	636	660	677	694	723	741
Operating Expenditure												
Operating Expenditure		554	565	587	602	616	636	660	677	694	723	741
Depreciation												
Interest												
Total Expenditure		554	565	587	602	616	636	660	677	694	723	741
Operating Surplus / deficit		-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure												
Renewals												
New Work												
Total Capital Expenditure		-	-	-	-	-	-	-	-	-	-	-
Funded By												
Loans												
Reserves												
Development Contributions												
Funded Depreciation												
Special funds												
Grants												
Cash from operating												
Total Funding		-	-	-	-	-	-	-	-	-	-	-
Debt repayment - principal												

Renewal and Capital Works Programme

There is no renewal or capital work programmed for this activity over the next 10 years.

Economic and Social Development

What does this activity involve?

Economic and social development within Central Hawke's Bay is undertaken by or with a number of outside organisations on behalf of this Council. These organisations include:

- CHB Promotions Inc - including the operation of the District's Visitor Information Centre, and business promotion.
- Department of Internal Affairs – funds a Community Development Coordinator based at the Waipawa council offices, supervised by Council. The Community Development Coordinator focuses on analyzing and facilitating strategies that help existing organisations address the three major strands of Community Development, Hapu Development, Positive Ageing and Economic Development.
- Joint study of Hawke's Bay's economic and social performance, by the five Hawke's Bay councils.
- Part of Business Hawke's Bay which includes representatives from Regional and Local Councils, and Hawke's Bay Chamber of Commerce.

Council's role also includes:

- Development of a Central Hawke's Bay Economic Development Strategy.
- Rates postponement policy includes provision for a Rates Holiday to assist existing ratepayers to establish businesses which support Council's economic development initiatives.
- Implementing a Positive Ageing Strategy adopted in 2011.
- Development of a Youth Strategy for Central Hawke's Bay.
- Council will be working with Central Government, in particular the Ministry of Social Development (MSD), to consult with communities and help MSD develop social service support plans and Community Response forums.

Community Development Co-ordinator Projects include:

- Safer communities accreditation, a Central Hawke's Bay district wide safety initiative involving a combined group of non-government, government, business sector and Council representatives. This group is part funded by ACC. The group identifies local safety issues e.g. fires, family violence, falls. It can then access grants to address these issues.
- Development of Council and Taiwhenua relationship.
- Marae and Hapu development.
- Youth Development.
- Positive Ageing.
- A Council based Economic Development Forum which works with Business Hawke's Bay to grow local and regional economic development.

Why are we involved?

<i>Wellbeing</i>	Community Outcome
<i>Social and Cultural– A desirable place to live</i>	People are involved in their local community and have a vision for their future
<i>Economic – A place with a thriving economy</i>	Central Hawke's Bay District is well promoted as a good place to do business and visit

What are the key issues that will affect this activity in the next ten years?

- International and national economy, and in particular the rural sector
- Changes in tourist and visitor activity
- Central Government desire to work with Councils to develop local social solutions
- Developing the Council / Taiwhenua relationship
- Ageing population

What impact will changes in demand have on this activity?

Economic Development

Council's role is one of direct funding of agencies. Principally CHB Promotions Inc who are required to meet special contractual obligations. The future level of funding available could impact on the levels of service provided.

Social Development

There will be continued demand in this area with the current economic climate. Council is primarily a facilitator in this area and will continue with this role.

Does this activity have any significant negative effects on community wellbeing?

There are no significant negative effects arising from the Economic and Social Development Activity.

How will we deliver this activity in the next ten years?

Level of Service	What will we deliver?	How will we measure our success?	Target 2012/13-2014/15	Target 2015/16
CHB Promotions fulfils its contract obligations	Funding for CHB Promotions	Contractual objectives are met including: Running Visitor Information Centre Running annual Lamb Country Festival	Meet objectives	Meet objectives
Community Development Coordinator completes the project	Oversight of Project	Project plan milestones including: <ul style="list-style-type: none"> • Development of a Central Hawke's Bay Economic Development Strategy • Implementing a Positive Ageing Strategy adopted in 2011 • Development of a Youth Strategy for Central Hawke's Bay • Developing the Council / Taiwhenua relationship 	Milestones met	Milestones met

Operating and Capital Work Programme 2012 – 2022

This section outlines significant operating or capital programmes or projects planned for the next ten years.

	Annual plan										
	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22
	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000
Income											
Non targeted Rates (UAC)	109	112	117	121	125	130	135	139	145	150	156
Targeted Rates (Economic Dev Rate)	25	25	25	25	25	25	25	25	25	25	25
Fees and Charges											
Grants Recd		80	40	-	-	-	-	-	-	-	-
Development Contributions											
Total Income	134	217	182	146	150	155	160	164	170	175	181
Operating Expenditure											
Operating Expenditure	134	217	182	146	150	155	160	164	170	175	181
Depreciation											
Interest											
Total Expenditure	134	217	182	146	150	155	160	164	170	175	181
Operating Surplus / deficit	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure											
Renewals											
New Work											
Total Capital Expenditure	-	-	-	-	-	-	-	-	-	-	-
Funded By											
Loans											
Reserves											
Development Contributions											
Funded Depreciation											
Special funds											
Grants											
Cash from operating											
Total Funding	-	-	-	-	-	-	-	-	-	-	-
Debt repayment - principal											

Renewal and Capital Works Programme

There is no renewal or capital work programmed for this activity over the next 10 years.

District Planning

What does this activity involve?

Council is required to provide a comprehensive District Plan that meets the needs of the community. The activity goal is to implement the Resource Management Act 1991.

The District Plan became Operative on 1 May 2003 after extensive consultation with the community. A rolling review of the District Plan commenced in 2008/2009.

Council has committed to a full review of the District Plan commencing in 2011 to comply with the Resource Management Act (RMA) requirements to review the Plan every 10 years.

Once the full review of the District Plan is completed, it will need to be implemented and monitored to ensure it is working effectively and updated as new issues arise.

Why are we involved?

Central Hawke's Bay District Council has a statutory responsibility to undertake certain functions through the RMA. One of Council's functions is to prepare a District Plan providing controls for land use and subdivision.

<i>Wellbeing</i>	<i>Community Outcome</i>
<i>Environmental – A place that is environmentally responsible</i>	We plan to develop sustainably and with minimal environmental impact
<i>Economic</i>	Central Hawke's Bay District is well promoted as a good place to do business and visit - we plan to facilitate growth and development, in a managed way

What are the key issues that will affect this activity in the next ten years?

- External issues e.g. climate change
- Legislative changes including National Policy Statements / Environmental Standards
- The outcome of a full review of the operative District Plan
- Increasing demands on the natural and physical resources and related servicing. This may arise from the proposed water storage dam and associated development.

What impact will changes in demand have on this activity?

The District Plan review process has begun in 2011 after it was notified in 2003. During this period many significant changes have occurred, e.g. climate change, as well as national and regional plans. These will be reflected in the revised District Plan. Consultation with the community of Central Hawke's Bay will ensure that the plan's performance standards and rules reflect the level of protection of the environment the ratepayers wish to achieve.

Does this activity have any significant negative effects on community wellbeing?

The objectives and policies of the District Plan are a reflection of the balance that the Central Hawke's Bay community wishes to achieve between use and development of natural and physical resources, whilst providing for social and economic growth.

How will we deliver this activity in the next ten years?

Level of Service	What will we deliver?	How will we measure our success?	Target 2012/13-2021/22
Full review of the District Plan	District Plan reviewed within required timeframes	Milestones met to complete new plan for notification	New plan notified in 2013/14
Ongoing monitoring of the Plan	Compliance Effectiveness of revised Plan Updates for new issues	Modifications, updates carried out as required	Modifications, updates carried out as required

Operating and Capital Work Programme 2012 – 2022

This activity will require the engagement of external consultants to provide specialist advice for District Plan Changes.

	Annual plan 11/12 \$' 000	12/13 \$' 000	13/14 \$' 000	14/15 \$' 000	15/16 \$' 000	16/17 \$' 000	17/18 \$' 000	18/19 \$' 000	19/20 \$' 000	20/21 \$' 000	21/22 \$' 000
Income											
Non targeted Rates (General)	180	207	210	210	194	200	207	212	217	226	231
Targeted Rates											
Fees and Charges											
Grants Recd											
Development Contributions											
Total Income	180	207	210	210	194	200	207	212	217	226	231
Operating Expenditure											
Operating Expenditure	180	207	210	210	194	200	207	212	217	226	231
Depreciation											
Interest											
Total Expenditure	180	207	210	210	194	200	207	212	217	226	231
Operating Surplus / deficit	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure											
Renewals											
New Work											
Total Capital Expenditure	-	-	-	-	-	-	-	-	-	-	-
Funded By											
Loans											
Reserves Development Contributions											
Funded Depreciation											
Special funds											
Grants											
Cash from operating											
Total Funding	-	-	-	-	-	-	-	-	-	-	-
Debt repayment - principal											

Renewal and Capital Works Programme

There is no renewal or capital work programmed for this activity over the next 10 years.

Land Use and Subdivision Consents

What does this activity involve?

The District Plan establishes specific rules around subdivision and land use activities. When applications for subdivision and land use activities are received, they are assessed against the requirements of the District Plan. This will determine the appropriate conditions to apply to the application.

Council processes resource consent applications and monitors conditions of consent.

Why are we involved?

Council is required under statute to provide a regulatory function which includes provision and administration of the District Plan under the Resource Management Act 1991.

This activity ensures that growth and development is facilitated in a managed and sustainable way.

<i>Wellbeing</i>	<i>Community Outcome</i>
<i>Environmental – A place that is environmentally responsible</i>	We plan to develop sustainably and with minimal environmental impact
<i>Economic</i>	Central Hawke's Bay District is well promoted as a good place to do business and visit

What are the key issues that will affect this activity in the next ten years?

- Legislative changes including National Policy Statements / Environmental Standards
- The outcome of a full review of the District Plan and adoption of a revised Plan
- External issues e.g. fossil fuel strategies, climate change

What impact will changes in demand have on this activity?

- Changes in the District Plan may place significant extra workload on Council requiring changes to practise.
- Demand for this activity is very dependent on the local (agricultural based) economy, as well as national and international economic changes. Indications are that demand will remain steady rather than show marked growth.
- The proposed water storage dam would impact on consenting workload, if it was to proceed.

Does this activity have any significant negative effects on community wellbeing?

The objectives and policies of the District Plan are a reflection of the balance that the Central Hawke's Bay community wishes to achieve between use and development of natural and physical resources, whilst providing for social and economic growth.

How will we deliver this activity in the next ten years?

Level of Service	What will we deliver?	How will we measure our success?	Target 2012/13-2021/22
Legislative timeframes and other requirements are fulfilled	Processing of planning and resource consents	Completion of resource consents and other development applications within statutory timeframes	100% compliance with statutory timeframes
Planning complaints are responded to efficiently and effectively in a manner that is fair to all parties	Response rate to complaints	Response times to complaints	All complaints responded to within 10 working days

Operating and Capital Work Programme 2012 – 2022

This activity may require the engagement of external consultants to provide specialist advice for significant land use consents or subdivisions.

	Annual plan										
	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22
	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000
Income											
Non targeted Rates (General)	70	59	64	67	70	74	79	82	86	92	96
Targeted Rates											
Fees and Charges	50	57	57	57	57	57	57	57	57	57	57
Grants Recd											
Development Contributions											
Total Income	120	116	121	124	127	131	136	139	143	149	153
Operating Expenditure											
Operating Expenditure	120	114	119	122	125	129	134	137	141	146	150
Depreciation		2	2	2	2	2	2	2	2	3	3
Interest											
Total Expenditure	120	116	121	124	127	131	136	139	143	149	153
Operating Surplus / deficit	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure											
Renewals											
New Work											
Total Capital Expenditure	-	-	-	-	-	-	-	-	-	-	-
Funded By											
Loans											
Reserve: Development Contributions											
Funded Depreciation											
Special funds											
Grants											
Cash from operating											
Total Funding	-	-	-	-	-	-	-	-	-	-	-
Debt repayment - principal											

Renewal and Capital Works Programme

There is no renewal or capital work programmed for this activity over the next 10 years.

Building Control

What does this activity involve?

Building Control is responsible for administering and enforcing the Building Act 2004 (and related legislation). This includes –

- Processing applications for building consents
- Monitoring compliance through inspections and the issue of Code Compliance Certificates
- Enforcing the provisions of the Building Act 2004 and associated regulations
- Processing Land Information Memoranda

Whilst the activity goals are to ensure that the Building Act is applied with minimal compliance costs and that nuisance or objectionable effects on human health and safety are minimised, changes to the Act have required Council to follow an accreditation process. This process is subject to audit to ensure that due process is followed. All Building Inspectors are required to be accredited under the Act.

Two Building Officers are employed fulltime with a Senior Inspector providing additional assistance as required.

Why are we involved?

This activity promotes the safety of people living and working in buildings and homes and provides information on request to applicants who intend carry out a building project.

<i>Wellbeing</i>	Community Outcome
<i>Social and Cultural – A health, safe place to live</i>	Safe and healthy communities through a range of Council regulatory responsibilities
	Risks to public health are identified and appropriately managed

What are the key issues that will affect this activity in the next ten years?

- Changing demand for building control services
- An increasing “duty of care” being placed on Councils in fulfilling their regulatory function
- The introduction of quality control measures will absorb additional staff time
- Enforcement of the Building Act is a function of Council not the Building Control Authority

What impact will changes in demand have on this activity?

- Already the accreditation and other changes to the Building Act 2004 have placed significant extra requirements on Council requiring changes to policy and practice. This is expected to be ongoing.
- Demand for building services is very dependent on the local (agricultural based) economy, as well as national and international economic changes. Indications are that demand will remain steady rather than show marked growth.

Does this activity have any significant negative effects on community wellbeing?

There are no significant negative effects arising from the Building Control Activity.

How will we deliver this activity in the next ten years?

Level of Service	What will we deliver?	How will we measure our success?	Target 2012/13-2021/22
Process PIMs, LIMs, CCCs and building consents in an efficient and timely manner	Processing of PIMs, LIMS, CCCs and building consents	All consents issued within 20 days	100% compliance with statutory timeframes
Ensure the safety of buildings through the BWOFF regime	Monitor buildings for which the BWOFF regime applies	Advice to owners (or their agents) of BWOFF liability issues	Advise within one month of BWOFF expiry of non compliance
Carry out building inspections in a compliant manner	Site inspections of buildings	Audit of inspection records against the inspection regime	95% compliance
Provide advice and education on building matters	Respond to building enquiries and provision of relevant information through Council's website and offices	Customer satisfaction surveys (annual survey of building consent applicants)	90% satisfaction

Operating and Capital Work Programme 2012 – 2022

Building Control Authority operations will largely be funded from building consent fees.

Enforcement should be funded from general rates not building fees.

Audits every two years will require to be funded to maintain the accreditation of the Building Control Authority.

Building control auditing and staff training will be required to maintain accreditation.

	Annual plan 11/12 \$' 000	12/13 \$' 000	13/14 \$' 000	14/15 \$' 000	15/16 \$' 000	16/17 \$' 000	17/18 \$' 000	18/19 \$' 000	19/20 \$' 000	20/21 \$' 000	21/22 \$' 000
Income											
Non targeted Rates (General)	90	52	88	76	113	104	147	136	176	173	213
Targeted Rates											
Fees and Charges	387	405	405	405	405	405	405	405	405	405	405
Grants Recd											
Development Contributions											
Total Income	477	457	493	481	518	509	552	541	581	578	618
Operating Expenditure											
Operating Expenditure	455	426	462	449	484	474	516	504	543	539	578
Depreciation	22	31	32	32	33	35	36	37	38	39	40
Interest											
Total Expenditure	477	457	493	481	518	509	552	541	581	578	618
Operating Surplus / deficit	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure											
Renewals											
New Work											
Total Capital Expenditure	-	-	-	-	-	-	-	-	-	-	-
Funded By											
Loans											
Reserve: Development Contributions											
Funded Depreciation											
Special funds											
Grants											
Cash from operating											
Total Funding	-	-	-	-	-	-	-	-	-	-	-
Debt repayment - principal											

Renewal and Capital Works Programme

There is no renewal or capital work programmed for this activity over the next 10 years.

Public Health

What does this activity involve?

The Public Health Activity covers the following services –

- Environmental Health – this administers the requirements of statutes and health regulations that cover subjects such as safe food, safe water, disease containment, environmental nuisance, public accommodation and private housing.
- Liquor Licensing – the licensing and monitoring of premises under the provisions of the Sale of Liquor Act 1989.
- Hazardous substances – the control of hazardous substances has been taken over by the Environmental Risk Management Authority, ERMA, but Council will continue to provide local support at emergency incidents involving hazardous substances because of our local knowledge, expertise and proximity.
- Monitoring and response regarding the Gambling Act 2003 and Prostitution Reform Act 2003.
- Noise control responsibilities.

Why are we involved?

This activity promotes safe food, liquor outlets and minimises other environmental hazards eg noise.

<i>Wellbeing</i>	Community Outcome
<i>Social and Cultural – A health, safe place to live</i>	Safe and healthy communities through a range of Council regulatory responsibilities
	Risks to public health are identified and appropriately managed

What are the key issues that will affect this activity in the next ten years?

- Legislative change – and in particular the Domestic Food and Liquor reviews
- Future changes to Council Bylaws

What impact will changes in demand have on this activity?

Key drivers of future demand:

- Legislative reviews covering the Sale of Liquor and Food Safety Activities are underway and may affect the demand for public health services. The Acts are likely to be passed in 2012 and their impact will need to be addressed at that time. It is anticipated that there will be a 12 month lead in time.
- Population and business growth. There is an overall expectation of a slight decline in population growth in the District with a corresponding minor decrease in demand for restaurant and similar establishments.
- Increasing public health issues arising from social problems; such as noise, liquor and gambling issues rather than the physical environment, Council has a restrictive sinking lid Gambling Policy in place and there is not expected to be any growth in gambling venues. Because of the proximity to Hastings and the lack of brothel premises in the District, Council has decided that a specific policy on prostitution is not warranted.

Changes in demand have not been included in the current plan.

Does this activity have any significant negative effects on community wellbeing?

Public Health practices and decisions may have a significant negative effect at various times on local social, economic, environmental and cultural wellbeing of the community. Examples are noise abatement and temporary water quality issues.

These effects are however only expected to be of limited duration and to impact only on specific groups of people.

How will we deliver this activity in the next ten years?

Level of Service	What will we deliver?	How will we measure our success?	Target 2012/13-2021/22
Provide an assurance that premises supplying food and licensed premises selling/supplying liquor, meet required standards	Environmental health monitoring programme – safe food, sanitary standards, liquor licensing conditions	Annual inspection programme for compliance and follow up procedures for non compliant premises	100% completion
Provide advice on environmental health matters and respond to complaints	Requests for advice/investigations and responses to complaints	Responses to complaints	All complaints responded to within 5 working days

Operating and Capital Work Programme 2012 – 2022

There are no significant operating and capital programmes, actions or projects planned for the next ten years.

	Annual plan 11/12 \$' 000	12/13 \$' 000	13/14 \$' 000	14/15 \$' 000	15/16 \$' 000	16/17 \$' 000	17/18 \$' 000	18/19 \$' 000	19/20 \$' 000	20/21 \$' 000	21/22 \$' 000
Income											
Non targeted Rates (General)	73	100	105	110	114	120	126	131	136	143	149
Targeted Rates											
Fees and Charges	60	55	55	55	55	55	55	55	55	55	55
Grants Recd											
Development Contributions											
Total Income	133	155	160	165	169	175	181	186	191	198	204
Operating Expenditure											
Operating Expenditure	128	149	154	158	163	168	174	178	183	190	196
Depreciation	5	6	6	7	7	7	7	7	8	8	8
Interest											
Total Expenditure	133	155	160	165	169	175	181	186	191	198	204
Operating Surplus / deficit	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure											
Renewals											
New Work											
Total Capital Expenditure	-	-	-	-	-	-	-	-	-	-	-
Funded By											
Loans											
Reserves											
Development Contributions											
Funded Depreciation											
Special funds											
Grants											
Cash from operating											
Total Funding	-	-	-	-	-	-	-	-	-	-	-
Debt repayment - principal											

Renewal and Capital Works Programme

There is no renewal or capital work programmed for this activity over the next 10 years.

Animal Control

What does this activity involve?

Council is involved in Animal Control for both dog control and stock control. This is a requirement of the Dog Control Act 1996 and Council's Dog Control Bylaw and Livestock Movements and Animals in Public Places Bylaw both of which were adopted in June 2008.

One Animal Control Officer is employed fulltime on the control and registration of dogs with backup available from other regulatory staff as required. Ranging for control of other stock is undertaken between the Animal Control Officer and other regulatory staff.

An animal pound is operated in co-operation with the SPCA and the Council has its pound kennels on the SPCA land in Coughlan Road, Waipukurau. The SPCA staff service the pound on a cost recovery basis.

Why are we involved?

Council is required under statute to provide a Regulatory function of Animal Control.

This activity ensures that:

- Dog owners are held responsible for their pets and do not cause a nuisance to people and property.
- Roadside grazing and wandering stock are controlled to avoid risks to public safety.

<i>Wellbeing</i>	<i>Community Outcome</i>
<i>Social and Cultural – A health, safe place to live</i>	Safe and healthy communities through a range of Council regulatory responsibilities – through dog registration
	Risks to public health are identified and appropriately managed

What are the key issues that will affect this activity in the next ten years?

- The retirement of the existing Animal Control Officer may create a need to provide an alternate after hours service.
- Initiation of a training programme for a new Animal Control Officer.
- There may be possible changes resulting from a review of the Impounding Act 1956.
- It is not anticipated that there will be any substantial changes to the Dog Control Act that would cause any significant effects on the current animal control operations.
- The control of stock on roads after hours and grazing of roadsides during drought conditions.

What impact will changes in demand have on this activity?

There is unlikely to be any significant change in demand for animal control.

Does this activity have any significant negative effects on community wellbeing?

There are no significant negative effects arising from the Animal Control Activity.

How will we deliver this activity in the next ten years?

Level of Service	What will we deliver?	How will we measure our success?	Target 2012/13-2021/22
Provide education and advice on Dog control to the community	Education and advice to ensure owners of animals keep their pets registered and under control	Number of dogs registered	>95% of dogs registered
Control of stock on roads and public places	By responding to stock on roads causing a hazard to traffic and managing roadside stock grazing	Response to all complaints and requests within 24 hours.	100% response rate

Operating and Capital Work Programme 2012 – 2022

SPCA staff servicing the Pound will be funded on a cost recovery basis.

Operational costs will be recovered through registration fees, impounding charges, stock droving charges and Infringement fines.

	Annual plan 11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22
	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000
Income											
Non targeted Rates (General)	0	17	12	12	10	11	13	13	12	14	13
Targeted Rates											
Fees and Charges	166	180	186	192	198	204	210	216	223	230	238
Grants Recd											
Development Contributions											
Total Income	166	197	198	203	208	215	223	229	235	244	251
Operating Expenditure											
Operating Expenditure	161	192	192	198	202	209	216	222	228	237	244
Depreciation	5	5	5	6	6	6	6	6	7	7	7
Interest											
Total Expenditure	166	197	198	203	208	215	223	229	235	244	251
Operating Surplus / deficit	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure											
Renewals											
New Work											
Total Capital Expenditure	-	-	-	-	-	-	-	-	-	-	-
Funded By											
Loans											
Reserves											
Development Contributions											
Funded Depreciation											
Special funds											
Grants											
Cash from operating											
Total Funding	-	-	-	-	-	-	-	-	-	-	-
Debt repayment - principal											

Renewal and Capital Works Programme

There is no renewal or capital work programmed for this activity over the next 10 years.

Emergency Management

What does this activity involve?

Council is required to meet its responsibilities under the Civil Defence Emergency Management Act 2002 and the Forest and Rural Fires Act 1977. The activity goals are to provide an effective Civil Defence and Rural Fire organisation to minimize the effects of disasters.

Civil Defence Centre's and Rural Fire forces are established throughout the District. Central Hawke's Bay District Council is an active member of the Hawke's Bay Civil Defence Emergency Management Group.

Civil Defence is now carried out through a Memorandum of Understanding with Hawke's Bay Regional Council. They employ one officer based in Central Hawke's Bay to carry out education of the community.

Why are we involved?

Council is statutorily required to provide these services through the Civil Defence Emergency Management Act 2002 and Forest and Rural Fires Act 1977.

Through this activity:

- To provide a network of trained volunteers with appropriate resources
- To promote a safer, more resilient community by enabling communities to prepare for and reduce the threat of fire and natural disaster

<i>Wellbeing</i>	<i>Community Outcome</i>
<i>Social and Cultural – A health, safe place to live</i>	Safe and healthy communities through a range of Council regulatory responsibilities
	Risks to public health are identified and appropriately managed

What are the key issues that will affect this activity in the next ten years?

- Maintaining a trained network of volunteers
- Community preparedness
- Effectiveness of planning
- Any changes initiated by Central Government

What impact will changes in demand have on this activity?

Demand on this activity is dependent on an event actually happening. Climate change may increase the severity of events such as flooding and fire.

Does this activity have any significant negative effects on community wellbeing?

There are no significant negative effects arising from this activity. The aim of Civil Defence and Rural Fire is to reduce the impact of a disaster on the social and economic wellbeing of communities.

How will we deliver this activity in the next ten years?

Level of Service	What will we deliver?	How will we measure our success?	Target 2012/13-2021/22
Emergency responders are suitably trained and equipped to respond to disaster	CD –annual exercises, training programme for EOC staff RF – annual exercise, volunteer training programme	CD – Exercise competence levels RF -fire teams training levels	CD – annual exercise rated moderate RF – rural fire teams meet industry standard

Operating and Capital Work Programme 2012 – 2022

This section outlines significant operating and capital programmes, actions and projects planned for the next ten years.

- Additional CDEM training for staff
- Replacement of rural fire hoses and other equipment
- Maintaining the radio/telephone communication system for emergency purposes

	Annual plan										
	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22
	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000
Income											
Non targeted Rates (General)	147	183	185	189	183	188	194	198	203	209	215
Targeted Rates											
Fees and Charges		5	5	5	5	5	5	5	5	5	5
Grants Recd											
Development Contributions											
Total Income	147	188	190	194	188	193	199	203	208	214	220
Operating Expenditure											
Operating Expenditure	133	170	172	176	180	184	189	193	198	204	209
Depreciation	10	8	8	9	9	9	9	10	10	10	11
Interest											
Total Expenditure	143	178	180	184	188	193	199	203	208	214	220
Operating Surplus / deficit	4	10	10	10	-	-	-	-	-	-	-
Capital Expenditure											
Renewals	4	10	10	10							
New Work	120										
Total Capital Expenditure	124	10	10	10	-	-	-	-	-	-	-
Funded By											
Loans											
Reserves Development Contributions											
Funded Depreciation											
Special funds	120										
Grants											
Cash from operating	4	10	10	10							
Total Funding	124	10	10	10	-	-	-	-	-	-	-
Debt repayment - principal											

Renewal and Capital Works Programme

Upgrades of fire fighting equipment are planned as part of the renewal programme.

Bylaws

What does this activity involve?

Council is required to implement Council Bylaws.

The activity goals are to ensure that all controlled activities are managed in a manner appropriate to local requirements with the least possible intervention in the private lives of residents.

Council currently employs one staff member to cover Bylaws in conjunction with other duties.

Why are we involved?

To improve community safety through the enforcement of Council Bylaws. This includes liquor bans and traffic infringements.

<i>Wellbeing</i>	Community Outcome
<i>Social and Cultural – A health, safe place to live</i>	Safe and healthy communities through a range of Council regulatory responsibilities
	Risks to public health are identified and appropriately managed

What are the key issues that will affect this activity in the next ten years?

The key issues likely to impact on this activity will flow from legislative changes.

What impact will changes in demand have on this activity?

There is not expected to be any significant change in demand for these activities.

Does this activity have any significant negative effects on community wellbeing?

There are no significant negative effects arising from these activities.

How will we deliver this activity in the next ten years?

Level of Service	What will we deliver?	How will we measure our success?	Target 2012/13-2021/22
Enforcement - through education - of Council bylaws and related legislation	Enforcement of regulated activities with the least possible intervention on private lives	Response to all complaints and requests within 5 working days.	100% compliance

Operating and Capital Work Programme 2012 – 2022

Operation costs for this activity will be met from general rates.

There are no significant operating or capital projects.

	Annual plan	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22
		\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000
Income												
Non targeted Rates (General)		36	57	59	60	62	64	66	68	70	72	75
Targeted Rates												
Fees and Charges		1	1	1	1	1	1	1	1	1	1	1
Grants Recd												
Development Contributions												
Total Income		37	58	60	61	63	65	67	69	71	74	76
Operating Expenditure												
Operating Expenditure		37	58	60	61	63	65	67	69	71	74	76
Depreciation												
Interest												
Total Expenditure		37	58	60	61	63	65	67	69	71	74	76
Operating Surplus / deficit		-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure												
Renewals												
New Work												
Total Capital Expenditure		-	-	-	-	-	-	-	-	-	-	-
Funded By												
Loans												
Reserves												
Development Contributions												
Funded Depreciation												
Special funds												
Grants												
Cash from operating												
Total Funding		-	-	-	-	-	-	-	-	-	-	-
Debt repayment - principal												

Renewal and Capital Works Programme

There is no renewal or capital work programmed for this activity over the next 10 years.

Land Transport

What does this activity involve?

Council owns and maintains the district road network. Network maintenance and renewals are funded by rates with substantial funding assistance from the New Zealand Transport Agency (NZTA). Previously the assistance rate was 57% but has been increased to 58% for the 2012/15 period when it will be again reviewed. Council staff, assisted by consultants, manage the various aspects of the District road asset. All physical work that is carried out on the network is done by Contractors not Council staff directly. These methods will continue into the future although minor changes will be made to obtain better value for money with the intent of lowering the costs to the ratepayer.

A comprehensive Activity Management Plan has been written and is updated regularly to ensure it meets the requirements of the District. The road network is maintained on an "in perpetuity" basis and no significant capital works are planned such as constructing new roads or sealing new roads. Council bridges are ageing and will be in need of major repairs or replacement in the future. Council has started and will continue an investigation programme to define and implement maintenance and rehabilitation solutions to continuously extend the life of our bridge infrastructure.

Council must also tender all of the multiyear contracts over the next two years, which may have an impact on costs.

Council continues to work with NZTA and the NZ Police to improve safety for all road users throughout the district and has an annual minor safety improvement programme to provide engineered solutions to unsafe areas on the network.

Why are we involved?

<i>Wellbeing</i>	<i>Community Outcome</i>
<i>Economic – A place with a thriving economy</i>	Central Hawke's Bay District has an efficient and affordable roading infrastructure
<i>Social and Cultural – A health, safe place to live</i>	Risks to public health are identified and appropriately managed

What are the significant assets managed by this activity

The road network system that are presently owned and operated by the Central Hawke's Bay District Council is shown in the following table:

The Pavement Asset can be summarised as follows:

	Urban (Km)	Rural (Km)	Total (km)
Sealed	66.19	777.35	843.54
Unsealed	1.16	417.11	418.27
Total	67.35	1194.46	1261.81

Asset Valuation at June 2011:

Asset	Optimised Replacement Cost	Optimised Depreciated Replacement Cost	Annual Depreciation
Land	\$37,782,749	\$37,782,749	<i>Not depreciated</i>
Formation	\$298,844,000	\$298,844,000	<i>Not depreciated</i>
Pavement Surface	\$20,663,000	\$10,008,200	\$1,978,200
Pavement Unsealed Wearing Course	\$8,658,000	\$3,721,000	\$1,619,000
Pavement Structure	\$177,492,000	\$136,792,000	\$1,317,000
Drainage	\$103,832,000	\$56,809,000	\$1,376,000
Surface Water Channel	\$14,001,000	\$4,126,000	\$590,000
Footpaths	\$8,664,000	\$3,293,000	\$197,000
Crossings	\$4,535,000	\$2,258,000	\$148,000
Signs	\$1,403,000	\$781,000	\$91,000
Traffic Facilities	\$3,000	\$1,000	\$200
Markings	\$476,000	\$476,000	<i>Not depreciated</i>
Railings	\$908,000	\$375,000	\$51,000
Bridges, Culvert Bridges and Bridge Rail	\$101,777,000	\$53,964,000	\$1,174,000
Minor Structures	\$5,562,000	\$3,455,000	\$186,000
Street Lighting	\$1,412,000	\$725,000	\$70,000
Total	\$786,012,749	\$613,410,949	\$8,797,400

What are the key issues that will affect this activity in the next ten years?

- Tendering of multiyear contracts to be done in the next two years
- Traffic growth – particularly heavy vehicles
- Cost increases (e.g. oil prices, aggregates)
- The maintaining of current levels of financial assistance from the New Zealand Transport Agency
- Changes in central, regional and local government policy
- Changes in land use patterns – e.g. dairying
- Increased residential development in coastal locations

What impact will changes in demand have on this activity?

Increasing traffic volumes – the District is predominantly rural and highly dependent on motor vehicle use. Although the 2006 census did not predict significant population growth and there have as yet not been any significant increases in traffic volumes, changes in land use with an increase in dairying and a decrease in forestry plantings along with increased subdivision development are factors that should be noted for impact on this activity. Should these continue they may have the following impact:

- Increased consumption of the asset
- Higher public expectations
- Higher costs due to increase of service quantities and service levels
- Improvements required to ensure safety

Modes of Transport – in a rural area the demand for public transport along with significant increases in the healthier options (walking/cycling facilities) will have some impact but it is expected to be minor.

Generally the network is in good condition for the current demand, however the increase in heavy traffic (3-5%) is of concern and it is imperative that funding levels “not” decrease to ensure we have the ability to provide the required levels of service and an infrastructure that will continue to serve the District well into the future.

Does this activity have any significant negative effects on community wellbeing?

Negative impacts on community wellbeing may include:

- Injuries and fatalities from accidents on the asset which have not only a personal cost but a significant cost to society
- Air, water and noise pollution from dust, vehicle contaminants and stormwater erosion
- Loss of or restrictions to parts of the infrastructure or increased roughness have an impact on the mobility of the people and cost both economically and socially

What are the risks associated with this Activity?

The following are some of the risks associated with this activity and its management:

- loss of knowledgeable personnel (consultant and in-house staff having all the knowledge separate from the corporate knowledge)
- a complacency within the District towards the importance of this activity as it contributes to the success and growth of the District
- unexpected significant demand increases
- decreases in subsidised funding through changes in Central Government or its agencies

How will we deliver this activity in the next ten years?

Level of Service	What will we deliver?	How will we measure our success?	Target 2012/13-2021/22
Roads are maintained to community expectations	Ongoing inspection, maintenance, upgrades and renewals	Road roughness rating (NAASRA rating)	<p><70 arterial roads (2010/11: 68)</p> <p><100 – other sealed roads (2010/11: 68)</p> <p><120 unsealed roads (2010/11: 109)</p> <p>(Not measured in 2011 due to severe weather event in April 2011).</p>
Safe and efficient road network	<p>The district produces a rolling 10 year monitoring programme of accident statistics in the following categories:</p> <ul style="list-style-type: none"> • Poor observation • Loss of control bends • Road factors • Injury crashes minor, serious and fatal • Pedestrian casualties • Cyclist casualties 	<p>The district will show a reduction trend in the activities monitored</p> <ul style="list-style-type: none"> • Poor observation • Loss of control bends • Road factors • Injury crashes minor, serious and fatal • Pedestrian casualties • Cyclist casualties 	<p>Measured and present to Council in August annually</p> <p>2011/12 statistics measured on seriousness of crashes (not cause) against peer group</p>
Risks to Public Health are identified and appropriately managed	All identified safety risks are listed on the minor improvements programme and prioritised	The minor safety programme funding is applied to the prioritised risks on an annual basis	<p>The projects are completed and the risk is minimised</p> <p>Identified safety risks are addressed under the minor improvements programme</p>

Operating and Capital Work Programme 2012 – 2022

This section outlines significant operating and capital programmes, actions and projects planned for the next ten years.

	Annual plan 11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22
	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000
Income											
Non Targeted Rates (Land Transport)	5,851	6,061	6,179	6,421	7,025	7,132	7,212	7,783	7,682	7,779	8,564
Targeted Rates	76	76	76	76	76	57	57	57	0	0	0
Fees and Charges	143	147	152	157	162	167	172	176	182	188	194
Grants Recd	6,289	6,691	6,691	6,691	7,695	7,695	7,695	8,545	8,545	8,545	9,644
Development Contributions	39	4	4	4	4	4	4	4	4	4	4
Total Income	12,398	12,979	13,102	13,348	14,961	15,055	15,139	16,566	16,413	16,516	18,406
Operating Expenditure											
Operating Expenditure	5,454	4,907	4,963	4,995	5,497	5,543	5,608	6,022	6,053	6,131	6,615
Depreciation	8,028	8,946	9,279	9,566	9,925	10,271	10,614	11,017	11,490	12,023	12,563
Interest	30	27	24	20	16	11	8	4	0	0	0
Total Expenditure	13,513	13,880	14,266	14,580	15,438	15,825	16,230	17,044	17,543	18,154	19,178
Operating Surplus / deficit	-1,115	-901	-1,164	-1,232	-477	-770	-1,090	-478	-1,130	-1,638	-772
Capital Expenditure											
Renewals	6,056	7,459	7,476	7,491	8,617	8,634	8,653	9,642	9,666	9,691	10,999
New Work	788	533	533	533	617	617	617	690	690	690	787
Total Capital Expenditure	6,844	7,992	8,009	8,024	9,234	9,251	9,270	10,333	10,356	10,381	11,787
Funded By											
Loans		0		0	0	0	0	0	0	0	0
Reserve: Development Contributions	39										
Funded Depreciation	6,056	7,459	7,476	7,491	8,617	8,634	8,653	9,642	9,666	9,691	10,999
Special funds											
Grants	540	370	370	370	429	429	429	480	480	480	547
Cash from operating	209	162	162	162	188	188	188	210	210	210	240
Total Funding	6,844	7,992	8,009	8,024	9,234	9,251	9,270	10,333	10,356	10,381	11,787
Debt repayment - principal		49	52	56	60	46	49	53	-	-	-

Maintenance and Renewals

The recent changes at a national level which created the New Zealand Transport Agency from Transit NZ and Land Transport NZ have given the District certainty in funding assistance for a three year period not the usual one year. This enables the District to react to emerging needs in a more timely and cost effective manner.

In developing the Activity Management Plan for Land Transport the single most important goal was to maintain the current infrastructure in perpetuity in the most economical way.

Maintenance

Road Maintenance services within the District are acquired through both a consultant and a contractor. These groups work together with Council staff to ensure Council goals are met.

In order to accomplish Council goals, service levels were defined and routine maintenance performed to that level. As time progresses service levels will be reviewed so that these continue to meet the Districts needs.

Programming activities such as grading, and vegetation control in a cyclic manner has produced a consistent end result in the field and created expenditure savings.

Regular analysis of the pavement structure and the surfaces of the roads provide information critical to determining the routine minimum maintenance requirements to protect the infrastructure.

Introducing best practice maintenance techniques continues to improve productivity and drive costs lower.

Benching unstable slopes and ensuring safety concerns are dealt with effectively through maintenance intervention has lowered the accident rates on the network.

This level of service combined with the renewals outlined below will ensure that the infrastructure will be maintained in perpetuity.

Renewals

The renewals will mainly concentrate on replacing worn out footpaths, re-sealing and re-metalling road surfaces, structures and major drainage.

All of the renewals are based a prioritisation programme with the most needed items being renewed first.

Using pavement modelling to determine the levels of renewals the number of kilometres being re-sealed each year and the number of kilometres being rehabilitated have been reduced with no negative long term impact on the infrastructure.

The Activity Management Plan has identified several of the District's bridges as requiring component renewal which will be programmed over the next several years. Bridge inspections will continue to ensure issues are noted and solutions implemented to keep bridges usable and safe.

Other Capital

As it is more important to maintain what we have rather than expand the network Council has decided that there are no new seal extensions or creation of new roads within this LTP.

Solid Waste

What does this activity involve?

The solid waste (refuse) collection and disposal services include:

- Litter Collection
- Refuse Collection
- Kerbside Recycling (Waipawa and Waipukurau only)
- Recycling Centres
- Transfer Stations
- Greenwaste
- Beach Refuse Collection Contractors
- Landfill
- Education and Enforcement

Why are we involved?

To minimise health risks through collection and correct disposal of waste, and management of landfills. To avoid adverse environmental effects by recycling and management of waste.

<i>Wellbeing</i>	<i>Community Outcome</i>
<i>Social and Cultural – A health, safe place to live</i>	Risks to public health are identified and appropriately managed
<i>Economic – A place with a thriving economy</i>	Central Hawke's Bay District has an efficient and affordable waste infrastructure
<i>Environmental – A place that is environmentally responsible</i>	We encourage recycling, and manage the rest in a sustainable way

What are the key issues that will affect this activity in the next ten years?

- Legislative changes which impact on the cost and provision of solid waste services, in particular the Waste Minimisation Act 2008.
- Further services and facilities are needed to meet the community's sustainability and environmental requirements.
- The economic sustainability of receiving municipal waste from outside the District into the Landfill.
- From time to time, the markets for recyclable material may be uneconomic.

What impact will changes in demand have on this activity?

Change in demand is likely to come through:

- legislation
- changes in the community's sustainability and environmental requirements

These changes will have a cost impact and will require continual monitoring.

Does this activity have any significant negative effects on community wellbeing?

The following negative effects have been identified:

- *Social* – There is potential odour, dust, vermin and noise which could impact on neighbours to the various facilities. Historically there have been few complaints.
- *Economic* – The cost of solid waste services are relatively high, and increases in Fees and Charges may not be acceptable to the community.
- *Environmental* – There is potential for contamination of surface and ground water, odour, dust, vermin, fire, emergencies involving hazardous waste and the creation of land with limited long term utilisation. To date effects have been minor.

The issue of negative significant effects is addressed by adherence to resource consent conditions. Monitoring is undertaken of the operational and closed landfill sites.

How will we deliver this activity in the next ten years?

Level of Service	What will we deliver?	How will we measure our success?	Target 2012/13-2021/22
Provide reliable and responsive kerbside collection services	Kerbside collection services completed on the designated day at a regular time	Number of complaints about the service	¹ Less than 2 missed collections per month recorded in the Request For Service system (2011/12: No missed collections were recorded)
Ensure that the community are very satisfied with Council's Solid Waste services and facilities	Provide services and facilities that the community want and that the majority of the community are satisfied with	Through Council's biennial community satisfaction survey	More than 90% of survey respondents are satisfied or very satisfied with Council's Solid Waste services and facilities (Last survey July 2010: 74%)
CHB waste to be diverted from landfill through provision of reuse, recycling and compost programmes	Operation of transfer station with green waste disposal options, and recycling centres	Achieve waste diversion targets	² Volume of waste from transfer stations to landfill < 3500 cubic metres per year
Environmental effects reduced through compliance with Resource Consents for the landfill	Compliance with Resource Consents for the landfill	Compliance with Resource Consents for the landfill	100% compliance (2010/11: 100% compliance)

1. Two missed collections per month judged by the number of Requests For Service or Service Requests sent out.
2. Previously measured by volumes of organic matter and other recycling diverted from landfill.

Operating and Capital Work Programme 2012 – 2022

This section outlines significant operating and capital programmes, actions and projects planned for the next ten years.

	Annual plan	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22
		\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000
Income												
Non Targeted rates (UAC 231 / General 960)		1,190	1,191	1,306	1,302	1,316	1,110	1,255	1,376	1,396	1,432	1,450
Targeted Rates (Kerbside Recycling/Refuse Collection)		258	245	252	260	268	277	285	293	302	313	323
Fees and Charges		1,090	1,256	1,292	1,328	1,366	1,406	1,444	1,484	1,528	1,577	1,628
Grants Recd		0										
Development Contributions		0										
Total Income		2,538	2,691	2,850	2,890	2,950	2,794	2,984	3,153	3,226	3,322	3,400
Operating Expenditure												
Operating Expenditure		2,116	2,186	2,258	2,313	2,370	2,438	2,514	2,575	2,644	2,734	2,808
Depreciation		85	117	166	163	160	157	157	217	213	209	205
Interest		130	182	230	210	189	170	249	322	309	295	281
Total Expenditure		2,331	2,485	2,654	2,686	2,719	2,765	2,921	3,114	3,166	3,239	3,293
Operating Surplus / deficit		207	206	196	204	231	29	63	39	61	83	107
Capital Expenditure												
Renewals		83	83	86	89	92	96	99	103	108	113	118
New Work		40	1,680	-	-	-	90	2,093	-	-	-	126
Total Capital Expenditure		123	1,763	86	89	92	186	2,192	103	108	113	243
Funded By												
Loans		0	1,680	-	-	-	90	2,093	-	-	-	126
Reserves		0										
Development Contributions		83	83	86	89	92	96	99	103	107	111	115
Funded Depreciation		40										
Special funds		0										
Grants		0										
Cash from operating		0								0	2	3
Total Funding		123	1,763	86	89	92	186	2,192	103	108	113	243
Debt repayment - principal		207	240	276	278	298	90	120	153	166	179	194

Renewal Works Programmes

Renewals include:

- Replacing old litter bins and maintaining current bins.
- Transfer stations including repairing fences, drives, pits, kiosks, sheds and surrounding area.
- Repairing and painting recycling drop-off centres and replacing recycling bins.
- Repairing fences, drives, ponds and surrounding area at the landfill.
- Replacing clay caps and repairing fencing at closed landfills.

Capital Works Programmes

Capital works projects recommended for consideration in the LTP 2012/22 are the landfill cell extensions required for the proposed waste stream.

Water Supply

What does this activity involve?

With regard to the provision of potable water, Councils have the obligation to identify where such a service is required, and to either provide it directly themselves, or to maintain an overview of the supply if it is provided by others.

In the Central Hawke's Bay District, there are presently seven public water supply systems located at Otane, Waipawa, Waipukurau, Takapau, Porangahau, Te Paerahi and Kairakau. Water has also been supplied to the Pourerere Camping Ground and toilet block.

The quality of water supplied fully meets the New Zealand Drinking Water Standards 2005 (NZDWS) at Takapau and Te Paerahi/Porangahau. Other supplies meet most of the requirements, but not all protozoa identification requirements. Government has passed legislation making compliance with the NZDWS mandatory. This will require installation of new treatment plants at some sites. Comprehensive Activity Management Plans have been compiled for all water supplies, and assessments of water supplies were completed at the end of the 2004/2005 year, and these are being updated as required.

Why are we involved?

The provision of systems for the extraction, treatment and distribution of water is a function of Councils permitted and governed by the Local Government Act 2002 and the Health Act 1956.

<i>Wellbeing</i>	<i>Community Outcome</i>
<i>Social and Cultural – A health, safe place to live</i>	Risks to public health are identified and appropriately managed – management of water supply systems to provide safe water to the public, through treatment systems and water monitoring
<i>Economic – A place with a thriving economy</i>	Central Hawke's Bay District has an efficient and affordable water infrastructure – by ensuring continuity of supply
<i>Environmental – A place that is environmentally responsible</i>	We plan and manage water use to minimize the effect on the environment – through measures to manage water demand

What are the significant assets managed by this activity

The water network assets presently owned and operated by the Council are shown in the table below:

	Connections	Pipes	Valves	Hydrants	Pump Stations	Reservoirs
	Number	metres	Number	Number	Number	Number
Waipukurau	2,123	51,415	259	289	1	2
Waipawa	942	40,544	86	184	2	4
Otane	267	17,057	37	28		2
Takapau	274	13,034	35	48	1	13
Porangahau	130	9,185	31	22		5
Te Paerahi	102	5,862	46	17	1	15
Kairakau	83	2,703	20	2	2	5
Pourerere	5	5,440				4
Total	3,926	145,240	514	590	7	50

What are the key issues that will affect this activity in the next ten years?

- Water supplies must meet the New Zealand Drinking Water Standards 2005 by 30 June 2015. Considerable expenditure on treatment upgrades is necessary to achieve compliance.
- CHBDC Water Management and Conservation Strategy – This is required to meet resource consents and is proposed to be adopted in June 2012. This formalises the current process of managing water demand so that the resource consent limits for water take are not exceeded, and that water is used sustainably by consumers.
- Because of significant storm damage to the Pourerere supply, the future of this supply will have to be reviewed.
- Ensuring the condition of assets does not deteriorate to a level that makes maintenance prohibitively expensive.
- The lack of funding for infrastructure improvements means that no allowance has been included to meet future growth demands in the district. Because few improvements are included in this LTP, increased development contributions cannot be raised to help fund future required improvements.
- However the preparation of a Development Strategy for the Waipukurau industrial area is planned for 2017/18, and construction of the required infrastructure could potentially occur from 2019/20.

What impact will changes in demand have on this activity?

- Although domestic growth is considered stable and demand is not expected to increase, demand from other users (industrial and commercial) would result in the need for substantial infrastructure

upgrading and for more infrastructure. However the lack of funding for future infrastructural improvements to meet potential demand means that development contributions cannot be raised to help fund any these improvements.

- Climate change and changes to agricultural activities may see Council competing for water resources with others. However Council's main water take consents for community water supplies expire in 2028, and the consents include sufficient volume to meet the expected demand.
- The loss of a major consumer would substantially reduce revenue without the ability to reduce costs proportionately.

Does this activity have any significant negative effects on community wellbeing?

The Water Activity generally has limited negative impact. However the sustainable use of water in the district is an issue that must be addressed, and negative effects such as reduced volumes of water being available and the flow-on effects on community wellbeing require good management of the water resource including promotion of water conservation.

What are the risks associated with this Activity?

The following are some of the risks associated with this activity and its management:

- Incomplete management and supervision of this Activity due to limited staff resources.
- The requirements of the Hawke's Bay Regional Council in future resource consents for water takes may result in unpalatable or undeliverable requirements of this Activity.
- The limited application of risk assessment could lead to avoidable risks occurring and requiring more funding than the avoidance cost.
- Detailed planning of District water requirements for the future and the related capital contribution regime has not been done. This could mean that future requirements are not met in the time they are needed.
- Non-inclusion of development projects in the LTP mean that they cannot proceed and that development contributions cannot be collected to assist the funding of their construction.
- The changing legislative environment.

How will we deliver this activity in the next ten years?

Level of Service	What will we deliver in years 1-3?	What will we deliver in years 4-10?	How will we measure our success?	Target 2012/2013	Target 2013/2014	Target 2014/15-2021/22
Compliance with Drinking Water Standards (DWS)	Upgrading all water systems to ensure compliance with DWS Monitoring and testing of supplied water to ensure DWS compliance	Ongoing testing and implementation of further improvements where necessary	Compliance with DWS	Continued compliance with DWS for compliant systems (2011: Compliance with DWS in place in that year)	DWS compliance for Waipukurau and Waipawa Continued compliance with DWS for compliant systems	Continued compliance with DWS all systems
Ensure compliance with resource consents and the sustainable management of the water tanks	Ongoing monitoring and compliance Manage the water takes in periods of low flow in the District's rivers	Ongoing monitoring and compliance Manage the water takes in periods of low flow in the District's rivers	Number of Resource Consent breaches	No more than minor breaches (ie not sufficient to attract a fine) of consent conditions (2011: no consent condition breaches)	No more than minor breaches (ie not sufficient to attract a fine) of consent conditions	No more than minor breaches (ie not sufficient to attract a fine) of consent conditions
Continuity of supply	Work with our contractor to ensure a continuous improvement in outages caused through leaks/breaks/pump failure	Work with our contractor to ensure a continuous improvement in outages caused through leaks/breaks/pump failure	Outages caused through leaks, breaks, pump failures, etc are repaired within contractual time frames and recorded for analysis in monthly reports	100% of faults fixed within timeframes (2011: 82% of faults fixed within timeframes)	100% of faults fixed within timeframes	100% of faults fixed within timeframes

Note: The above timeframes vary from 3 hours to 3 days depending on the extent and location of the leak.

Water conservation and management was measured by reduction in usage per property and in the system, which was highly dependent on the weather. This has been replaced by managing the water take during periods of low flow.

Operating and Capital Work Programme 2012 – 2022

This section outlines significant operating and capital programmes, actions and projects planned for the next ten years.

	Annual plan 11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22
	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000
Income											
Non targeted rates											
Targeted Rates (Water Ops/Loans)	1,931	2,002	2,121	2,208	2,293	2,356	2,436	2,511	2,462	2,519	2,608
Fees and Charges	274	200	206	213	219	226	233	239	247	255	264
Grants Recd	0										
Development Contributions	22	3	3	3	3	3	3	3	3	3	3
Total Income	2,227	2,206	2,330	2,424	2,516	2,586	2,672	2,754	2,713	2,778	2,875
Operating Expenditure											
Operating Expenditure	1,410	1,427	1,487	1,531	1,572	1,626	1,690	1,746	1,805	1,886	1,952
Depreciation	504	544	555	625	649	661	735	748	760	857	871
Interest	161	160	152	165	177	163	148	132	113	102	94
Total Expenditure	2,076	2,131	2,193	2,321	2,398	2,449	2,573	2,625	2,678	2,845	2,917
Operating Surplus / deficit	151	75	137	103	118	136	100	128	35	-67	-42
Capital Expenditure											
Renewals	504	514	534	551	570	591	613	638	665	696	728
New Work	859	20	0	655	0	0	23	0	0	0	0
Total Capital Expenditure	1,363	534	534	1,206	570	591	636	638	665	696	728
Funded By											
Loans	518	20	0	637	0	0	13	0	0	0	0
Reserves	108	0	0	18	0	0	10	0	0	0	0
Development Contributions											
Funded Depreciation	504	514	534	551	570	591	613	638	665	696	728
Special funds	232										
Grants											
Cash from operating											
Total Funding	1,363	534	534	1,206	570	591	636	638	665	696	728
Debt repayment - principal	129	102	155	173	193	203	218	235	127	90	98

Fees and Charges

As a water conservation measure, Council are targeting high users and installing water meters where necessary. Apart from conserving water, these measures should delay the need for infrastructure expansion. The additional revenue generated will be used to fund the meters being installed on existing users. All new users are required to fit a water meter at their expense, at time of connection to the network.

Maintenance

Routine maintenance of the water activity will continue to be carried out at a level set out in the agreed Levels of Services to ensure the assets are maintained in perpetuity. This will be funded at the present funding level and increased by the rate of inflation annually, plus any additional cost for vested infrastructure and additional process installed by Council to meet environmental and management requirements.

Renewal Works

Within the Council's water assets, the oldest components of the water systems are 100 years old. With a theoretical life of 80 years some components are due to be replaced as they fail. Therefore the Asset Renewal Plan is:

- Assets will be assessed for renewal annually.
- Assets will be renewed on a priority basis, with the most necessary renewals being carried out first.
- Funding for renewal works will be limited by the amount of depreciation raised through rates each year, and any surplus depreciation funding raised will be retained to be used in the future for renewal works. The extent of the annual renewals programme will be limited to the amount of funding available in the water depreciation account.

Capital Works

In order to achieve an acceptable rating level for ratepayers, only the essential improvement works necessitated by legislative requirements will be undertaken. This means that only water treatment improvements to meet the New Zealand Drinking Water Standards 2005 will be funded and carried out.

Significant capital works included in the LTP 2012/22 are:

Project	Estimated Cost
Treatment Plant upgrade, Waipawa	\$279,941
Treatment Plant upgrade, Waipukurau	\$335,929
Treatment Plant upgrade, Kairakau	\$39,192
Non potable supply to Remote Beach Toilets	22,545
Total	\$677,607

A capital project to expand infrastructure in the Waipukurau Industrial Area could potentially begin in 2019/20. This will be dependent on the finalisation of a suitable Development Strategy and confirmation of the demand for such services.

The following capital projects have been excluded from the LTP 2012/22:

Reticulation Extension, Mt Herbert Rd	\$351,929
Reticulation Extension, Racecourse/Porangahau Rds	\$1,621,880
Reticulation Extension, Hatuma Rd	\$730,600
Industrial Area Servicing, Waipukurau	\$836,920
Total	\$3,541,329

Their exclusion will not affect the provision of services at their current levels, but will reduce future capital expansion of the network.

These projects are all extensions of the existing reticulation system. They would be required if significant further development occurred in these areas in the future. Currently development pressure on these extensions to the network is not pressing the Council to provide the infrastructure, therefore council has delayed these projects until funds are available. Their importance will be reviewed in the next LTP.

Wastewater (Sewerage)

What does this activity involve?

In the Central Hawke's Bay District, there are presently six public sewage collection and treatment systems located at Otane, Waipawa, Waipukurau, Takapau, Porangahau, and Te Paerahi.

A resource consent for the discharge of treated effluent until 2018 is held for the Takapau treatment system. Consents, which are subject to Council meeting a number of strict conditions, have now been issued for Otane, Waipukurau and Waipawa, although investigations are underway to discharge treated effluent to land, rather than water, at Waipukurau and Waipawa. This would require the issue of new consents.

Consents for Porangahau/Te Paerahi were renewed in 2009, subject to a longer term solution for Porangahau being determined through consultation with affected parties.

Comprehensive Activity Management Plans have been compiled for all wastewater supplies.

Why are we involved?

The Wastewater Activity provide benefits to the community through reliable, safe, effective and efficient management of collection and disposal of sewerage and trade waste to ensure that the capacity of available facilities is optimised and that neither public health nor the environment is compromised.

<i>Wellbeing</i>	<i>Community Outcome</i>
<i>Social and Cultural – A health, safe place to live</i>	Risks to public health are identified and appropriately
<i>Economic – A place with a thriving economy</i>	Central Hawke's Bay District has an efficient and affordable wastewater infrastructure
<i>Environmental – A place that is environmentally responsible</i>	We plan and manage wastewater disposal to minimize the effect on the environment

What are the significant assets managed through this activity

The wastewater network assets presently owned and operated by Council are as follows –

	Connections	Pipes	Manholes	Lampholes	Pump Stations	Treatment Plants
	Number	metres	Number	Number	Number	Number
Waipukurau	1,879	40,635	524		5	1
Waipawa	824	23,242	186	27	2	1
Otane	233	7,168	87			1
Takapau	192	6,370	55		1	1
Porangahau	100	2,710	30		1	1
Te Paerahi	121	2,608	26		2	1
Total	3,349	82,733	908	27	11	6

What are the key issues that will affect this activity in the next ten years?

- Waipukurau and Waipawa will have new wastewater treatment plants that reduce the adverse environmental effects on the Tuki Tuki River system.
- The Porangahau and Te Paerahi treatment solutions will be finalised, and work resulting from this will be instigated.
- The Takapau resource consent is due for renewal in 2018.
- Inflow and infiltration of stormwater into the sewerage reticulation will be reduced.
- Shortcomings found in the existing reticulation in Waipukurau and Waipawa as a result of modelling and analysing the reticulations will be addressed.
- The lack of funding for infrastructure improvements means that no allowance has been included to meet future growth demands in the district. Because few improvements are included in this LTP, increased development contributions cannot be raised to help fund future required improvements.
- However the preparation of a Development Strategy for the Waipukurau industrial area is planned for 2017/18, and construction of the required infrastructure could potentially occur from 2019/20.

What impact will changes in demand have on this activity?

- Domestic populations are expected to remain stable, but changes in industrial growth and other subdivision development may require a reassessment of wastewater options.
- Growth in Otane may require the treatment plant to be upgraded.
- Industrial wastewater flows have been assumed to have no significant increase, although any departure from this assumption would be expected to be largely funded by Development Contributions under Council's Development Contribution Policy.
- Conversely, the loss of any major industrial user would reduce Trade Waste income without a proportional reduction in operating costs.

Does this activity have any significant negative effects on community wellbeing?

Social – Oxidation ponds can create periodic foul odours during times of disruption of the biological processes. These incidences have been few, but can be significant.

Environmental –The Wastewater Activity may have a negative effect due to the standard of effluent discharged into rivers. However the quality of the discharge is carefully monitored to ensure adverse effects are minimised. Changes to meet the renewed Waipukurau/Waipawa/Otane discharge consents will help reduce the negative effects.

Overflows, spills and odours from the wastewater network are also a negative effect. Reduction of stormwater inflow and infiltration into the sewerage reticulation will lower the risk of such occurrences.

What are the risks associated with this Activity?

The following are some of the risks associated with this activity and its management:

- Incomplete management and supervision of this Activity due to limited staff resources.
- The requirements of the Hawke's Bay Regional Council in future resource consents for wastewater treatment standards may result in unpalatable or undeliverable requirements of this Activity.
- The limited application of risk assessment could lead to avoidable risks occurring and requiring more funding than the avoidance cost.
- Detailed planning of District wastewater requirements for the future and the related capital contribution regime has not been done. This could mean that future requirements are not met in the time they are needed.
- Non-inclusion of development projects in the LTP means that they cannot proceed and that development contributions cannot be collected to assist the funding of their construction.
- The changing legislative environment.

How will we deliver this activity in the next ten years?

Level of Service	What will we deliver?	How will we measure our success?	Target 2012/13-2021/22
Ensure compliance with resource consents	Ongoing monitoring of treatment plants and compliance with consent requirements	The number of breaches as reported to Hawke's Bay Regional Council	No more than minor breaches of consent conditions (2010/11: 1 suspended solids exceedence at Takapau)
Maintain capacity of the wastewater systems for existing users and to meet future demand	Ongoing inspection, maintenance, upgrade and renewal	Number of instances of failure	Less than 100 blockages of pipes per annum (2010/11 18 blockages) Less than 5 sewer pump station malfunctions per annum (2010/11 46 malfunctions, 41 of which were attributable to foreign object blockages)
Continuity of service	Work with our contractor to ensure continuous improvement in outages caused through leaks, breaks, pump failure etc	Outages caused through leaks, breaks, pump failure are repaired within contractual timeframes and recorded for analysis in monthly reports	100% of faults fixed within timeframes.

Operating and Capital Work Programme 2012 – 2022

This section outlines significant operating and capital programmes, actions and projects planned for the next ten years.

	Annual plan	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22
		\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000
Income												
Non targeted Rates												
Targeted Rates (Sewerage Ops/Loans)		2,140	2,254	2,259	2,577	2,557	2,638	2,760	2,881	2,971	3,064	3,136
Fees and Charges		160	100	103	106	110	113	116	120	124	128	132
Grants Recd		0										
Development Contributions		28	14	14	14	14	14	14	14	14	14	14
Total Income		2,329	2,368	2,376	2,697	2,680	2,764	2,890	3,015	3,108	3,205	3,281
Operating Expenditure												
Operating Expenditure		1,020	1,068	1,110	1,222	1,250	1,292	1,343	1,381	1,420	1,483	1,524
Depreciation		528	581	641	719	816	830	919	947	971	1,078	1,094
Interest		178	318	289	592	575	572	592	617	611	584	555
Total Expenditure		1,726	1,966	2,040	2,533	2,640	2,694	2,854	2,945	3,002	3,146	3,173
Operating Surplus / deficit		603	401	336	164	40	70	36	70	106	59	109
Capital Expenditure												
Renewals		528	568	590	610	631	654	678	706	736	770	805
New Work		668	2,432	-	4,223	100	312	707	494	-	-	-
Total Capital Expenditure		1,196	3,000	590	4,833	731	966	1,385	1,199	736	770	805
Funded By												
Loans		646	2,160	-	4,196	87	298	693	480	-	-	-
Reserves		13	11	-	27	14	14	14	14	-	-	-
Development Contributions		528	568	590	610	631	654	678	706	736	770	805
Funded Depreciation		9	261	0	-	-	-	-	-	-	-	-
Special funds												
Grants												
Cash from operating			0									
Total Funding		1,196	3,000	590	4,833	731	966	1,385	1,199	736	770	805
Debt repayment - principal		329	400	373	260	212	233	263	297	327	354	384

Maintenance

Routine maintenance of the wastewater activity will continue to be carried out at a level set out in the agreed Levels of Services to ensure the assets are maintained in perpetuity. This will be funded at the present funding level and increased by the rate of inflation annually, plus any additional cost for vested infrastructure and additional process installed by Council to meet environmental and management requirements.

Programme of Renewal Works

Within the Council's wastewater assets, the oldest components of the wastewater systems are 100 years old. With a theoretical life of 80 years some components are due to be replaced as they fail. Therefore the Asset Renewal Plan is:

- Assets will be assessed for renewal annually.
- Assets will be renewed on a priority basis, with the most necessary renewals being carried out first.
- Funding for renewal works will be limited by the amount of depreciation raised through rates each year, and any surplus depreciation funding raised will be retained to be used in the future for renewal works. The extent of the annual renewals programme will be limited to the amount of funding available in the wastewater depreciation account.

Capital Works

In order to achieve an acceptable rating level for ratepayers, only the essential improvement works necessitated by legislative requirements will be undertaken. This means that only wastewater treatment improvements required to meet resource consent requirements will be funded and carried out. Significant capital works projects recommended for consideration in the LTP 2012/22 are:

Project	Estimated Cost
Balance of Treatment Plant upgrade, Waipukurau and Waipawa	\$6,600,000
Treatment Plant upgrade, Takapau	\$336,750
Treatment Plant upgrade, Te Paerahi	\$106,300
Treatment Plant upgrade Poranghau	\$182,590
Total	\$7,225,640

A capital project to expand infrastructure in the Waipukurau Industrial Area could potentially begin in 2019/20. This will be dependent on the finalisation of a suitable Development Strategy and confirmation of the demand for such services.

The following capital projects have been excluded from the LTP 2012/22:

Industrial Area Servicing, Waipukurau	\$1,509,300
Sewer Extension, White Road, Otane	\$262,210
Telemetry Improvements (annually)	\$20,000
Total	\$1,791,510

Their exclusion will not affect the provision of services at their current levels, but will reduce future capital expansion of the network.

Stormwater

What does this activity involve?

The catchments in Waipawa consist of open watercourses and piped reticulation. They drain into the Waipawa River through either Coronation Park, the Bush Drain, or to the north to the Papanui Stream. The main areas that suffer from flooding are in Waverley Street, Watts Street, and in the Bush Drain area.

The catchments in Waipukurau consist of open watercourses and piped reticulation. They drain into the Tuki Tuki River through a number of systems including the Pah Flat Stream, or to the south and east to the Mangatarata Stream system. Flooding is not a major problem, except in excessive rainfall events.

The reticulation in Otane, Tikokino, Onga Onga, Takapau, Porangahau, Te Paerahi, and beach settlements consist of open drains with some piped sections, generally being roading drainage.

Why are we involved?

The Stormwater Activity provides collective benefits to the community by collecting stormwater and directing it to rivers to mitigate flooding or erosion and minimising any impact on the community and the environment.

<i>Wellbeing</i>	Community Outcome
<i>Social and Cultural – A health, safe place to live</i>	Risks to public health are identified and appropriately managed
<i>Economic – A place with a thriving economy</i>	Central Hawke's Bay District has an efficient and affordable water infrastructure
<i>Environmental – A place that is environmentally responsible</i>	We plan and manage water use and wastewater disposal to minimize the effect on the environment

What are the significant assets managed through this activity

	Inlet/Outlet Structures	Pipes	Manholes	Open Drains	V Drains
	Number	Metres	Number	Metres	Metres
Waipukurau	122	25,919	353	8,691	2,991
Waipawa	112	10,513	124	3,931	1,445
Otane	1	185	0	0	0
Takapau	2	37	1	762	0
Porangahau	7	2,214	12	291	0
Te Paerahi	1	325	1	0	0
Kairakau	3	151	1	0	0
Total	248	39,344	492	13,675	4,436

What are the key issues that will affect this activity in the next ten years?

- The capacity of the existing stormwater system to deal with increased development and increased rainfall intensities.
- The lack of funding available to carry out identified improvements that would address known flooding areas and cater for future development. Because few improvements are included in this LTP, increased development contributions cannot be raised to help fund future required improvements.
- However the preparation of a Development Strategy for the Waipukurau industrial area is planned for 2017/18, and construction of the required infrastructure could potentially occur from 2019/20.
- Changes in legislation and resource consent requirements for stormwater discharges.
- Changes in land use/zoning.

What impact will changes in demand have on this activity?

- Climate change may cause more severe storm events which may cause increased flooding and increase the need for improved stormwater systems.
- Changing rainfall intensities will require assessment and determination of alternative stormwater options.
- Domestic populations are expected to remain stable, but changes in industrial growth and other subdivision development may require a reassessment of stormwater options.

Does this activity have any significant negative effects on community wellbeing?

Environmental – Rapid stormwater removal may result in downstream areas being overloaded, sediment being carried away, and river bed erosion. The quality of runoff can also adversely impact on coastal and surface water. Conversely retention of water on site (flooding) can cause property damage and health issues.

What are the risks associated with this Activity?

The following are some of the risks associated with this activity and its management:

- Incomplete management and supervision of this Activity due to limited staff resources.
- Identified improvement works that could reduce or eliminate some flooding problems cannot be funded in the term of this LTP and therefore will not be built.
- The requirements of the Hawke's Bay Regional Council in future resource consents for stormwater treatment standards may result in unpalatable or undeliverable requirements of this Activity.
- The limited application of risk assessment could lead to avoidable risks occurring and requiring more funding than the avoidance cost.
- Detailed planning of District stormwater requirements for the future and the related capital contribution regime has not been done. This could mean that future requirements are not met in the time they are needed.
- The changing legislative environment.

How will we deliver this activity in the next ten years?

Level of Service	What will we deliver?	How will we measure our success?	Target 2011/12-2021-22
Maintain stormwater systems to design levels	Ongoing inspection, maintenance, upgrades and renewal	Number of reported incidences of surface ponding, or flooding of properties each year	No more than 5 incidences in a 1 in 5 year rainfall event for residential areas, as a result of the stormwater network
Meet customer requests in a timely and efficient manner	Respond to customer queries and complaints	Biennial customer satisfaction surveys or targeted survey of customers who have used the services All blockages and other faults repaired within contractual timeframes	90%+ rate the service as "good" 100% of faults fixed within timeframes

Operating and Capital Work Programme 2012 – 2022

This section outlines significant operating and capital programmes, actions and projects planned for the next ten years.

	Annual plan 11/12 \$' 000	12/13 \$' 000	13/14 \$' 000	14/15 \$' 000	15/16 \$' 000	16/17 \$' 000	17/18 \$' 000	18/19 \$' 000	19/20 \$' 000	20/21 \$' 000	21/22 \$' 000
Income											
Non targeted Rates											
Targeted Rates (Stormwater Ops/Loans)	517	528	451	469	486	502	520	537	554	584	610
Fees and Charges	0										
Grants Recd	0										
Development Contributions	0	1	1	1	1	1	1	1	1	1	1
Total Income	517	529	452	469	487	503	521	537	555	585	611
Operating Expenditure											
Operating Expenditure	232	238	248	255	261	269	280	287	295	307	315
Depreciation	180	189	192	218	224	228	255	260	264	300	308
Interest	18	11	6	9	12	12	11	10	10	14	18
Total Expenditure	430	438	446	482	497	509	546	557	569	621	641
Operating Surplus / deficit	87	91	5	-13	-11	-7	-25	-20	-14	-36	-30
Capital Expenditure											
Renewals	180	185	192	199	205	213	221	230	240	251	262
New Work	0	0	0	95	0	0	0	0	0	130	0
Total Capital Expenditure	180	185	192	294	205	213	221	230	240	380	262
Funded By											
Loans	0	0	0	94	0	0	0	0	0	130	0
Reserves	0	0	0	1	0	0	0	0	0	0	0
Development Contributions	0	0	0	1	0	0	0	0	0	0	0
Funded Depreciation	180	185	192	199	205	213	221	230	240	251	262
Special funds	0										
Grants											
Cash from operating											
Total Funding	180	185	192	294	205	213	221	230	240	380	262
Debt repayment - principal	87	94	5	6	8	8	9	10	11	13	15

Maintenance

Routine maintenance of the stormwater activity will continue to be carried out at a level set out in the agreed Levels of Services to ensure the assets are maintained in perpetuity. This will be funded at the present funding level and increased by the rate of inflation annually, plus any additional cost for vested infrastructure and additional process installed by Council to meet environmental and management requirements.

Renewal Works

Within the Council's stormwater assets, the oldest components of the stormwater systems are 56 years old. With a theoretical life of 80 years it is still 24 years before replacement of these items is theoretically required. Therefore:

- Limited planned renewal work is required.
- Renewal work that comes to the attention of Council or contractors (through routine inspection or incidentally) will be carried out immediately, funding permitting.

Capital Works

A number of stormwater improvements have been identified to address areas in the District with stormwater problems. However in order to achieve an acceptable rating level for ratepayers, none of these projects have been included in the LTP 2012/22.

- Rose Street, Waipukurau project estimated to be \$95,000, in 2014/15, funded from loans and development contributions.
- Eastern interceptor erosion repairs \$129,791 in 2020/21

Projects not included in the LTP 2012/22 are:

Project	Estimated Cost
Eastern Interceptor Erosion Repairs	\$129,791
Racecourse Road Area Reticulation	\$200,000
College Drain Augmentation	\$342,000
Lower Waipawa Area Reticulation	\$1,500,000
Total	\$2,171,791

The exclusion of these projects in the 10 year period covered by this LTP will mean that some outstanding stormwater issues will not be addressed until funding is available in the future.

Parks, Reserves and Pools

What does this activity involve?

Council provides parks, reserves, swimming pools and camping grounds for the leisure use of the community.

- Council actively maintains 48 parks, reserves, war memorials and the Waipawa Memorial Pool. These are maintained through a Facilities Management (FM) contract.
- Council provides funding to the CHB Community Trust which owns and operates the A W Parsons Heated pool in Waipukurau.
- Camping Grounds are operated by the lessees of each camping ground.

Council also provide financial assistance to:

- Sport Hawke's Bay – for promotion of sport and leisure
- Forest Gate Domain Committee – to mow the Domain
- Takapau Rec Ground Committee – operational grant
- Lindsay Bush Reserve – maintained by Forest and Bird

Why are we involved?

Where vested under the Reserves Act 1977, Council is statutorily required to manage these Reserves. The Resource Management Act 1991 and Council's District Plan require any esplanade strips or reserves created to be administered under the Reserves Act.

- To provide leisure activities through well maintained facilities available to residents and visitors.
- To respect our history, by providing well maintained war memorials

<i>Wellbeing</i>	Community Outcome
<i>Social and Cultural– A desirable place to live</i>	People are involved in their local community
	People have a range of opportunities to participate in leisure, cultural and learning activities
	Our historic and cultural heritage is protected for future generations
<i>Economic – A place with a thriving economy</i>	Central Hawke's Bay District is well promoted as a good place to visit

What are the significant assets managed through this Activity

- Parks and Reserves
- Pool
- Camping grounds
- War Memorials

What are the key issues that will affect this activity in the next ten years?

Limited funding available for –

- Upgrading surfaces for Coronation Park and Russell Park This may result in grounds being closed for extended periods in winter
- The limited availability of rate funding for any major maintenance of the Waipawa Memorial Pool.

This may result in the closure of facilities until community funding can be found.

Other key Issues

- Waipukurau Holiday Park, the lease expires in 2016 and redevelopment will be required
- Potential need for an all weather playing surface at Russell Park. Council would assist with facilitating such a project, but not funding it.
- Increasing pressure on remaining camping grounds after the severe weather event of April 2011.

What impact will changes in demand have on this activity?

The ability to respond to changes in demand is limited by available rates funding. Other sources of funding would be required.

This LTP does however contain provision for the development of a small playground in Russell Park.

Does this activity have any significant negative effects on community wellbeing?

There are no significant negative effects arising from the Parks, Reserves and Pool Activity.

How will we deliver this activity in the next ten years?

Level of Service	What will we deliver?	How will we measure our success?	Target 2012/13-2021/22
Parks (including sports grounds), reserves, war memorials and pools are well maintained	Contractors will be employed to manage these facilities	Independent audit of management contract – twice per year All Requests For Service completed within timeframes	Contractors are meeting requirements 100% of Requests For Service completed within the timeframe
Residents and visitors have access to affordable beach accommodation	Provision of camp grounds under lease agreements	Current lease agreements	Lease arrangements met
Swimming Pool facilities are available to the community	Suitable range of opening hours to maintain community access	Opening hours	Facilities are open for advertised or contracted hours

Operating and Capital Work Programme 2012 – 2022

This section outlines significant operating and renewal programmes, actions and projects planned for the next ten years.

	Annual plan 11/12 \$' 000	12/13 \$' 000	13/14 \$' 000	14/15 \$' 000	15/16 \$' 000	16/17 \$' 000	17/18 \$' 000	18/19 \$' 000	19/20 \$' 000	20/21 \$' 000	21/22 \$' 000
Income											
Non targeted Rates (Gen Rates 639 / UAC Pools 277)	886	916	945	1,002	1,208	1,225	1,158	1,060	1,126	1,142	1,181
Targeted Rates											
Fees and Charges	37	41	42	43	45	46	48	49	50	52	54
Grants Recd											
Development Contributions	7	1	1	1	1	1	1	1	1	1	1
Total Income	930	958	989	1,047	1,254	1,273	1,206	1,110	1,177	1,195	1,237
Operating Expenditure											
Operating Expenditure	811	846	878	904	929	961	996	1,028	1,063	1,108	1,146
Depreciation	111	114	118	121	125	129	133	137	141	146	150
Interest	0	0	0	0	0	0	0	0	0	0	0
Total Expenditure	922	960	995	1,025	1,054	1,090	1,129	1,165	1,204	1,254	1,297
Operating Surplus / deficit	7	-2	-7	22	200	183	78	-55	-26	-58	-60
Capital Expenditure											
Renewals	98	111	110	142	324	311	209	81	113	86	89
New Work	7		60								
Total Capital Expenditure	105	111	170	142	324	311	209	81	113	86	89
Funded By											
Loans											
Reserves											
Development Contributions	7	0	60								
Funded Depreciation	98	111	110	121	125	129	133	81	113	86	89
Special funds	0										
Grants	0										
Cash from operating	0	0	0	21	199	182	76	0	0	0	
Total Funding	105	111	170	142	324	311	209	81	113	86	89
Debt repayment - principal	0	0	0	0	0	0	0	0	0	0	0

Renewal and Capital Works Programme

There is no renewal or capital work programmed for this activity over the next 10 years.

RENEWALS PROGRAMME

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
PARKS	AP	LTP									
General renewals - Upgrade gardens, maintain trees in all parks and reserves, replace or repair seats and picnic tables,	49,825	51,713	53,534	55,252	56,816	58,770	60,956	62,938	64,989	67,205	69,497
Projects											
Coronation Park – paint grandstand	14,123								16,500		
Russell Park – Replace 7 wire fence on stop bank	12,752										
Ouepoto car park	10,864										
Russell Park – curb driveway western side		33,000									
Russell Park – curb driveway eastern side											
Russell Park – replace 7 wire fence balance of park											
Russell Park – Gardens in park along SH2											
Russell Park – Install playground for up to 12yr olds – including fencing											
Russell Park – Upgrade practice sports ground – to be used when main field upgraded											
Russell Park – Upgrade main sports ground					243,358						
Coronation Park - Seal driveway and carpark											
Takapau Rec Ground – paint building						25,518					
Coronation Park – upgrade playing field							74,735				
By 18/19 Projects to upgrade parks should be completed and general repairs and renewals should cover from then on		33,000	0	0	243,358	25,518	74,735	0	16,500	0	0
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
POOLS	AP	LTP									
General renewals - Repairs to pumps, filter unit, gardens, plumbing and electrical	5,432	7,500	7,764	8,013	8,240	8,523	8,841	9,128	9,425	9,747	10,079
Projects											
Replace steps at east end with ramp		2716									
Repaint buildings – inside and out		9234									
Repaint pool liner and re plaster			23,477								
Replace filter unit – main pool				71,255							
Paint toilets and c/shed floor (nonslip)					7,678						
Repaint pool liner and re plaster							56,179				
Repaint buildings – inside and out									13,705		
		11,950	23,477	71,255	7,678	-	56,179	-	13,705	-	-

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
CAMPING GROUNDS	AP	LTP									
Renewals to repair structural maintenance - underground water and sewer lines at Waipukurau Camping ground		4,501	4,659	4,809	4,945	5,115	5,305	5,478	5,657	5,849	6,049
Waipukurau Camping ground lease expires 30th June 2016											
To upgrade camping ground to a suitable level for a good operator to take over.						209,997					
		4,501	4,659	4,809	4,945	215,112	5,305	5,478	5,657	5,849	6,049
WAR MEMORIALS	AP	LTP									
General renewals		2,500	2,588	2,671	2,747	2,841	2,947	3,043	3,142	3,249	3,360
Waipawa Clock Tower - painting			17,728								
		2,500	20,316	2,671	2,747	2,841	2,947	3,043	3,142	3,249	3,360

There is a contribution of \$60k for children's playground at Russell Park in 2013/14.

Public Toilets

What does this activity involve?

Council is required by community expectation to provide public conveniences for the use of the public within the district. Council operates 23 permanent public toilets, as well as temporary toilets for freedom camping.

A refurbishment program is now in place with the objective of upgrading two to three toilet blocks each year.

Why are we involved?

To provide and maintain public toilets which contribute to public hygiene.

<i>Wellbeing</i>	<i>Community Outcome</i>
<i>Social and Cultural – A health, safe place to live</i>	Risks to public health are identified and appropriately managed

What are the significant assets managed through this Activity?

Otane Hall
 Otane Rec Ground
 Tikokino Hall
 Nelly Jull Park - Waipawa
 Coronation Park (Tararua) - Waipawa
 Waipawa Cemetery
 Waipawa Swimming Pool
 Motor cross - Waipukurau
 Railway Esplanade – Waipukurau
 Post Office Corner - Waipukurau
 A'Deane Park - Waipukurau
 Russell Park - Waipukurau

Onga Onga (at Onga Onga Museum)
 Forest Gate Domain
 White Domain - Porangahau
 Te Paerahi changing shed
 Te Paerahi beach camp
 Blackhead Beach
 Aramoana Beach
 Pourerere Beach
 Pourerere camping ground
 Kairakau Beach
 Pourerere portaloos (Christmas holidays only)

This activity is provided through the following services:

- cleaning and restocking of consumables
- minor repairs and repair of vandalism
- re-painting on a regular basis

What are the key issues that will affect this activity in the next ten years?

- Need for a toilet block at Takapau.
- Peak demand levels in high use locations, such as beaches.

What impact will changes in demand have on this activity?

Although population growth in the District is not expected to be significant, Takapau currently does not have a public toilet and this has therefore been allowed for in this LTP.

Does this activity have any significant negative effects on community wellbeing?

There are no significant negative effects arising from the Public Toilet Activity.

How will we deliver this activity in the next ten years?

Level of Service	What will we deliver?	How will we measure our success?	Target 2012/13-2021/22
Clean facilities provided to the public	Provision of facilities and regular cleaning of facilities in key locations	Independent audit of management contract – twice per year All Request For Service completed within timeframes	Contractors are meeting requirements 100% of Requests For Service completed within the timeframe
Public toilets are well maintained	Maintenance and upgrades carried out as needed	Upgrades carried out as required	Activity completed

Operating and Capital Work Programme 2012 – 2022

This section outlines significant operating and capital programmes, actions and projects planned for the next ten years.

	Annual plan	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22
	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000
Income												
Non targeted Rates (General)	205	212	218	225	231	238	247	255	264	275	285	
Targeted Rates												
Fees and Charges												
Grants Recd												
Development Contributions	0											
Total Income	205	212	218	225	231	238	247	255	264	275	285	
Operating Expenditure												
Operating Expenditure	152	158	165	170	175	181	188	195	202	211	220	
Depreciation	4	4	4	5	5	5	5	5	5	6	6	
Interest	11	15	17	17	16	16	15	14	14	13	12	
Total Expenditure	167	177	186	191	196	202	208	214	221	230	237	
Operating Surplus / deficit	38	34	32	34	35	37	39	41	43	45	48	
Capital Expenditure												
Renewals	39	34	31	32	33	35	36	37	39	41	43	
New Work	34	75	-	-	-	-	-	-	-	-	-	
Total Capital Expenditure	73	109	31	32	33	35	36	37	39	41	43	
Funded By												
Loans	34	75	-	-	-	-	-	-	-	-	-	
Reserves	0											
Development Contributions	4	4	4	5	5	5	5	5	5	6	6	
Funded Depreciation	0											
Special funds	0											
Grants	0											
Cash from operating	34	30	26	28	29	30	31	32	34	35	37	
Total Funding	73	109	31	32	33	35	36	37	39	41	43	
Debt repayment - principal	3	4	6	6	7	7	8	8	9	10	11	

Renewals

A lump sum has been budgeted yearly to upgrade two to three toilet blocks, as shown in the renewals.

Capital Works

Takapau toilet block - \$75,000 in 2012/13.

Retirement Housing

What does this activity involve?

Retirement Housing is provided for people aged 60 and over, who don't own property.

Council owns 48 flats. The flats are managed on a self-funding basis with rental income covering operating and renewal costs.

- The flats are managed and let by Council staff. Each tenant has a separate tenancy agreement with Council.
- Grounds maintenance is carried out by contract through a Facilities Management Contract.
- Day to day maintenance, refurbishing or upgrading of the buildings is carried out by contractors and is managed by Council staff.

Why are we involved?

The Activity is provided to fulfil a need for safe and affordable housing for Central Hawke's Bay residents aged 60 and over.

<i>Wellbeing</i>	<i>Community Outcome</i>
<i>Social and Cultural – A health, safe place to live</i>	Risks to public health are identified and appropriately managed
<i>Social and Cultural– A desirable place to live</i>	People are involved in their local community

What are the key issues that will affect this activity in the next ten years?

- Demand for units
- The demographics of an ageing population
- Increasing the retirement housing available in the district, either with Council or an outside provider as landlord

What impact will changes in demand have on this activity?

Demand is currently high with full occupancy and a small waiting list. The ageing population in the District is expected to increase this demand.

Council intends to investigate the options for increasing retirement housing, by encouraging investment in a retirement village, increased social housing or owning rental accommodation.

Does this activity have any significant negative effects on community wellbeing?

There are no significant negative effects arising from the Retirement Housing Activity.

How will we deliver this activity in the next ten years?

Level of Service	What will we deliver?	How will we measure our success?	Target 2012/12 – 2021/22
Units are fully occupied	Units meet demand	Occupancy rates	95% occupancy
Quality units are provided for tenants	Provision of housing units	6 monthly inspection completed	All units meet minimum standards

Operating and Capital Work Programme 2012 – 2022

This section outlines significant operating and capital programmes, actions and projects planned for the next ten years.

	Annual plan 11/12 \$' 000	12/13 \$' 000	13/14 \$' 000	14/15 \$' 000	15/16 \$' 000	16/17 \$' 000	17/18 \$' 000	18/19 \$' 000	19/20 \$' 000	20/21 \$' 000	21/22 \$' 000
Income											
Non targeted Rates (General)	0	0	0	0	0	0	0	0	0	0	0
Targeted Rates											
Fees and Charges	201	208	214	221	228	235	242	249	257	265	274
Grants Recd											
Development Contributions	0										
Total Income	201	208	214	221	228	235	242	249	257	265	274
Operating Expenditure											
Operating Expenditure	111	108	112	115	118	122	126	130	134	139	143
Depreciation	65	68	70	72	74	76	79	81	83	86	89
Interest	14	14	13	12	11	11	10	9	7	6	5
Total Expenditure	190	189	194	199	204	209	214	219	225	231	237
Operating Surplus / deficit	11	18	20	22	24	26	28	30	32	34	37
Capital Expenditure											
Renewals	68	77	80	83	87	91	93	97	100	104	108
New Work	0										
Total Capital Expenditure	68	77	80	83	87	91	93	97	100	104	108
Funded By											
Loans											
Reserves	0										
Development Contributions	65	68	70	72	74	76	79	81	83	86	89
Funded Depreciation	0										
Special funds	0										
Grants	0										
Cash from operating	3	10	11	12	13	14	15	16	17	18	19
Total Funding	68	77	80	83	87	91	93	97	100	104	108
Debt repayment - principal	8	9	9	10	11	12	13	14	15	16	18

Renewals

Future renewal needs to cover the replacement of:

- baths with showers
- kitchen bench tops
- tap ware
- installation of concrete car parks

Capital Works Programme

There is no capital work programmed for this activity over the next 10 year.

Libraries

What does this activity involve?

- Central Hawke's Bay District Libraries are situated in Council owned buildings in Waipukurau and Waipawa. This activity covers the daily running of the library services. The buildings are operated and maintained under the Properties and Buildings activity.
- The library service offered includes various fiction and nonfiction collections, reference material, children and youth sections, magazines, large print, talking books, various electronic databases, DVDs, inter loan material, and networked computers offered through Aotearoa Peoples Network.
- The library service is a keen facilitator of community initiatives, particular through the Eastern and Central Community Trust sponsored EC Read 'n literacy programs, as well as other sponsored events and relationships with schools, retirement homes and elderly people.
- More than 50% of library users live outside Waipukurau and Waipawa.
- Funding is derived from rates, rental of books, tapes and DVDs, grants from various sources, and fund raising organised by library staff.

Why are we involved?

The libraries provide venues where the Community can meet, read and study, and provide an essential service for recreational information, and the cultural and educational needs of the Central Hawke's Bay Community.

<i>Wellbeing</i>	<i>Community Outcome</i>
<i>Social and Cultural– A desirable place to live</i>	People have a range of opportunities to participate in leisure, cultural and learning activities
<i>Economic – A place with a thriving economy</i>	Central Hawke's Bay District is well promoted as a good place to visit

What are the key issues that will affect this activity in the next ten years?

- Demographic change, particularly an ageing population
- Changes in information technology, including increased digitisation
- Community expectations on levels of service, including opening hours, education and other services

What impact will changes in demand have on this activity?

The Central Hawke's Bay population is relatively static and the overall demand for library services is not expected to grow substantially. However the nature of the community expectations of library services will likely change requiring changes to the nature of collections and improvements to facilities.

Does this activity have any significant negative effects on community wellbeing?

There are no significant negative effects arising from library activities.

How will we deliver this activity in the next ten years?

Level of Service	What will we deliver?	How will we measure our success?	Target 2012/13 - 2021/22
Availability of Library Services	Libraries will be open specified hours to the public and through the Council web site	Opening hours	Minimum of 3950 hours per annum
Quality, safe and up to date library facilities and materials provided	Carry out a work program which ensures library fit outs and assets are adequately maintained Buying and providing up to date publications and databases	User satisfaction surveys – biennial	90% satisfaction levels
Provide active education/recreational programs and other services	Children's holiday programs and other reader services	Number of holiday and other programs	Four provided annually

Operating and Capital Work Programme 2012 – 2022

This section outlines significant operating and capital programmes, actions and projects planned for the next ten years.

	Annual plan 11/12 \$' 000	12/13 \$' 000	13/14 \$' 000	14/15 \$' 000	15/16 \$' 000	16/17 \$' 000	17/18 \$' 000	18/19 \$' 000	19/20 \$' 000	20/21 \$' 000	21/22 \$' 000
Income											
Non targeted Rates (all UAC)	449	448	460	472	483	497	512	525	538	557	572
Targeted Rates											
Fees and Charges	35	46	47	47	47	47	47	47	47	47	47
Grants Recd											
Development Contributions	0										
Total Income	484	494	507	519	530	544	559	572	585	604	619
Operating Expenditure											
Operating Expenditure	403	413	427	438	449	464	478	491	505	524	538
Depreciation	26	28	29	30	31	32	33	34	35	36	37
Interest	0	0	-	-	-	-	-	-	-	-	-
Total Expenditure	430	441	456	468	480	495	511	525	540	560	576
Operating Surplus / deficit	54	53	51	50	50	49	48	47	46	44	43
Capital Expenditure											
Renewals	80	81	81	81	81	81	81	81	81	81	81
New Work	0										
Total Capital Expenditure	80	81	81	81	81	81	81	81	81	81	81
Funded By											
Loans											
Reserves											
Development Contributions	0										
Funded Depreciation	26	28	29	30	31	32	33	34	35	36	37
Special funds	0										
Grants	0										
Cash from operating	54	52	51	50	50	49	48	47	46	44	43
Total Funding	80	81	81	81	81	81	81	81	81	81	81
Debt repayment - principal	0	0	-	-	-	-	-	-	-	-	-

Renewals

Renewals consist largely of book purchases.

Capital Works

The future capital works programme is restricted to ongoing shelving and display requirements.

Theatres, Halls and Museums

What does this activity involve?

Council owns 12 buildings that are used to provide meeting places for the community. These are:

CHB Municipal Theatre: Managed directly by Council.

Waipukurau Civic Theatre: Managed by an independent manager who operates the theatre including showing movies, providing meeting facilities and operating a restaurant. Council pays the manager an annual fee for operating the theatre. The theatre is maintained jointly by council staff and the manager, with Council providing funding for renewal or replacement of assets.

Community Halls managed by Committees: Otane, Tikokino, Onga Onga, Takapau, Elsthorpe, Wallingford and Waipukurau Memorial Hall.

In addition three halls not owned by Council are supported financially by Council: Omakere (owned by Waiapu Board of Diocesan Trust), Sherwood (owned by the Ashley Clinton – Makaretu Hall Society), and Flemington (owned by the Flemington Community Trust).

Halls leased to Community Groups: Argyll, Porangahau and Otawhao Halls.

Museums – CHB Settlers Museum, managed by a committee and Onga Onga Museum, where a grant is provided.

Why are we involved?

The halls are provided as places where the community can meet for community events, meetings and leisure activities. Museums meet the historic and cultural needs of the community.

<i>Wellbeing</i>	Community Outcome
<i>Social and Cultural– A desirable place to live</i>	People are involved in their local community
	People have a range of opportunities to participate in leisure, cultural and learning activities
	Our historic and cultural heritage is protected for future generations
<i>Economic – A place with a thriving economy</i>	Central Hawke's Bay District is well promoted as a good place to visit

What are the key issues that will affect this activity in the next ten years?

- Civic Theatre, management contract for renewal in 2014
- CHB Municipal Theatre, completion of renovations and a business plan
- Ongoing viability of some district halls, including the ability of communities to manage these halls and of Council to fund ongoing maintenance
- Availability of rate funding to maintain district halls

What impact will changes in demand have on this activity?

Demand for halls is fluctuating, but where there is a strong demand there is also an expectation that maintenance will be of a higher standard.

Council has committed to reviewing the viability of halls and where possible, arranging for the long term lease of that hall to a community based group.

Does this activity have any significant negative effects on community wellbeing?

There are no significant negative effects arising from the theatres and halls activity.

How will we deliver this activity in the next ten years?

Level of Service	What will we deliver?	How will we measure our success?	Target 2012/13-2021/22
Theatres and halls provide a community focus and promote their heritage	Communities are managing their own facilities	Proportion of community halls managed by community hall committees	85%
Theatres, halls and CHB Settler's Museum provide safe places for the community	Building inspections	Monthly Building Warrant of Fitness (B.W.O.F) checks are carried out	All facilities have current B.W.O.F
CHB Settler's Museum is available to the community	Provision of CHB Settlers Museum under a management contract	Meets contract including opening hours reported in monthly reports	Management contract met

Operating and Capital Work Programme 2012 – 2022

This section outlines significant operating and capital programmes, actions and projects planned for the next ten years.

	Annual plan										
	11/12 \$' 000	12/13 \$' 000	13/14 \$' 000	14/15 \$' 000	15/16 \$' 000	16/17 \$' 000	17/18 \$' 000	18/19 \$' 000	19/20 \$' 000	20/21 \$' 000	21/22 \$' 000
Income											
Non targeted Rates (General)	537	509	534	511	633	652	673	691	710	734	755
Targeted Rates											
Fees and Charges	0	6	6	6	7	7	7	7	7	8	8
Grants Recd											
Development Contributions	0										
Total Income	452	515	541	517	639	659	680	698	717	742	763
Operating Expenditure											
Operating Expenditure	361	389	403	414	431	445	459	472	486	504	519
Depreciation	217	332	343	353	364	376	387	398	410	424	438
Interest	0	0	0	18	36	35	34	33	32	31	30
Total Expenditure	578	721	745	786	831	856	880	903	928	959	987
Operating Surplus / deficit	0	-206	-205	-268	-192	-197	-201	-205	-211	-217	-223
Capital Expenditure											
Renewals	176	126	138	80	162	168	174	180	186	192	198
New Work	0	0	0	460	0	0	0	0	0	0	0
Total Capital Expenditure	176	126	138	540	162	168	174	180	186	192	198
Funded By											
Loans		0	0	460	0	0	0	0	0	0	0
Reserves											
Development Contributions	0										
Funded Depreciation	176	126	138	80	162	168	174	180	186	192	198
Special funds	0										
Grants	0										
Cash from operating	0	0	0	0	0	0	0	0	0	0	0
Total Funding	176	126	138	540	162	168	174	180	186	192	198
Debt repayment - principal	0	0	0	5	10	11	12	13	14	15	16

Renewal Works

It is Council Policy in principle to maintain the exterior of Council owned district halls and for hall users, through the relevant Hall committee, to fund any interior upgrades required.

Annual Hall Grants

		LTP									
		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
COUNCIL CONTROLLED HALL GRANTS											
5014150	Grant - Elsthorpe hall	5,605	5,780	5,956	6,145	6,344	6,524	6,711	6,924	7,156	7,393
5014151	Grant - Onga hall	5,030	5,187	5,345	5,514	5,694	5,855	6,022	6,214	6,422	6,635
5014152	Grant - Otane hall	6,800	7,013	7,226	7,455	7,697	7,915	8,142	8,401	8,682	8,969
5014153	Grant - Takapau hall	7,079	7,301	7,523	7,761	8,013	8,240	8,476	8,745	9,038	9,337
5014154	Grant - Tikokino hall	7,049	7,270	7,491	7,728	7,979	8,205	8,440	8,708	9,000	9,298
5014155	Grant - Wallingford hall	4,763	4,912	5,062	5,222	5,392	5,544	5,703	5,884	6,081	6,283
5014156	Grant- Waipukurau Memorial	13,500	13,923	14,346	14,801	15,282	15,714	16,163	16,677	17,236	17,807
Total operating expenditure		49,826	51,386	52,948	54,626	56,402	57,998	59,656	61,554	63,616	65,721
NON COUNCIL CONTROLLED HALL GRANTS											
5013150	Grant - ASC/Makaretu hall	5,800	5,982	6,163	6,359	6,565	6,751	6,944	7,165	7,405	7,650
5013151	Grant - Argyll hall	4,455	4,595	4,734	4,884	5,043	5,186	5,334	5,504	5,688	5,876
5013152	Grant - Flemington Hall	5,600	5,775	5,951	6,139	6,339	6,518	6,705	6,918	7,150	7,386
5013153	Grant - Omakere hall	4,300	4,435	4,569	4,714	4,867	5,005	5,148	5,312	5,490	5,672
5013154	Grant - Otawhao hall	3,756	3,874	3,991	4,118	4,252	4,372	4,497	4,640	4,796	4,954
5013155	Grant - Porangahau hall	7,500	7,735	7,970	8,223	8,490	8,730	8,980	9,265	9,576	9,893
Total operating expenditure		31,411	32,394	33,379	34,437	35,557	36,563	37,608	38,804	40,104	41,432

Capital Works Programme

Civic theatre – \$460,000 – possible refurbishment at the end of lease of this facility in 2014.

Cemeteries

What does this activity involve?

Council is required by community expectation and by the Burial and Cremation Act 1964 to provide burial and memorial facilities for the district's communities.

Council provides and maintains ten operational cemeteries and four closed cemeteries.

All Council owned cemeteries are managed by Council staff and maintenance is contracted out.

Why are we involved?

The Burial and Cremations Act 1964 requires local authorities to ensure sufficient cemeteries are provided within the District.

- To provide local burial spaces
- To provide places for remembrance and an important historical record for future generations

<i>Wellbeing</i>	<i>Community Outcome</i>
<i>Social and Cultural – A health, safe place to live</i>	Risks to public health are identified and appropriately managed
<i>Social and Cultural– A desirable place to live</i>	People are involved in their local community
	Our historic and cultural heritage is protected for future generations

What are the key issues that will affect this activity in the next ten years?

- Ageing population
- Trend towards cremation rather than burial
- Development of the Central Hawke's Bay District Cemetery in Waipawa

What impact will changes in demand have on this activity?

- There is sufficient space in cemeteries for the foreseeable future
- Ashes plots

Does this activity have any significant negative effects on community wellbeing?

There are no significant negative effects from the cemetery activity.

How will we deliver this activity in the next ten years?

Level of Service	What will we deliver?	How will we measure our success?	Target 2012/13-2021/22
Well maintained and attractive facilities provided to the public	Maintenance of lawn plots and grounds to contract specifications, with capital work programs to maintain the assets	Independent audit of management contract – twice per year All Request For Service completed within timeframes	Contractors are meeting their requirements 100% of Request for Service completed within the timeframe
Accurate and complete historical records available to the public	Burial records will be maintained on the internet	All burial records available to be viewed on the internet	100%

Operating and Capital Work Programme 2012 – 2022

This section outlines significant operating and capital programmes, actions and projects planned for the next ten years.

	Annual plan										
	11/12 \$' 000	12/13 \$' 000	13/14 \$' 000	14/15 \$' 000	15/16 \$' 000	16/17 \$' 000	17/18 \$' 000	18/19 \$' 000	19/20 \$' 000	20/21 \$' 000	21/22 \$' 000
Income											
Non targeted Rates (General)	183	188	194	199	204	210	218	224	231	240	248
Targeted Rates											
Fees and Charges	20	21	21	22	23	23	24	25	26	26	27
Grants Recd											
Development Contributions	0										
Total Income	203	208	215	221	227	234	242	249	257	267	275
Operating Expenditure											
Operating Expenditure	142	147	152	157	162	167	174	180	186	194	201
Depreciation	0	1	1	1	1	1	1	1	1	1	1
Interest	14	13	13	12	11	10	9	8	6	5	3
Total Expenditure	157	161	166	170	174	178	184	188	194	201	206
Operating Surplus / deficit	46	47	49	51	53	56	58	60	63	66	69
Capital Expenditure											
Renewals	37	39	40	41	42	44	45	46	48	49	51
New Work	0	80	-	-	-	-	-	-	-	-	-
Total Capital Expenditure	37	119	40	41	42	44	45	46	48	49	51
Funded By											
Loans											
Reserves	0										
Development Contributions	0	1	1	1	1	1	1	1	1	1	1
Funded Depreciation	0	80	-	-	-	-	-	-	-	-	-
Special funds	0										
Grants	0										
Cash from operating	37	38	39	40	41	43	44	45	47	48	50
Total Funding	37	119	40	41	42	44	45	46	48	49	51
Debt repayment - principal	9	9	10	11	12	13	14	15	17	18	19

Renewals

These include renewal of signs, berms, seats, gardens, fencing and pathways. \$80k currently set aside in reserves will be used for the long term development of the Central Hawke's Bay District Cemetery.

Capital Works Programme

There is no capital work programmed for this activity over the next 10 years.

Properties and Buildings

What does this activity involve?

Council owns a number of properties and buildings that are used to provide services to the public, but do not fit into a specific Activity grouping. These are owned for administrative or social reasons.

The properties included in this Activity are:

- Administration Building in Waipawa
- Waipukurau and Waipawa Libraries
- CHB Community Rooms (in Hunter Park Waipukurau).
- Takapau Plunket Rooms
- Otane Library Building
- Miscellaneous sections

Why are we involved?

<i>Wellbeing</i>	<i>Community Outcome</i>
<i>Social and Cultural – A health, safe place to live</i>	Risks to public health are identified and appropriately managed – by ensuring the safety of public buildings
<i>Social and Cultural– A desirable place to live</i>	People are involved in their local community

What are the key issues that will affect this activity in the next ten years?

- Lack of room for expansion in Council's main administration building

What impact will changes in demand have on this activity?

- Any increases in Council staffing requirements will require additional administration accommodation.
- The ongoing maintenance costs of some buildings may increase over time, which may require additional community support for their maintenance.
- Council have not planned for any changes in levels of service which might arise from potential changes.

Does this activity have any significant negative effects on community wellbeing?

There are no significant negative effects arising from this Activity.

How will we deliver this activity in the next ten years?

Level of Service	What will we deliver?	How will we measure our success?	Target 2012/13-2021/22
Ensure safe buildings for public use	Building inspections	Monthly Building Warrant of Fitness (B.W.O.F) checks are carried out	All Council buildings have a current B.W.O.F
Affordable services	All properties not required for Council or community use will be leased where possible	Lease income	Achieve 2% of the total funding required

Operating and Capital Work Programme 2012 – 2022

This section outlines significant operating and capital programmes, actions and projects planned for the next ten years.

	Annual plan	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22
		\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000
Income												
Non targeted Rates (General)	185	276	280	297	288	314	291	298	320	316	325	
Targeted Rates												
Fees and Charges	6	6	6	6	6	6	7	7	7	7	8	
Grants Recd												
Development Contributions	0											
Total Income	278	282	286	303	294	321	297	305	327	324	332	
Operating Expenditure												
Operating Expenditure	112	165	181	176	180	198	193	198	217	211	218	
Depreciation	77	74	76	78	81	84	86	88	91	94	97	
Interest	25	24	23	23	22	21	20	19	18	17	15	
Total Expenditure	214	263	280	277	283	303	299	305	326	322	330	
Operating Surplus / deficit	8	19	6	26	11	18	(1)	(0)	1	1	2	
Capital Expenditure												
Renewals	46	84	73	94	81	90	72	75	77	80	82	
New Work	0											
Total Capital Expenditure	46	84	73	94	81	90	72	75	77	80	82	
Funded By												
Loans												
Reserves												
Development Contributions	0											
Funded Depreciation	46	74	73	78	81	84	72	75	77	80	82	
Special funds	0											
Grants	0											
Cash from operating	0	10	-	16	-	6	-	-	-	-	-	
Total Funding	46	84	73	94	81	90	72	75	77	80	82	
Debt repayment - principal	8	8	9	10	11	11	12	13	15	16	17	

Renewals

These include repainting, roofing, electrical, plumbing and carpeting.

Capital Works Programme

There is no capital work programmed for this activity over the next 10 years.

6. Financial Forecasts

The Council's LTP is a 10 year plan that covers the period 1st July 2012 to 30 June 2022. It incorporates operating and capital expenditure for this period of Council including dividend transfers from Tamatea Limited, consolidated statements have not been prepared to include this subsidiary. (These financial reports are GST exclusive).

"These ten year forecast financial have been prepared in compliance with FRS 42 prospective financial statements. The best information that is available at the time the prospective financial statements have been prepared have been included in determining the assumptions and the information used in the preparation of the ten year prospective financial information. The prospective financial statements have been prepared in accordance with the Accounting Policies set out in Section 7 of the LTP which are the accounting policies expected to be applicable at the time of reporting against the prospective financial information in future years. The prospective financial statements have been prepared utilising the assumptions documented in Section 4 of the LTP. The actual financial results achieved in the future periods covered by these prospective financial statements are likely to vary from the information presented and the variations may be material."

Prospective Statement of Comprehensive Income

	Annual Plan LTP Budget										
	Forecast 11/12 \$' 000	12/13 \$' 000	13/14 \$' 000	14/15 \$' 000	15/16 \$' 000	16/17 \$' 000	17/18 \$' 000	18/19 \$' 000	19/20 \$' 000	20/21 \$' 000	21/22 \$' 000
Revenue											
Non Targeted Rates	10,724	11,132	11,522	11,854	12,853	12,884	13,164	13,842	13,978	14,252	15,241
Targeted Rates	4,947	5,130	5,184	5,615	5,705	5,855	6,084	6,305	6,315	6,505	6,702
Interest	296	500	553	532	524	575	514	585	663	649	696
Subsidies	6,310	6,792	6,752	6,713	7,718	7,719	7,719	8,570	8,571	8,572	9,671
Fees and Charges	2,630	2,734	2,800	2,864	2,932	3,005	3,072	3,142	3,221	3,308	3,397
Development Contributions	97	23	23	23	23	23	23	23	23	23	23
Dividend	50	50	50	50	50	50	50	50	50	50	50
Total Revenue	25,054	26,361	26,884	27,651	29,805	30,110	30,626	32,517	32,821	33,359	35,780
Expenditure											
Activity											
Leadership/Governance	554	566	588	604	617	637	661	678	695	725	742
Economic Development	134	217	182	146	150	155	160	164	170	175	181
Regulatory	1,256	1,369	1,422	1,429	1,468	1,489	1,564	1,579	1,646	1,683	1,752
Roading	11,565	13,880	14,266	14,580	15,438	15,825	16,230	17,044	17,543	18,154	19,178
Solid Waste	2,330	2,485	2,654	2,686	2,719	2,765	2,921	3,114	3,166	3,239	3,293
Water	2,076	2,131	2,193	2,321	2,398	2,449	2,573	2,625	2,678	2,845	2,917
Waste Water	1,726	1,966	2,040	2,533	2,640	2,694	2,854	2,945	3,002	3,146	3,173
Stormwater	430	438	446	482	497	509	546	557	569	621	641
Parks/Reserves	922	960	995	1,025	1,054	1,090	1,129	1,165	1,204	1,254	1,297
Public Conveniences	167	177	186	191	196	202	208	214	221	230	237
Retirement Housing	190	189	194	199	204	209	214	219	225	231	237
Libraries	430	441	456	468	480	495	511	525	540	560	576
Theatres/Halls	452	721	745	786	831	856	880	903	928	959	987
Cemeteries	157	161	166	170	174	178	184	189	194	201	206
Property	272	263	280	277	283	303	299	305	326	322	330
Fair value adjustments on investments	0	0	0	0	0	0	0	0	0	0	0
Fair value adjustments of public debt	0	0	0	0	0	0	0	0	0	0	0
Total Expenditure	22,661	25,964	26,813	27,897	29,149	29,856	30,934	32,226	33,107	34,345	35,747
Net Surplus	2,393	397	71	-246	656	255	-308	292	-286	-986	33
Taxation	0	0	0	0	0	0	0	0	0	0	0
Net Surplus after tax	2,393	397	71	-246	656	255	-308	292	-286	-986	33
Other Comprehensive Income											
Property, Plant and Equipment (PPE) Revaluations	24,544	25,716	30,934	27,331	26,253	34,686	30,325	35,345	52,411	40,364	44,664
PPE adjustments prior year estimates		51,088									
Total Comprehensive Income	26,937	77,201	31,005	27,085	26,908	34,941	30,017	35,636	52,125	39,378	44,696
Depreciation and Amortisation	9,501	10,916	11,399	11,841	12,327	12,715	13,244	13,743	14,266	15,025	15,588
Finance Costs	452	765	767	1,078	1,066	1,021	1,097	1,169	1,120	1,067	1,013

Prospective Statement of Changes in Equity

	Annual Plan Forecast	LTP Budget									
	11/12 \$' 000	12/13 \$' 000	13/14 \$' 000	14/15 \$' 000	15/16 \$' 000	16/17 \$' 000	17/18 \$' 000	18/19 \$' 000	19/20 \$' 000	20/21 \$' 000	21/22 \$' 000
Equity at the beginning of the year	655,285	682,224	759,425	790,430	817,515	844,423	879,364	909,381	945,017	997,142	1,036,521
PPE adjustments prior year estimates		51,088									
Total Comprehensive Income	26,939	26,113	31,005	27,085	26,908	34,941	30,017	35,636	52,125	39,378	44,696
Public Equity at Year End	682,224	759,425	790,430	817,515	844,423	879,364	909,381	945,017	997,142	1,036,521	1,081,217
Components of Equity											
Ratepayers Equity at the beginning of the year	241,412	243,364	242,704	243,198	243,109	242,753	244,225	242,485	241,230	241,221	239,289
Net Surplus/(Deficit) for the year	1,952	-660	494	-89	-356	1,472	-1,740	-1,255	-9	-1,932	-1,436
Ratepayers Equity at end of year	243,364	242,704	243,198	243,109	242,753	244,225	242,485	241,230	241,221	239,289	237,853
Special Funds at the beginning of the year	9,075	9,518	10,575	10,153	9,995	11,007	9,789	11,222	12,769	12,492	13,437
Transfers to/(from) Special Funds	443	1,057	-423	-157	1,012	-1,218	1,432	1,547	-277	946	1,468
Special Funds at end of year	9,518	10,575	10,153	9,995	11,007	9,789	11,222	12,769	12,492	13,437	14,906
Trust Funds at the beginning of the year	182	182	182	182	182	182	182	182	182	182	182
Transfers to/(from) Trust Funds	0	0	0	0	0	0	0	0	0	0	0
Trust Funds at end of year	182	182	182	182	182	182	182	182	182	182	182
Revaluation Reserves at the beginning of the year	404,616	429,160	505,964	536,898	564,229	590,482	625,168	655,492	690,837	743,248	783,613
Transfers to/(from) Revaluation Reserves	24,544	76,804	30,934	27,331	26,253	34,686	30,325	35,345	52,411	40,364	44,664
Revaluation Reserves at end of year.	429,160	505,964	536,898	564,229	590,482	625,168	655,492	690,837	743,248	783,613	828,276
Total Equity at end of year	682,224	759,425	790,430	817,515	844,423	879,364	909,381	945,017	997,142	1,036,521	1,081,217

Prospective Balance Sheet

	Annual Plan Forecast	LTP Budget									
	11/12 \$' 000	12/13 \$' 000	13/14 \$' 000	14/15 \$' 000	15/16 \$' 000	16/17 \$' 000	17/18 \$' 000	18/19 \$' 000	19/20 \$' 000	20/21 \$' 000	21/22 \$' 000
Current Assets											
Accounts Receivable	2,362	5,050	4,658	5,599	5,905	6,035	7,200	7,234	7,777	7,775	8,908
Cash and Short Term Investments	5,013	6,850	7,817	7,539	7,897	8,065	7,900	7,633	7,833	8,534	9,142
Prepayments	150	150	157	165	175	184	192	202	211	220	230
Assets held for sale	0										
Loan to Tamatea Limited	4,025	4,033	4,041	4,049	4,057	4,065	4,073	4,081	4,089	4,097	4,105
Total Current Assets	11,550	16,083	16,673	17,352	18,034	18,349	19,365	19,150	19,910	20,626	22,385
Non Current Assets											
Shares in Tamatea Limited	1	1	1	1	1	1	1	1	1	1	1
Term Investments	6,221	7,385	6,962	6,805	7,817	6,599	8,032	9,579	9,301	10,247	11,715
Property Plant and Equipment	679,184	756,111	785,129	815,533	840,286	873,664	904,433	938,517	988,739	1,026,382	1,067,446
Total Non Current Assets	685,406	763,497	792,092	822,339	848,104	880,264	912,466	948,097	998,041	1,036,630	1,079,162
Total Assets	696,956	779,580	808,765	839,691	866,138	898,613	931,831	967,247	1,017,951	1,057,256	1,101,547
Current Liabilities											
Trade and other payables	2,093	5,039	5,129	5,326	5,250	5,010	5,400	5,167	5,371	5,570	5,025
Employee benefit liabilities	257	265	273	281	289	298	307	316	326	335	345
Current portion of Public Debt	1,923	1,921	1,754	484	2,627			1,639	415		
Total Current Liabilities	4,273	7,225	7,156	6,091	8,166	5,308	5,707	7,122	6,112	5,905	5,370
Non Current Liabilities											
Public Debt	10,351	12,820	11,066	15,968	13,428	13,817	16,615	14,976	14,561	14,691	14,816
Provision for Landfill Closure	107	110	114	117	120	124	128	132	136	140	144
Total Liabilities	10,458	12,930	11,180	16,085	13,548	13,941	16,743	15,108	14,697	14,831	14,960
Total Liabilities	14,731	20,155	18,335	22,176	21,715	19,249	22,450	22,230	20,808	20,736	20,330
Public Equity											
Special Funds	9,519	10,575	10,153	9,995	11,007	9,789	11,222	12,769	12,492	13,437	14,906
Trust Funds	182	182	182	182	182	182	182	182	182	182	182
Revaluation Reserve of Assets	429,160	505,964	536,898	564,229	590,482	625,168	655,492	690,837	743,248	783,613	828,276
Ratepayer's Equity	243,364	242,704	243,198	243,109	242,753	244,225	242,485	241,230	241,221	239,289	237,853
	682,225	759,425	790,430	817,515	844,423	879,364	909,381	945,017	997,142	1,036,521	1,081,217
Total Liabilities and Public Equity	696,956	779,580	808,765	839,691	866,138	898,613	931,831	967,247	1,017,951	1,057,256	1,101,547

Note - Council's investment in Infracon Limited is held in a 100% owned Council Controlled Organisation - Tamatea Limited. For LTP purposes no consolidated financial statements have been prepared. As Tamatea Limited acts a conduit these financial statements have been prepared as if the investment in Infracon and the resultant dividend stream, were held directly by Council.

Prospective Cash Flow Statement

	Annual Plan LTP Budget Forecast	11/12 \$' 000	12/13 \$' 000	13/14 \$' 000	14/15 \$' 000	15/16 \$' 000	16/17 \$' 000	17/18 \$' 000	18/19 \$' 000	19/20 \$' 000	20/21 \$' 000	21/22 \$' 000
CASH FLOWS FROM OPERATING ACTIVITIES												
Cash was provided from:												
Rates	15,673	16,262	16,706	17,469	18,558	18,739	19,248	20,147	20,293	20,757	21,943	
Subsidies and Grants	6,310	6,792	6,752	6,713	7,718	7,719	7,719	8,570	8,571	8,572	9,671	
Interest	296	500	553	532	524	575	514	585	663	649	696	
User Charges	2,630	2,734	2,800	2,864	2,932	3,005	3,072	3,142	3,221	3,308	3,397	
Development Contributions	97	23	23	23	23	23	23	23	23	23	23	
Dividends	50	50	50	50	50	50	50	50	50	50	50	
	25,056	26,361	26,884	27,651	29,805	30,110	30,626	32,517	32,821	33,359	35,780	
Cash was disbursed to:												
Payments to Suppliers of Goods and Services	(12,558)	(9,910)	(9,997)	(11,768)	(13,259)	(11,374)	(14,661)	(15,420)	(13,532)	(14,585)	(17,682)	
Payments to Employees	(3,206)	(3,537)	(3,643)	(3,752)	(3,865)	(3,981)	(4,100)	(4,223)	(4,350)	(4,481)	(4,615)	
Interest paid	(571)	(1,032)	(897)	(1,152)	(1,124)	(967)	(1,163)	(1,163)	(1,048)	(1,028)	(1,037)	
	(16,335)	(14,479)	(14,537)	(16,672)	(18,248)	(16,322)	(19,925)	(20,807)	(18,930)	(20,094)	(23,334)	
Net Cash Flows from Operating Activities	8,721	11,882	12,346	10,979	11,557	13,788	10,701	11,710	13,890	13,265	12,446	
CASH FLOWS FROM INVESTING ACTIVITIES												
Cash was disbursed to:												
Purchase of Fixed Assets and Infrastructural Assets:	(10,421)	(13,620)	(9,458)	(14,889)	(10,802)	(11,381)	(13,664)	(12,457)	(12,051)	(12,278)	(11,963)	
Realisation / (purchase) of investments	-											
Net Cash Flows from Investing Activities	(10,421)	(13,620)	(9,458)	(14,889)	(10,802)	(11,381)	(13,664)	(12,457)	(12,051)	(12,278)	(11,963)	
CASH FLOWS FROM FINANCING ACTIVITIES												
Cash was provided from:												
Proceeds from Loan	1,198	3,935	-	5,387	87	388	2,798	480	-	130	126	
Cash was applied to:												
Repayment of Loans	(360)	(359)	(1,921)	(1,754)	(484)	(2,627)	-	-	(1,639)	(415)	-	
Net Cash Flows from Financing Activities	838	3,576	(1,921)	3,633	(397)	(2,239)	2,798	480	(1,639)	(285)	126	
Net Increase (Decrease) in Cash Held	(862)	1,837	967	(278)	358	168	(165)	(267)	200	701	608	
Add Opening Bank Brought Forward	5,875	5,013	6,850	7,817	7,539	7,897	8,065	7,900	7,633	7,833	8,534	
Ending Funds	5,013	6,850	7,817	7,539	7,897	8,065	7,900	7,633	7,833	8,534	9,142	
Bank Balances at Year End	5,013	6,850	7,817	7,539	7,897	8,065	7,900	7,633	7,833	8,534	9,142	

Prospective Movement of Reserves Statement

	Annual Report 2010/11	Annual Plan Forecast	LTP Budget									
	10/11	11/12 \$' 000	12/13 \$' 000	13/14 \$' 000	14/15 \$' 000	15/16 \$' 000	16/17 \$' 000	17/18 \$' 000	18/19 \$' 000	19/20 \$' 000	20/21 \$' 000	21/22 \$' 000
Reserves held for Emergency Purposes												
Opening Balance	1,887	1,437	1,509	1,584	1,714	2,047	2,289	2,587	2,892	3,155	3,276	3,403
Transfers to Reserves	126	72	75	129	334	241	298	305	263	121	127	133
Transfer From Reserves	-576	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	1,437	1,509	1,584	1,714	2,047	2,289	2,587	2,892	3,155	3,276	3,403	3,537
Reserves held for future Asset Purchases												
Opening Balance	1,418	1,561	1,639	1,721	1,807	1,898	1,997	2,104	2,218	2,341	2,473	2,610
Transfers to Reserves	151	78	82	86	91	99	106	114	123	131	138	145
Transfer From Reserves	-8	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	1,561	1,639	1,721	1,807	1,898	1,997	2,104	2,218	2,341	2,473	2,610	2,755
Reserves held for future Operational costs												
Opening Balance	2,626	2,005	2,105	2,235	2,371	2,515	2,672	2,840	3,020	3,215	3,423	3,640
Transfers to Reserves	640	100	130	136	144	157	168	181	194	208	218	229
Transfer From Reserves	-799	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	2,467	2,105	2,235	2,371	2,515	2,672	2,840	3,020	3,215	3,423	3,640	3,869
Reserves held for repayment of Maturing Debt												
Opening Balance	2,584	3,459	4,265	5,035	4,261	3,535	4,050	2,260	3,092	4,057	3,320	3,783
Transfers to Reserves	875	999	1,129	1,147	1,028	998	837	832	966	902	878	961
Transfer From Reserves	0	193	359	1,921	1,754	484	2,627	-	-	1,639	415	-
Closing Balance	3,459	4,265	5,035	4,261	3,535	4,050	2,260	3,092	4,057	3,320	3,783	4,745
Total Reserve Funds	8,924	9,518	10,575	10,153	9,996	11,007	9,790	11,222	12,769	12,492	13,437	14,906

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, and the Rural Fires Reserve which has been set aside to provide for non recoverable costs incurred by Council fighting rural fires.

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 towards the cost of purchasing or constructing new recreational, cultural or infrastructural assets. Three former Ward funds are held in reserves to allow for the maintenance of recreational, cultural or infrastructural assets. A further reserve is maintained to fund the purchase of Esplanade Reserve land or esplanade strips, when these become available.

Reserves held to meet future operational costs

These reserves include:

- Mayor's Fund - \$5,000 per annum to be spent at the discretion of the Mayor
- Rural Fire Reserve – to fund any non recoverable costs incurred by Council in fighting rural fires
- Retirement Housing Depreciation Reserve Account – held for major maintenance or upgrades of Council's stock of retirement housing
- Elections and By elections – to cover the expense of triennial elections or any by election required
- Administration Reserves – funds carried over from one financial year to the next to match related expenditure
- 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 repayment of maturing debt

Funds are transferred to this fund in order to repay maturing debt.

7. Statement of Accounting Policies

1. Reporting Entity

Central Hawke's Bay District Council (CHBDC) is a territorial local authority governed by the Local Government Act 2002 and is domiciled in New Zealand.

The Central Hawke's Bay District Council Group consists of Central Hawke's Bay District Council and its subsidiary – Tamatea Limited (100% owned). Tamatea Limited (Tamatea) was incorporated in New Zealand on 26 October 2006.

The primary objective of CHBDC is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, CHBDC has designated itself as a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

2. Summary of Significant Accounting Policies

2.1 Statement of Compliance and basis of preparation

The financial statements of CHBDC have been prepared in accordance with the Local Government Act 2002, which includes the requirement to comply with Generally Accepted Accounting Practice in New Zealand (NZ GAAP).

These financial statements have been prepared in accordance with NZ GAAP. They comply with NZ IFRS and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

The financial statements are presented in New Zealand Dollars (NZD). The functional currency of CHBDC is New Zealand Dollars.

2.2 Basis of Financial Statement Preparation and Measurement Base

In respect of CHBDC the measurement base adopted is that of historical cost basis modified by the revaluation of certain assets as specifically stated in these accounting policies.

2.3 Basis of Preparation of the Forecast Information

In September 2011, the External Reporting Board issued a position paper and consultation papers proposing a new external reporting framework for public benefit entities (PBEs). The papers proposed that accounting standards for PBEs would be based on International Public Sector Accounting Standards, modified as necessary. The proposals in these papers do not provide certainty about any specific requirements of future accounting standards. Therefore, the accounting policies on which the forecast information for 2012-22 has been prepared are based on the current New Zealand equivalents to International Financial Reporting Standards.

2.4 Critical Accounting Estimates and Assumptions

In preparing these financial statements CHBDC has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below –

Landfill aftercare provision

Note 8 presents an analysis of the exposure of CHBDC in relation to the estimates and uncertainties surrounding the landfill aftercare provision.

Infrastructural assets

There are a number of assumptions and estimates used when performing DRC valuations over infrastructural assets. These include:

- the physical deterioration and condition of an asset, for example the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets, which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modeling assessments of underground assets;
- estimating any obsolescence or surplus capacity of an asset; and
- estimates are made when determining the remaining useful lives over which the asset will be depreciated.

These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then CHBDC could be over or under estimating the annual depreciation charge recognised as an expense in the statement of financial performance. To minimise this risk CHBDC's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modeling are also carried out regularly as part of the CHBDC's asset management planning activities, which gives CHBDC further assurance over its useful life estimates. Experienced independent valuers assist in performing the Council's infrastructural asset revaluations.

2.5 Investment in Subsidiary

Council consolidates its investment in its subsidiary – Tamatea – as it has the capacity to control that company's financing and operating policies so as to obtain benefits from the activities of the entity. This exists because Council, as the sole shareholder, controls the voting power of the governing body.

2.6 Basis of consolidation

The consolidated financial statements are prepared by adding together like items of assets, liabilities, equity, income and expenses on a line by line basis. All significant intragroup balances, transactions, income and expenses are eliminated on consolidation.

2.7 Investment in Associate

CHBDC accounts for its investment in Infracon Limited in the group financial statements using the equity method.

An Associate is an entity over which CHBDC has significant influence, and where this entity is neither a subsidiary nor Joint Venture. The investment is initially recognised at cost and the carrying value is increased or decreased to recognise CHBDC's share of the surplus or deficit of the associate after the date of acquisition. CHBDC's share of the surplus or deficit is recognised in CHBDC's profit and loss. Distributions received from the associate reduce the carrying value of the investment.

The investment is tested at each reporting date to determine if there is any objective evidence that the investment in the associate is impaired. If this is the case, where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in the profit or loss. The recoverable amount is the higher of the investment's fair value, less costs to sell and its value in use.

In testing for impairment, CHBDC has made estimates and assumptions concerning the future which may differ from subsequent actual results. Reliance has been placed on the independent audit of Infracon to provide assurance on the carrying value of its assets and the assumption that the company remains a going concern.

2.8 Equity

Equity is the community's interest in CHBDC and is measured as the difference between total assets and total liabilities. Public equity is disaggregated and classified into a number of reserves to enable clearer identification of the specified uses that CHBDC make of its accumulated surpluses.

The components of equity are:

- Accumulated funds
- General Reserves
- Trust Funds
- Revaluation Reserves

2.9 Reserves

Reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by the Council.

2.9.1 Council-created Reserves

These are reserves established by Council decision. The Council may alter them without reference to any third-party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

2.9.2 Trust Funds

These are funds received by the Council over time, usually by way of donation or bequest, which restrict the use of the funds. All such funds are separately invested and are not available for any other purposes. The interest earned is credited to the funds.

2.9.3 Revaluation Reserves

These reserves relate to the revaluation of Property, Plant and Equipment to Fair Value.

2.10 Overhead Allocations

The costs of providing support services for the Council are accumulated and then allocated to each significant activity using appropriate allocation bases which reflect usage and/or capacity for each significant activity.

2.11 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to Council and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised –

Rates revenue is recognised when payable.

Revenue from the sale of goods and services is recognised in the profit and loss when the significant risks and rewards of ownership have been transferred to the buyer or the obligation to pay arises. In the case of Licence fees, upon renewal of the licence.

Revenue from services rendered is recognised when invoiced. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of the goods.

Government grants and subsidies are recognised as revenue when entitlement has been established by the grants agency, and are recognised at their fair value.

Dividends are recognised when the shareholder's right to receive payment is established.

Interest income is recognised using the effective interest method.

Revenue from developer contributions is recognised when it is acknowledged that the liability of payment exists to the Council based on the completion of the subdivision or connection to service.

Vested assets are recognised when the significant risks and rewards of ownership have been transferred to the Council and when the obligation to accept the transfer of the assets to the Council has been determined.

2.12 Valuation

2.12.1 Current Assets

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Where fair value cannot be readily determined, as in the case of certain investments, the asset is recognised at cost.

Cash and Short Term Investments in the balance sheets comprise cash at bank and in hand and short term deposits with an original maturity of three months or less.

2.12.2 Financial Assets

Financial Assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through the profit and loss in which case the transaction costs are recognised in the profit and loss.

Purchases and sales of financial assets are recognised on trade-date, the date on which CHBDC commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and CHBDC has transferred substantially all the risks and rewards of ownership.

CHBDC classifies its financial assets into the following categories - fair value through the profit and loss, loans and receivables. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

Financial assets at fair value through the profit and loss

Financial assets at fair value through the profit and loss include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term.

After initial recognition they are measured at their fair values with gains or losses on re-measurement recognised in the profit and loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets. CHBDC's loans and receivables comprise cash and cash equivalents, debtors and other receivables.

After initial recognition they are measured at amortised cost using the effective interest method less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the profit and loss.

Fair value

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used is the current bid price. The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. CHBDC uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long term debt instruments held. Other techniques, such as discounted expected cash flows, are used to determine fair value for the remaining financial instruments.

2.12.3 Impairment of financial assets

At each balance sheet date CHBDC assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the profit and loss.

Loans and other receivables

Impairment of a loan or a receivable is established when there is objective evidence that CHBDC will not be able to collect amounts due according to the original terms. Significant financial difficulties of the debtor/issuer, probability that the debtor/issuer will enter into bankruptcy, and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of financial performance. When the receivable is uncollectible, it is written off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (i.e. not past due). For term deposits, local authority stock, government stock and community loans, impairment losses are recognised directly against the instruments carrying amount.

Impairment of term deposits, local authority, government stock, bonds and notes and related party loans is established when there is objective evidence that the CHBDC will not be able to collect amounts due to the original terms of the instrument. Significant financial difficulties of the issuer, probability the issuer will enter into bankruptcy, and default in payments are considered indicators that the instrument is impaired.

2.12.4 Non Current Assets

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the profit and loss.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

(a) Work In Progress

Work in progress is treated as a non current asset on the basis that there is a high likelihood that it will be capitalised. This covers work on infrastructural assets, plant, property or equipment that is incomplete at balance date, and excludes borrowing costs.

On completion the total cost of the project is transferred to the relevant asset class and then depreciated.

(b) Land and Buildings

Land and Buildings are re-valued on a maximum of a three yearly cycle, or more frequently where market evidence reflects that the current values of land and buildings is materially different to their fair value. The valuation uses the depreciated replacement cost method, based on currently accepted valuation methodology.

The results of revaluing are credited or debited to an asset revaluation reserve included in other comprehensive income for that class of asset. Where revaluing results in a debit balance in the asset revaluation reserve for a particular class of asset, this balance is expensed to profit and loss rather than other comprehensive income.

Land under Roads is re-valued annually based on the fair value of adjacent land.

(c) Property, Plant and Equipment (Fixed Assets)

On acquisition, all fixed assets are initially stated at cost.

Plant and Machinery are stated at historical cost less accumulated depreciation and any impairment in value.

Library Books are valued at historical cost. All subsequent and future additions are recognised at cost. Depreciation is provided over the asset's useful lives.

(d) Infrastructural Assets

Infrastructural Assets: water, stormwater, and waste/sewerage are re-valued on a three yearly cycle, or more frequently where the value has changed significantly, using the depreciated replacement cost method, based on currently accepted valuation methodology.

The results of revaluing are credited or debited to an asset revaluation reserve included in other comprehensive income for that class of asset. Where revaluing results in a debit balance in the asset revaluation reserve for a particular class of asset, this balance is expensed to profit and loss rather than other comprehensive income.

The Landfill and Transfer Stations are re-valued on a three yearly cycle, using the depreciated replacement cost method.

Roading and its networks are re-valued each year using the depreciated replacement cost method.

All subsequent additions to Infrastructural Assets are stated at depreciated cost.

2.13 Depreciation

2.13.1 Property, Plant and Equipment (Excluding Infrastructural Assets)

Council's fixed assets, with the exception of infrastructural assets and land, are depreciated on a straight line basis at rates, which will write off their cost or value over their estimated useful economic lives. This depreciation charge is reflected in the appropriate cost of service statement.

The expected lives of major fixed asset classes are:

	Years
• Buildings	6 - 165
• Emergency Equip, Misc Plant, Computer Equip, Office Equip	4 - 5
• Office furniture, Library Books	4 - 10
• Land is considered to have an indefinite useful life and is not depreciated	

2.13.2 Infrastructural Assets

(a) Water, Sewerage and Stormwater Assets

Water, Sewerage and Stormwater Assets are the utility systems, which provide continuing services to the community and are not generally regarded as tradable.

Depreciation is calculated using useful life of components as provided by Opus International Consultants Asset Valuation Reports and in accordance with the standard NZ Infrastructure Asset Valuation and Depreciation Guidelines (NZIAVDG).

The expected lives of major fixed asset classes are:

	Years
Water Systems	
• Pipes	50 - 100
• Valves, Hydrants, Meters, Toby's	10- 75
• Reservoirs	40 - 100
Sewerage Systems	
• Pipes	60 - 135
• Manholes	60- 100
• Valves	20 - 50
Stormwater Systems	
• Pipes	25 - 100
• Manholes	60- 100
• Open Channels	60 - 100

(b) Roothing Assets

Roothing Assets is the rooding network, which provides continuing services to the community and is not generally regarded as tradable.

Depreciation is calculated using useful life of components as provided by Opus International Consultants Asset Valuation Reports and in accordance with the standard NZ Infrastructure Asset Valuation and Depreciation Guidelines (NZIAVDG).

The expected lives of major fixed asset classes are:

	Years
• Pavement Maintenance - Unsealed	7
• Pavement Maintenance - Sealed	70

•	Chip Seals	10
•	Area Wide Pavement Treatment	
	Surface	10
	Base course	70
	Sub base	Not depreciated
	Wearing Course	7
•	Bridges	50
•	Traffic – pavement marking	1
•	Traffic – signs	15
•	Footpaths	50-70

(c) Landfill and Transfer Stations

The Landfill and Transfer Stations are the individual facilities which provides continuing services to the community and are not generally regarded as tradable. The expected future lives of the Landfill and Transfer Stations are 50 years.

2.14 Borrowings

Borrowings are initially recognised at fair value and any related transaction costs are expensed to profit and loss. After initial recognition, borrowings are recognised at fair value through profit and loss with any resultant gains or losses recognised in profit and loss.

Borrowing costs are recognised as an expense in the period in which they are incurred.

2.15 Loan to Tamatea

This loan arises from the transfer to Tamatea of the shares in Infracon Limited – formerly held directly by Council. The loan is interest free and is on call and carried at amortised cost.

2.16 Goods and Services Tax

These financial statements have been prepared exclusive of Goods and Services Tax (GST), except for receivables and payables that are stated inclusive of GST.

2.17 Employee Entitlements

Long term benefits

Provision is made in respect of the Council's liability for long service leave. Long service leave, has been calculated on a probability basis, which takes into consideration the likelihood that the Council will be obligated to make the payments.

Short term benefits

Wages, salaries, and annual leave are measured at nominal values on actual entitlement basis at current rates of pay.

A liability for sick leave is recognised to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that Council anticipates it will be used by staff to cover these future absences.

2.18 Operating Leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight line basis over the lease term.

2.19 Landfill Post-Closure Provision

Council as operator of the district landfill has a legal obligation to apply for resource consents when the landfill reaches the end of its operating life. The resource consents will set out the closure requirements and requirements for ongoing maintenance and monitoring services at the landfill site after closure. A provision for post-closure costs is recognised as a liability when the obligation for post-closure arises. The provision is measured based on the present value of future cash flows expected to be incurred, taking into account future events including known changes to legal requirements and technological improvements.

The provision includes all costs associated with landfill post-closure: final cover application and vegetation, fencing off, completing facilities for leachate collection and the monitoring of gas systems, stormwater systems, and vegetation systems. Amounts provided for landfill post-closure are capitalised to the landfill asset where they give rise to future economic benefits or if they are incurred to enable future economic benefits to be obtained. The capitalised landfill asset is depreciated over the life of the landfill based on the anticipated capacity used.

2.20 Statement of Cash Flows

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Operating activities include cash received from all income sources and record the cash payments made for the supply of goods and services. Agency transactions are not recognised as receipts and payments in the Statement of Cash Flows as they do not represent transactions that Council can control.

Investing activities are those activities relating to the acquisition and disposal of non-current assets. Investing and financing activity transactions have had their respective sources and applications of cash netted off where rollover of financing has occurred and where there have been transfers between Council bank accounts.

Financing activities comprise activities that change the equity and debt capital structure of the Council.

2.21 Income Tax

The income tax expense recognised in the profit and loss is the estimated income tax payable in the current year, adjusted for any differences between the estimated and actual income tax payable in prior periods.

The nature of the Council's taxable earnings is such that it does not give rise to deferred tax assets or liabilities.

2.22 Capital Management Policy

The Council's capital is its equity (or ratepayers' funds), which comprise retained earnings and reserves. Equity is represented by net assets. The Local Government Act 2002 (the Act) requires the Council to manage its revenues, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayer's funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings. The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets and not expecting them to meet the full cost of long term assets that

will benefit ratepayers in future generations. Additionally, the Council has in place asset management plans for major classes of assets detailing renewal and maintenance programs, to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

2.23 Changes in Accounting Policies

There have been no changes in accounting policies during the financial year.

CHBDC has adopted the following revisions to accounting standards, which only have a presentational effect:

- *NZ IAS 1 Presentation of Financial Statements (Revised 2007)* replaces NZ IAS 1 Presentation of Financial Statements (issued 2004). The revised standard requires information in financial statements to be aggregated on the basis of shared characteristics and introduces a statement of comprehensive income. The statement of comprehensive income will enable readers to analyse changes in equity resulting from non – owner changes separately from transactions with owners. The Council and CHBDC has prepared a single statement of comprehensive income for the years ended 30 June 2012 to 2022 under the revised standard.
- *Amendments to NZ IFRS 7 Financial Instruments: Disclosures*. The amendments introduce a three level fair value disclosure hierarchy that distinguishes fair value measurements by the significance of valuation inputs used. A maturity analysis of financial assets is also required to be prepared if this information is necessary to enable users of the financial statements to evaluate the nature and extent of liquidity risk. The transitional provisions of the amendment do not require disclosure of comparative information in the first year of application.

Standards, amendments and interpretations issued but not yet effective that have not been early adopted, and which are relevant to CHBDC include –

- *NZ IFRS 9 Financial Instruments* will eventually replace NZ IAS 39 Financial Instruments: Recognition and Measurement. NZ IAS 39 is being replaced through the following 3 main phases: Phase 1 Classification and Measurement, Phase 2 Impairment Methodology, and Phase 3 Hedge Accounting. Phase 1 on the classification and measurement of financial assets has been completed and has been published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the many different impairment methods in NZ IAS 39. The new standard is required to be adopted for the year ending 30 June 2014. CHBDC has not yet assessed the effect of the new standard and expects it will not be early adopted.
- *FRS – 44 New Zealand Additional Disclosures and Amendments to NZ IFRS to harmonise with IFRS and Australian Accounting Standards (Harmonisation Amendments)* – these were issued in May 2011 with the purpose of harmonising Australia and New Zealand's accounting standards with source IFRS and to eliminate many of the differences between the accounting standards in each jurisdiction. The amendments must first be adopted for the year ended 30 June 2012, CHBDC has not yet assessed the effects of FRS-44 and the Harmonisation Amendments.

8. Revenue and Financing Policy

The Revenue and Financing policy is required under Section 103 of the Local Government Act 2002. The policy must be included in full in the LTP and changed only as an amendment to the LTP. Section 103(2) allows the following funding mechanisms to be used when funding operating and capital expenditure:

- General rates
- Targeted rates
- Grants and Subsidies
- Interest and Dividend from Investments
- Fees and Charges
- Borrowing
- Proceeds from Assets Sales
- Development or Financial Contributions
- Any other source

This policy summarises the funding sources to be used by Council and their intended use. Sources are identified for each Council activity, including those that may be used to fund operating and capital expenditure.

Council must consider the following elements in deciding on appropriate funding mechanisms for each activity:

- *Community Outcomes* – the community outcomes an activity will primarily contribute to.
- *Distributions of benefits* – the distribution of benefits between the community as a whole, any identifiable parts of the community and individuals.
- *Timeframes of benefits* – the period in and over which those benefits are expected to occur. For example, the benefits may occur on an ongoing basis, but may also benefit future generations.
- *Contributors to need for activity* – the extent to which actions or inactions of particular individuals or groups contribute to the need to undertake the activity.
- *Costs and Benefits of distinct funding* – the cost and benefits, including for transparency and accountability, of funding the activity distinctly from other activities.

Funding of Operating Expenditure

The following table shows which mechanisms may be used to fund operating expenditure for Council's activities:

	General Rates	Targeted Rates	Interest and Dividends	Grants and Subsidies	Fees and Charges
Community Leadership Group					
Leadership, Governance and Consultation	✓			✓	
Economic and Social Development	✓	✓			
Planning and Regulatory Group					
District Planning	✓				
Land Use and Subdivision Consents	✓				✓
Building Control	✓				✓
Public Health	✓				✓
Animal Control	✓				✓
Emergency Management	✓				
Bylaws	✓				✓
Land Transport Group					
Land Transport	✓	✓		✓	✓
Solid Waste Group					
Solid Waste	✓	✓			✓
Water Supplies Group					
Water Supplies		✓			✓
Wastewater Group		✓			✓
Wastewater					
Stormwater Group		✓			
Stormwater					
Recreation and Community Facilities Group					
Parks, Reserves and Swimming Pools	✓				✓
Public Toilets	✓				
Retirement Housing					✓
Libraries	✓				✓
Theatres, Halls and Museums	✓				
Cemeteries	✓				✓
Property and Buildings	✓				✓

Funding of Capital Expenditure

The following table shows which mechanisms may be used to fund capital expenditure for Council's activities:

	General Rates	Targeted Rates	Borrowings	Reserves	Funding assistance/User Charges
Community Leadership Group					
Leadership, Governance and Consultation	No Capital Expenditure				
Economic and Social Development	No Capital Expenditure				
Planning and Regulatory Group					
District Planning	No Capital Expenditure				
Land Use and Subdivision Consents	No Capital Expenditure				
Building Control	No Capital Expenditure				
Public Health	No Capital Expenditure				
Animal Control	No Capital Expenditure				
Emergency Management					✓
Bylaws	No Capital Expenditure				
Land Transport Group		✓	✓	✓	✓
Solid Waste Group	✓		✓	✓	
Water Supplies Group		✓	✓	✓	
Wastewater Group		✓	✓	✓	
Stormwater Group		✓	✓	✓	
Recreation and Community Facilities Group					
Parks, Reserves and Swimming Pools	✓			✓	✓
Public Toilets	✓		✓	✓	
Retirement Housing				✓	✓
Libraries				✓	
Theatres, Halls and Museums	✓		✓	✓	✓
Cemeteries	✓			✓	
Property and Buildings	✓			✓	

Fees and Charges

The following table shows the % target recovery for each activity from fees and charges.

Activity	% Target Recovery
Community Leadership Group	
Leadership, Governance and Consultation	-
Economic and Social Development	-
Planning and Regulatory Group	
District Planning	-
Land Use and Subdivision Consents	37-49%
Building Control	66-89%
Public Health	27-36%
Animal Control	91-95%
Emergency Management	Up to 5%
Bylaws	Up to 5%
Land Transport Group	
Land Transport	-
Solid Waste Group	
Solid Waste	46-48%
Water Supplies Group	Up to 10%
Wastewater Group	Up to 5%
Stormwater Group	-
Recreation and Community Facilities Group	
Parks, Reserves and Swimming Pools	Minimum of 3%
Public Toilets	-
Retirement Housing	100%
Libraries	Up to 10%
Theatres, Halls and Museums	-
Cemeteries	10%
Property and Buildings	2%

Community Leadership Group

Leadership, Governance and Consultation

Description

The Leadership, Governance and Consultation activity includes the elected Council.

Community Outcomes

This activity contributes to all of the community outcomes.

Distributions of benefits

Benefits from the Leadership, Governance and Consultation activity are for the community generally. Council are the vehicle for making decisions affecting the district.

Timeframes of benefits

Ongoing.

Contributors to need for activity

Living in a democratic society contributes to the need for this activity.

Costs and Benefits of distinct funding

Benefits from this activity are community wide and there is no benefit perceived from separate funding.

Recommended Funding

Council has agreed on 100% public funding based on a Uniform Annual Charge.

Economic and Social Development

Description

Economic and Social Development is undertaken by a number of outside organisations.

- These are CHB Promotions, Business Hawke's Bay and joint study by Hawke's Bay Councils, funded partly by the Council
- Department of Internal Affairs –which funds a Community Development Coordinator

Community Outcomes

This activity contributes primarily to the following community outcomes:

- People are involved in their local community and have a vision for their future
- Central Hawke's Bay District is well promoted as a good place to do business and visit

Distributions of benefits

Benefits from economic development accrue largely to the community, due to the ongoing economic benefits of visitor spending, creation of employment and investment in the potential of the district. Similarly social benefits accrue the wider community. Some benefits may accrue to businesses or individuals using these services, but it is difficult and illogical to recover these benefits.

Timeframes of benefits

Ongoing.

Contributors to need for activity

All groups contribute to the need for this activity.

Costs and Benefits of distinct funding

Benefits from this activity are community wide and there is no benefit perceived from separate funding.

Recommended Funding

Council has agreed on a 100% public 0% private funding split for this activity. Public funding is collected through the Uniform Annual Charge with up to a 20% contribution towards the cost of funding the visitor information centre recovered from commercial properties (i.e. non rural and non residential).

Planning and Regulatory Group

District Planning

Description

The Land Use Planning and Management Activity, as part of Council's statutory obligations under the Resource Management Act 1991, involves -

- Providing advice on the District Plan
- Providing Policy advice on planning and rules of the District Plan
- Monitoring of the effectiveness and efficiency of the policies and rules in the District Plan

Community Outcomes

This activity contributes primarily to the following community outcomes:

- We plan to develop sustainably and with minimal environmental impact, while facilitating growth and development.
- Central Hawke's Bay District is well promoted as a good place to do business and visit – by facilitating growth and development, in a managed way.

Distributions of benefits

The district planning services benefit the users of the District Plan through clear information available for development and land use.

The community benefits highly through protection of the environment, appropriate and sustainable development of land and property.

Timeframes of benefits

Ongoing.

Contributors to need for activity

People who do not comply with legislative regulations may contribute to the need for this activity.

Costs and Benefits of distinct funding

Benefits from this activity are community wide and there is no benefit perceived from separate funding.

Recommended Funding

Council has agreed on a 100% public 0% private funding split for this activity. Public funding is through the capital value based general rate.

Land Use and Subdivision Consents

Description

The Council is required by the Resource Management Act 1991 to prepare, implement and administer a District Plan that meets the needs of the community. The Resource and Subdivision Activity ensures that development occurs in a manner that complies with the District Plan, through processing resource consent applications and monitoring.

Community Outcomes

This activity contributes primarily to the following community outcomes:

- We plan to develop sustainably and with minimal environmental impact, while facilitating growth and development.

- Central Hawke's Bay District is well promoted as a good place to do business and visit – by facilitating growth and development, in a managed way.

Distributions of benefits

The district planning services mainly benefit the users of the resource and subdivision consent process through meeting legislative requirements.

The community benefits through protection of the environment, appropriate and sustainable development of land and property.

Timeframes of benefits

Ongoing.

Contributors to need for activity

People who do not comply with legislative regulations may contribute to the need for this activity. Generally this is met through extra charges on these people.

Costs and Benefits of distinct funding

Benefits from this activity are community wide and there is no benefit perceived from separate funding.

Recommended Funding

Council requires a 37-49% private funding for this activity, with the remainder coming from public funding. Public funding is through the capital value based general rate and private funding is collected through fees and charges.

Building Control

Description

Building Control is responsible for administering and enforcing the Building Act 2004 (and related legislation). This includes -

- Processing applications for building consents
- Enforcing the provisions of the Building Act 2004 and associated regulations
- Processing Land Information Memoranda

Once a consent has been obtained, Council monitors compliance through inspections and provides code compliance certificates confirming that new building work meets the provisions of the building code.

Community Outcomes

This activity contributes primarily to the following community outcomes:

- Safe and healthy communities through a range of Council regulatory responsibilities
- Risks to public health are identified and appropriately managed

Distributions of benefits

Benefits from building control accrue mainly to users of these services (ie people who build or alter buildings) through meeting legislative requirements and safe buildings. The community benefits through the enforcement of regulations that ensure safe, sanitary and accessible buildings in which people live, play and work.

Timeframes of benefits

Ongoing.

Contributors to need for activity

People who do not comply with legislative regulations may contribute to the need for this activity. In some cases (eg property purchase where consent standards are not met), it may be difficult to identify who should pay.

Costs and Benefits of distinct funding

Benefits from this activity are community wide and there is no benefit perceived from separate funding.

Recommended Funding

Council requires a 66-89% private funding for this activity, with the remainder funded from public funding.. Private funding is collected through various fees and charges. Public funding is through the capital value based general rate.

Public Health

Description

The Public Health Activity covers the regulatory functions relating to environmental health, liquor licensing, hazardous substances, and other environmental monitoring.

Community Outcomes

This activity contributes primarily to the following community outcomes:

- Safe and healthy communities through a range of Council regulatory responsibilities
- Risks to public health are identified and appropriately managed

Distributions of benefits

Benefits from environmental health services accrue to both the community and individuals and organizations. Individuals and organizations benefit from assurances that their premises are of an acceptable standard to the consumer and meet other legislative requirements (e.g. liquor licensing). The community benefits through the expectation that

- standards of operation are being met and
- assurances of a safe and healthy environment for residents and visitors.

Timeframes of benefits

Ongoing.

Contributors to need for activity

People who do not comply with legislative regulations may contribute to the need for this activity. Generally this is met through extra charges on these people.

Costs and Benefits of distinct funding

Benefits from this activity are community wide and there is no benefit perceived from separate funding.

Recommended Funding

Council requires a 27-36% private funding for this activity, with the remainder from public funding. Public funding is through the capital value based general rate and private funding is collected through fees and charges.

Animal Control

Description

This activity includes the implementation of requirements of Dog Control Act 1996 and related legislation and Council bylaws. Main objectives include education, response to complaints and management of registration systems for dogs and stock.

Community Outcomes

This activity contributes primarily to the following community outcomes:

- Safe and healthy communities through a range of Council regulatory responsibilities
- Risks to public health are identified and appropriately managed

Distributions of benefits

Benefits from the animal control service accrue mainly to animal owners from the provision of a service that either confines or returns lost or stray animals. The community generally benefits through the enforcement of regulations against aggressive and straying animals.

Timeframes of benefits

Ongoing, but occur mainly in the short-term.

Contributors to need for activity

People who do not properly control their animals can be a significant contributor to this activity. In some cases, it can be difficult to identify who these people are.

Costs and Benefits of distinct funding

Benefits from this activity are community wide and there is no benefit perceived from separate funding.

Recommended Funding

Council requires a 91-95% private funding for this activity, with the remainder from public funding.. Private funding is collected through various fees and charges – including fines and impounding costs. Public funding is through the capital value based general rate.

Emergency Management***Description***

Civil Defence includes mitigating, preparing for, responding to and recovering from emergencies and adverse events in a co-ordinated fashion. Close cooperation is maintained with a number of organizations to ensure effective response and recovery.

CHB is a member of the Hawke's Bay Civil Defence Emergency Management Group

There is also a statutory and public expectation that Council will promote and carry out fire control measures. When fire occurs, district resources are required to respond to assist the New Zealand Fire Service. The main aim of Rural Fire is to protect life, property and vegetation from the threat of wildfire. Rural fire involves preparing for fire, reducing the risk of fire, and their impact, preparing a quick initial response and assisting with effective recovery.

Community Outcomes

This activity contributes primarily to the following community outcomes:

- Safe and healthy communities through a range of Council regulatory responsibilities
- Risks to public health are identified and appropriately managed

Distributions of benefits

Benefits from this activity accrue across the wider community, through protection of life and property, and peace of mind through having a system available. Some people may benefit more than others, but this cannot be predicted.

Timeframes of benefits

Ongoing. Benefits occur now through training and preparedness, during an event and following an event through response and recovery.

Contributors to need for activity

In some cases, emergencies may be as a result of human actions, such as sabotage, terrorism, negligence around fire or arson.

Costs and Benefits of distinct funding

Benefits from this activity are community wide and there is no benefit perceived from separate funding.

Recommended Funding

Council has agreed on 100% public 0% private funding split for this activity. Public funding is collected through the capital value based general rate. Limited private funding is obtained through grants and cost recovery for rural fire.

Bylaws

Description

Council administers and enforces its Bylaws, as well as related regulations such as the Litter Act 1979 and traffic regulations.

Community Outcomes

This activity contributes primarily to the following community outcomes:

- Safe and healthy communities through a range of Council regulatory responsibilities
- Risks to public health are identified and appropriately managed

Distributions of benefits

Benefits from this activity accrue to the community through the expectation that:

- standards of operation are being met and
- assurance of a safe and healthy environment for residents and visitors

Timeframes of benefits

Ongoing.

Contributors to need for activity

People who do not comply with legislative regulations may contribute to the need for this activity. Generally this is met through extra charges on these people.

Costs and Benefits of distinct funding

Benefits from this activity are community wide and there is no benefit perceived from separate funding.

Recommended Funding

Council has agreed on a 100% public 0% private funding split for this activity. Public funding is collected through the capital value based general rate. There will be a small amount of income derived from parking and litter infringements.

Land Transport Group

Land Transport

Description

The Local Government Act 2002 and Land Transport Management Act 2003 provide the framework under which Council operates a land transport network within the District. Council aims to achieve an integrated safe, responsive and sustainable land transport network. Council maintains 1261.81 km of roads, 64 km footpaths, 265 bridges, street lighting and other roading assets.

Community Outcomes

This activity contributes primarily to the following community outcomes:

- Central Hawke's Bay District has an efficient and affordable roading, waste and water infrastructure
- Risks to public health are identified and appropriately managed

Distributions of benefits

There is a mix of public and private benefits with these activities. Public benefits include an attractive urban environment and streetscape, tidy roadsides, the ability to transport people, goods and services throughout the district, connections to other transport networks and location and property identification. Private benefits are for people and businesses using roads and footpaths to carry out their day to day business.

Timeframes of benefits

Ongoing.

Contributors to need for activity

All groups contribute to the need for this activity. In some cases damage may be caused, additional costs may be caused to Council through vandalism, accidents and activities beyond normal usage.

Costs and Benefits of distinct funding

Benefits from this activity are community wide and there is no benefit perceived from separate funding.

Recommended Funding

Council have agreed to a 100% public, 0% private funding split. Public funding is collected through the land value based general rate.

New Zealand Transport Agency funding applies to subsidised roading projects.

Some existing capital expenditure, in this case resulting from the Ruataniwha Street, Waipukurau Improvements in 2001 and the cost of High Street, Waipawa improvements between 2003 and 2005 will be funded by way of loans. The cost of servicing debt will be recovered through a targeted rate of a uniform amount assessed on all rateable property in the Ruataniwha Ward.

A small amount of private funding is recovered through fees and charges.

Solid Waste Group

Solid Waste

Description

Central Hawke's Bay District Council provides the following services:

District landfill, transfer stations, recycling drop off centres, and kerbside refuse and recycling collections, litter bins and management of closed landfills.

Community Outcomes

This activity contributes primarily to the following community outcomes:

- Central Hawke's Bay District has an efficient and affordable roading, waste and water infrastructure
- We encourage recycling, and manage the rest in a sustainable way.
- Risks to public health are identified and appropriately managed

Distributions of benefits

The benefits of the solid waste activity are largely public and private. Individuals benefit from not having to arrange their own systems of waste disposal. An environmentally sound landfill and rubbish collection maintains a sustainable and clean district.

Timeframes of benefits

Ongoing.

Contributors to need for activity

The community benefits from having solid waste collection and disposal available. In some cases, illegal dumping and inappropriate disposal of hazardous wastes may result in extra costs to the Council.

Costs and Benefits of distinct funding

It is appropriate to recover the private benefit via a separate funding mechanism.

Recommended Funding

Council requires a 46-48% private funding for this activity. The remaining Public funding is collected through a combination of a Capital Value based General Rate, Uniform Annual Charge and targeted rates for kerbside recycling and refuse collection. Private funding is derived from fees and charges.

Water Supplies Group

Water Supplies

Description

The Central Hawke's Bay District Council owns and operates 8 water supply schemes.

Community Outcomes

This activity contributes primarily to the following community outcomes:

- Risks to public health are identified and appropriately managed
- Central Hawke's Bay District has an efficient and affordable roading, waste and water infrastructure
- We plan and manage water use and wastewater disposal to minimize the effect on the environment

Distributions of benefits

Provision of water supplies provides a number of public benefits, including access to potable water and availability of water for key public services and amenities (eg fire fighting, landscaping, swimming pools). There are significant direct benefits to ratepayers and consumers connected to a Council piped water scheme through access to water for drinking and water availability for industry.

Timeframes of benefits

Ongoing and long-term for future generations.

Contributors to need for activity

Those sections of the community where water services are available benefit widely from having a supply available.

Costs and Benefits of distinct funding

Because the benefits of this activity are predominantly private, it is considered appropriate to fund the activity separately.

Recommended Funding

Council has agreed on a 90% public 10% private funding split for this activity. Public funding is collected through a targeted rate from those connected to water systems with private funding derived from fees and charges.

Wastewater (Sewerage) Group

Wastewater (Sewerage)

Description

Central Hawke's Bay District Council sewer systems comprise of six reticulated systems and associated treatment plants.

Community Outcomes

This activity contributes primarily to the following community outcomes:

- Risks to public health are identified and appropriately managed
- Central Hawke's Bay District has an efficient and affordable roading, waste and water infrastructure
- We plan and manage water use and wastewater disposal to minimize the effect on the environment

Distributions of benefits

Provision of a sewerage system provides a number of public benefits, including maintenance of public health standards, prevention of disease and maintenance of a healthy environment. All properties, both domestic and industrial, that are connected to Council's sewerage system receive a direct benefit which relates to the cost of providing the service. A sewerage system is a key infrastructural need for maintaining public health and growth of business opportunities.

Timeframes of benefits

Ongoing and long-term for future generations.

Contributors to need for activity

The community benefits widely from having a sewerage system available. Additional costs may be caused through overloading of systems, disposal of hazardous material and illegal connections.

Costs and Benefits of distinct funding

Because the benefits of this activity are predominantly private, it is considered appropriate to fund the activity through a targeted rate and charges.

Recommended Funding

Council has agreed on a 95% public 5% private funding split for this activity. Public funding is collected through a targeted rate from those connected to wastewater systems with private funding derived from fees and charges and levies raised through the Trade Waste Bylaw.

Stormwater Group

Stormwater

Description

Central Hawke's Bay District Council stormwater systems comprise of 7 systems. The systems generally consist of a primary piped network with some open channel and secondary flow paths.

Community Outcomes

This activity contributes primarily to the following community outcomes:

- Risks to public health are identified and appropriately managed
- Central Hawke's Bay District has an efficient and affordable roading, waste and water infrastructure
- We plan and manage water use and wastewater disposal to minimize the effect on the environment

Distributions of benefits

Provision of a stormwater system provides a number of public benefits, including decreased risk from flooding and encouraging residential development. Private benefits are particularly to property owners via stormwater disposal away from their properties.

Timeframes of benefits

Ongoing and long-term for future generations.

Contributors to need for activity

The community benefits widely from having a stormwater system available.

Costs and Benefits of distinct funding

Because the benefits of this activity are predominantly private, it is considered appropriate to fund the activity separately.

Recommended Funding

Council has agreed on a 100% public 0% private funding split for this activity. Public funding is collected through a targeted rate from those within stormwater catchment areas. The funding of the Te Aute drainage scheme is based on a targeted rate on scheme members.

Recreation and Community Facilities Group

Parks, Reserves and Swimming Pools

Description

A number of parks, reserves, war memorials and camping grounds are provided throughout the district for recreation, including sports fields, children's playgrounds and amenity areas. There are two swimming pools, one owned by the Council and one owned by a Community Trust that is largely funded by the Council.

Community Outcomes

This activity contributes primarily to the following community outcomes:

- People are involved in their local community and have a vision for their future
- People have a range of opportunities to participate in leisure, cultural and learning activities
- Our historic and cultural heritage is protected for future generations
- Central Hawke's Bay District is well promoted as a good place to do business and visit

Distributions of benefits

Benefits from parks accrue to the community generally through the provision of facilities for groups and individuals to pursue active and passive leisure pursuits, education on the natural environment, community pride and contributing to community health and well-being.

There can be private benefits to people and sports groups through the use of sports fields for organized sport, but these are available to the wider community at other times.

Timeframes of benefits

Ongoing.

Contributors to need for activity

The community benefits widely from having these facilities available.

Costs and Benefits of distinct funding

Benefits from this activity are community wide and there is no benefit perceived from separate funding.

Recommended Funding

Council have agreed a 97% public, 3% private funding split and that the cost of funding the public component of the Parks, and Reserves should occur by way of 70% from the General Rate assessed on Capital Value and 30% (to meet the cost of swimming pools) from the Uniform Annual Charge. The private funding component will be collected from fees and charges with market rentals being applied to camp grounds.

Public Toilets

Description

The Council provides 24 public conveniences located throughout the District.

Community Outcomes

This activity contributes primarily to the following community outcomes:

- Risks to public health are identified and appropriately managed

Distributions of benefits

Public toilets provide a mix of public and private benefits. While private benefits are obvious, public benefits are through having these essential facilities available for residents and visitors, and maintaining standards of public hygiene.

Timeframes of benefits

Ongoing.

Contributors to need for activity

The community benefits widely from having public conveniences available.

Costs and Benefits of distinct funding

Benefits from this activity are community wide and there is no benefit perceived from separate funding.

Recommended Funding

Council have agreed a 100% public 0% private funding split and that the cost of funding the public component of the Public Toilets should occur by way of 100% from the General Rate assessed on Capital Value.

Retirement Housing***Description***

A total of 48 one bedroom flats are owned by Council in different locations in Waipukurau and Waipawa. These provide affordable housing for those elderly in need.

Community Outcomes

This activity contributes primarily to the following community outcomes:

- People are involved in their local community and have a vision for their future
- Risks to public health are identified and appropriately managed

Distributions of benefits

Benefits from housing accrue to tenants of the housing units. This is a relatively small and identifiable group who are provided with affordable accommodation in convenient locations. There may be some small community benefits through the availability of low cost housing to vulnerable groups in the community.

Timeframes of benefits

Ongoing.

Contributors to need for activity

The community benefits from having housing available. The main benefit is to people who choose to tenant these units.

Costs and Benefits of distinct funding

The activity is self-funding and separate funding is not required.

Recommended Funding

The Council believes the optimum funding is 100% private, through user rental charges.

Libraries***Description***

Libraries include the two libraries in Waipukurau and Waipawa.

Community Outcomes

This activity contributes primarily to the following community outcomes:

- People have a range of opportunities to participate in leisure, cultural and learning activities
- Central Hawke's Bay District is well promoted as a good place to do business and visit

Distributions of benefits

Benefits from libraries accrue largely to the community, through contributing to a community that is literate and informed, has access to information and provision of a community resource. There is also direct benefit to each individual who reads a book or uses one of the other library services, and some of these can be recovered, although a high level of recovery may restrict the ability of some people to continue to use these services.

Timeframes of benefits

Ongoing.

Contributors to need for activity

The community benefits widely from having library services available.

Costs and Benefits of distinct funding

Benefits from this activity are community wide and there is no benefit perceived from separate funding.

Recommended Funding

The Council have agreed the optimum allocation of costs is 90% public to 10% private Public funding is through the Uniform Annual Charge, with private funding through user charges for some library services.

Theatres and Halls

Description

Theatres, halls and museums include several community halls located throughout the District.

Community Outcomes

This activity contributes primarily to the following community outcomes:

- People are involved in their local community and have a vision for their future
- People have a range of opportunities to participate in leisure, cultural and learning activities
- Our historic and cultural heritage is protected for future generations
- Central Hawke's Bay District is well promoted as a good place to do business and visit

Distributions of benefits

Theatres and halls have a mix of public and private benefits. Public benefits are from the ability to use the facilities for public events and gatherings and as a hub for communities in the event of natural disaster. There are direct benefits for individuals and groups who choose to use the facilities available for personal functions.

Timeframes of benefits

Ongoing.

Contributors to need for activity

The community benefits widely from having theatres, halls and museums available.

Costs and Benefits of distinct funding

Benefits from this activity are community wide and there is not benefit perceived from separate funding.

Recommended Funding

Council have agreed a 100% public 0% private funding split. Public funding is 100% from the capital value based general rate, with limited private funding through user charges for hireage services.

Cemeteries

Description

Council currently operates ten cemetery sites for burial and cremation interments.

Community Outcomes

This activity contributes primarily to the following community outcomes:

- Risks to public health are identified and appropriately managed
- People are involved in their local community
- Our historic and cultural heritage is protected for future generations

Distributions of benefits

Benefits from cemeteries are considered to be largely private, although it is necessary for communities to have an interment system that meets appropriate health standards. Private benefits are from the provision of individual gravesites for remembrance and burial.

Timeframes of benefits

Ongoing.

Contributors to need for activity

The community benefits widely from having cemeteries available. In some cases, vandalism and failure to maintain headstones may cause additional costs.

Costs and Benefits of distinct funding

Benefits from this activity are community wide and there is no benefit perceived from separate funding.

Recommended Funding

The Council have agreed a 90% public, 10% private funding split. Public funding is from the capital value based general rate, with private funding through fees and charges.

Property and Buildings***Description***

Council owns a number of properties and buildings that are used to providing services to the public, but do not fit into a specific Activity grouping. These are owned for community or administrative reasons.

The properties included in this Activity are, the Council administration building, two library buildings, two other community building and miscellaneous sections.

Community Outcomes

This activity contributes primarily to the following community outcomes:

- Risks to public health are identified and appropriately managed
- People are involved in their local community

Distributions of benefits

Benefits from this activity largely accrue to the community, through cultural enrichment and community identity. There may be direct benefits to some people using these services, but a high level of recovery may restrict the ability of some people to continue to use these services.

Timeframes of benefits

Ongoing.

Contributors to need for activity

The community benefits from having safe community buildings.

Costs and Benefits of distinct funding

Benefits from this activity are community wide and there is no benefit perceived from separate funding.

Recommended Funding

Council have agreed a 100% public 0% private funding split. Public funding is from the capital value based general rate, with limited private funding (2%) through user charges for hireage and rentals.

9. Funding Impact Statement

The purpose of the funding impact statement is to provide information about the income and funding streams we will use and 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 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 from reserves set aside for this purpose.

Details of Council's expenditure and sources of funds are included on Page 142.

The following rating mechanisms are intended to be used in each of the years 2012-2022.

2012/13 Rates Factors

The table below lists the rate factors for the 2012/13 year (1 July 2012 to 30 June 2013) that are proposed to be set by the Central Hawke's Bay District Council under the Local Government (Rating) Act 2002.

Key	Description	Differential	Rateable Basis	Factor **	Amount Sought including GST \$
	Non Targeted Rates				
101	General	District	Capital Value	0.101	3,978,052
103 107 106 112	District Land Transport	District	Land Value	0.272	6,970,150
173	District UAC	UAC	Uniform Amount	\$295.724	1,853,598
	Targeted Rates				
172	Economic Development	Property Usage - District	Uniform Amount	\$103.417	28,750
174	Ward-based main street upgrade	Ruataniwha Ward	Uniform Amount	\$30.688	87,431
110 111 115	Refuse Collection	Service Available	Uniform Amount	\$27.214	106,950
169	Recycling Collection	Service Available	Uniform Amount	\$59.761	174,800
150	Water Supply Operations	Service Available	Uniform Amount *	\$490.862	2,001,000
151-157	Water Supply Loans	Service Available	Uniform Amount *	\$73.911	301,300
120	Sewerage Operations	Service Available - Connection(s)	Uniform Amount *	\$439.239	1,766,400
121-133	Sewerage - Loans	Service Available - Connection(s)	Uniform Amount *	\$205.321	825,700
140	Stormwater Operations	Catchment Area	Capital Value	0.073	446,200
141-142	Stormwater Loans	Catchment Area	Capital Value	0.020	120,750
165	Drainage	Te Aute	Factor	\$0.547	40,250
	Total Sought				\$18,701,331

* includes half charges

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

Rates

The following rates are proposed to be set and assessed on a District wide basis on all rateable property within the District for the years 2012/13:

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 2012/13 year this rate will be 0.101 cents in the dollar (including GST) based on the rateable capital value of all rateable property within the District.

2. District Land Transport Rate

A rate for the Council's land transport facilities set under section 13 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 2012/13 year this rate will be 0.272 cents in the dollar (including GST) based on the land value of all rateable land in the district.

3. Uniform Annual 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 on page 165. This rate is for the purpose of providing:

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

For the 2012/13 year this rate will be \$295.72 (including GST).

Targeted Rates

Definitions:

"Ruataniwha Urban" is defined by the District Plan map held by the Council.

"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 part of rating unit" – see page 165.

4. Water Supply Operations and Loans Rates

Two targeted rates 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, Pourerere, Porangahau and Te Paerahi.

- Operations Rate: The purpose of this rate is to fund the maintenance and operation of water supplies in those parts of the District where these systems are provided.

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

This rate is applied as follows:

- a charge of per separately used or inhabited part of a rating unit for Otane, Takapau, Waipukurau, Waipawa, Kairakau, Porangahau, and Te Paerahi Beach connected.
- 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 2012/13 year these rates will be:

	Charge	Operations Rate (incl GST)	Loan Rate (incl GST)
a	Connected	\$490.86	\$73.91
b	Serviceable, not connected	\$245.43	\$36.96

A targeted rate under section 19 of the Local Government (Rating) Act 2002 per cubic metre of water supplied, as measured by cubic meter, over 300 cubic metres per year. This is applied to water users deemed 'Extraordinary' where payment of the Water Operations rate above entitles extraordinary users to the first 300 cubic metres of water without additional charge. The Volume of water used over 300 cubic metres per year is charged at the rate set out in Council's Fees and Charges Schedule.

5. Sewerage Operations and Loans Rates

Two targeted rates set under section 16 of the Local Government (Rating) Act 2002 for the Council's sewerage disposal function of a fixed amount per separately used or inhabited part of a rating unit in relation to all land in the district to which the Council's sewerage disposal service is provided or available.

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

These rates are applied as follows:

- a charge per rating unit connected.
- a charge per water closet or urinal within the rating unit, after the first one.
- a charge per rating unit which is serviceable.

For the purposes of these rates:

- "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 water closet.
- For commercial accommodation providers, each subsequent water closet or urinal 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 water closet or urinal will be rated at 50% of the Sewerage Operations and Loan Charge.

For the 2012/13 year these rates will be:

	Charge	Operations Rate (incl GST)	Loan Rate (incl GST)
a	First charge per rating unit connected	\$439.24	\$205.32
b	Additional charge per water closet	\$439.24	\$205.32
c	Serviceable, not connected	\$219.62	\$102.66
d	Additional charge per water closet – commercial accommodation provider, qualifying club	\$219.62	\$102.66

6. Stormwater Operations and Loans Rates

Two targeted rates 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 as follows:

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

For the 2012/13 year this rate will be 0.073 cents in the dollar (including GST).

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

For the 2012/13 year this rate will be 0.020 cents in the dollar (including GST).

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

7. 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 is prepared to provide the service.

For the 2012/13 year this rate will be \$59.76 (including GST).

8. 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 Pourerere Beach on each separately used or inhabited part of a rating unit to which the Council provides the service.

For the 2012/13 year this rate will be \$27.21 (including GST).

9. 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 2012/13 year this rate will be \$103.42 (including GST).

10. Ruataniwha Ward Rate for Waipukurau and Waipawa 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 2012/13 year this rate will be \$30.69 (including GST).

11. Te Aute Drainage Rate

Te Aute Drainage rates are set on all rateable area of all 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 of the Te Aute Drainage Scheme Area. 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 2012/13 is \$40250

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	1121	\$612.93
1092000800	0	32.83	74.69	23.42	3817	\$2,087.02
1092000900	0	0	0.83	2.15	19	\$10.39
1092001001	77.96	16.65	11.94	17.95	9361	\$5,118.32
1092001100	78.22	0	25.28	101.17	8505	\$4,650.29
1092001200	0	2.88	18.35	18.86	562	\$307.29
1092001201	0	20.25	19.15	12.31	1944	\$1,062.92
1092001400	0	0	0	14.16	42	\$22.96
1092001600	0	0	0	10.12	30	\$16.40
1092001700	38.74	51.06	36.24	45.12	8638	\$4,723.01
1092002100	188.81	0	0	23.93	18953	\$10,362.95
1092002200	84.02	4.14	1.16	6.45	8770	\$4,795.18
1092002300	41.02	5.2	20.43	22.8	4893	\$2,675.35
1092002900	0	0	0	0.81	2	\$1.09
1092003400	0	0	8.02	6.6	140	\$76.55
1092005800	0	18.63	0	4.93	1505	\$822.89
1092006100	0	65.81	0	15.84	5312	\$2,904.45
Total	508.77	228.75	224.24	358.25	73614	\$40,250.00

Separately Used or Inhabited Parts of a Rating Unit

Definition – for the purposes of the Uniform Annual 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.

Approach to Rating

Rates are levied under the Local Government (Rating) Act 2002 on all rateable rating units on the value of the land as supplied by Quotable Value New Zealand Limited. The last revaluation was carried out effective from 1 July 2010.

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

- spread the incidence of rates as fairly as possible
- be consistent in charging rates
- ensure all ratepayers pay their fair share for council services
- 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 (Monday – Friday 8.00am to 4:30pm).

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 for the year 1 July 2012 to 30 June 2013. Each instalment will be levied in four equal amounts, rounded.

Instalment number	Instalment Start Date	Last day of payment without additional charge
1	1 July 2012	20 August 2012
2	1 October 2012	20 November 2012
3	1 January 2013	20 February 2013
4	1 April 2013	20 May 2013

Payment Options

Rate payments on instalments are to be received by Council no later than 4:30pm 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 or Waipawa (Hours Monday – Friday 8am to 4:30pm). We accept Cash, Cheque and Eftpos.
- Online by Credit Card from our website.

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 to all rates remaining unpaid for each instalment after the last day of payment, shown above.

Pursuant to Section 58(1)(b) of the Local Government (Rating) Act, a further additional charge of 10% will be added on 1 July 2012 to the amount of rates levied in previous financial years and remaining unpaid as at 30 June 2012 (Section 58(1)(b)).

10. Council-Controlled Organisations

A Council Controlled Organisation (CCO) is defined as:

- (a) a company –
 - (i) in which equity securities carrying 50% or more of the voting rights at a meeting of the shareholders of the company are –
 - (A) held by 1 or more local authorities; or
 - (B) controlled, directly or indirectly, by 1 or more local authorities; or
 - (ii) in which 1 or more local authorities have the right, directly or indirectly, to appoint 50% or more of the directors of the company; or
- (b) an entity in respect of which 1 or more local authorities have, whether or not jointly with other local authorities or persons, -
 - (i) control, directly or indirectly, of 50% or more of the votes at any meeting of the members or controlling body of the entity; or
 - (ii) the right, directly or indirectly, to appoint 50% or more of the trustees, directors, or managers (however described) of the entity (Local Government Act 2002, Section 6).

Each CCO must complete annually a Statement of Intent that sets out activities and objectives of the CCO, provides opportunity for shareholders to influence the CCO's direction and provides a basis for the accountability of the CCO. The full Statement of Intent for each CCO is available for inspection from Council.

Tamatea Limited

Central Hawke's Bay District Council has one Council Controlled Organisation: - Tamatea Limited (Tamatea)

Tamatea monitors the governance of Infracon Limited (Infracon) – in which it has 34% - the balance held by TDC Holdings Limited, a CCO of Tararua District Council.

The company's revenue is in the form of dividends from Infracon.

The primary objective of Tamatea is to enable the efficient management of Council's investment in Infracon.

Its performance targets of Infracon are as follows –

Return on Shareholder Funds

	2011/12	2012/13	2013/14
Ratio of Shareholder Funds to Total Assets	Min 55%	Min 55%	Min 55%
Distribution to Tamatea Limited	\$50,000	\$50,000	\$50,000

Infracon Limited

Relationship to the Council

Council exercises influence on the Board through approval of its annual Statement of Intent.

Nature and scope of the Company

Infracon provides quality construction and infrastructure maintenance services within New Zealand to its shareholder Councils, as well as to other customers.

These services are primarily for roads, bridges, underground services, water, sewerage and local infrastructure and are supported by its aggregate based resources.

Objective

Council holds its shareholding in Infracon Limited, as that company provides a number of critical services to Council, including road maintenance, the operation of water and sewerage treatment plants, landfill operations and maintenance of parks, reserves and cemeteries.

Infracon's primary objectives are to –

- Provide competitive and quality service to a wide range of customers by creating a stimulating and rewarding environment for our people;
- Deliver operational excellence that meets clients' expectations and maintains contract longevity
- Operate a profitable, sustainable, growing and innovative business so as to maintain a strong market presence in construction, maintenance and management of infrastructure and amenity assets;
- Achieve the objectives of its Shareholders, both commercial and non-commercial, as specified in this statement of intent;
- Operate the business in a way that generates appropriate financial returns and dividend streams to The Company's Shareholders;
- Be a good employer in accordance with S36(2) of schedule 7 of the Local Government Act 2002 by providing a work environment that recruits, fosters and retains competent, motivated, committed and productive employees ;
- Be a good corporate citizen by adopting responsible social, environmental and value adding approaches to all aspects of the business by having regard to the interests of the communities in which it operates; and
- Conduct its affairs in accordance with sound business practice and complying with all legal requirements
- Commit to excellence in health and safety management
- Provide emergency support services for natural disaster events

Key performance targets

BALANCE SHEET RATIOS

The forecast ratio of Shareholders Funds to Total Assets are as follows:

As at 30 June	2012	2013	2014
Shareholder's funds to total assets	>55%	>55%	>55%

FINANCIAL PERFORMANCE TARGETS

The financial performance targets for Infracon are as follows:

As at 30 June	2011/12	2012/13	2013/14
Net profit pre-tax to shareholder funds	3-6%	6-8%	8-10%

Infracon's performance is also monitored at Activity level within this LTP to ensure that contracted services are being delivered at the required standard.

11. Schedule of Fees and Charges

Leadership and Governance Group

There are no applicable charges in this activity area.

Planning and Regulatory Group

Resource Management	excl GST	GST	incl GST
Notes: <ul style="list-style-type: none">Pursuant to Section 36, 36(1) and 36(3) of the Resource Management Act 1991, Council may require the person who is liable to pay one or more of the below charges, to also pay an additional charge to recover actual and reasonable costs in respect of the matter concerned.These set fees relate to the minimum administration charge only. The actual fee payable includes the cost of time taken to process each application, memorandum, consent, certificate or schedule and the cost of the inspections required.Extra charges will be applicable for development levies. These will be assessed on a case by case basis. Please contact Council for exact costs.			
Administrative Charges			
Private District Plan Change (Deposit)	\$13,043.48	\$1,956.52	\$15,000.00
Land Use and Subdivision Consents			
Notified Applications (deposit)	\$2,608.70	\$391.30	\$3,000.00
Limited Notified Applications (deposit)	\$1,739.13	\$260.87	\$2,000.00
Non Notified Applications (deposit)	\$434.78	\$65.22	\$500.00
Relocation Consent (deposit)	\$434.78	\$65.22	\$500.00
Subdivision Consents (deposit)	\$739.13	\$110.87	\$850.00
Variation of Conditions of Consents	\$434.78	\$65.22	\$500.00
Designations and heritage orders (New and alterations) (deposit)	\$695.65	\$104.35	\$800.00
Certificate of Compliance (section 139 Resource Management Act 1991)	\$260.87	\$39.13	\$300.00
Subdivision Compliance Fee (section 223 and/or 224 Resource Management Act 1991	\$260.87	\$39.13	\$300.00
Subdivision Compliance Fee (section 223 and/or 224 Resource Management Act 1991 – more than 10 lots	\$869.57	\$130.43	\$1,000.00
Consent Notices and miscellaneous subdivision documents	\$91.30	\$13.70	\$105.00
Bond Administration Fee	\$104.35	\$15.65	\$120.00
Administration, monitoring and supervision of consents	Actual and reasonable costs		
Supply of documents	Photocopying costs		
District Plan (including Planning Maps) Hardcopy	\$126.09	\$18.91	\$145.00
District Plan (including Planning Maps) CD ROM	\$43.48	\$6.52	\$50.00
Engineering Plan Approval	Actual and reasonable costs		
Sec 224 12 Month Maintenance Bond for subdivision works equal to 5% of the cost of the construction works.			
Inspection Fee – Zone 1	\$156.52	\$23.48	\$180.00
Inspection Fee – Zone 2	\$165.22	\$24.78	\$190.00
Inspection Fee – Zone 3	\$182.61	\$27.39	\$210.00
Inspection Fee – Zone 4	\$200.00	\$30.00	\$230.00
Inspection Fee – Outside Zone 4	\$226.09	\$33.91	\$260.00
Hourly charge out rate	\$104.35	\$15.65	\$120.00
Travel Costs (per km)	\$0.87	\$0.13	\$1.00
Sale of Liquor Certificate (RMA)	\$65.22	\$9.78	\$75.00

Noise Complaints	excl GST	GST	incl GST
Note: <ul style="list-style-type: none"> Pursuant to Section 36(1) and 36(3) of the Resource Management Act 1991, Council may require the person who is liable to pay one or more of the below charges, to also pay an additional charge to recover actual and reasonable costs in respect of the matter concerned. 			
Seizure charge for noise emission equipment	\$169.57	\$25.43	\$195.00
Repeat Noise Complaints	\$169.57	\$24.78	\$195.00
Call Out Fee	\$104.35	\$15.65	\$120.00

Building Consents	excl GST	GST	incl GST
NOTES: <ul style="list-style-type: none"> Building consent deposit payable on application. The actual fee payable includes the cost of time taken to process each application, project information memorandum, building consent or compliance schedule and the cost of the inspections required. Extra charges will be applicable for development levies. These will be assessed on a case by case basis. Please contact Council for exact costs. Deposits are based on adequate documentation being provided to Council at the time of application and a set number of inspections. Further charges will be incurred should further work be required during processing and issuing consent or should extra inspections be required. It is anticipated that the scheduled deposit will cover some of Council's actual and reasonable expenses. Where additional costs are incurred, the applicant will be charged accordingly. Where, upon issue of a Code of Compliance Certificate, the deposit is found to exceed the actual and reasonable cost, a refund will be made. Building Research Association and Department of Building and Housing levies are additional to the above at the Rates specified from time to time by the Association. Pursuant to Building Research Association Legislation, materials, labour and plant costs must be included in the total value of building work for the calculation of levies. An additional charge for the Property Information Memoranda will be made when requested prior to a Building Consent Application being filed, and when the project is more than minor works. The accreditation fee is to cover continuing Central Government accreditation costs relating to the Building Act 2004. Council intend to introduce a mileage recovery component to the inspection fee. 			
Consent Fees			
Solid Fuel Burner – Free Standing (including accreditation fee)	\$217.39	\$32.61	\$250.00
Solid Fuel Burner – In Built (including accreditation fee)	\$304.35	\$45.65	\$350.00
Minor plumbing and drainage works including new connections, replacement septic tanks and effluent fields, demolition work and swimming pool fences (deposit)	\$260.87	\$39.13	\$300.00
Dwellings, commercial/industrial buildings and building alterations, repiling and inground pools (deposit)	\$604.35	\$90.65	\$695.00
Minor building work	\$360.87	\$54.13	\$415.00
Semi Permanent Awnings	\$104.35	\$15.65	\$120.00
Amendment to building consent - deposit	\$152.18	\$22.82	\$175.00

Administrative Charges			
Administration Fee – under \$20,000	\$173.91	\$26.09	\$200.00
Administration Fee – over \$20,000	\$347.83	\$52.17	\$400.00
Administration Fee – over \$100,000	\$730.43	\$109.57	\$840.00
Compliance Schedules	\$47.83	\$7.17	\$55.00
Processing Fee – Pole Barns	\$86.96	\$13.04	\$100.00
Processing Fee – Garages/Carports	\$86.96	\$13.04	\$100.00
Processing Fee – Conservatory	\$86.96	\$13.04	\$100.00
Processing Fee – Residential 1	\$260.87	\$39.13	\$300.00
Processing Fee – Residential 2	\$434.78	\$65.22	\$500.00
Processing Fee – Residential 3	\$869.57	\$130.43	\$1,000.00
Processing Fee – Commercial 1	\$434.78	\$65.22	\$500.00
Processing Fee – Commercial 2	\$869.57	\$130.43	\$1,000.00
Processing Fee – Commercial 3	\$1,304.35	\$195.65	\$1,500.00
Inspection Fee – Zone 1	\$156.52	\$23.48	\$180.00
Inspection Fee – Zone 2	\$165.22	\$24.78	\$190.00
Inspection Fee – Zone 3	\$182.61	\$27.39	\$210.00
Inspection Fee – Zone 4	\$200.00	\$30.00	\$230.00
Inspection Fee – Outside Zone 4	\$226.09	\$33.91	\$260.00
Re-Inspection Fee	\$260.87	\$39.13	\$300.00
Central Government Accreditation Recovery Fee – under \$20,000	\$21.74	\$3.26	\$25.00
Central Government Accreditation Recovery Fee – under \$100,000	\$52.17	\$7.83	\$60.00
Central Government Accreditation Recovery Fee – over \$100,000	\$100.00	\$15.00	\$115.00
Central Government Accreditation Recovery Fee – Commercial	\$147.83	\$22.17	\$170.00
Hourly Charge Out Rate	\$104.35	\$15.65	\$120.00
Travel Costs (per km)	\$0.87	\$0.13	\$1.00
Engineering Check (Services)	\$113.04	\$16.96	\$130.00
Peer review of engineering reports	Actual Cost		
Sale of Liquor Certificate (Building)	\$60.87	\$9.13	\$70.00
Property File Request	\$17.39	\$2.61	\$20.00

Infringement Fees as per BA04 Infringement Schedule – general building offences			
s40 Failing to comply with the requirement that building work must be carried out in accordance with a building consent	\$652.17	\$97.83	\$750.00
s42 Failing to apply for certificate of acceptance for urgent work as soon as reasonably practicable after completion of building work	\$434.78	\$65.22	\$500.00
s101 Failing to comply with requirement to obtain a compliance schedule	\$217.39	\$32.61	\$250.00
s108(5)(a) Failing to display a building warrant of fitness required to be displayed	\$217.39	\$32.61	\$250.00
s108(5)(b) Displaying a false or misleading building warrant of fitness	\$869.57	\$130.43	\$1,000.00
s108(5)(c) Displaying a building warrant of fitness other than in accordance with section 108	\$869.57	\$130.43	\$1,000.00

s116(1)(a) Using, or knowingly permitting the use of, building for a use for which it is not safe or not sanitary	\$1,304.35	\$195.65	\$1,500.00
s116(1)(b) Using, or knowingly permitting the use of, a building that has inadequate means of escape from fire	\$1,739.13	\$260.87	\$2,000.00
s124 Failing to comply with a notice, within the time stated in the notice, requiring work to be carried out on a dangerous, earthquake prone, or insanitary building	\$869.57	\$130.43	\$1,000.00
s128 Using or occupying a building, or permitting another person to do so, contrary to a territorial authority's hoarding, fence, or notice	\$1,739.13	\$260.87	\$2,000.00
s168 Failing to comply with a notice to fix	\$869.57	\$130.43	\$1,000.00
s363 Using, or permitting use of building having no consent or code compliance certificate or certificate for public use for premises for public use	\$1,304.35	\$195.65	\$1,500.00
s367 Wilfully obstructing, hindering, or resisting a person executing powers conferred under the Act or its regulations	\$434.78	\$65.22	\$500.00
s368 Wilfully removing or defacing a notice published under the Act or inciting another person to do so	\$434.78	\$65.22	\$500.00

GIS Map Information		excl GST	GST	incl GST
Standard Service Plan (Text or Line Drawings)	A4	\$6.95	\$1.05	\$8.00
Standard Service Plan (Text or Line Drawings)	A3	\$10.45	\$1.55	\$12.00
Standard Service Plan (Text or Line Drawings)	A2	\$17.40	\$2.60	\$20.00
Standard Service Plan (Text or Line Drawings)	A1	\$21.80	\$3.20	\$25.00
With addition of aerial photograph (where available) an additional charge will be made on a case by case basis.				
Special Map Request Charges				
Note: <ul style="list-style-type: none"> Specialised maps are those which require new layers to be added, analysis work and/or specialised printing techniques. In addition to the printing charges outlined above there is a charge based on actual time taken plus any disbursements. 				
Hourly charge out rate		\$100.00	\$15.00	\$115.00
Minimum charge for specialist maps		\$40.00	\$6.00	\$46.00

Information Memoranda		excl GST	GST	incl GST
Property Information Memoranda		\$230.44	\$34.56	\$265.00
Land Information Memoranda – ten (10) working days (Residential Property)		\$230.44	\$34.56	\$265.00
Urgent Land Information Memoranda – two (2) working days (Residential Property)		\$500.00	\$75.00	\$575.00
Land Information Memoranda (Commercial)		\$500.00	\$75.00	\$575.00
Certificate of Title		\$22.17	\$3.33	\$25.50
Hourly charge out rate		\$104.35	\$15.65	\$120.00

Miscellaneous Consents	excl GST	GST	incl GST
Certificate of Acceptance	\$552.17	\$82.83	\$635.00
	Plus actual and reasonable costs		
Applications for Change of use of a building	\$313.04	\$46.96	\$360.00
	Plus actual and reasonable costs		
Inspections for which no other fee has been paid (mileage will be charged for inspections outside the district) – eg effluent system subdivision inspections	\$226.09	\$33.91	\$260.00
Non Consent Compliance Schedules / Warrant of Fitness check (per specified system)	\$43.48	\$6.52	\$50.00
Hourly charge out rate	\$104.35	\$15.65	\$120.00

Swimming Pool Fences	excl GST	GST	incl GST
Compliance Inspection for existing fence	\$152.17	\$22.83	\$175.00

Registration of Premises	excl GST	GST	incl GST
Annual Registration of Premises			
Food premises	\$252.17	\$37.83	\$290.00
Prepacked food only/low risk	\$126.09	\$18.91	\$145.00
Premises required to be inspected but not registered. Inspection by request.	\$91.30	\$13.70	\$105.00
Re-inspection for failure to comply	\$91.30	\$13.70	\$105.00
Registration of person/entity using registered premises	\$34.78	\$5.22	\$40.00
Offensive Trades: Operating under Schedule 3 of Health Act 1956	\$126.09	\$18.91	\$145.00
Hairdressers Registration	\$126.09	\$18.91	\$145.00
Camping Grounds	\$165.22	\$24.78	\$190.00
A discount of \$30 (inclusive GST) shall apply for any camping ground serviced with reticulated water and/or sewerage services. (i.e. \$30 (inclusive GST) discount for each service connected).	-\$26.09	-\$3.91	-\$30.00
Funeral Directors	\$82.61	\$12.39	\$95.00
Animal Saleyards	\$126.09	\$18.91	\$145.00
Transfer of Registration	\$43.48	\$6.52	\$50.00
Registration of event	\$65.22	\$9.78	\$75.00
Market stall Inspection (excludes registered mobile shops)	\$19.13	\$2.87	\$22.00
Mobile Shop	\$126.09	\$18.91	\$145.00

Liquor	excl GST	GST	incl GST
Note: ▪ The fees below are set by statute - refer to Sale of Liquor Regulations 1990 – Section 29 (1) (a-j)			
On-Licence – New or renewal	\$689.77	\$103.47	\$793.24
Off-Licence – New or renewal	\$689.77	\$103.47	\$793.24
Club Licence – New or renewal	\$689.77	\$103.47	\$793.24
Temporary Authority	\$117.33	\$17.60	\$134.93
Variation of licence	\$117.33	\$17.60	\$134.93
Manager's Certificate – New or renewal	\$117.33	\$17.60	\$134.93
Special Licence	\$56.00	\$8.40	\$64.40

Hawkers, Pedlars, Itinerant Traders, Markets and Street Stalls	excl GST	GST	incl GST
Trading Licence (Public Places)			
Application and Licence Fee per annum - seasonal	\$78.26	\$11.74	\$90.00
Application and Licence Fee per annum – monthly	\$104.35	\$15.65	\$120.00
Lease/Rent of private land or buildings	\$73.91	\$11.09	\$85.00
Markets – Event Organisers – seasonal	\$73.91	\$11.09	\$85.00
Markets – Food Stall Holder – seasonal	\$17.83	\$2.67	\$20.50
Street Stalls, Raffle Days, Street Collections – Non Commercial	No permit fee is required		

Vehicle Stands	excl GST	GST	incl GST
LICENCES FOR VEHICLE STANDS ON STREETS:			
Omnibus and Taxicabs			
Application	\$165.22	\$24.78	\$190.00
Annual Rental	\$95.65	\$14.35	\$110.00

Advertising Signs	excl GST	GST	incl GST
Hoardings and Signs			
Application and Permit	As for building consents		
Annual Licence Fees (per m ² or part thereof per month)	\$1.35	\$0.20	\$1.55

Amusement Devices and Shooting Galleries	excl GST	GST	incl GST
Note:			
<ul style="list-style-type: none"> The Permit Fee for Amusement Devices is in addition to any Ground Rental etc that may be required. 			
Amusement Devices Permit Fees			
For one device, for the first 7 days of proposed operation or part thereof	\$10.00	\$1.50	\$11.50
For each additional device operated by the same owner, for the first 7 days or part thereof	\$2.00	\$0.30	\$2.30
For each device for each further period of 7 days or part thereof	\$1.00	\$0.15	\$1.15

Class 4 Gaming Licensing	excl GST	GST	incl GST
Note:			
<ul style="list-style-type: none"> Pursuant to the Gambling Act 2003. 			
Application Fee	\$186.96	\$28.04	\$215.00
License Inspection Fee	\$91.30	\$13.70	\$105.00

Skateboard and Bicycle Confiscation	excl GST	GST	incl GST
Return of confiscated skateboards and bicycles			
	\$40.00	\$6.00	\$46.00

Animal Control	excl GST	GST	incl GST
Early Payment Discount:			
A discount of \$10.00 is only available for those registrations paid prior to 1 st August each year.			
Note:			
<ul style="list-style-type: none"> Proportionate fees apply for Dog Registration from 1st August for all dogs legally required to be registered from that date and pups that turn 3 months of age after that date. 			
Dog Registration			
Town Dogs	\$82.61	\$12.39	\$95.00
Responsible Dog Owner	\$47.83	\$7.17	\$55.00
Rural Dogs	\$40.87	\$6.13	\$47.00
Responsible Dog Owner Property Inspection	\$43.48	\$6.52	\$50.00
Penalty for payment received after 1 August	\$17.39	\$2.61	\$20.00
Dog Impounding			
First impounding	\$40.00	\$6.00	\$46.00
Second impounding	\$53.04	\$7.96	\$61.00
Third impounding	\$106.96	\$16.04	\$123.00
Daily charge	\$12.61	\$1.89	\$14.50
After hours opening fee	\$35.65	\$5.35	\$41.00

Other charges			
Microchipping	\$26.09	\$3.91	\$30.00
Replacement tags	\$2.61	\$0.39	\$3.00
Collars – Large	\$8.70	\$1.30	\$10.00
Collars – Small	\$6.96	\$1.04	\$8.00
Ranging Charges			
Note:			
<ul style="list-style-type: none"> Pursuant to the Impounding Act 1955. 			
Staff attendance at incidents of stock on roads including State Highways (per hour)	\$100.00	\$15.00	\$115.00
Travel Costs (per km)	\$0.87	\$0.13	\$1.00
Minimum charge	\$80.00	\$12.00	\$92.00

Impounding fees for stock (excluding dogs)			
Note:			
<ul style="list-style-type: none"> Trespass rates shall be additional and as described in the Regulations to the Impounding Amendment Act 1980. 			
Impounding for every animal per day	\$7.39	\$1.11	\$8.50
Sustenance for every animal per day	\$7.39	\$1.11	\$8.50
Notice to owner by post or delivery	\$7.39	\$1.11	\$8.50
Notice to owner by advertisement[s]	At cost		
Transport to Pound [By transport operators or other]	At cost		
Transport to Pound [By Council]	At cost		
Transport to Pound [By droving]	At cost		
Minimum charge for any impounding	\$102.61	\$15.39	\$118.00
Minimum Charge for second and subsequent impounding of stock from same owner -additional fee.	\$156.52	\$23.48	\$180.00

Stock Droving	excl GST	GST	incl GST
Stock Droving Fees			
Non Ratepayers (fee per day of drove)	\$71.30	\$10.70	\$82.00
Ratepayer (fee per day of drove)	No Charge		
Holding Paddock Fees			
All users (fee per night per paddock)	\$57.83	\$8.67	\$66.50
Roadside Grazing Permit Fees			
All users (annual fee)	\$48.70	\$7.30	\$56.00

Emergency Management	excl GST	GST	incl GST
Fire Permit Inspection	\$56.52	\$8.48	\$65.00
Travel Costs (per km)	\$0.87	\$0.13	\$1.00

Land Transport Group

Vehicle Crossings	excl GST	GST	incl GST
Notes: <ul style="list-style-type: none"> Vehicle crossings must be installed by a contractor approved by the Council. Council must approve the design and location of crossing prior to installation. Full cost must be paid by the applicant. The applicant shall supply to the Council an estimate of the cost of the vehicle crossing along with a bond of 150% of the estimate prior to approval to construct being granted by the Council. The estimate must be not more than 30 days old and must be provided by a Contractor acceptable to Council. Bond is refundable. The vehicle crossing must be constructed within 12 months of being granted the approval to proceed or the Council will construct the crossing using the bond. Extra charges will be applicable for development levies. These will be assessed on a case by case basis. Please contact Council for exact costs. 			
Administration Fee payable at time of Vehicle Crossing application	\$156.52	\$23.48	\$180.00
Bond Administration Fee	\$43.48	\$6.52	\$50.00

Plans and Consents	excl GST	GST	incl GST
Generic Traffic Management Plan	\$204.35	\$30.65	\$235.00
Individual Traffic Management Plan	\$56.52	\$8.48	\$65.00
Generic Road Use Consent (Minor works only)	\$156.52	\$23.48	\$180.00
Individual Road Use Consent	\$100.00	\$15.00	\$115.00
Generic Overweight Permit	\$156.52	\$23.48	\$180.00
Individual Overweight Permit	\$100.00	\$15.00	\$115.00

Temporary Road Closure	excl GST	GST	incl GST
Application	\$313.04	\$46.96	\$360.00
Road Inspection Staff (per inspection)	\$204.35	\$30.65	\$235.00
Travel Costs (per km)	\$0.87	\$0.13	\$1.00

Livestock Crossing Permit	excl GST	GST	incl GST
Application	\$156.52	\$23.48	\$180.00

Licence to Occupy	excl GST	GST	incl GST
Note: <ul style="list-style-type: none">Pursuant to section 150 of the Local Government Act 2002.			
Application Fee	\$204.35	\$30.65	\$235.00
Annual Licence Fee (up to one acre (4000m ²))	\$52.17	\$7.83	\$60.00
Annual Licence Fee (larger than one acre (4000m ²))	\$95.65	\$14.35	\$110.00

Solid Waste Group

NOTES:

The following conditions apply to all trade refuse users of the landfill and transfer stations:

- The disposal of Special wastes (as defined in the landfill management plan) at the landfill requires the Waste Generator to complete the "Special Waste Questionnaire" and "Waste Profile Declaration". Special waste will be only accepted after Council's approval of the application.
- Hazardous waste, Prohibitive waste and Trade waste (as defined in Council's Solid Waste Bylaw) will not be accepted at Council facilities.
- Council will invoice commercial users at appropriate intervals. The assessment of volumes of refuse for charging will be based on the volume of refuse in the vehicle, not the compacted volume in the landfill. Council's assessment of volumes will be final.
- Unless agreed with Council No truckloads of trade refuse or loads of clean fill greater than 0.2m³ will be accepted at the transfer stations. Such loads may be accepted at the landfill and will be charged for separately at the landfill charge.
- Unless agreed with Council or the landfill operator no after hours access is allowed to the landfill or transfer stations. No keys to the landfill or transfer stations will be issued.

Special/Difficult Refuse is waste that is bulky, lightweight or requiring immediate burying due to containing offensive odour, or is easily windblown, attractive to vermin, has health implications, contains asbestos, or as required by the Council or landfill operator.

Charges will be increased from 1st January 2013 to recover the cost of carbon credits due under the New Zealand Emissions Trading Scheme.

* based on an estimate of \$10/tonne Waste Levy contribution.

Based on an estimate of \$ per tonne Waste Levy contribution.				
Refuse and Greenwaste	excl GST	Waste Min Levy	GST	incl GST
Landfill (minimum charge of \$50.00)				
Standard Refuse (per tonne)	\$115.00	\$10.00*	\$17.25	\$132.25
Special/Difficult Refuse (per tonne)	Actual Costs of disposal (Min standard refuse rate charge)			
Transfer Station - Refuse				
Car	\$9.13	\$0.65*	\$1.37	\$10.50
Van or ute with a contained load being either a Wheelie bin/drum/small wool sack/up to 2 bags	\$9.13	\$0.65*	\$1.37	\$10.50
Utilities and Vans	\$18.26	\$1.58*	\$2.74	\$21.00
Trailers up to 2.0m long up to 1m high	\$18.26	\$1.58*	\$2.74	\$21.00
Utilities and Trailers up to 2.0m loaded above 1m high (per 0.5m)	\$9.13	\$0.65*	\$1.37	\$10.50
Trailers up to 2.6m long up to 1m high	\$27.83	\$2.27*	\$4.17	\$32.00
Trailers up to 2.6m loaded above 1m high (per 0.5m)	\$18.26	\$1.58*	\$2.74	\$21.00
Trailers larger than above	Per cubic metre rate			
Flat Deck Truck	Landfill or measured m³ rate			
Other Truck	Landfill or a pre agreed m³ rate			
Per cubic metre (compacted)	\$65.22	\$4.18*	\$9.78	\$75.00

Per cubic metre (not compacted)	\$27.83	\$2.27*	\$4.17	\$32.00
Weighed load at Transfer Station (incl. weigh fee)	\$40.00 + per tonne fee			
Vehicle and Trailer	Charged for both individually			
Mixed loads	Charged at refuse rate			
Car Bodies (not accepted)	CHBDC's scrap metal partner			

Transfer Station – Greenwaste	excl GST	GST	incl GST
Car	\$5.22	\$0.78	\$6.00
Wheelie bin/ drum/ small wool sack / up to 2 bags	\$5.22	\$0.78	\$6.00
Utilities and Vans	\$8.70	\$1.30	\$10.00
Trailers up to 2.0m long up to 1m high	\$8.70	\$1.30	\$10.00
Utilities and Trailers up to 2.0m loaded above 1m high (per 0.5m)	\$5.22	\$0.78	\$6.00
Trailers up to 2.6m long up to 1m high	\$17.39	\$2.61	\$20.00
Trailers up to 2.6m loaded above 1m high (per 0.5m)	\$8.70	\$1.30	\$10.00
Trailers larger than above	Per cubic metre rate		
Flat Deck Truck	Measured m³ rate		
Other Truck	Pre agreed m³ rate		
Per cubic metre	\$21.74	\$3.26	\$25.00
Vehicle and Trailer	Charged for both individually		
Mixed loads	Charged at refuse rate		
Tyre Disposal - All tyres are to be charged independently and are on top of other refuse charges.			
Car	\$3.48	\$0.52	\$4.00
Motorcycle	\$1.74	\$0.26	\$2.00
4x4	\$5.22	\$0.78	\$6.00
Truck	\$7.83	\$1.17	\$9.00
Tractor	\$21.74	\$3.26	\$25.00
Tyres on rims	2 x individual tyre charge		
Tyres to landfill in bulk	Counted and charged individually		
Refuse bags / Recycling bin Charges (Recommended Retail Price)			
Refuse Bag – 35 litre	\$1.30	\$0.20	\$1.50
Refuse Bag – 60 litre	\$1.74	\$0.26	\$2.00
Recycling Bin	\$18.26	\$2.74	\$21.00
Unauthorised dumping - Council may prosecute persons caught dumping rubbish unlawfully.			
Staff time for investigating and clearing per hour	\$100.00	\$15.00	\$115.00
Travel Costs (per km)	\$0.87	\$0.13	\$1.00
Minimum Charge	\$91.30	\$13.70	\$105.00

Water Services Group

Water Supply	excl GST	GST	incl GST
Charges for Water			
Notes: <ul style="list-style-type: none"> ▪ Extraordinary users may be charged by private arrangement with Council. ▪ Quarterly water billing will apply for metered water users. ▪ Extra charges will be applicable for development levies. These will be assessed on a case by case basis. Please contact Council for exact costs. 			
Metered Water per m ³ (above 300m ³) per annum – July to June	\$1.26	\$0.19	\$1.45
Kairakau Camping Ground per m ³ per annum – July to June	\$1.26	\$0.19	\$1.45
Pourerere Beach Camping Ground, per annum – July to June	\$4,260.87	\$639.13	\$4,900.00
Tankered water (taken from standpipes) per m ³	\$5.65	\$0.85	\$6.50
Common Charges			
Note: <ul style="list-style-type: none"> ▪ Water Connections from the Council main, to and including the toby and/or meter manifold must be installed by a contractor approved by Council for the installation of water connections, at the applicant's expense. 			
Application fee	\$107.83	\$16.17	\$124.00
Inspection fee	\$107.83	\$16.17	\$124.00
Disconnections and Reconnections	Contractors cost		
Reconnection following Council imposed disconnection	Contractors cost		
New Connections	Contractors cost		

Sewerage		excl GST	GST	incl GST
New Connections				
Notes: <ul style="list-style-type: none"> Sewerage connections must be installed by a contractor approved by the Council for the installation of sewerage connections. Connections at the applicant's expense. Note: Extra charges will be applicable for development levies. These will be assessed on a case by case basis. Please contact Council for exact costs. 				
Application fee		\$107.83	\$16.17	\$124.00
Inspection fee		\$107.83	\$16.17	\$124.00
Existing Connections				
Note: <ul style="list-style-type: none"> Work and repair to existing connections to Council sewer main. All physical work associated with repair at applicant's expense. 				
Inspection fee		\$107.83	\$16.17	\$124.00
Discharge of Trade Waste				
Note: <ul style="list-style-type: none"> Charges for the discharge of Trade Waste and conditions thereof are recovered under the Central Hawke's Bay District Council Trade Waste Bylaw 2006. The following charges are provided in Schedule 1D of the Bylaw. 				
B Trade Waste Charges				
Category	Description	excl GST	GST	incl GST
B1	Volume	Payment based on the volume discharged \$/m ³		
	Waipukurau	\$0.15	\$0.02	\$0.17
	Waipawa	\$0.15	\$0.02	\$0.17
B3	Suspended solids	Payment based on the mass of suspended solids \$/kg		
	Waipukurau ISS	\$0.88	\$0.13	\$1.01
	VSS	\$0.10	\$0.01	\$0.11
	Waipawa ISS	\$1.11	\$0.17	\$1.28
	VSS	\$0.14	\$0.02	\$0.16
B4	Organic loading	Biochemical oxygen demand or chemical oxygen demand \$/kg.		
	Waipukurau	\$1.16	\$0.17	\$1.33
	Waipawa	\$0.74	\$0.11	\$0.85
B5	Nitrogen	Payment based on the defined form(s) of nitrogen \$/kg.		
	Waipukurau	\$1.66	\$0.25	\$1.91
	Waipawa	\$1.48	\$0.22	\$1.70
B6	Phosphorous	Payment based on the defined form(s) of phosphorous \$/kg.		
	Waipukurau	\$5.47	\$0.82	\$6.29
	Waipawa	\$4.43	\$0.67	\$5.10
Tanker Waste Charges				
Tankered Wastes (per tanker load)		\$89.57	\$13.43	\$103.00

Stormwater	excl GST	GST	incl GST
New Connections			
Note: <ul style="list-style-type: none"> Stormwater connections must be installed by a contractor approved by the Council for installation of stormwater connections. Connections at the applicant's expense. 			
Application fee	\$107.83	\$16.17	\$124.00
Inspection fee	\$107.83	\$16.17	\$124.00
Existing Connections			
Note: <ul style="list-style-type: none"> Work and repair to existing connections to Council's stormwater drain, kerb and channel, or open drain. All physical work associated with repair at applicant's expense. 			
Inspection fee	\$107.83	\$16.17	\$124.00

Recreation and Community Facilities

Parks and Reserves	excl GST	GST	incl GST
Note: <ul style="list-style-type: none"> Fees for Parks and Reserves are set and collected under the FM Contract. 			
Pourerere Beach Freedom Camping			
Note: <ul style="list-style-type: none"> For permits issued for a one week period between the 20th December and 6th February each summer. At all other times no fee applies. 			
Booking Administration Fee	\$30.44	\$4.56	\$35.00

Library Charges	excl GST	GST	incl GST
Notes:			
<ul style="list-style-type: none">All residents of Central Hawke's Bay have free membership.Charges are reduced at librarians discretion as books and magazines get older.			
Rental Books			
Hardback	\$0.87	\$0.13	\$1.00
Paperback	\$0.87	\$0.13	\$0.90
Trade paperback	\$0.87	\$0.13	\$1.00
Magazines	\$0.61	\$0.09	\$0.70
Library Request books from libraries with reciprocal agreement	\$5.65	\$0.85	\$7.00
Library Request books from other libraries (fee as imposed by other library)	\$5.65 - \$21.30	\$0.85 - \$3.20	\$6.50 - \$24.50
Books for Sale			
Books for Sale	Librarians discretion		
Lost books	Charged at replacement cost (purchase price minus discount (if any), plus 30% administration charge)		
Other Charges			
Videos / DVDs per week	\$3.65	\$0.55	\$4.50

Facsimile			
New Zealand – first page	\$1.04	\$0.16	\$1.20
New Zealand – extra pages (each)	\$0.17	\$0.03	\$0.20
Australia – first page	\$2.61	\$0.39	\$3.00
Australia – extra pages (each)	\$0.26	\$0.04	\$0.30
Europe and other – first page	\$3.48	\$0.52	\$4.00
Europe and other – extra pages (each)	\$0.35	\$0.05	\$0.40
Photocopying / Printing			
Note:			
▪ There is no discount if the customer has supplied their own paper.			
A4 Single Sided per sheet	\$0.17	\$0.03	\$0.20
A4 Double Sided per sheet	\$0.35	\$0.05	\$0.40
A4 Colour Single Sided	\$1.30	\$0.20	\$1.50
A3 Single Sided per sheet	\$0.35	\$0.05	\$0.40
A3 Double Sided per sheet	\$0.70	\$0.10	\$0.80
A3 Colour Single Sided	\$2.61	\$0.39	\$3.00
Scanning per sheet	\$0.87	\$0.13	\$1.00
Laminating			
A4 size	\$1.74	\$0.26	\$2.00
A3 size	\$2.61	\$0.39	\$3.00
Miscellaneous			
Replacement Library Cards	\$2.61	\$0.39	\$3.00
Book Covering	\$1.74 - \$2.61	\$0.26 - \$0.39	\$2.00 - \$3.00
Bond for temporary membership	\$17.39	\$2.61	\$20.00
Road Code Bond	\$8.70	\$1.30	\$10.00

Cemeteries and Crematoria		excl GST	GST	incl GST
Notes: <ul style="list-style-type: none"> R.S.A. Personnel: No charges are made for plots or niches for R.S.A. personnel in the R.S.A. section of the Takapau, Waipukurau or Waipawa Cemeteries but interment fees as below apply. The sale of reserve plots is restricted to one and then only in conjunction with the burial of a member of the same family. (With each application a standard form is filled out so that an accurate record of the reserve plot is kept. A copy of this form is also forwarded to the local Funeral Director.) Those persons who have reserved plots on behalf of another person or for family members cannot reserve a further plot until the original reserved plots are used. Pursuant to section 10 (4) of the Burial and Cremation Act 1964 the exclusive right of burial will lapse after sixty (60) years. All plots not used after 60 years will be offered for re-sale following deliberate effort to trace the purchaser or descendants thereof. The cost of general grounds maintenance in the cemetery including mowing plots in the lawn cemetery areas is carried out by Council and paid for in the Burial Plot Fee. However maintenance of headstones, fences, concrete-work, etc on any plot is the responsibility of the deceased's descendants and relatives. There are no additional charges for extra depth burial plots. With burials, including ashes and still born, where the grave has a concrete top additional charges are payable for concrete cutting and reinstatement. 				
Burial Plot Fees				
Burial Plots - adult		\$517.40	\$77.60	\$595.00
Burial Plots – children (caskets up to 1200mm x 600mm)		\$134.80	\$20.20	\$155.00
Burial Plots (stillborn – around the base of the memorial at Waipukurau Cemetery) (caskets up to 400mm x 340mm)		No charge		
Ashes or Crematorium Berm		\$165.20	\$24.80	\$190.00
Crematorium Garden Plot		\$204.35	\$30.65	\$235.00
Crematorium Family Garden Area (8 plots)		\$782.61	\$117.39	\$900.00
Crematorium Family Garden Area (10 plots)		\$1067.83	\$160.17	\$1,228.00
Interment Fees				
Standard – including public holidays and weekends		\$565.22	\$84.78	\$650.00
Children and Stillborn – including public holidays and weekends		\$143.50	\$21.50	\$165.00
Ashes		\$143.50	\$21.50	\$165.00
Miscellaneous Charges				
Permits for headstones		\$34.78	\$5.22	\$40.00
Permits for plaques		\$17.39	\$2.61	\$20.00
Permits for renovations		No charge		
Search Fee		\$30.43	\$4.57	\$35.00
Dis-Interment and Re-Interment	Every dis-interment and/or re-interment shall be at a fee set by the Council based on actual cost plus 20%.			

Waipawa Municipal Theatre Charges	excl GST	GST	incl GST
<p>Notes: Charges to be determined when the refurbishment is completed.</p> <p>Fees and charges for the Waipawa Municipal Theatre are shown below. All other hall charges are set by the Hall Committees or the hall managers and they retain the income.</p> <p>The following conditions apply to the hire of the Waipawa Municipal Theatre:</p> <ul style="list-style-type: none"> Any breakages or damage to building, furniture or fittings will be charged at cost. Any additional special cleaning required will be charged at cost plus 20%. An additional charge will be made for electricity used at the Waipawa Municipal Theatre. Lights and heaters left on after the hire will be charged at actual cost of power. Bond: The bond is payable prior to picking up keys. Consecutive Block Bookings or regular use of Facilities: The Community Properties Manager is authorised to negotiate a reduction in hire fees for consecutive or on-going block bookings of the Council owned facilities. No equipment will be hired for use off site. A deposit is payable at booking and this will be retained if the booking is cancelled with less than one week's notice. A "School Function" is a function involving a school children's activity, either for educational purposes or award functions. This concession does not apply to school fund-raising events or balls. <p>In certain circumstance a special liquor licence may be required.</p> <p>Concessions:</p> <ul style="list-style-type: none"> Waipawa Musical and Dramatic Club Productions receive a 30% reduction on standard Hire Charges. Rehearsal and setting up rate is 50% of the normal hire rate. Service Club regulars at a negotiated rate. 			
Waipawa Municipal Theatre (maximum capacity of the municipal theatre is 440 people)			
Bond	\$226.09	\$33.91	\$260.00
Deposit	\$86.96	\$13.04	\$100.00
Electricity Charge	At cost		
Whole Building – ½ day (maximum 6 hours) – Community Rate	\$304.35	\$45.65	\$350.00
Whole Building – ½ day (maximum 6 hours) – Corporate Rate	\$608.70	\$91.30	\$700.00
Whole Building – 1 day (maximum 24 hours) – Community Rate	\$660.87	\$99.13	\$760.00
Whole Building – 1 day (maximum 24 hours) – Corporate Rate	\$1304.35	\$195.65	\$1500.00
Concert Hall – ½ day (maximum 6 hours) Community Rate	\$173.91	\$26.09	\$200.00
Concert Hall – ½ day (maximum 6 hours) Corporate Rate	\$347.83	\$52.17	\$400.00
Concert Hall – 1 day (maximum 24 hours) Community Rate	\$347.83	\$52.17	\$400.00
Concert Hall – 1 day (maximum 24 hours) Corporate Rate	\$395.65	\$104.35	\$800.00
School Functions per session	\$86.96	\$13.04	\$100.00
Pack in/out Fee	\$173.91	\$26.09	\$200.00

Council Chamber	excl GST	GST	incl GST
Note: <ul style="list-style-type: none"> Non-Council organisations and club using the Council Chamber will be charged \$25.00 per hour with a minimum charge of \$45.00. This includes the use of the kitchen and crockery. 			
Minimum Charge	\$43.48	\$6.52	\$50.00
Hourly Charge	\$21.74	\$3.26	\$25.00

Retirement Housing	excl GST	GST	incl GST	
Notes: <ul style="list-style-type: none">Retirement housing rentals have been included in the Fees and Charges Schedule purely for review and information purposes. They do not form part of the Special Order procedures.New tenancies that occur during the year, may be negotiated at rentals which exceed the below.Rentals are reviewed in January of each year.				
Kingston Place Waipawa or Ruahine Place Waipukurau (per week)	Single Occupancy	\$81.61	\$12.24	\$93.85
	Married Occupancy	\$89.13	\$13.37	\$102.50
Wellington Road Waipukurau (per week)	Single Occupancy	\$93.83	\$14.07	\$107.90
	Married Occupancy	\$102.48	\$15.37	\$117.85

12. Rates Remission and Postponement Policies

Community Contribution Remission Policy

Objective of the policy

To facilitate the ongoing provision of non-commercial community services and recreational opportunities for the District.

Conditions and criteria

The Council may remit 50% of the general rates where the application meets the following criteria:

1. Where land is owned by Council or owned and occupied by a society or association of persons, and the land is used exclusively or principally:
 - (a) As a showground or place of meeting which is incorporated under the Agricultural and Pastoral Societies Act 1908; or
 - (b) For games or sports, except galloping, harness or greyhound races; or
 - (c) For the purposes of any branch of art.
2. The policy will not apply to organisations operated for private pecuniary profit, or which charge commercial tuition fees.
3. The policy will not apply to organisations that engage in the above mentioned sporting or community services, as a secondary purpose only.
4. The policy shall apply to such organisations as approved by the Corporate Services Manager and the Chief Executive, as meeting the relevant criteria.
5. The extent of any remission to any qualifying organisation shall be as determined by the Corporate Services Manager and the Chief Executive.
6. No remission will be granted in respect of those rates referred to in Section 16 of the Local Government (Rating) Act 2002 (e.g. targeted rates for water supply, sewage disposal or waste collection).
7. Organisations making application should include the following documents in support of their application:
 - Statement of objectives.
 - Full financial accounts.
 - Information on activities and programmes.
 - Details of membership or clients.
8. The Community Contribution Remission Policy will be reviewed every 3 years as part of the triennial Long Term Plan Process.

Club Rebate Remission Policy

Objective of the policy

To assist clubs that provide their own facilities and enable them to facilitate the ongoing provision of non-commercial community services and recreational opportunities to the District.

Conditions and criteria

Council may remit 50% of the general rates where the application meets the following criteria:

1. Where land is owned by Council or owned and occupied by a society or association of persons, and the land is used exclusively or principally:
 - (a) As a showground or place of meeting which is incorporated under the Agricultural and Pastoral Societies Act 1908; or
 - (b) For games or sports, except galloping, harness or greyhound races; or
 - (d) For the purposes of any branch of art.
2. The policy will not apply to organisations operated for private pecuniary profit, or which charge commercial tuition fees.
3. The Policy will not apply where a club licence under the Sale of Liquor Act 1989 is in force.
4. The policy will not apply to organisations that engage in the above mentioned sporting or community services, as a secondary purpose only.
5. The policy shall apply to such organisations as approved by the Corporate Services Manager and the Chief Executive, as meeting the relevant criteria.
6. The extent of any remission to any qualifying organisation shall be as determined by the Corporate Services Manager and the Chief Executive.
7. No remission will be granted in respect of those rates referred to in Section 16 of the Local Government (Rating) Act 2002 (e.g targeted rates for water supply, sewage disposal or waste collection).
8. Organisations making application should include the following documents in support of their application:
 - Statement of objectives.
 - Full financial accounts.
 - Information on activities and programmes.
 - Details of membership or clients.

The Club Rebate Remission Policy will be reviewed every 3 years as part of the triennial Long Term Plan Process.

Remission of Additional Charges Policy

Objective of the policy

The objective of the Remission of Additional Charges Policy is to enable Council to act fairly and reasonably in its consideration of rates, which Council have not received by the penalty date, due to circumstances outside the ratepayer's control.

Conditions and criteria

Council grants to the Corporate Services Manager or their nominee delegated authority in the following circumstances to approve on receipt of an application, the remission of such additional charges which have been incurred by any ratepayer as a consequence of their payment being received after the due date:

1. Where the rate payment history of the property over the last 3 years (or back to purchase date where the property has been owned by the offending ratepayer less than 3 years) shows no previous evidence of late payment and the instalment was received by Council no later than 3 working days after the day of adding the instalment additional charge.
2. Where the balance to clear the rest of the year's rates (undiscounted and including any arrears) are paid before penalties are added for the next instalment.
3. Where payment has been late due to significant family disruption i.e. in the case of death, illness, or accident of a family member, as at the due date.
4. Where the ratepayer is able to provide evidence that their payment has gone astray in the post or the late payment has otherwise resulted from matters outside their control.
5. Where a property changes hands (sale or lease) and the new owner/lessee is responsible for an instalment, when the original account was issued in the name of the previous owner/lessee.
6. Where a direct debit authority is commenced in time for the next instalment.
7. Where an error has been made on the part of Council staff, or arising through error in the general processing or levying, which has subsequently resulted in an additional charge being imposed.

Each application will be considered on its merits and remission will be granted where it is considered just and equitable to do so.

Uniform Annual Charges on Contiguous Properties Remission Policy

Objective of the policy

To enable Council to act fairly and reasonably and provide for the possibility of rates remission where two or more Uniform Annual General Charges (UAGC) are levied on rating units which are occupied or used by the same ratepayer being a lessee/owner using the rating units jointly as a single property for the same farming or horticulture purposes.

Conditions and criteria

Section 20 of the Local Government (Rating) Act 2002, stipulates that there shall be one property for the purposes of levying the UAGC, where two or more separately ratable properties are:

- (a) Owned by the same ratepayer (owner or person with right to occupy by virtue of lease for more than 10 years); and
- (b) Used jointly as a single unit (for the same purpose); and
- (c) Contiguous or separated only by road, railway, drain, water race, river or stream, they shall be deemed to be one property for the purposes of any Uniform Annual General Charges.

Council will allow, without further enquiry (except for clarification), applications made by ratepayers in the form of a statutory declaration to the effect that two or more separately rated properties are occupied by the same ratepayer and are used jointly for the same purpose and the Uniform Annual General Charge and any other relevant Separate Uniform Annual Charge levied on the second and subsequent assessments will be cancelled.

Council may remit the rates where the application meets the following criteria:

1. The rating units must be contiguous and occupied by the same ratepayer who is the lessee/owner of each unit and who uses them jointly as a single property contiguous or separated only by road, railway, drain, water race, river or stream and used for the same purpose.
2. Where farming or horticultural operations conducted on separate blocks of land are so far apart as to indicate that there is no possible continuity between them, full charges may be levied on each. Factors such as stock rotation, stock driving, property size, and the number of properties affected will be taken into account.
3. Council may, on written application from a ratepayer of such rating units, reduce or cancel any separate Uniform Annual General Charge levied on the rating units if it considers it to be reasonable in the circumstances to do so.
4. Council grants to the Corporate Services Manager or their nominee delegated authority in the above circumstances to approve on receipt of an application, the cancellation of Uniform Annual General Charge and any other relevant Separate Uniform Annual Charge levied on the second and subsequent assessments.

Rates Holiday / Postponement Policy

Objective of the policy

To assist ratepayers who undertake economic development that benefits the District as a whole.

Conditions and criteria

- 1) The ratepayer must be the current owner of the rating unit.
- 2) Council must be satisfied that economic benefits will flow to the district from the development.
- 3) The ratepayer must make application to Council.
- 4) Applications for a rates holiday of rates will be considered by Council.

Remission and Postponement of Rates on Maori Freehold Land Policy

Council is treating all ratepayers the same, as such, there is no remission or postponement of rates provided specifically for Maori Freehold Land.

Ratepayers for Maori Freehold Land may be eligible for relief through the Sundry Remission of Rates Policy.

Remission of Rates for Natural Calamities Policy

Objective of the policy

To assist ratepayers experiencing financial hardship as a result of a natural event detrimentally affecting the use of the land or the income derived from the land, and which directly affects their ability to pay rates.

Conditions and criteria

Council may postpone wholly or in part, any rate or charge in respect of the property, where it considers it to be fair and reasonable to do so. This will be in circumstances where Central Government have recognized the seriousness of the event and provided financial assistance to enable the remission to occur.

The term and nature of the postponement, the proof of financial hardship and any other criteria considered necessary will be determined by Council in each case.

Decisions on the extent of remissions shall be as determined by the Corporate Services Manager through the Chief Executive, as meeting the relevant criteria.

Remission of Rates for QEII Trust and Land for Natural, Historic or Cultural Conservation Policy

Objective of the policy

To recognise and support the environmental value of such protected areas and to acknowledge the non-commercial use of such protected land. To preserve and promote natural resources and heritage by encouraging the protection of land for natural, historic or cultural conservation.

Conditions and criteria

1. The extent of the rates remission if approved is to be 100%.
2. Applications are to be received in writing requesting rates relief be given to areas protected by the registration of a QEII Open Space Covenant.
3. Pest eradication shall be primarily the responsibility of the owner.
4. No portion of the covenanted area is to be developed or utilised in any way for commercial activity. This includes generating income for maintenance of the covenanted area.
5. Authority to consider applications is delegated to the Corporate Services Manager with right of appeal to the Chief Executive and Council.

Sundry Remission of Rates Policy

Objective of the policy

To remit rates and charges that are the result of fundamental errors; or where the balance owing is considered uneconomic to recover; or where the amount levied is unable to be covered pursuant to sections 67/76 of the Local Government (Rating) Act 2002; or where Council or its delegated officer(s) consider the levy impractical to recover.

To facilitate the use of Maori Freehold Land (and therefore the collection of rates), by removing the burden on the potential lessee of existing arrears.

Conditions and criteria

Council or its delegated officer(s) shall determine the extent of any remission based on the merits of each situation. Decisions on the extent of remissions shall be as determined by the Corporate Services Manager through the Chief Executive, as meeting the relevant criteria.

13. Development Contributions Policy

1. Background

Central Hawke's Bay District Council (CHBDC) is required to develop a range of financial and funding policies to provide predictability and certainty about sources and levels of funding for future sustainability of the District. These include a policy on financial contributions or development contributions under S102 (4) (d) of the Local Government Act 2002. A policy is required regardless of whether Council decides to charge:

- Financial contributions under the Resource Management Act, 1991 (RMA, 1991); or
- Development contributions under the Local Government Act, 2002 LGA) or
- Combination of development and financial contributions under LGA and RMA mechanisms or
- Not to levy contributions under either the LGA or RMA

Council plays a significant role in facilitating and coordinating development and providing infrastructure in a timely and affordable manner. It is an essential part of Council business to *"promote the social, economic, environmental and cultural well-being of communities, in the present and for the future"*. This is a strategic role that individuals, the community, the private sector or central government cannot fulfil alone. The effects of growth require Council to incur capital expenditure acting on behalf of the wider community to provide new or additional services. Development contributions are a funding tool through which new development is specifically targeted and required to contribute to the capital cost of infrastructure and community assets resulting from growth.

In 2006 Council adopted a development contributions regime under the Local Government Act 2002 to replace the provisions previously applied under the RMA, 1991.

The 2006 and 2008 contributions regime has been reviewed as part of the 2012 Long Term Plan. The policy review parameters were to:

- Review the policy in the light of Local Government Amendment Act 2010
- Review the policy relevant to LGA case law to ensure that it is consistent with recent decisions made by the Court
- Identify any weaknesses in the policy and propose corrective measures for these by testing policy against best practice guidelines prepared by Local Government New Zealand and the Office of the Auditor General. This included reviewing a range of issues that have been identified during the life of the policy
- Test whether the original growth scenario is still relevant and appropriate to the anticipated future economic circumstances
- Review the policy in the light of land use change in the District

The revised development contributions policy in accordance with Section 106 of the Local Government Act, 2002 (LGA) takes contributions for:

- Roading and reserves as a District wide contribution
- Water, wastewater and stormwater contributions on a catchment basis (stormwater will only be sought in the case of extraordinary users)

No contributions are sought for community infrastructural assets such as libraries, public halls and other community facilities. Existing facilities are deemed adequate to cope with the potential future demand created through growth.

The district population appears to be relatively stable in terms of growth but the property rate base of the District is expanding as is the number of household units. This appears to be created through an increased demand for

rural lifestyle, urban and coastal living.¹ Although there is no obvious appreciable increase or decrease in population numbers in the District as a whole, growth in certain catchments is identifiable as a result of the demographic and other changes within the District.

Development contributions are not a tool to fund the cost of maintaining infrastructure or changing levels of service for existing users. There must be a causal connection between the capital expenditure required and the contribution paid. A development contribution will be required when:

- The effect of the development is to require new or additional assets or assets of increased capacity and;
- The Council incurs capital expenditure to provide for these new or upgraded assets.

The impact of a development includes the effect that a development may have in combination with another development (cumulative effect).

The need for new infrastructure or upgraded capacity for existing infrastructure is largely driven by but not limited to the following factors:

- There is a demand for infill housing primarily in the more urbanised areas. Although more houses are being built this does not necessarily translate into more people residing in an area. Fewer people per household are projected by Statistics New Zealand. This is probably due to the ageing population. People, as they age, are moving from the rural environment to the urban. In many cases parents move into smaller more urbanised properties and farms are either sold or transferred within the family. The District's population neither substantially grows nor declines but does result in an increase in household units and in the number of rateable properties. This results in a shift in demand for housing and infrastructure. This follows a national trend where areas may have a projected decrease in population but there may be a projected increase in households². This places pressure on existing infrastructure and generates the additional demand for new infrastructure.
- There is some demand for "greenfield" development within existing settlements and supply boundaries. This is driven by similar factors as those for infill housing.
- There is an actual and anticipated demand for housing in Coastal settlements for holiday homes. The demand for coastal housing has been relatively stable for some time. This appears to be attributable to the slow down caused by the recession. There is still however demand for coastal land and this tends to focus on existing settlements in order to meet the requirements of the Regional Policy Statement and the District Plan. An economic recovery may well result in increased demand for land and consequential impact on infrastructure.
- Some potential exists for larger scale industrial development in Waipukurau particularly if there is an upturn in the economic environment.
- The regulatory environment is changing and requires higher standards of infrastructure. As on-site wastewater treatment systems age and begin to fail on the fringes of reticulated areas there is a demand to connect to reticulated infrastructure. This either places pressure on existing infrastructure by demanding increased capacity or may require the development of new infrastructure.
- Climate change in future has the potential to create a demand for larger capacity stormwater systems to cope with increased intensity and duration of rainfall. This also needs to be considered in conjunction with increased demand for stormwater treatment systems in the urban areas and coastal areas as a result of increased impermeable surfaces from greenfield and infill development. In this policy however no major capital stormwater works are proposed so contributions will not be levied except in the case of an extraordinary user
- The District wide reserve contribution is taken to provide for new reserves or to upgrade (existing equipment replaced with new equipment to services a different age group) reserves throughout the District. New facilities and upgraded (existing equipment replaced with new equipment to services a different age group) facilities are required as the result of the changing demographic in the District particularly caused by infill housing and coastal development. Opportunities also arise through the

¹ Based on Statistics NZ (predictions 1996-2031) and Valuation NZ (2000-2025) data

² Statistics NZ

subdivision process to acquire new land along the banks of lakes and rivers and in the coastal margin. The District Policy guides the circumstances where this may occur. The reserves fund is then used to purchase land over 4 hectares in extent and to develop the land in accordance with community needs and demands. The use of reserves in the District tends to have a district rather than local focus.

2. Location

Within the Central Hawke's Bay District, development contributions will apply:

- district wide for roading
- by catchment for water, wastewater and stormwater
- district wide for reserves with the focus on capital projects for existing reserves and for the acquisition of esplanade reserves and strips along the coastline and rivers in accordance with the policy contained in the operative District Plan

3. Additional Works

Nothing in this policy will prevent the Central Hawke's Bay District Council from requiring additional works as part of any consent issued to directly support the immediate development. These works may include but not limited to, services connections, private vehicle crossings extension of roading or utilities infrastructure, etc. In some case Council may agree to vest in Council additional infrastructure in lieu of Development Levies, but this will be assessed on a case by case basis.

4. CHB Growth prediction for Future Demand Statement

As a result of the recent earthquake events in Christchurch causing the cancellation of the 2011 census no new statistical data is available upon which to review growth patterns and trends. In view of this and also the recent resulting economic decline in the Building consent figures Council has opted to rely on the data provide by Statistics NZ and Valuation NZ rateable properties data to predict the potential for growth in the region.

Based on the Statistics NZ and QV NZ data CHB appears to be experiencing a down turn in economic growth in a similar pattern to many provincial areas of New Zealand. As stated above there are neither large increases nor decreases in population anticipated. There is however a changing pattern as the population ages, households become smaller and people choose to relocate to other areas within the District. The changing patterns place pressure on existing infrastructure or create a demand for new infrastructure in certain locations. This is the primary reason why water, wastewater, and stormwater contributions are taken on a catchment basis. This enables Council to match growth and demand to location. Council also takes a proactive and long-term view that growth in certain areas has been limited by the recession and this scenario may change over time as economic recovery gains momentum. Most assets for water, wastewater, stormwater and the roading have a life expectancy of 50 to 100 years, so the construction or upgrading of new assets has to be designed to allow for an increase in demand over this time period.

More detailed information on anticipated growth in contained in Appendix 1 to this policy.

5. Demand Forecast

From the Statistics NZ, QV data and data obtained from Council' records (building and resource consents) there is an increased demand for services to accommodate new households and developments on newly created rateable properties.

For water, wastewater and stormwater contributions are sought on a per catchment basis (contributions for water in Waipukurau, Waipawa and Kairakau, for wastewater in Takapau, Waipukurau, Waipawa and Porangahau. Contributions will only be taken for stormwater in the event of an extraordinary user (see Section 15 below). The use of roads and reserves is considered to have a District wide effect. As growth is relatively small and constrained the contribution figures are calculated on the assumption that the number of new users is small and therefore the quantum of contributions is small and is directly related to the anticipated increased demand.

5.1 Limitation and Recommendation

The amount of data available to accurately predict growth is limited. As indicated above in order to ensure fairness and equity Council have adopted a very conservative approach to the levying of contributions. The levying of more substantial contributions is reliant on a more detailed study and understanding of economic and social development patterns in the District. Council is currently undertaking a full review of the Operative District Plan and it is anticipated that the Review will be supported by an evaluation of the Districts social and economic development goals. It is envisaged as part of the District Plan Review process that Council will commission the preparation of a report/s addressing the Districts social, economic and environmental profiles and potential for growth in these sectors with a particular focus on the urban and rural environments

6. Definition of Growth

In terms of this policy Council has defined growth as an increase in demand “for “or “on” the following network by “new” users on the service or the increase in demand on the relevant network due to a change in intensity on the site;

Following are examples of development that would incur the payment of a development levy (but not limited to).

- The construction of a new dwelling on a site.
- The construction of second or another residential unit* on the same site, e.g. fully self contained flat
- Construction of a new Commercial building on a site, e.g. New shop, office etc
- Construction of a new Industrial building on a site, e.g. Dairy Shed, Packing Shed etc
- Major alterations which increase the scale and intensity on the site, e.g. conversion of a shed into an industrial building

To enable a simple application of the policy Council has set the minimum basic standard for demand as a single household unit. Any activity that in Council’s opinion uses the Council network infrastructure to a greater extend that that of a single household unit will be assessed in multiples of household units as covered under the section headed “Extraordinary Users” in this policy.

7. Purpose

The key purpose of the development contributions policy is to ensure that new growth funds infrastructure needed to support new residents and business, and those who cause the need for and benefit from that infrastructure fund a fair share of the cost of infrastructure to meet that growth. Funding should therefore be sourced from the community or communities that benefit from the development.

8. Principles

The primary involvement of Council in the development process is to ensure that the social, economic, environmental and cultural wellbeing of the community is provided for. While driven by demand, the level of service is directed by the community outcomes contained in the LTP. Council is therefore not directly in the business of developing commercial or industrial, housing or tourism ventures but instead is required to provide for sustainable development by setting appropriate standards.

Development that results in additional dwellings, buildings and activity, in turn impacts on Council’s services infrastructure. This impact must be recognised and mitigated. Those causing the impact should meet the costs associated with upgrading infrastructure where that upgrading occurs due to development pressure. Where costs can be identified as a result of development impact, they should be quantified. Such costs should then be borne by those who generated them. The market by itself will not achieve the coordinated response required to develop the networks.

A fair and equitable approach needs to be taken to fund the provision of infrastructure having regard to existing and future populations. The existing population has already made a considerable investment in services. Those

initiating new development benefit from connecting to or using existing services and should pay their fair share of capital expenditure.

A development contribution is required when new or additional assets or assets of increased capacity are required and where as a consequence Council incurs capital expenditure. A development contribution may also be collected and used to pay for expenditure already incurred by Council in anticipation of capital costs. These effects have been quantified or will be quantified and used to calculate development contributions for specific services.

9. Adoption, Implementation and Review

Council has implemented its Development Contribution regime under Section 106, LGA 2002 through the 2012 LTP process. It is anticipated that the policy will be updated in 3 yearly intervals, or at shorter periods if the Council deems it necessary to take account of:

- Changes to the assumptions around which the development contributions policy has been established
- Changes resulting from the phasing in of new or amended strategic plans or documents
- Changes in Central Government or Regional Council policy
- Change in the rate of population or dwelling growth or the pattern or location of development
- Addition or deletion of a growth related capital project or other changes in the capital works programme
- Changes to the operative or proposed District Plans
- Significant changes in cost indices or cost assumptions for infrastructure
- Correction of errors or omissions in the infrastructural cost estimates
- Incorporating any relevant actual costs of completed projects
- Any other matters the Council considers relevant

10. Limitations to the Application of Development Contributions

Council will not require a development contribution in the following cases:

- Where it has, under Section 108(2)(a) of the RMA, 1991 imposed a condition on a resource consent in relation to the same development for the same purpose; or
- Where the developer will fund or otherwise provide for the same infrastructure
- Where Council has received or will receive funding from a third party for those works

11. Requirements for and Use of Development Contributions

11.1 Rooding

The District wide rooding contribution is required to address the overall impact of growth on the infrastructure. Growth impact is not limited to an isolated area but the impact on the road network as a whole. New lots created by subdivision, the erection of new residential units, additions to existing residential dwellings where the size and scale of habitable rooms are increased, or where a change in land use or activity generates higher traffic volumes, are required to make a contribution to the cost of the network.

The Central Hawke's Bay road network is extensive servicing a relatively low population, has severe geotechnical conditions and is subject to weather extremes. The network itself is generally of a high standard and of a high value. Previously the contribution policy relied on using a recognised equity model. That model accepted that the developer would not be able to cover the total cost to buy into the network. As a consequence the developer's share was apportioned to cover a reasonable percentage of cost.

In recognition of the comparatively low levels of growth anticipated in the District and the value and quality of the network the approach to the rooding contribution has been revised. Capital expenditure items budgeted for until 2022 have been identified and the cost apportioned over the number of anticipated users based on new users

contributing 10% of the cost. All subsidies received from New Zealand Transport Agency and the like have been removed prior to the apportionment of cost.

Development contributions will be retained in a separate Council account and will only be used for capital expenditure and not for maintenance.

In the case of significant subdivision development all changes to the road network directly caused by the development (internally and/or externally) are to be completed by the developer at the developers' expense based on the criteria set out in the District Plan and to Council standards. When this process is applied Council will not take Development Contribution for Land Transport under this policy.

For all other developments Council will apply the levies under this policy.

Road contributions will be used for but not limited to:

- Construction of new roads and extension of existing roads
- Vertical and horizontal alignment enhancement including corner and intersection redesign and improvements including access ways
- Increase in carriageway width
- Construction of new bridges and upgrading of existing bridges for increased demands
- Provision of new cycling and walking facilities

Development contributions will be required at resource consent stage prior to the land use or subdivision consent being exercised. In circumstances where a new or expanded activity is a permitted activity under the rules in the District plan a development contribution will be required either at building consent stage or at the time of connection to the network, whichever comes earlier. Construction work or connection to the network will not be permitted unless the contribution has been paid.

Council will use development contributions only for the purpose for which they were intended. Where Council anticipates funding from a third party for any part of the growth component of the infrastructure then this proportion will be excluded from the total estimated growth component funded by development contributions.

11.2 Network infrastructure

A water, wastewater and stormwater contribution (network infrastructure) is required in the identified catchments to address the overall impact of growth on the infrastructure.

The cost of new or expanded infrastructure has been estimated and surplus capacity in the network has been identified. New connection costs are then calculated on the basis of an existing/new user split for reticulation and headworks. The total cost is apportioned over the maximum number of new users equating to a \$ value per lot. The payment of the contribution by new users will put them on an equal basis with existing users. All users then have an equal financial interest in the network. This enables the cumulative effect of additional connections joining the system and either depleting the networks spare capacity or resulting in works to be addressed. An appropriate level of service to the community is then maintained.

All changes to the utility network directly caused by the development (internally or externally) are to be constructed by the developer at the developers' expense and completed to Council standards. The developer will therefore meet the full actual cost of the water supply, wastewater or stormwater disposal system to the development. In some cases the causal effect of developments on the network will be cumulative and the costs may be apportioned.

Contributions for water, wastewater and stormwater will be used for but not limited to:

- Increasing the capacity of pipes, pumps, and storage, treatment and disposal facilities
- Providing new pipes, pumps, and storage, treatment and disposal facilities
- Extension of piped infrastructure to service additional areas

- Increasing the capacity of drains, culverts and other structures
- Extension of the drainage network to service other areas
- Land purchase and easements

Development contributions will be required to be paid at resource consent stage prior to the land use or subdivision consent being exercised. In circumstances where a new or expanded activity is a permitted activity under the rules in the District plan a development contribution will be required either at building consent stage or at the time of connection to the network, whichever comes earlier. Construction work or connection to the network will not be permitted unless the contribution has been paid.

Any development outside of the identified catchments has not been anticipated as part of the existing reticulation network. Any request to extend services or infrastructure outside of the determined areas will need to be specifically assessed through a separate development agreement.

The purpose of the contribution is to address the cumulative change in standards required as an effect of incremental subdivision or development.

Council will use development contributions only for the purpose for which they were intended. Where Council anticipates funding from a third party for any part of the growth component of the infrastructure then this proportion will be excluded from the total estimated growth component funded by development contributions.

11.3 Reserves

Reserve contributions are required to address the effects of growth on the reserve network. Reserve usage tends to be District wide and not limited to the local neighbourhood.

Reserve contributions will be retained in a separate Council account and will only be used for capital expenditure and not for maintenance.

Reserve contributions will be used for but not limited to:

- Capital projects for existing reserves where either new works will be undertaken or new equipment will be supplied or for the development of new reserve management plans.
- The cost of land acquisition of esplanade reserves and strips along the coast and rivers in accordance with the policy contained in the Operative District Plan.

Reserve contributions will be required at resource consent stage prior to the land use or subdivision consent being exercised for residential usage only. In circumstances where a new or expanded residential activity is a permitted activity under the rules in the District plan a reserve contribution will be required either at building consent stage or at the time of connection to the network, whichever comes earlier. Construction work or connection to the network will not be permitted unless the contribution has been paid.

Council will use reserve contributions only for the purpose for which it was intended. Where Council anticipates funding from a third party (e.g. grants from the Lottery Commission) for any part of the growth component of the infrastructure then this proportion will be excluded from the total estimated growth component funded by development contributions

12. Timing, Invoicing and Payment of Contributions

District wide and area contributions will be levied at the resource consent stage for either subdivision or land use consents granted under the RMA, 1991. Where a new activity or expanded activity permitted by the District Plan occurs the development contribution will be payable at Building Consent stage or at connection to the network. This is considered appropriate for:

- Practicality of implementation and efficient cost collection
- Economies of scale in implementation costs

- Fairness
- Provides best and most accurate means of calculating development cost, facilitating project management and allocating budgets.

Final calculation, invoicing and payment of the contribution will need to occur prior to the issue of the Section 224 completion certificate under the RMA, 1991. For development, final calculation, invoicing and payment will need to occur on upliftment of the Resource Consent. For permitted activities calculation, invoicing and payment will need to occur on upliftment of the Building Consent or on request for a connection to the network.

13. Remission, Postponement, Refunds, Non-Payment and Re-imbursement

13.1 Remission and Postponement

There shall be no postponement or remission of development contributions except in exceptional circumstances at the discretion of the Council's Corporate Services Manager.

13.2 Non Payment of Development Contributions and Refunds

The provisions of Sections 208 and 209, LGA, 2002 shall apply. Where payment of a development contribution is required and payment is not received Council may:

- On a subdivision consent withhold the Section 224(c) certificate RMA, 1991
- Prevent the commencement of a resource consent under RMA, 1991
- Where a contribution is required at Building consent stage Council may withhold the compliance certificate
- Where a contribution is required at connection stage withhold the service connection

Council will refund contributions in the following circumstances:

- If a resource consent lapses under Section 125, RMA, 1991
- If a resource consent is surrendered under Section 138, RMA, 1991
- The building consent under the Building Act, 2004 is withdrawn
- The development for which the resource consent or building consent was granted, does not proceed or
- The Council does not provide the infrastructure for which the contribution was required.

Retention of a portion of the contribution incurred by Council may be retained in accordance with S209 (2). The refund will generally be of the payment made plus interest earned less 1% of the total for administration.

13.3 Reimbursement

Reimbursement may be considered in circumstances where a developer undertakes to construct works upon resolution of Council and has requested through the LTP or annual plan process that reimbursement be provided where:

- The project has been built and satisfactorily completed at the time the request is assessed by Council, or
- The project has been committed through the letting of a contract at the time the request is assessed by Council and evidence is provided to the Council of that contractual obligation.
- Council has accepted that the development confers some public benefit.

Where reimbursement has been provided for in the LTP or Annual Plan budget, payment will be made to the developer as subdivision occurs, or earlier should Council resolve.

Development Contributions will be required at the subdivision stage or development stage and only for the infrastructure outlined.

14. Retrospective Contributions

No retrospective contributions will be required under the LGA, 2002. This policy will become operative from the date of the Council resolution approving this policy. From that point onwards contributions will be required under this policy for all subdivision and land use consents, lodged after the operative date. Contributions required from new or expanded activities permitted by the District Plan will be taken at building consent or connection stage, whichever is earlier from the date of operation of this policy. Any applications lodged prior to the operative date (June 2006) will pay contributions in accordance with the RMA, 1991 provisions contained in the operative District Plan. Where applicable contributions may be taken in respect of capital expenditure already incurred by the Council in anticipation of development.

15. Development Contributions Calculations and Assumptions

This section outlines the specific contribution required for each of the following assets:

- Roothing
- Water
- Stormwater
- Wastewater
- Reserves

15.1 GST

Development contributions specified in Appendix 2 are exclusive of GST at the current rate.

15.2 Roothing Formula and Assumptions

The recognised equity formula is:

$$C = ((\text{Capital Works} - \text{Contributions by other sources}) \times \text{New User Share}) / \text{Est no. of new users over 10 years}$$

15.3 Assumptions

The assumptions in the formula are:

- Capital expenditure on roading, is on average, the same per lot. Accordingly new lots should contribute the same capital expenditure as old lots
- Valuations fairly represent the value of the road network and road amenities (including cycleways and walkways)
- Loans include all loans irrespective of source
- All lots are capable of generating traffic
- "The maximum number of lots possible" is the maximum number of lots allowable under the District Plan for the site(s) being developed.

15.4 Extraordinary Users

Extraordinary users (EU) are all users other than standard residential users whose road use is expected to exceed that of a standard residential user. Extraordinary users may include transport depots, industries, extractive industries, power stations, supermarkets and institutions. If usage is not expected to exceed standard residential user requirements, then the standard residential development contribution will apply. Development contributions (DC) will be calculated as either a heavy vehicle impact fee or a special increased traffic fee using equivalent recognized equity where traffic generation varies from individual residential allotment levels.

15.5 Network infrastructure Formula and Assumptions

The formula applied to residential users for a single new domestic connection for water, wastewater or stormwater is:

$C = (\text{Capital Works for catchment} \times \text{New User Share}) / \text{Est. no of new users over 10 years}$

- The calculations take into account surplus capacity and where new or expanded infrastructure is required. The new connection cost is then calculated on the basis of an existing/new user split for reticulation and headworks. The total cost is apportioned over the maximum number of new users equating to a \$ value per lot. The new user share is up to 10%.
- Where an extraordinary user constitutes a significant percentage of the total network usage that user will have its development contribution assessed up to an equivalent number of residential connections.
- For the purpose of this calculation, the number of existing connections includes residential connections, equivalent residential connections to extraordinary users, new users who have paid development contributions but have not yet had a physical connection installed.
- "The maximum number of lots possible" is the maximum number of lots allowable under the District Plan for the site(s) being developed.

15.6 Extraordinary Users

Extraordinary users (EU) are all users other than standard residential users whose water usage, wastewater generation or stormwater runoff is expected to exceed that of a standard residential user. Extraordinary users include farms, industries, and institutions. If usage is not expected to exceed standard residential user requirements, then the standard residential development contribution will apply. Development contributions (DC) will be calculated up to an equivalent residential basis as follows:

Water Supply

$= (\text{EU Average Daily Usage} / \text{Average Residential Usage for the Network}) \times \text{Standard Residential DC}$

Urban wastewater and stormwater

$= (\text{EU Average Daily Discharge} / \text{Average Residential Discharge for the network}) \times \text{Standard Residential DC}$

Where there are high loadings or concentrations of ammonia, phosphorous or other substances within the wastewater that may require specific treatment an additional fee may be payable under the Central Hawke's Bay Council Trade Waste Bylaw.

15.7 Reserves Formula and Assumptions

The reserve contribution is comprised of 3 components:

- Capital projects for existing reserves where either new works will be undertaken or new equipment will be supplied
- Development costs associated with new reserve management plans
- The acquisition of esplanade reserves and strips along the coast and rivers in accordance with the policy contained in the Operative District Plan

15.8 Assumptions

The assumptions are:

- Capital expenditure on reserves is shown on the attached spreadsheet Appendix 2.
- 1/2km of river frontage on Lots over 4 hectares @ \$8/m will be acquired annually

- 1/2km of coastal frontage per year on Lots over 4ha @\$8/m will be acquired annually
- The public/private good split accepts that 10% of demand for additional reserves is attributed to subdivisions and new dwellings.

16. Glossary of Terms

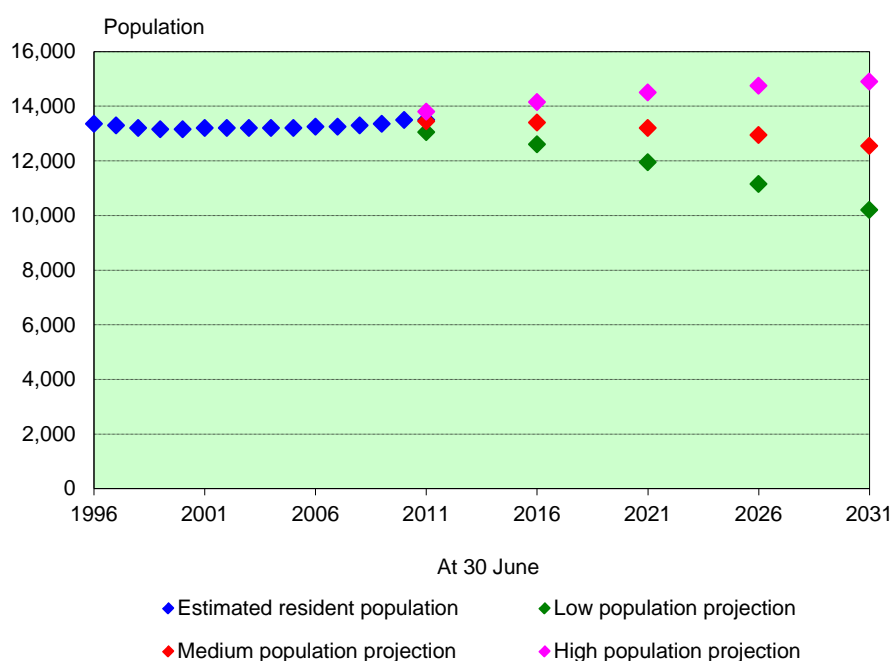
Term	Council Meaning
Activity	Means goods and services provided by the Council as defined in the LGA 2002
Connection	Means in the case of: Roads: The creation of a site that has physical or legal access to a Public road or approved vehicle crossing from the property to a public road Utility System: The connection to a Council operated and managed water, Wastewater(Sewer) or Stormwater reticulation
Development	As set out in the LGA 2002 S197 <ul style="list-style-type: none"> • means— <ul style="list-style-type: none"> ○ (a) any subdivision or other development that generates a demand for reserves, network infrastructure, or community infrastructure; but ○ (b) does not include the pipes or lines of a network utility operator
Development Contribution	As set out in the LGA 2002 S197 <ul style="list-style-type: none"> • means a contribution— <ul style="list-style-type: none"> ○ (a) provided for in a development contribution policy included in the long-term plan of a territorial authority; and ○ (b) calculated in accordance with the methodology; and ○ (c) comprising— <ul style="list-style-type: none"> ▪ (i) money; or ▪ (ii) land, including a reserve or esplanade reserve (other than in relation to a subdivision consent), but excluding Māori land within the meaning of Te Ture Whenua Maori Act 1993, unless that Act provides otherwise; or ▪ (iii) both
Headworks	Headworks describe the pumping station/treatment/Bores etc part of the network. For Water this occurs at the start of the network where the water is extracted from the bores. For Wastewater and Stormwater headwork's means the main pumping stations, treatment ponds, discharge structures etc that occur at the end of the network.
Household Unit	The type of unit of demand that equates to a single average house hold.
network infrastructure	<ul style="list-style-type: none"> • means the provision of roads and other transport, water, wastewater, and stormwater collection and management
LTP	Long Term Plan
Utility System	Council owned and managed Water, Wastewater (Sewer) and/or Stormwater network.

APPENDIX 1

Growth and Development Assumptions for Contribution Purposes

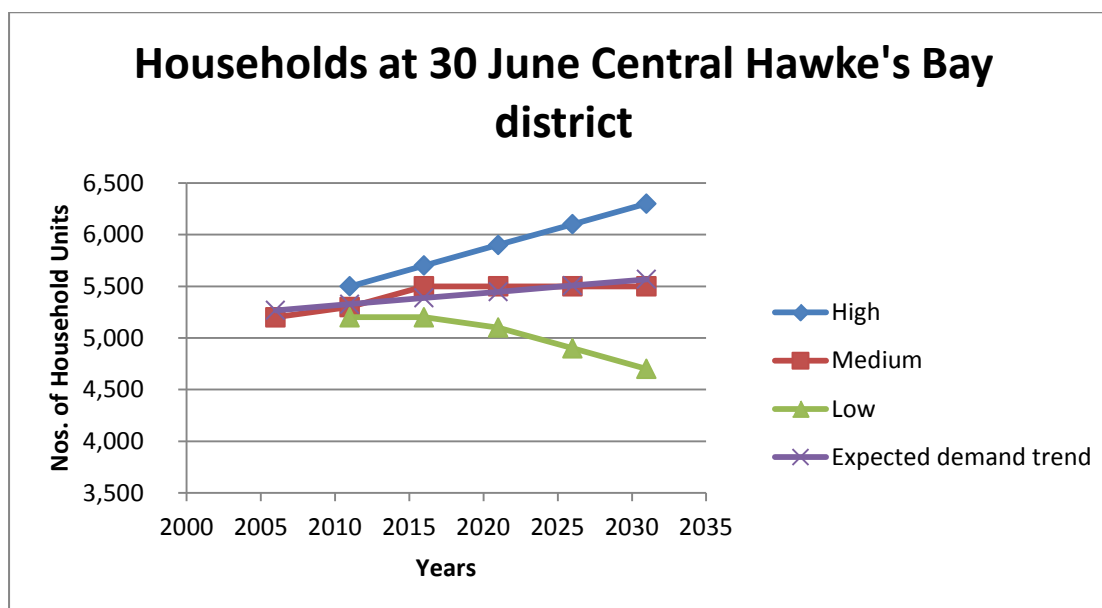
Statistics New Zealand released in February 2010 the updated 2006 base sub national population projections. This is the best information available to Council as a result of the cancellation of the 2011 census. The population is likely to neither rapidly expand nor decrease as shown in the graph below. The long-term medium projections tend to indicate a gradual decline. This scenario is similar to 39 other territorial authorities in the country.

Estimated and Projected Population – Central Hawke's Bay District



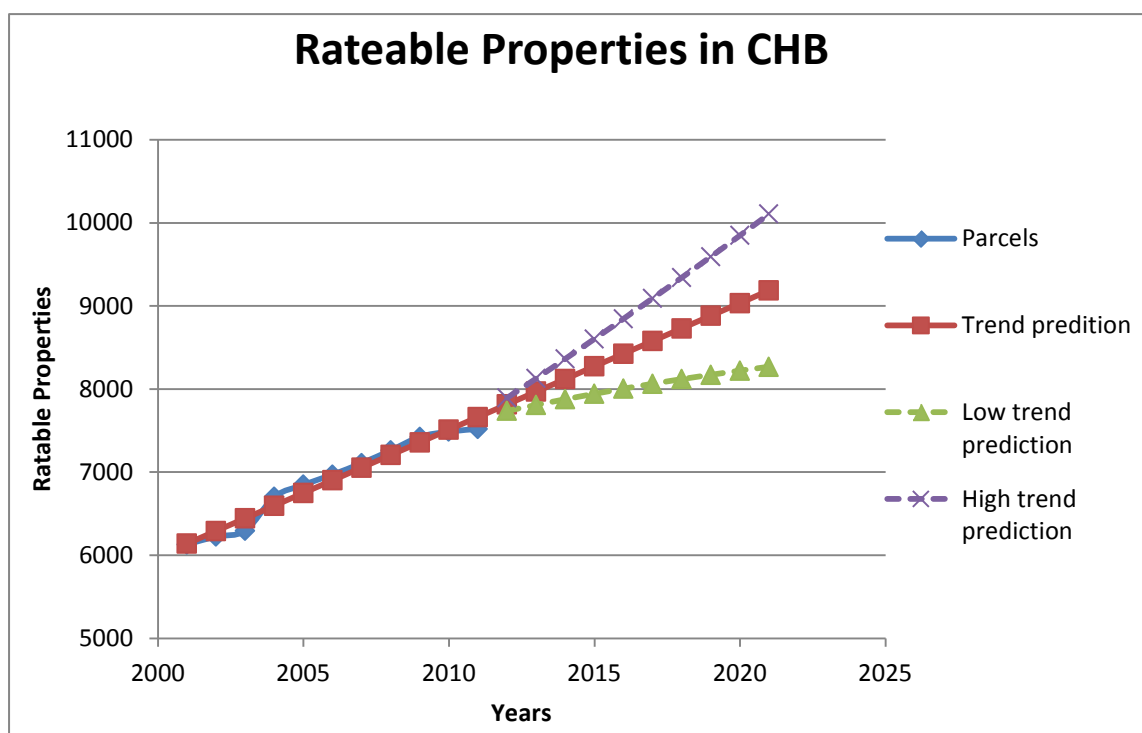
The gradual decline in population does not necessarily equate to the social and economic well-being of an area.

The graph below based on the figures provided by Statistic NZ has indicated a growth in household units over the next ten years. Although the number of households may increase this does not necessarily mean that the population is growing. Fewer people per household are anticipated as the result of an aging population. More people are moving into older age brackets where they are most likely to live in a couple without children or reside as single person households. As a result Central Hawke's Bay with a potential small decrease in population or a neutral scenario is still likely to have a projected increase in households. This needs to be factored into Council's assessment of demand on its asset.

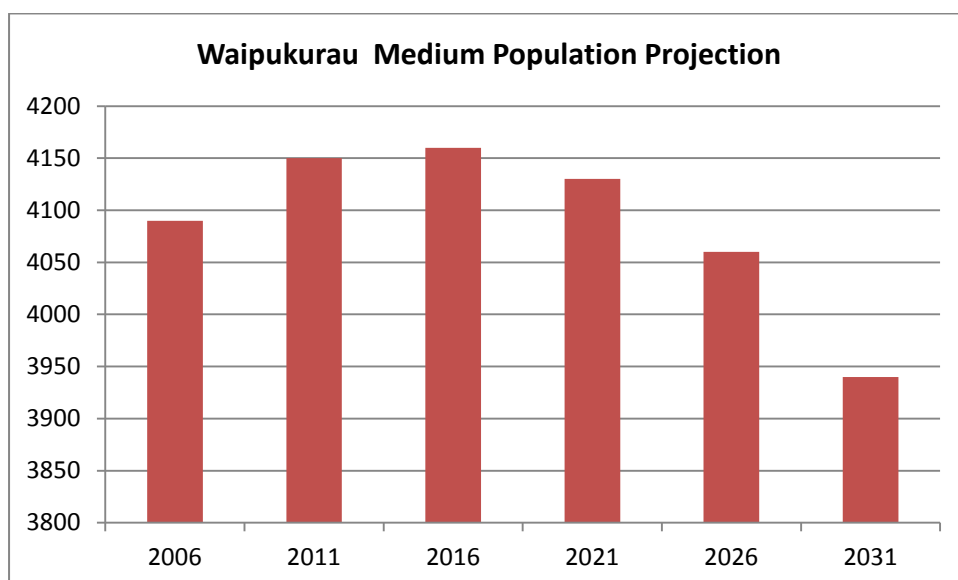
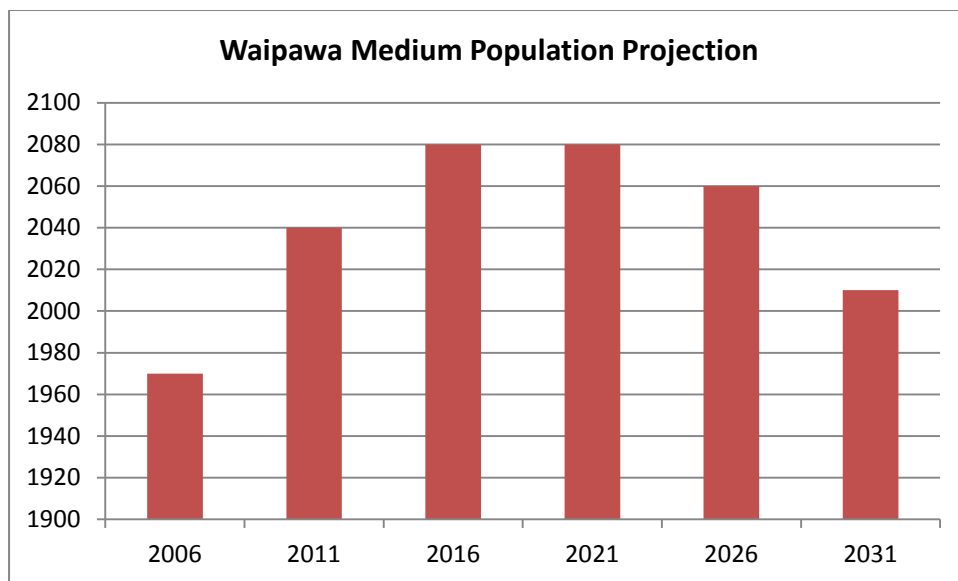


Graph 1: Projected Household Figures 2001 – 2031 (Statistics NZ)

From the data provided by Quotable Value NZ it would appear that Central Hawke's Bay has experienced a constant growth in the number of rateable properties in the district over the past 10 years. This meshes well with the assumption that household numbers are projected to increase. By extrapolating this data we could conceivably expect the growth to continue in a uniform manner. This would conceivably indicate that there could be an extra 1500 rateable parcel spread over the whole of Central Hawke's Bay in the next 10 years. While not all these will be in the serviced areas thus requiring water, sewer and stormwater connection Council would expect regional trend to be reflected in growth in the serviced areas of CHB.



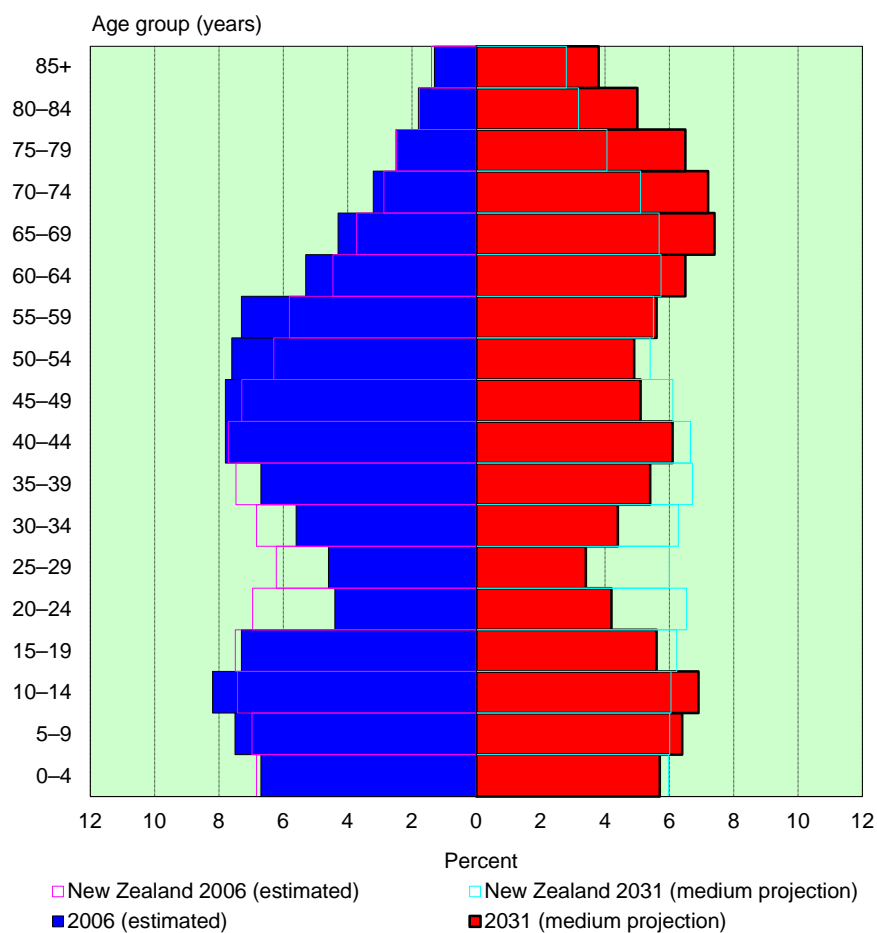
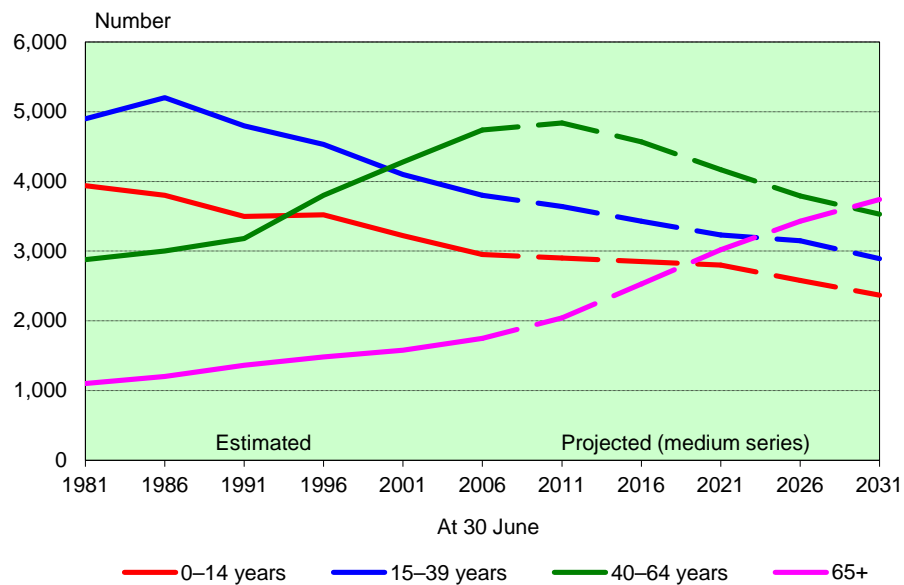
The areas of Waipawa and Waipukurau are anticipated to have a small increase in population as well as an increase in the number of household units. This is demonstrated in the graphs below.



The infill housing trends that have been anecdotally observed tend to indicate that as the population ages there is likely to be internal migration away from farms to smaller urban and lifestyle properties. These are the areas where it is likely the existing infrastructure will, over time come under pressure. From 2026 there is an anticipated fall off in population. It is worth noting that in Waipawa even with longer term decline in population from 2026 onwards the 2026 population is still potentially greater than the 2011 figure. The infrastructure development that CHB has experienced has not necessarily kept pace with the slow but incremental growth over the earlier previous years. Central Hawke's Bay is following the same trends as the rest of the New Zealand population with respect to aging.

It is interesting to note that in both the graphs below there is substantial increase in population numbers of people over the age of 65. This is likely to affect settlement patterns with an increased demand for smaller properties and possibly more need for retirement facilities and alike. These facilities tend to be located in a more urban context. It is also worth noting that the CHB population from 60+ is aging considerably more rapidly than the rest of New Zealand. This is matter that may need to be considered in more detail in both the District Plan review and as part of future contribution reviews.

Population by Broad Age Group – Central Hawke's Bay District



APPENDIX 2

Summary of all Development Contributions

Current Development Levies as at 1 July 2012			
Capital Contribution levies for Water			
Area	Total Capital Works	Levy	Inc GST 15%
Otane	\$0	\$0.00	\$0.00
Takapau	\$0	\$0.00	\$0.00
Waipukurau	\$0	\$0.00	\$0.00
Waipawa	\$0	\$0.00	\$0.00
Kairakau	\$0	\$0.00	\$0.00
Porangahau	\$0	\$0.00	\$0.00
Capital Contribution levies for Sewer			
Area	Total Capital Works	Levy	Inc GST 15%
Otane	\$0	\$0.00	\$0.00
Takapau	\$0	\$0.00	\$0.00
Waipukurau	\$0	\$0.00	\$0.00
Waipawa	\$0	\$0.00	\$0.00
Porangahau	\$0	\$0.00	\$0.00
Te Paerahi Beach	\$0	\$0.00	\$0.00
Capital Contribution levies for Storm Water			
Area	Total Capital Works	Levy	Inc GST 15%
Otane	No Capital Project to raise Levies		\$0.00
Takapau			\$0.00
Waipukurau		\$0	\$0.00
Waipawa			\$0.00
Porangahau			\$0.00
Te Paerahi Beach			\$0.00
Kairakau Beach			\$0.00
Blackhead Beach			\$0.00
Capital Contribution levies for Land Transport			
Area	Total Capital Works	Levy	Inc GST 15%
District Wide	\$0	\$0.00	\$0.00
Capital Contribution levies for Reserves			
Area	Total Capital Works	Levy	Inc GST 15%
District Wide	\$0	\$0.00	\$0.00

14. Significance Policy

The Local Government Act 2002 introduced the matter of 'significance' to local government. Any matters, issues, or assets deemed 'significant' require extensive consultation requirements. Each local authority must define its own 'significance' as a matter which may be of great significance to a small local authority could be found to be of minimal or no significance in relation to a large local authority when considering:

- a) The impact on the well-being of the district or region;
- b) Consequences for persons likely to be particularly affected, and
- c) The operational or financial capacity of the local authority to perform its role.

INTRODUCTION

Section 90 of the Local Government Act 2002 requires that every local authority adopts a policy setting out its general approach to determining significance, and list its strategic assets.

This Council has a history and a culture of consultation on significant issues both informally and formally and especially through the Annual Plan process. In order to meet its legal requirements Council has adopted the following policy.

1. PURPOSE

This policy is to be used by Council to assist it in determining the significance of matters, proposals and decisions in a consistent manner.

Every decision Council makes must be made in accordance with the decision making requirements set out in Sections 77, 78, 80, 81 and 82 of the LGA 2002. However, the nature, extent and detail of compliance that is appropriate in any particular case will be guided by the "significance" of the matter (see Section 79). The level of "compliance" includes:

- The extent to which different options are considered.
- The degree to which benefits and costs are quantified.
- The extent and detail of information to be considered.
- The extent and nature of any written records to be kept of the manner in which Council has complied.

(See Section 79(1) (b) of the Local Government Act 2002).

The significance of a matter will also assist in determining whether a special round of consultation is required, and the extent of information disclosed to the community, whether as part of consultation or in reporting to the community.

In addition, if a decision is determined to be "significant" in accordance with the general approach, criteria and procedures in this policy, a higher standard of compliance is required. Section 76(3) (b) requires that Council must ensure, before a significant decision is made, that subsection 76(1) has been "appropriately observed".

It is also possible that a significant decision might be caught by Section 97 (decisions that may only be taken if provided for in the LTP) or Section 88 (decisions relating to a change in mode of delivery that must be made by special consultative procedure).

2. "GENERAL APPROACH" AND CRITERIA FOR DETERMINING SIGNIFICANCE

In accordance with the definition of "significance", Council will determine the significance of any issue requiring a decision by making judgments about the likely impact of that decision on:

- (a) The current and future social, economic, environmental, or cultural well-being of the Central Hawke's Bay district.
- (b) Any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter.
- (c) Council's capacity to perform its role and carry out its activities, now and in the future and the financial, resources and other costs of doing so.

As part of its consideration the Council will take into account how important the decision, matter or thing is in terms of the achievement of, or ability to achieve, the community outcomes in the Long Term Plan (LTP).

Note

The following matters must be consulted on using the Special Consultative Procedure, regardless of the Policy on Significance:

- Long Term Plan.
- Annual Plan.
- A decision to alter significantly the level of service of a significant activity, including a decision to commence or cease an activity
- The transfer of ownership or control of a strategic asset.
- Constructing, replacing or abandoning a strategic asset.
- Any decision which will significantly affect the capacity of Central Hawke's Bay District Council, or the cost to Central Hawke's Bay District Council of an activity in the LTP.

3. PROCEDURE FOR DETERMINING SIGNIFICANCE

The range of issues requiring decisions by local authorities is very wide and it is impossible to foresee every possibility. It is therefore decided that thresholds are not used to determine significance.

The criteria for determining significance is set out in Section 2: General Approach and Criteria for Determining Significance.

The following procedure will be used to determine significance:

1. Identification of an issue requiring a Council decision (generally by staff).
2. Assessment of significance by staff, using the criteria set out in Section 2.
3. If the matter is significant or there is any doubt about whether the matter is significant, the decision will be referred to Council for a determination of the significance of the matter. The referral may include recommendations from staff addressing the issue of significance and relevant considerations having regard to the criteria set out in Section 2.
4. If the matter is referred to Council, Council will make a finding as to the:
 - (a) Degree of significance of the issue; and

(b) If the matter is "significant", the appropriate method of observing section 76(1) of the LGA in making that decision.

Advice from Council staff will, in normal circumstances, be included in the approved report format. Reports to Council will specifically consider the impacts of decisions as set out in the criteria above.

4. STRATEGIC ASSETS

This policy must also list those Council owned assets, considered by Council to be "strategic assets" (Section 90(2)).

"Strategic asset" is defined in the LGA 2002 as:

"...an asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority's capacity to achieve or promote any outcome that the local authority determines to be important to the current or future well-being of the community; and includes:

- (a) Any asset or group of assets listed in accordance with Section 90(2) by the local authority; and*
- (b) Any land or building owned by the local authority and required to maintain the local authority's capacity to provide affordable housing as part of its social policy; and*
- (c) Any equity securities held by the local authority in:*
 - (i) A port company within the meaning of the Port Companies Act 1988;*
 - (ii) An airport company within the meaning of the Airport Authorities Act 1966."*

The assets and groups of assets that CHBDC considers to be strategic are:

- The constructed Roading network.
- Wastewater networks and treatment.
- Water supply networks and treatment.
- Stormwater network systems in urban rating areas.
- Reserves and sportsfields.
- Retirement housing.
- Cultural Facilities (Civic Theatre, CHB Settlers Museum, etc.).
- Community Halls, Ward Halls, CHB Municipal Theatre, War Memorials.
- Public toilets.
- Shares in Infracon Ltd - held through Council's ownership of Tamatea Ltd.
- Cemeteries.
- Libraries.

15. Maori Contribution to Decision Making

Maori Consultative Committee

The Council earlier had a Maori Consultative Committee which consisted of up to seven representatives of Marae of the District. The term of office of committee members expired at the end of each year in which the triennial local authority elections are held.

The purpose of the Maori Consultative Committee was to provide advice to Council.

The selection of members was determined by a process agreed between the Council and the Committee. If the Committee has less than seven members, the Committee shall have the power to co-opt.

The committee did not meet regularly as it was difficult to find a quorum.

During the year Council has developed a much stronger relationship with Te Taiwhenua o Tamatea, who represent all 9 marae in Central Hawke's Bay.

Te Taiwhenua o Tamatea have appointed Morry Black as their representative at every scheduled ordinary, special, and extraordinary meeting of full Council. This representative does not vote.

Maori Wards

The Local Electoral Act 2001 gives Council the ability to establish separate wards for Maori electors. Council is required to review its representation arrangements at least once every six years. This review must include deciding whether or not to have separate wards for electors on the Maori roll.

The formula to establish the number of Maori seats is governed by population. Based on the population of this district it may be possible that one Maori seat could be established.

Council conducted a representation review in 2011 and resolved that "Council does not establish Maori ward/s as provided for in the Local Electoral Act 2001, at this time."

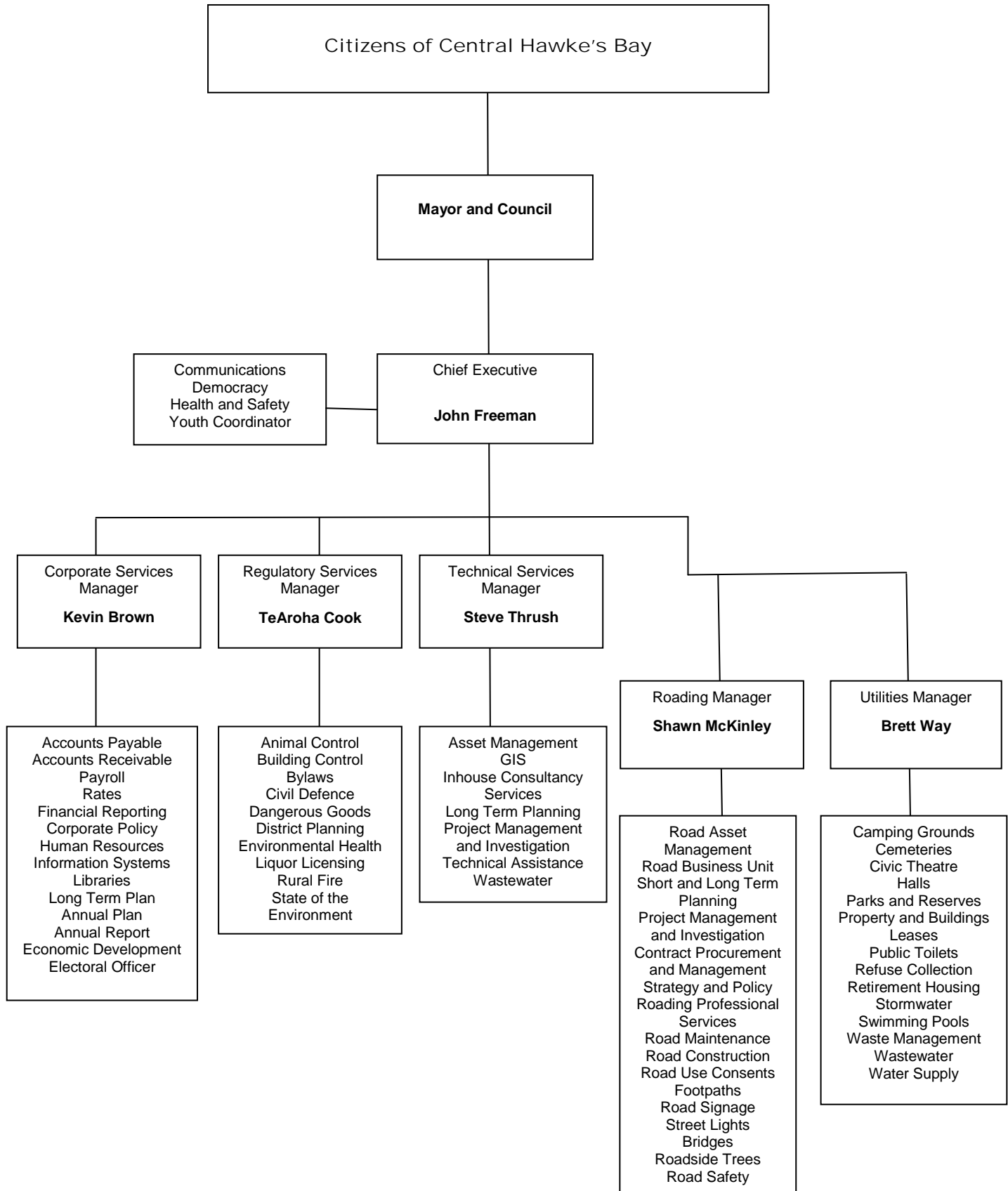
However Council is working closely with Te Taiwhenua o Tamatea to develop a memorandum of understanding to improve communication and ensure that the views of Maori are considered in Council decision making.

LTP Consultation

As part of its LTP consultative process, the Council invited TeTaiwhenua o Tamatea to attend the Mini Expo held at Waipukurau in March 2012.

16. Council Information

Management Structure



17. Glossary

Activity – Services, projects or goods provided by, or on behalf of, Council (eg libraries). These activities are then combined into groups of activities.

Annual Plan – The Annual Plan is produced in the intervening years between Long Term Plans. It includes the work programme for the year and financial statements.

Annual Report – Reports on the performance of Council against the objectives, policies, activities, performance measures, indicative costs, and sources of funds outlined in the Annual Plan and the Long Term Plan.

Asset – Something of value that Council owns on behalf of the people of Central Hawke's Bay such as roads, drains, parks and buildings.

Asset Management Plan – A long term plan for managing an asset to ensure that its capacity to provide a service is kept up and costs over the life of the asset are kept to a minimum.

Borrowing – Refers to the raising of loans for capital items, such as the sewerage scheme.

Capital Expenditure – Expenditure that will increase the value of Council's assets.

Capital Value – Value of land including any improvements.

Community Boards – Local elected bodies set up under the Local Government Act. Community Boards are consulted by Council and can represent community concerns to Council. Central Hawke's Bay District has no community boards.

Community Outcomes – Goals that the community believe are important for its present and future economic, social, cultural and environmental well-being.

Council Controlled Organisations – Council controlled organisations are organisations in which one or more local authorities control 50% or more of the voting rights or appoint 50% or more of the directors.

Financial Year – Council's financial year runs from 1 July to 30 June of the following year.

Prospective Cash Flow Statement – This describes the cash effect of transactions and is broken down into three components: operating, investing and financing activities.

Prospective Statement of Comprehensive Income – This can also be referred to as the Profit and Loss Statement, the Income Statement, or the Operating Statement. It shows the financial results of various Central Hawke's Bay District Council activities at the end of each period as either a surplus or deficit. It does not include asset purchases or disposals.

Prospective Balance Sheet – This shows the financial state of affairs at a particular time.

Prospective Statement in Changes in Equity – Shows how Council's resources are increasing in value over time (recreation and community facilities).

Land Value – Value of land, excluding any improvements.

Local Government Act 2002 – The key legislation that defines the powers and responsibilities of local authorities like Central Hawke's Bay District Council.

Long Term Plan (LTP) – A ten year plan that sets out Council's response to community outcomes and how Council will manage its finances and the community's resources. The requirement for the LTP was introduced by the Local Government Act 2002.

Operating Expenditure – Money Council spends on such items as salaries, materials, electricity and plant hire.

Operating Revenue – Money earned through the activities in return for a service provided, or by way of a grant or subsidy to ensure particular services or goods are provided. Examples include New Zealand Transport Agency subsidies, rental income, permits and fees.

Operating Surplus (Deficit) – The expressions 'operating surplus' and 'operating deficit' are accounting terms meaning the excess of income over expenditure and excess expenditure over income respectively. Income and expenditure in this context exclude 'capital' items such as the receipt or repayment of loans, the cost of capital

works and transfers to and from Reserves. An operating surplus/deficit is inclusive of non-cash items such as income and expenditure owing but not paid (Debtors and Creditors) and depreciation.

Performance Measure – A measure that shows how well Council is doing in achieving the objectives it has set for itself.

Rates – Funds collected by Council from levies on property. These are based on the Capital and Land value of the property but the term is often used to include Uniform Annual General Charges and Targeted Rates.

Revenue and Financing Policy – This describes how the Council's work will be paid for and the mechanisms for gathering the funds (such as general rate, targeted rates, user charges, grants).

Significance – Degree of importance of the issue, proposal, decision or matter as assessed by the local authority in terms of its likely consequences for the current and future social, economic, environmental, or cultural wellbeing of the community.

Subsidies – Amounts received from other agencies for the provision of services (eg NZ Transport Agency roading subsidies).

Targeted Rates – Any rate levied other than the general rate, which is targeted at users of a service such as water supply, wastewater and solid waste.

Transfer to/from Reserves – Transfer of funds to reserves are generally surpluses on operations. Transfers from reserves assist to fund capital expenditure.

User Charges – The charges levied for use of Central Hawke's Bay District Council services (eg building consent fees, health inspections).

Working Capital – These are Council's net current assets that are held in cash or can be readily converted to cash, less liabilities due for payment within a year. This is indicative of Council's ability to meet its obligations as they become due.

Appendix One: Reporting under the Local Government (Financial Reporting) Regulations 2011

Financial reporting regulations (Local Government (Financial Reporting) Regulations 2011) require a specified format is used for each Activity and at a "Whole of Council" level.

The chief reason for this is that General Accepted Accounting Practise recognises all rates income and subsidies as revenue, although included within these income streams is funding for capital upgrades. The effect is therefore to show a surplus in Council's income statement which could be misleading and indicate that Council are "over rating".

This LTP has continued with the earlier formats used in previous LTPs, which always included an explanation as to the composition of the apparent accounting surplus.

In any case, Council is required to explain the difference between the financials produced under GAAP with those proceed under the Local Government (Financial Reporting) Regulations 2011.

Below is the aggregated summary of the Activities included in pages 42 - 123 of this LTP.

The operating surplus is the same as that in the Prospective Statement of Comprehensive Income.

The apparent surplus consists of –

- Capital grants
- Cash from operating to fund renewals
- Funds set aside for Council's share of any annual roading network re instatement
- Funds set aside to repay future maturing debt
- Developer contributions received in the current year (but to be spent in future years)
- Dividends
- Interest received which will be added to Special Funds set aside by Council
- Less unfunded depreciation expense (where amounts spent on maintaining an asset are less than the depreciation expense and therefore do not require to be funded)

	Annual plan	LTP									
	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22
	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000
Income											
Non targeted Rates (Gen 3459k UAC 1612 Land 6061)	10,724	11,132	11,522	11,854	12,853	12,884	13,164	13,842	13,978	14,252	15,241
Targeted Rates	4,947	5,130	5,184	5,615	5,705	5,855	6,084	6,305	6,315	6,505	6,702
Interest	296	500	553	532	524	575	514	585	663	649	696
Fees and Charges	2,630	2,734	2,800	2,864	2,932	3,005	3,072	3,142	3,221	3,308	3,397
Grants Recd	6,310	6,792	6,752	6,713	7,718	7,719	7,719	8,570	8,571	8,572	9,671
Development Contributions	97	23	23	23	23	23	23	23	23	23	23
Dividend	50	50	50	50	50	50	50	50	50	50	50
Total Income	25,054	26,361	26,884	27,650	29,805	30,110	30,626	32,516	32,821	33,358	35,780
Operating Expenditure											
Operating Expenditure	12,211	14,151	14,519	14,811	15,572	15,926	16,371	17,061	17,453	17,949	18,805
Depreciation	9,868	11,050	11,528	12,006	12,512	12,909	13,464	13,995	14,530	15,327	15,928
Interest	582	765	767	1,078	1,066	1,021	1,097	1,169	1,120	1,067	1,013
Total Expenditure	22,661	25,965	26,813	27,895	29,149	29,855	30,932	32,224	33,104	34,343	35,746
Operating Surplus / deficit	2,392	396	71	-245	656	254	-306	292	-283	-985	34
Capital Expenditure											
Renewals	7,900	9,372	9,440	9,504	10,926	11,005	10,975	11,915	12,058	12,152	13,564
New Work	2,516	4,820	593	5,965	717	1,019	3,439	1,184	690	820	913
Total Capital Expenditure	10,416	14,191	10,033	15,469	11,643	12,024	14,414	13,099	12,749	12,972	14,478
Funded By											
Loans	1,198	3,935	0	5,387	87	388	2,799	480	0	130	126
Reserves	167	11	60	46	14	14	23	14	0	0	0
Development Contributions	7,767	9,221	9,303	9,327	10,594	10,682	10,762	11,775	11,915	12,005	13,412
Funded Depreciation	402	341	0	0	0	0	0	0	0	0	0
Special funds	540	370	370	370	429	429	429	480	480	480	547
Grants	342	312	300	339	519	511	401	350	353	358	392
Cash from operating	10,416	14,191	10,033	15,469	11,643	12,024	14,414	13,099	12,749	12,972	14,478
Total Funding	10,416	14,191	10,033	15,469	11,643	12,024	14,414	13,099	12,749	12,972	14,478
Additional Waste Water Rates to accelerate Debt Repayment	244										
Catastrophic events fund		0	50	250	150	200	200	150	0	0	0
Emergency Reinstatement		0	0	0	0	0	0	0	0	0	0
Debt repayment - principal	827	916	895	815	822	635	719	811	699	712	772
Unfunded depreciation	957	1,776	2,171	2,624	1,860	2,168	2,641	2,157	2,550	3,254	2,444

The Whole of Council Summary below differs from the above by the exclusion of depreciation from the application of operating funding and by recognising that part of the New Zealand Transport Agency subsidy is for capital improvements to our roading infrastructure, and including this as a Source of Capital Funding.

	Annual plan										
	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22
	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000
Sources of Operating Funding											
Non targeted Rates	10,726	11,132	11,522	11,854	12,853	12,884	13,164	13,842	13,978	14,252	15,241
Targeted Rates	4,947	5,130	5,184	5,615	5,705	5,855	6,084	6,305	6,315	6,505	6,702
Fees and Charges	2,630	2,734	2,800	2,864	2,932	3,005	3,072	3,142	3,221	3,308	3,397
Subsidies and Grants for operating purposes	2,055	2,254	2,214	2,175	2,463	2,464	2,465	2,690	2,691	2,692	2,964
Interest and dividends	346	550	601	581	571	621	560	632	710	696	744
Development Contributions	0	0	0	0	0	0	0	0	0	0	0
Total operating funding	20,704	21,800	22,321	23,088	24,525	24,828	25,345	26,610	26,915	27,452	29,047
Applications of operating funding											
Payments to staff and suppliers	10,846	11,433	11,661	11,897	12,650	12,909	13,183	13,807	14,158	14,455	15,287
Finance costs	582	765	767	1,078	1,066	1,021	1,097	1,169	1,120	1,067	1,013
Overheads	2,734	2,770	2,912	2,969	2,978	3,076	3,249	3,316	3,359	3,560	3,587
Total applications of operating funding	14,162	14,968	15,339	15,944	16,694	17,006	17,528	18,291	18,638	19,082	19,887
Surplus/(Deficit) of operating funds	6,542	6,833	6,982	7,144	7,831	7,823	7,816	8,319	8,278	8,370	9,160
Sources of Capital Funding											
Subsidies and grants for capital purposes	4,255	4,538	4,538	4,538	5,255	5,255	5,255	5,880	5,881	5,882	6,711
Increase in Debt	1,023	3,019	-895	4,572	-735	-246	2,080	-331	-699	-582	-647
Development Contributions	96	22	22	22	22	22	22	22	22	22	22
Total sources of capital funding	5,374	7,579	3,665	9,132	4,542	5,031	7,357	5,571	5,204	5,323	6,087
Application of capital funding											
Capital Expenditure											
to meet additional demand	0	75	60	95	0	0	494	494	0	0	0
to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
to replace existing assets	11,146	14,036	9,973	15,374	11,643	12,024	13,920	12,605	12,750	12,974	14,482
Increase (decrease) in Reserves	-472	-249	13	227	159	209	199	159	23	23	23
Increase (decrease) in Investments	1,242	550	601	581	571	621	560	632	710	696	744
Total application of capital funding	11,916	14,412	10,647	16,277	12,373	12,854	15,173	13,890	13,482	13,693	15,248
Surplus (deficit) of capital funding	-6,542	-6,833	-6,982	-7,145	-7,831	-7,823	-7,816	-8,319	-8,278	-8,370	-9,161
Funding balance	0	0	0	0	0	0	0	0	0	0	0

Below are the equivalent summaries by Activity – as prepared under the provisions of the Act. These can be compared to the summaries in the main body of this LTP, remembering the differences as explained above.

Leadership, Governance and Consultation

	Annual plan	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22
		\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000
Sources of Operating Funding												
Non targeted Rates (UAC)		533	544	565	580	593	612	636	652	668	697	713
Targeted Rates												
Fees and Charges												
Subsidies and Grants for operating purposes		21	21	21	22	23	24	24	25	26	27	27
Development Contributions												
Total operating funding		554	565	587	602	616	636	660	677	694	723	741
Applications of operating funding												
Payments to staff and suppliers		361	371	382	394	406	419	431	444	458	473	489
Finance costs		-	-	-	-	-	-	-	-	-	-	-
Overheads applied		193	195	205	209	209	216	228	233	236	250	252
Total applications of operating funding		554	565	587	602	616	636	660	677	694	723	741
Surplus/(Deficit) of operating funds		-	-	-	-	-	-	-	-	-	-	-
Sources of Capital Funding												
Subsidies and grants for capital purposes												
Increase in Debt												
Development Contributions												
Total sources of capital funding		-	-	-	-	-	-	-	-	-	-	-
Application of capital funding												
Capital Expenditure												
to meet additional demand												
to improve the level of service												
to replace existing assets												
Increase (decrease) in Reserves												
Increase (decrease) in Investments												
Total application of capital funding		-	-	-	-	-	-	-	-	-	-	-
Surplus (deficit) of capital funding		-	-	-	-	-	-	-	-	-	-	-
Funding balance		-	-	-	-	-	-	-	-	-	-	-

Economic and Social Development

	Annual plan	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22
		\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000
Sources of Operating Funding												
Non targeted Rates (UAC)	109	112	117	121	125	130	135	139	145	150	156	
Targeted Rates	25	25	25	25	25	25	25	25	25	25	25	
Fees and Charges												
Subsidies and Grants for operating purposes		80	40	-	-	-	-	-	-	-	-	
Development Contributions												
Total operating funding	134	217	182	146	150	155	160	164	170	175	181	
Applications of operating funding												
Payments to staff and suppliers	134	217	182	146	150	155	160	164	170	175	181	
Finance costs												
Overheads applied												
Total applications of operating funding	134	217	182	146	150	155	160	164	170	175	181	
Surplus/(Deficit) of operating funds	-	-	-	-	-	-	-	-	-	-	-	
Sources of Capital Funding												
Subsidies and grants for capital purposes												
Increase in Debt												
Development Contributions												
Total sources of capital funding	-	-	-	-	-	-	-	-	-	-	-	
Application of capital funding												
Capital Expenditure												
to meet additional demand to improve the level of service to replace existing assets												
Increase (decrease) in Reserves												
Increase (decrease) in Investments												
Total application of capital funding	-	-	-	-	-	-	-	-	-	-	-	
Surplus (deficit) of capital funding	-	-	-	-	-	-	-	-	-	-	-	
Funding balance	-	-	-	-	-	-	-	-	-	-	-	

District Planning

	Annual plan	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22
		\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000
Sources of Operating Funding												
Non targeted Rates (UAC)	180	207	210	210	194	200	207	212	217	226	231	
Targeted Rates												
Fees and Charges												
Subsidies and Grants for operating purposes												
Development Contributions												
Total operating funding	180	207	210	210	194	200	207	212	217	226	231	
Applications of operating funding												
Payments to staff and suppliers	130	157	158	156	140	145	148	152	157	162	167	
Finance costs	-											
Overheads applied	50	50	52	53	54	55	58	60	60	64	65	
Total applications of operating funding	180	207	210	210	194	200	207	212	217	226	231	
Surplus/(Deficit) of operating funds	-	-	-	-	-	-	-	-	-	-	-	
Sources of Capital Funding												
Subsidies and grants for capital purposes												
Increase in Debt												
Development Contributions												
Total sources of capital funding	-	-	-	-	-	-	-	-	-	-	-	
Application of capital funding												
Capital Expenditure												
to meet additional demand to improve the level of service to replace existing assets												
Increase (decrease) in Reserves												
Increase (decrease) in Investments												
Total application of capital funding	-	-	-	-	-	-	-	-	-	-	-	
Surplus (deficit) of capital funding	-	-	-	-	-	-	-	-	-	-	-	
Funding balance	-	-	-	-	-	-	-	-	-	-	-	

Land Use and Subdivision Consents

	Annual plan 11/12 \$' 000	12/13 \$' 000	13/14 \$' 000	14/15 \$' 000	15/16 \$' 000	16/17 \$' 000	17/18 \$' 000	18/19 \$' 000	19/20 \$' 000	20/21 \$' 000	21/22 \$' 000
Sources of Operating Funding											
Non targeted Rates (UAC)	70	59	64	67	70	74	79	82	86	92	96
Targeted Rates											
Fees and Charges	50	57	57	57	57	57	57	57	57	57	57
Subsidies and Grants for operating purposes											
Development Contributions											
Total operating funding	120	116	121	124	127	131	136	139	143	149	153
Applications of operating funding											
Payments to staff and suppliers	88	86	89	91	94	97	100	103	106	110	113
Finance costs	-										
Overheads	32	30	32	33	33	34	36	36	37	39	39
Total applications of operating funding	120	116	121	124	127	131	136	139	143	149	153
Surplus/(Deficit) of operating funds	-	-	-	-	-	-	-	-	-	-	-
Sources of Capital Funding											
Subsidies and grants for capital purposes											
Increase in Debt											
Development Contributions											
Total sources of capital funding	-	-	-	-	-	-	-	-	-	-	-
Application of capital funding											
Capital Expenditure											
to meet additional demand											
to improve the level of service											
to replace existing assets											
Increase (decrease) in Reserves											
Increase (decrease) in Investments											
Total application of capital funding	-	-	-	-	-	-	-	-	-	-	-
Surplus (deficit) of capital funding	-	-	-	-	-	-	-	-	-	-	-
Funding balance	-	-	-	-	-	-	-	-	-	-	-

Building Control

	Annual plan 11/12 \$' 000	12/13 \$' 000	13/14 \$' 000	14/15 \$' 000	15/16 \$' 000	16/17 \$' 000	17/18 \$' 000	18/19 \$' 000	19/20 \$' 000	20/21 \$' 000	21/22 \$' 000
Sources of Operating Funding											
Non targeted Rates (UAC)	90	52	88	76	113	104	147	136	176	173	213
Targeted Rates											
Fees and Charges	387	405	405	405	405	405	405	405	405	405	405
Subsidies and Grants for operating purposes											
Development Contributions											
Total operating funding	477	457	493	481	518	509	552	541	581	578	618
Applications of operating funding											
Payments to staff and suppliers	370	346	377	362	399	386	422	408	446	435	475
Finance costs		-	-	-	-	-	-	-	-	-	-
Overheads	107	111	116	119	119	123	130	133	134	142	143
Total applications of operating funding	477	457	493	481	518	509	552	541	581	578	618
Surplus/(Deficit) of operating funds	-	-	-	-	-	-	-	-	-	-	-
Sources of Capital Funding											
Subsidies and grants for capital purposes											
Increase in Debt											
Development Contributions											
Total sources of capital funding	-	-	-	-	-	-	-	-	-	-	-
Application of capital funding											
Capital Expenditure											
to meet additional demand											
to improve the level of service											
to replace existing assets											
Increase (decrease) in Reserves											
Increase (decrease) in Investments											
Total application of capital funding	-	-	-	-	-	-	-	-	-	-	-
Surplus (deficit) of capital funding	-	-	-	-	-	-	-	-	-	-	-
Funding balance	-	-	-	-	-	-	-	-	-	-	-

Public Health

	Annual plan 11/12 \$' 000	12/13 \$' 000	13/14 \$' 000	14/15 \$' 000	15/16 \$' 000	16/17 \$' 000	17/18 \$' 000	18/19 \$' 000	19/20 \$' 000	20/21 \$' 000	21/22 \$' 000
Sources of Operating Funding											
Non targeted Rates (UAC)	73	100	105	110	114	120	126	131	136	143	149
Targeted Rates											
Fees and Charges	60	55	55	55	55	55	55	55	55	55	55
Subsidies and Grants for operating purposes											
Development Contributions											
Total operating funding	133	155	160	165	169	175	181	186	191	198	204
Applications of operating funding											
Payments to staff and suppliers	107	127	131	135	140	144	148	153	157	163	168
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Overheads	26	28	29	30	30	31	32	33	34	36	36
Total applications of operating funding	133	155	160	165	169	175	181	186	191	198	204
Surplus/(Deficit) of operating funds	-	-	-	-	-	-	-	-	-	-	-
Sources of Capital Funding											
Subsidies and grants for capital purposes											
Increase in Debt											
Development Contributions											
Total sources of capital funding	-	-	-	-	-	-	-	-	-	-	-
Application of capital funding											
Capital Expenditure											
to meet additional demand to improve the level of service to replace existing assets											
Increase (decrease) in Reserves											
Increase (decrease) in Investments											
Total application of capital funding	-	-	-	-	-	-	-	-	-	-	-
Surplus (deficit) of capital funding	-	-	-	-	-	-	-	-	-	-	-
Funding balance	-	-	-	-	-	-	-	-	-	-	-

Animal Control

	Annual plan 11/12 \$' 000	12/13 \$' 000	13/14 \$' 000	14/15 \$' 000	15/16 \$' 000	16/17 \$' 000	17/18 \$' 000	18/19 \$' 000	19/20 \$' 000	20/21 \$' 000	21/22 \$' 000
Sources of Operating Funding											
Non targeted Rates (UAC)	-	17	12	12	10	11	13	13	12	14	13
Targeted Rates											
Fees and Charges	166	180	186	192	198	204	210	216	223	230	238
Subsidies and Grants for operating purposes											
Development Contributions											
Total operating funding	166	197	198	203	208	215	223	229	235	244	251
Applications of operating funding											
Payments to staff and suppliers	117	149	147	151	156	161	166	170	176	182	188
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Overheads	49	48	51	52	52	54	57	58	59	62	63
Total applications of operating funding	166	197	198	203	208	215	223	229	235	244	251
Surplus/(Deficit) of operating funds	-	-	-	-	-	-	-	-	-	-	-
Sources of Capital Funding											
Subsidies and grants for capital purposes											
Increase in Debt											
Development Contributions											
Total sources of capital funding	-	-	-	-	-	-	-	-	-	-	-
Application of capital funding											
Capital Expenditure											
to meet additional demand											
to improve the level of service											
to replace existing assets											
Increase (decrease) in Reserves											
Increase (decrease) in Investments											
Total application of capital funding	-	-	-	-	-	-	-	-	-	-	-
Surplus (deficit) of capital funding	-	-	-	-	-	-	-	-	-	-	-
Funding balance	-	-	-	-	-	-	-	-	-	-	-

Emergency Management

	Annual plan										
	11/12 \$' 000	12/13 \$' 000	13/14 \$' 000	14/15 \$' 000	15/16 \$' 000	16/17 \$' 000	17/18 \$' 000	18/19 \$' 000	19/20 \$' 000	20/21 \$' 000	21/22 \$' 000
Sources of Operating Funding											
Non targeted Rates (UAC)	147	183	185	189	183	188	194	198	203	209	215
Targeted Rates											
Fees and Charges		5	5	5	5	5	5	5	5	5	5
Subsidies and Grants for operating purposes											
Development Contributions											
Total operating funding	147	188	190	194	188	193	199	203	208	214	220
Applications of operating funding											
Payments to staff and suppliers	129	159	160	164	168	172	176	180	184	189	195
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Overheads	18	19	20	21	21	22	23	23	24	25	25
Total applications of operating funding	147	178	180	184	188	193	199	203	208	214	220
Surplus/(Deficit) of operating funds	0	10	10	10	0	0	0	0	0	0	0
Sources of Capital Funding											
Subsidies and grants for capital purposes											
Increase in Debt											
Development Contributions											
Total sources of capital funding	0	0	0	0	0	0	0	0	0	0	0
Application of capital funding											
Capital Expenditure											
to meet additional demand											
to improve the level of service											
to replace existing assets											
Increase (decrease) in Reserves	120	10	10	10	0	0	0	0	0	0	0
Increase (decrease) in Investments	-120										
Total application of capital funding	0	10	10	10	0	0	0	0	0	0	0
Surplus (deficit) of capital funding	-	-10	-10	-10	0	0	0	0	0	0	0
Funding balance	-	-	-	-	-	-	-	-	-	-	-

Bylaws

	Annual plan										
	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22
	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000
Sources of Operating Funding											
Non targeted Rates (UAC)	36	57	59	60	62	64	66	68	70	72	75
Targeted Rates											
Fees and Charges	1	1	1	1	1	1	1	1	1	1	1
Subsidies and Grants for operating purposes											
Development Contributions											
Total operating funding	37	58	60	61	63	65	67	69	71	74	76
Applications of operating funding											
Payments to staff and suppliers	31	51	52	54	56	57	59	61	63	65	67
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Overheads	6	7	7	7	7	8	8	8	8	9	9
Total applications of operating funding	37	58	60	61	63	65	67	69	71	74	76
Surplus/(Deficit) of operating funds	-	-	-	-	-	-	-	-	-	-	-
Sources of Capital Funding											
Subsidies and grants for capital purposes											
Increase in Debt											
Development Contributions											
Total sources of capital funding	-	-	-	-	-	-	-	-	-	-	-
Application of capital funding											
Capital Expenditure											
to meet additional demand											
to improve the level of service											
to replace existing assets											
Increase (decrease) in Reserves											
Increase (decrease) in Investments											
Total application of capital funding	-	-	-	-	-	-	-	-	-	-	-
Surplus (deficit) of capital funding	-	-	-	-	-	-	-	-	-	-	-
Funding balance	-	-	-	-	-	-	-	-	-	-	-

Land Transport

	Annual plan 11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22
	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000
Sources of Operating Funding											
Non targeted Rates (UAC)	5,851	6,061	6,179	6,421	7,025	7,132	7,212	7,783	7,682	7,779	8,564
Targeted Rates	76	76	76	76	76	57	57	57	0	0	0
Fees and Charges	143	147	152	157	162	167	172	176	182	188	194
Subsidies and Grants for operating purposes	2,034	2,153	2,153	2,153	2,440	2,440	2,440	2,665	2,665	2,665	2,936
Development Contributions		0	0	0	0	0	0	0	0	0	0
Total operating funding	8,104	8,437	8,560	8,807	9,703	9,797	9,881	10,682	10,529	10,632	11,694
Applications of operating funding											
Payments to staff and suppliers	3,957	4,111	4,127	4,142	4,642	4,659	4,675	5,070	5,088	5,108	5,585
Finance costs	30	27	24	20	16	11	8	4	0	0	0
Overheads	786	795	836	853	855	883	933	952	965	1,023	1,030
Total applications of operating funding	4,773	4,934	4,987	5,014	5,513	5,554	5,616	6,026	6,053	6,131	6,615
Surplus/(Deficit) of operating funds	3,331	3,503	3,573	3,792	4,189	4,242	4,265	4,655	4,476	4,501	5,079
Sources of Capital Funding											
Subsidies and grants for capital purposes	4,255	4,538	4,538	4,538	5,255	5,255	5,255	5,880	5,880	5,880	6,707
Increase (Decrease) in Debt	-46	-49	-52	-56	-60	-46	-49	-53	0	0	0
Development Contributions	39	4	4	4	4	4	4	4	4	4	4
Total sources of capital funding	4,248	4,493	4,490	4,486	5,198	5,213	5,209	5,831	5,884	5,884	6,711
Application of capital funding											
Capital Expenditure											
to meet additional demand											
to improve the level of service											
to replace existing assets											
Increase (decrease) in Reserves	7,579	7,992	8,009	8,024	9,234	9,251	9,270	10,333	10,356	10,381	11,787
Increase (decrease) in Investments	0	4	54	254	154	204	204	154	4	4	4
Total application of capital funding	7,579	7,996	8,063	8,278	9,388	9,455	9,474	10,487	10,360	10,385	11,791
Surplus (deficit) of capital funding	-3,331	-3,503	-3,573	-3,792	-4,189	-4,242	-4,265	-4,655	-4,476	-4,501	-5,079
Funding balance	0	0	0	0	0	0	0	0	0	0	0

Solid Waste

	Annual plan 11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22
	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000
Sources of Operating Funding											
Non targeted Rates (UAC)	1,189	1,191	1,306	1,302	1,316	1,110	1,255	1,376	1,396	1,432	1,450
Targeted Rates	258	245	252	260	268	277	285	293	302	313	323
Fees and Charges	1,091	1,256	1,292	1,328	1,366	1,406	1,444	1,484	1,528	1,577	1,628
Subsidies and Grants for operating purposes											
Development Contributions											
Total operating funding	2,538	2,691	2,850	2,890	2,950	2,794	2,984	3,153	3,226	3,322	3,400
Applications of operating funding											
Payments to staff and suppliers	1,750	1,812	1,864	1,912	1,968	2,022	2,076	2,127	2,190	2,254	2,324
Finance costs	131	182	230	210	189	170	249	322	309	295	281
Overheads	367	374	393	401	402	415	439	448	454	481	484
Total applications of operating funding	2,248	2,368	2,488	2,523	2,559	2,608	2,764	2,896	2,953	3,030	3,088
Surplus/(Deficit) of operating funds	290	323	362	367	391	186	220	256	273	292	312
Sources of Capital Funding											
Subsidies and grants for capital purposes											
Increase (Decrease) in Debt		1,440	-276	-278	-298	0	1,972	-153	-166	-179	-69
Development Contributions											
Total sources of capital funding	0	1,440	-276	-278	-298	0	1,972	-153	-166	-179	-69
Application of capital funding											
Capital Expenditure											
to meet additional demand		0	0	0	0	0	0	0	0	0	0
to improve the level of service		0	0	0	0	0	0	0	0	0	0
to replace existing assets		1,763	86	89	92	186	2,192	103	108	113	243
Increase (decrease) in Reserves	123	0									
Increase (decrease) in Investments	-40	0	0	0	0	0	0	0	0	0	0
Total application of capital funding	207	1,763	86	89	92	186	2,192	103	108	113	243
Surplus (deficit) of capital funding	-290	-323	-362	-367	-391	-186	-220	-256	-273	-292	-312
Funding balance	0	0	0	0	0	0	0	0	0	0	0

Water Supplies

	Annual plan 11/12 \$' 000	12/13 \$' 000	13/14 \$' 000	14/15 \$' 000	15/16 \$' 000	16/17 \$' 000	17/18 \$' 000	18/19 \$' 000	19/20 \$' 000	20/21 \$' 000	21/22 \$' 000
Sources of Operating Funding											
Non targeted Rates (UAC)											
Targeted Rates	1,931	2,002	2,121	2,208	2,293	2,356	2,436	2,511	2,462	2,519	2,608
Fees and Charges	274	200	206	213	219	226	233	239	247	255	264
Subsidies and Grants for operating purposes											
Development Contributions											
Total operating funding	2,205	2,202	2,327	2,421	2,513	2,582	2,669	2,750	2,710	2,774	2,872
Applications of operating funding											
Payments to staff and suppliers	1,109	1,122	1,166	1,204	1,244	1,288	1,332	1,381	1,435	1,495	1,557
Finance costs	161	160	152	165	177	163	148	132	113	102	94
Overheads	301	305	320	327	328	338	357	365	370	392	395
Total applications of operating funding	1,571	1,587	1,638	1,696	1,749	1,789	1,838	1,878	1,917	1,988	2,046
Surplus/(Deficit) of operating funds	634	615	689	725	763	793	831	873	792	786	826
Sources of Capital Funding											
Subsidies and grants for capital purposes											
Increase (decrease) in Debt	389	-82	-155	464	-193	-203	-205	-235	-127	-90	-98
Development Contributions	22	3	3	3	3	3	3	3	3	3	3
Total sources of capital funding	411	-79	-152	467	-190	-200	-202	-232	-124	-87	-95
Application of capital funding											
Capital Expenditure											
to meet additional demand to improve the level of service to replace existing assets											
Increase (decrease) in Reserves	1,363	534	534	1,206	570	591	636	638	665	696	728
Increase (decrease) in Investments	-318	3	3	-15	3	3	-7	3	3	3	3
Total application of capital funding	1,045	537	537	1,192	573	594	629	641	669	699	731
Surplus (deficit) of capital funding	-634	-616	-689	-725	-764	-794	-832	-873	-792	-786	-826
Funding balance	0	0	0	0	0	0	0	0	0	0	0

Wastewater (Sewerage)

	Annual plan 11/12 \$' 000	12/13 \$' 000	13/14 \$' 000	14/15 \$' 000	15/16 \$' 000	16/17 \$' 000	17/18 \$' 000	18/19 \$' 000	19/20 \$' 000	20/21 \$' 000	21/22 \$' 000
Sources of Operating Funding											
Non targeted Rates (UAC)											
Targeted Rates	2,140	2,254	2,259	2,577	2,557	2,638	2,760	2,881	2,971	3,064	3,136
Fees and Charges	160	100	103	106	110	113	116	120	124	128	132
Subsidies and Grants for operating purposes											
Development Contributions											
Total operating funding	2,300	2,354	2,362	2,683	2,667	2,751	2,876	3,001	3,094	3,191	3,268
Applications of operating funding											
Payments to staff and suppliers	651	691	714	818	845	873	901	930	963	999	1,037
Finance costs	178	318	289	592	575	572	592	617	611	584	555
Overheads	369	377	396	404	405	418	442	451	457	484	488
Total applications of operating funding	1,198	1,386	1,399	1,814	1,824	1,864	1,935	1,998	2,031	2,067	2,079
Surplus/(Deficit) of operating funds	1,102	968	963	870	842	887	941	1,003	1,063	1,124	1,189
Sources of Capital Funding											
Subsidies and grants for capital purposes											
Increase in Debt	646	1,760	-373	3,936	-125	65	430	183	-327	-354	-384
Development Contributions	28	14	14	14	14	14	14	14	14	14	14
Total sources of capital funding	674	1,773	-359	3,949	-111	79	444	196	-313	-341	-370
Application of capital funding											
Capital Expenditure											
to meet additional demand to improve the level of service to replace existing assets											
Increase (decrease) in Reserves	1,196	0	0	0	0	0	494	494	0	0	0
Increase (decrease) in Investments	574	3,000	590	4,833	731	966	892	706	736	770	805
Total application of capital funding	1,770	2,742	604	4,819	731	966	1,385	1,199	750	783	819
Surplus (deficit) of capital funding	-1,102	-968	-963	-870	-842	-887	-941	-1,003	-1,063	-1,124	-1,189
Funding balance	0	0	0	0	0	0	0	0	0	0	0

Stormwater

	Annual plan 11/12 \$' 000	12/13 \$' 000	13/14 \$' 000	14/15 \$' 000	15/16 \$' 000	16/17 \$' 000	17/18 \$' 000	18/19 \$' 000	19/20 \$' 000	20/21 \$' 000	21/22 \$' 000
Sources of Operating Funding											
Non targeted Rates											
Targeted Rates	517	528	451	469	486	502	520	537	554	584	610
Fees and Charges											
Subsidies and Grants for operating purposes											
Development Contributions		0	0	0	0	0	0	0	0	0	0
Total operating funding	517	528	451	469	486	502	520	537	554	584	610
Applications of operating funding											
Payments to staff and suppliers	153	158	164	169	174	180	185	191	197	204	211
Finance costs	18	11	6	9	12	12	11	10	10	14	18
Overheads	79	80	84	86	86	89	94	96	97	103	104
Total applications of operating funding	250	249	254	264	273	281	291	297	304	321	333
Surplus/(Deficit) of operating funds	267	279	197	205	213	221	230	239	250	263	277
Sources of Capital Funding											
Subsidies and grants for capital purposes											
Increase in Debt		-94	-5	88	-8	-8	-9	-10	-11	117	-15
Development Contributions		1	1	1	1	1	1	1	1	1	1
Total sources of capital funding	0	-93	-4	89	-7	-8	-8	-9	-10	118	-15
Application of capital funding											
Capital Expenditure											
to meet additional demand		0	0	95	0	0	0	0	0	0	0
to improve the level of service		0	0	0	0	0	0	0	0	0	0
to replace existing assets	180	185	192	199	205	213	221	230	240	380	262
Increase (decrease) in Reserves		1	1	0	1	1	1	1	1	1	1
Increase (decrease) in Investments	87										
Total application of capital funding	267	185	193	293	206	213	221	230	240	381	263
Surplus (deficit) of capital funding	267	-279	-197	-205	-213	-221	-230	-239	-250	-263	-277
Funding balance	0	0	0	0	0	0	0	0	0	0	0

Parks, Reserves and Swimming Pools

	Annual plan 11/12 \$' 000	12/13 \$' 000	13/14 \$' 000	14/15 \$' 000	15/16 \$' 000	16/17 \$' 000	17/18 \$' 000	18/19 \$' 000	19/20 \$' 000	20/21 \$' 000	21/22 \$' 000
Sources of Operating Funding											
Non targeted Rates (UAC)	886	916	945	1,002	1,208	1,225	1,158	1,060	1,126	1,142	1,181
Targeted Rates											
Fees and Charges	36	41	42	43	45	46	48	49	50	52	54
Subsidies and Grants for operating purposes											
Development Contributions											
Total operating funding	922	957	987	1,046	1,253	1,272	1,205	1,109	1,176	1,194	1,235
Applications of operating funding											
Payments to staff and suppliers	687	707	732	755	780	807	834	862	895	930	967
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Overheads	137	138	146	148	149	154	162	166	168	178	179
Total applications of operating funding	824	846	878	904	929	961	996	1,028	1,063	1,108	1,146
Surplus/(Deficit) of operating funds	98	111	110	142	324	311	209	81	113	86	89
Sources of Capital Funding											
Subsidies and grants for capital purposes											
Increase in Debt											
Development Contributions	7	1	1	1	1	1	1	1	1	1	1
Total sources of capital funding	7	1	1	1	1	1	1	1	1	1	1
Application of capital funding											
Capital Expenditure											
to meet additional demand		0	60	0	0	0	0	0	0	0	0
to improve the level of service		0	0	0	0	0	0	0	0	0	0
to replace existing assets	105	111	110	142	324	311	209	81	113	86	89
Increase (decrease) in Reserves		1	-59	1	1	1	1	1	1	1	1
Increase (decrease) in Investments											
Total application of capital funding	105	113	111	143	325	312	210	82	115	87	90
Surplus (deficit) of capital funding	-98	-111	-110	-142	-324	-311	-209	-81	-113	-86	-89
Funding balance	0	0	0	0	0	0	0	0	0	0	0

Public Toilets

	Annual plan 11/12 \$' 000	12/13 \$' 000	13/14 \$' 000	14/15 \$' 000	15/16 \$' 000	16/17 \$' 000	17/18 \$' 000	18/19 \$' 000	19/20 \$' 000	20/21 \$' 000	21/22 \$' 000
Sources of Operating Funding											
Non targeted Rates (UAC)	205	212	218	225	231	238	247	255	264	275	285
Targeted Rates											
Fees and Charges											
Subsidies and Grants for operating purposes											
Development Contributions											
Total operating funding	205	212	218	225	231	238	247	255	264	275	285
Applications of operating funding											
Payments to staff and suppliers	129	138	143	148	153	158	164	170	177	185	193
Finance costs	11	15	17	17	16	16	15	14	14	13	12
Overheads	23	21	22	22	22	23	24	25	25	27	27
Total applications of operating funding	163	173	182	187	191	197	203	209	216	224	232
Surplus/(Deficit) of operating funds	42	39	37	38	40	42	44	46	48	51	53
Sources of Capital Funding											
Subsidies and grants for capital purposes											
Increase in Debt	34	71	-6	-6	-7	-7	-8	-8	-9	-10	-11
Development Contributions											
Total sources of capital funding	34	71	-6	-6	-7	-7	-8	-8	-9	-10	-11
Application of capital funding											
Capital Expenditure											
to meet additional demand		75	0	0	0	0	0	0	0	0	0
to improve the level of service		0	0	0	0	0	0	0	0	0	0
to replace existing assets	73	34	31	32	33	35	36	37	39	41	43
Increase (decrease) in Reserves		0									
Increase (decrease) in Investments	3										
Total application of capital funding	76	109	31	32	33	35	36	37	39	41	43
Surplus (deficit) of capital funding	-42	-39	-37	-38	-40	-42	-44	-46	-48	-51	-53
Funding balance	0	0	0	0	0	0	0	0	0	0	0

Retirement Housing

	Annual plan	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22
		\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000
Sources of Operating Funding												
Non targeted Rates (UAC)												
Targeted Rates												
Fees and Charges	201	208	214	221	228	235	242	249	257	265	274	
Subsidies and Grants for operating purposes												
Development Contributions												
Total operating funding	201	208	214	221	228	235	242	249	257	265	274	
Applications of operating funding												
Payments to staff and suppliers	102	100	103	106	109	113	116	120	124	128	133	
Finance costs	14	14	13	12	11	11	10	9	7	6	5	
Overheads	9	8	9	9	9	9	10	10	10	11	11	
Total applications of operating funding	125	122	125	127	130	133	136	138	141	145	148	
Surplus/(Deficit) of operating funds	76	86	90	94	98	102	106	110	115	120	126	
Sources of Capital Funding												
Subsidies and grants for capital purposes												
Increase in Debt		-9	-9	-10	-11	-12	-13	-14	-15	-16	-18	
Development Contributions												
Total sources of capital funding	0	-9	-9	-10	-11	-12	-13	-14	-15	-16	-18	
Application of capital funding												
Capital Expenditure												
to meet additional demand to improve the level of service to replace existing assets	68	77	80	84	87	91	93	97	100	104	108	
Increase (decrease) in Reserves	8											
Increase (decrease) in Investments												
Total application of capital funding	76	77	80	84	87	91	93	97	100	104	108	
Surplus (deficit) of capital funding	-76	-86	-90	-94	-98	-102	-106	-110	-115	-120	-126	
Funding balance	0	0	0	0	0	0	0	0	0	0	0	

Libraries

	Annual plan 11/12 \$' 000	12/13 \$' 000	13/14 \$' 000	14/15 \$' 000	15/16 \$' 000	16/17 \$' 000	17/18 \$' 000	18/19 \$' 000	19/20 \$' 000	20/21 \$' 000	21/22 \$' 000
Sources of Operating Funding											
Non targeted Rates (UAC)	449	448	460	472	483	497	512	525	538	557	572
Targeted Rates											
Fees and Charges	35	46	47	47	47	47	47	47	47	47	47
Subsidies and Grants for operating purposes											
Development Contributions											
Total operating funding	484	494	507	519	530	544	559	572	585	604	619
Applications of operating funding											
Payments to staff and suppliers	339	347	357	367	378	390	400	412	424	438	452
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Overheads	65	66	70	71	71	74	78	80	81	85	86
Total applications of operating funding	404	413	427	438	449	464	478	491	505	524	538
Surplus/(Deficit) of operating funds	80	81	81	81	81	81	81	80	81	81	81
Sources of Capital Funding											
Subsidies and grants for capital purposes											
Increase in Debt		0									
Development Contributions											
Total sources of capital funding	0	0	0	0	0	0	0	0	0	0	0
Application of capital funding											
Capital Expenditure											
to meet additional demand to improve the level of service to replace existing assets	80	81	81	81	81	81	81	81	81	81	81
Increase (decrease) in Reserves											
Increase (decrease) in Investments											
Total application of capital funding	80	81	81	81	81	81	81	81	81	81	81
Surplus (deficit) of capital funding	-80	-81	-81	-81	-81	-81	-81	-81	-81	-81	-81
Funding balance	0	0	0	0	0	0	0	0	0	0	0

Theatres, Halls and Museums

	Annual plan 11/12 \$' 000	12/13 \$' 000	13/14 \$' 000	14/15 \$' 000	15/16 \$' 000	16/17 \$' 000	17/18 \$' 000	18/19 \$' 000	19/20 \$' 000	20/21 \$' 000	21/22 \$' 000
Sources of Operating Funding											
Non targeted Rates (UAC)	452	509	534	511	633	652	673	691	710	734	755
Targeted Rates		0	0	0	0	0	0	0	0	0	0
Fees and Charges		6	6	6	7	7	7	7	7	8	8
Subsidies and Grants for operating purposes											
Development Contributions											
Total operating funding	452	515	541	517	639	659	680	698	717	742	763
Applications of operating funding											
Payments to staff and suppliers	228	325	336	346	362	374	385	396	408	422	436
Finance costs	0	0	0	18	36	35	34	33	32	31	30
Overheads	64	64	67	68	69	71	75	76	77	82	82
Total applications of operating funding	292	389	403	433	467	480	494	505	518	535	549
Surplus/(Deficit) of operating funds	160	126	138	85	172	179	186	193	199	207	215
Sources of Capital Funding											
Subsidies and grants for capital purposes											
Increase in Debt		0	0	455	-10	-11	-12	-13	-14	-15	-16
Development Contributions											
Total sources of capital funding	0	0	0	455	-10	-11	-12	-13	-14	-15	-16
Application of capital funding											
Capital Expenditure											
to meet additional demand to improve the level of service to replace existing assets	160	126	138	540	162	168	174	180	186	192	198
Increase (decrease) in Reserves											
Increase (decrease) in Investments											
Total application of capital funding	160	126	138	540	162	168	174	180	186	192	198
Surplus (deficit) of capital funding	-160	-126	-138	-85	-172	-179	-186	-193	-199	-207	-215
Funding balance	0	0	0	0	0	0	0	0	0	0	0

Cemeteries

	Annual plan										
	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22
	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000
Sources of Operating Funding											
Non targeted Rates (UAC)	183	188	194	199	204	210	218	224	231	240	248
Targeted Rates		0	0	0	0	0	0	0	0	0	0
Fees and Charges	20	21	21	22	23	23	24	25	26	26	27
Subsidies and Grants for operating purposes											
Development Contributions											
Total operating funding	203	208	215	221	227	234	242	249	257	267	275
Applications of operating funding											
Payments to staff and suppliers	118	122	126	130	135	139	144	150	156	162	169
Finance costs	14	13	13	12	11	10	9	8	6	5	3
Overheads	25	25	26	27	27	28	29	30	30	32	32
Total applications of operating funding	157	160	165	169	172	177	182	187	192	199	205
Surplus/(Deficit) of operating funds	46	48	50	52	55	57	59	62	64	67	71
Sources of Capital Funding											
Subsidies and grants for capital purposes											
Increase in Debt		-9	-10	-11	-12	-13	-14	-15	-17	-18	-19
Development Contributions											
Total sources of capital funding	0	-9	-10	-11	-12	-13	-14	-15	-17	-18	-19
Application of capital funding											
Capital Expenditure											
to meet additional demand to improve the level of service to replace existing assets	37	39	40	41	42	44	45	46	48	49	51
Increase (decrease) in Reserves											
Increase (decrease) in Investments	9										
Total application of capital funding	46	39	40	41	42	44	45	46	48	49	51
Surplus (deficit) of capital funding	-46	-48	-50	-52	-55	-57	-59	-62	-64	-67	-71
Funding balance	0	0	0	0	0	0	0	0	0	0	0

Property and Buildings

	Annual plan										
	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22
	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000
Sources of Operating Funding											
Non targeted Rates (UAC)	273	276	280	297	288	314	291	298	320	316	325
Targeted Rates		0	0	0	0	0	0	0	0	0	0
Fees and Charges	6	6	6	6	6	6	7	7	7	7	8
Subsidies and Grants for operating purposes											
Development Contributions											
Total operating funding	279	282	286	303	294	321	297	305	327	324	332
Applications of operating funding											
Payments to staff and suppliers	156	137	152	146	151	168	160	165	184	176	182
Finance costs	25	24	23	23	22	21	20	19	18	17	15
Overheads	28	28	29	30	30	31	32	33	34	36	36
Total applications of operating funding	209	189	204	198	202	219	213	217	235	228	233
Surplus/(Deficit) of operating funds	70	92	82	104	91	101	85	88	92	96	100
Sources of Capital Funding											
Subsidies and grants for capital purposes											
Increase in Debt		-8	-9	-10	-11	-11	-12	-13	-15	-16	-17
Development Contributions											
Total sources of capital funding	0	-8	-9	-10	-11	-11	-12	-13	-15	-16	-17
Application of capital funding											
Capital Expenditure											
to meet additional demand to improve the level of service to replace existing assets	62	84	73	94	81	90	72	75	77	80	82
Increase (decrease) in Reserves											
Increase (decrease) in Investments	8										
Total application of capital funding	70	84	73	94	81	90	72	75	77	80	82
Surplus (deficit) of capital funding	-70	-92	-82	-104	-91	-101	-85	-88	-92	-96	-100
Funding balance	0	0	0	0	0	0	0	0	0	0	0



Chartered Accountants

**INDEPENDENT AUDITOR'S REPORT
TO THE READERS OF
CENTRAL HAWKES BAY DISTRICT COUNCIL'S
LONG-TERM PLAN
FOR THE TEN YEARS COMMENCING 1 JULY 2012**

The Auditor-General is the auditor of Central Hawkes Bay District Council (the District Council). The Auditor-General has appointed me, Stuart Mutch, using the staff and resources of Ernst & Young, to report on the Long Term Plan (LTP), on her behalf. We have audited the District Council's LTP dated 15 June 2012 for the ten years commencing 1 July 2012.

The Auditor-General is required by section 94(1) of the Local Government Act 2002 (the Act) to report on:

- the extent to which the LTP complies with the requirements of the Act; and
- the quality of information and assumptions underlying the forecast information provided in the LTP.

Opinion

Overall Opinion

In our opinion the District Council's LTP dated 15 June 2012 provides a reasonable basis for long term integrated decision-making by the District Council and for participation in decision-making by the public and subsequent accountability to the community about the activities of the District Council.

In forming our overall opinion, we considered the specific matters outlined in section 94(1) of the Act which we report on as follows.

Opinion on Specific Matters Required by the Act

In our view:

- **the District Council has complied with the requirements of the Act in all material respects demonstrating good practice for a council of its size and scale within the context of its environment; and**
- **the underlying information and assumptions used to prepare the LTP provide a reasonable and supportable basis for the preparation of the forecast information.**

Actual results are likely to be different from the forecast information since anticipated events frequently do not occur as expected and the variation may be material. Accordingly, we express no opinion as to whether the forecasts will be achieved.

Our report was completed on 15 June 2012. This is the date at which our opinion is expressed.

The basis of the opinion is explained below. In addition, we outline the responsibilities of the Council and the Auditor, and explain our independence.

Basis of Opinion

We carried out the audit in accordance with the International Standard on Assurance Engagements (New Zealand) 3000: *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). We have examined the forecast financial information in accordance with the International Standard on Assurance Engagements 3400: *The Examination of Prospective Financial Information*.

Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain all the information and explanations we considered necessary to obtain reasonable assurance that the LTP does not contain material misstatements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves performing procedures to obtain audit evidence about the forecast information and disclosures in the LTP. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the information in the LTP. In making those risk assessments we consider internal control

relevant to the preparation of the District Council's LTP. We consider internal control in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal control.

Our audit procedures also include assessing whether:

- the LTP provides the community with sufficient and balanced information about the strategic and other key issues, and implications it faces and provides for participation by the public in decision making processes;
- the District Council's financial strategy, supported by financial policies is financially prudent, and has been clearly communicated to the community in the LTP;
- the presentation of the LTP complies with the legislative requirements of the Act;
- the decision-making and consultation processes underlying the development of the LTP are compliant with the decision-making and consultation requirements of the Act;
- the information in the LTP is based on materially complete and reliable asset or activity information;
- the agreed levels of service are fairly reflected throughout the LTP;
- The District Council's key plans and policies have been consistently applied in the development of the forecast information;
- the assumptions set out within the LTP are based on best information currently available to the District Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast information has been properly prepared on the basis of the underlying information and the assumptions adopted and the financial information complies with generally accepted accounting practice in New Zealand;
- the rationale for the activities is clearly presented;
- the levels of service and performance measures are reasonable estimates and reflect the key aspects of the District Council's service delivery and performance; and
- the relationship of the levels of service, performance measures and forecast financial information has been adequately explained within the LTP.

We do not guarantee complete accuracy of the information in the LTP. Our procedures included examining on a test basis, evidence supporting assumptions, amounts and other disclosures in the LTP and determining compliance with the requirements of the Act. We evaluated the overall adequacy of the presentation of information. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Council

The Council is responsible for preparing a LTP under the Act, by applying the Council's assumptions and presenting the financial information in accordance with generally accepted accounting practice in New Zealand. The Council is also responsible for such internal control as it determines is necessary to enable the preparation of a LTP that is free from material misstatement

The Council's responsibilities arise from Section 93 of the Act.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the LTP and reporting that opinion to you based on our audit. This responsibility arises from section 15 of the Public Audit Act 2001 and section 94(1) of the Act.

It is not our responsibility to express an opinion on the merits of any policy content within the LTP.

Independence

When reporting on the LTP we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

Other than this report and in conducting the audit of the LTP Statement of Proposal and the annual audit, we have no relationship with or interests in the District Council.



Stuart Mutch
Ernst & Young
On behalf of the Auditor-General
Wellington, New Zealand