



**CENTRAL
HAWKE'S BAY**
DISTRICT COUNCIL

Annual Report 2021/22

.....
E ora ngātahi ana! Together we Thrive!



This annual report highlights for our community the progress we have made toward our outcomes and our overall delivery and performance for the year 2021/22 in accordance with the Local Government Act 2002.

The Annual Report is a legislative requirement. However, we see it as an opportunity to inform residents and stakeholders about our stewardship of the District's assets and how we're using rates funding. It's also a record of the year's achievements, which reflect the contribution of many in our community as the Council increasingly supports community-led initiatives and seeks to work in partnership with our many stakeholders for a Thriving Central Hawke's Bay.

This annual report for 2021/22 financial year is the first of our Long-term Plan 2021-31, so the key activities we discuss follow the priorities we agreed with the community when we formed that plan.

You can find this and our previous annual reports at our website www.chbdc.govt.nz

AA ok!

We're pretty stoked to be one of two AA CouncilMARK rated Councils in New Zealand. This independent assessment means we are performing exceptionally well across many areas of Council.

To find out more, visit:

<https://www.chbdc.govt.nz/our-council/about/councilmark/>



Together we Thrive!

E ora ngātahi ana!

Proud District

Prosperous District

Connected Citizens

Strong Communities

Smart Growth

Environmentally Responsible

Durable Infrastructure

Raarangi korero

Contents

Section One – Introduction and Overview

Kia ora from the Mayor and Council Team.....	2
Elected Member Highlights of 2021/22.....	4
Highlights of 2021/22.....	8
Elected Member Priorities	9
Priority #1 – #thebigwaterstory	10
Priority #2 – The District Plan Review	11
Priority #3 – Waste Water Treatment Projects	12
Priority #4 – Social Housing	13
Priority #5 – Creating a Waste Free CHB	14
More highlights over the last 12 months.....	15
Statement of Māori Contribution to Decision-Making	18
Statement of Compliance and Responsibility	20
AUDIT report.....	21

Section Two – Council Services

Groups of Activities	24
Leadership, Governance and Consultation Group ..	25
Planning and Regulatory Group.....	29
Land Transport Group	37
Solid Waste Group.....	40
Water Supplies Group.....	43
Wastewater (Sewerage) Group.....	46
Storm Water Group	49
Places and Open Spaces	52

Section Three – Financial Information

Annual Report Disclosure Statement	62
Statement of Comprehensive Revenue and Expense	65
Statement of Financial Position	66
Statement of Changes in Equity.....	67
Statement of Cash Flows	68
Funding Impact Statement (whole of Council).....	69
Notes to the Financial Statements	70
1. Statement of Accounting Policies.....	70
2. Operating Revenue and Expense.....	80
3. Cash & cash equivalents.....	83
4. Trade and Other Receivables	84
5. Investments	85
6. Property Plant and Equipment and Intangible Assets	86
7. Trade and other payables	90
8. Public Debt.....	90
9. Provision for Landfill Decommissioning and Aftercare Cost	91
10. Public Equity	92
11. Related party transactions other than remuneration of key management personnel ...	95
12. Statement of Commitments.....	95
13. Employee Staffing Levels and Remuneration ...	96
14. Severance Payments to Staff	97
15. Councillors Fees.....	97
16. Financial Instruments	98
17. Contingencies.....	101
18. Events Subsequent to Balance Date.....	101
Supplementary Information	102
Elected Council Members.....	103
Glossary	104



Kia ora From the Mayor and Council Team

Tēnā koutou, tēnā koutou, tēnā koutou katoa

On behalf of your elected members, we're proud to be sharing this Annual Report with everyone in our community.

What a huge 12 months! The 2021/22 year has seen Council and Community achieve a number of significant milestones, despite the ongoing challenges of COVID-19 and the pressures of unprecedented reform and growth on all fronts.

In February 2022, Council achieved an AA result in an independent local government CouncilMARK assessment – only one of two Councils to achieve this grade. This was up three grades from the BB result achieved in 2018, and recognised Council as a high-performing rural local authority backing significant change.

We remain focussed on delivering our core services and priorities to meet our communities' bold and ambitious vision for a thriving Central Hawke's Bay.

Reform on all Fronts

With unprecedented government reform on all fronts, Local Government continues to face a period of major uncertainty. Three Waters Reform, The Resource Management Reform, the Review into the Future of Local Government – all these active reforms led by Central Government – all active reform priorities being led by Central Government are placing considerable additional work and strain across the entire sector of Local Government.

The Three Waters Reform in particular has made considerable progress in the last 12 months and is now having a growing impact on the organisation as the establishment date of the new Water Services Entity on 1 July 2024 draws nearer.

Over the last 12 months we've continued to advocate for our community across the reform programmes to make sure Central Hawke's Bay is best placed for the future.

Continued Growth and Development

Following record subdivision and growth in the 2020/21 year, the district continues to see strong growth and optimism, despite an uncertain economic outlook.

Residential and population growth overall has continued to track ahead of forecast levels set in the 2021 Long Term Plan, with new build numbers in the 2021/22 year exceeding the high level experienced in the previous year.

Long term growth is forecast to continue, despite the short term challenges, with a number of large residential subdivisions and developments still actively being pursued across the district.

Our Tamatea Partnership

This year has seen us move closer to placing a pou (marker) to clearly state intent to take partnership with Māori to a new level for our District's future.

With over a quarter of our population identifying as Māori, we have a unique opportunity to ride the wave of a cultural evolution and partnership with Māori in Tamatea-Central Hawke's Bay to achieve equality and wellbeing for all.

Ngā Ara Tipuna, a partnership project with the hapū of Tamatea which tells the story of sites of cultural and natural significance around Central Hawke's Bay, celebrated the completion of its first stage on 1 July this year. Partnership projects like Ngā Ara Tipuna have set the stage for future collaboration on projects with Mana whenua. Across many of our projects and initiatives we've begun to establish strong relationships with Marae and hapū across the District, and Te Taiwhenua o Tamatea. This places us well to achieve a strong strategic governance relationship for a truly intergenerational partnership for the future.

Welcoming Our New Chief Executive

In May, Councillors announced Doug Tate as Council's new Chief Executive, following Monique Davidson returning home to the Horowhenua. The appointment of Mr Tate who had spent the previous four years as the Group Manager of Customer and Community Partnerships at Council, recognised Council's deliberate approach to developing talent within Central Hawke's Bay. His appointment came after a robust and independently led nationwide recruitment campaign, that saw a depth of outstanding talent from around the country wanting to bring their skills and enthusiasm to Central Hawke's Bay.

Delivering on the Long Term Plan 2021-2031 - 'Facing the Facts'

Since the adoption of the Long Term Plan 2021 – 2031 – 'Facing the Facts', our team have swung into action with growing momentum and pace implementing the urgent and overdue investment in our three waters infrastructure assets.

Over the last twelve months we've made major progress implementing new project management and contract arrangements to enable us to deliver the significant growth in our planned renewal works, with major work already underway across our water and wastewater assets.

Facing the Facts for our thriving future means major investment across all our assets is required. Addressing our past will mean a concerted and continued path of investment that will need to stretch well beyond this elected Council.

COVID-19

As much as we collectively want to move on and forget about COVID-19, the impacts on people, resources, logistics and community have continued to be felt throughout the last 12 months. It was August 2021 that parts of the Country again went into lockdown with the impact of the wave of the Delta strain of COVID-19.

COVID-19 has continued to place pressure not just on Council, but also our suppliers and contractors with delays, staff shortages and other impacts having material impacts on our day to day services.

Continued External Funding

As a District, we have continued to be successful attracting external funding for projects, with opportunities from over \$10 million of investment in our community from Central Government adding new activities, projects and services that have added pace and value for our community. These have included Provincial Growth Fund, the New Zealand Tourism Infrastructure Fund, Waka Kotahi and Three Waters funding.

Financials that Reflect our Focus on Delivery

Our financial performance in the financial year, reflects the increase in external funding and delivery of our major capital works programme. For the financial year Council had a surplus of \$14.4m (before revaluations) compared to a prior year surplus of \$9.4m. Overall income was above budget by \$10.4m with total operating expenditure over budget by \$7.3m. This year has been an unusual year with a higher than normal levels of external funding, reflecting a number of grants and external funding opportunities that Council has sourced.

Thank you, Central Hawke's Bay!

On behalf of the Council, we want to thank you for your contributions to your community during the year. Your ongoing support is essential in shaping a Central Hawke's Bay of the future in which we can all live, work and play. ***Together we are thriving!***



Alex Walker
Mayor of Tamatea/
Central Hawke's Bay



Doug Tate
Chief Executive

Elected Member Highlights of 2021/22

As we enter into the new Long Term Plan 2021-2031, Councillors share their highlights of the first year, 2021/22:



Reform is upon us and the future of Local Government is up for review. This could change the face and role of Councils forever. The past year has been about ensuring our community is best placed to face the opportunities and challenges ahead, while frustrating at times - is critically important for our future. We have punched well above our weight at attracting external funding to provide a good foundation for the growth our community is facing now and into the future. We've continued to make great progress on the district plan, as well as implementing the first year of our plan to face our infrastructure deficits. We've also continued to strengthen relationships with Mana Whenua and our community planning and development activities have continued to go from strength to strength. I am extremely proud of Councils continued role as leaders and advocates for our community.

KELLY ANNAND

*Deputy Mayor
Chair of Strategy and Wellbeing
Committee Councillor
Ruataniwha Ward*



In the last 12 months we've got on and achieved some big milestones in terms of addressing the significant underinvestment in our infrastructure. The delivery of the programme is picking up pace and it's great to see huge improvements completed and other big projects underway.

Three Waters Reform has been a major concern of the last twelve months, more so in terms of the uncertainty that it creates.

The changing financial environment in this last 12 months has been an increasing concern, and we've done well to get ahead of increased costs and overall kept our projects within budget to date.

BRENT MUGGERIDGE

*Chair of Finance and Infrastructure
Committee Councillor Aramoana/
Ruahine Ward*



With government reform on all fronts, the last 12 months have been challenging and at times frustrating with simply the huge range of Central Government Reform.

Through all of this change, it has been particularly challenging to plan for our future, with huge uncertainty ahead. Despite this, we've continued to work towards what is important for this District. Reform makes the progress on the district plan that we've made and the delivery of our three waters investment even more important to ensure our community are best placed for the future.

TIM AITKEN

*Lead Councillor
Aramoana/Ruahine Ward*



It's been a progressive year with continuous challenges. We've seen major renewal projects start and others approach completion. Water leaks are an ongoing challenge, but it would be nice to think we're getting on top of them!

My highlights of the last 12 months include the introduction of recycling trailers to rural areas, seeing the Tikokino Community Plan underway, and the Kairakau Road rebuild.

Thriving Places and Spaces and understanding what we own above ground has been a rewarding experience, particularly in the area of Reserves and Camping Strategy. Still more to do.

Once again it has been rewarding to communicate with the community, hearing concerns and solving problems.

JERRY GREER

*Councillor
Aramoana/Ruahine Ward*



The ongoing growth and strengthening of the relationship between Mana whenua and Council has been one of my highlights over the last 12 months. This growth doesn't always mean things go smoothly, but we've managed to work through some challenging times including the ongoing impacts of COVID-19 and continued to come together in partnership through projects like Ngā Ara Tipuna.

With a strong partnership approach, we can achieve much for the rohe of Tamatea.

PROFESSOR ROGER MAAKA

Kaiārahi Matua



It is very hard to single out the highlights of the last 12 months.

Personally, one would be becoming a Commissioner which has given me the ability to sit on the District Plan hearings, and has been a major focus of this Council, as one of our top five priorities.

Working on the Streets for People project may finally mean traction with an issue that has plagued the Waipawa township for decades.

Our continued engagement this year on our Thriving Places and Spaces, continues to be a highlight now and into the future, as we've been able to make great progress on our wider social community infrastructure.

PIP BURNE

*Councillor
Ruataniwha Ward*



An over-arching highlight of the 2021-22 year for me has been the growing strength of our Māori Engagement Strategy - Tūhono mai Tūhono atū. The combination of Ngā Ara Tipuna, Matariki celebrations, Te Reo lessons, a Wall Walk workshop raising awareness of NZ's bicultural relations history... all steps to building stronger relationships with Māori.

The condition of SH2 and SH50 and Waipawa's ongoing speed/safety issues were a big part of my Regional Transport Committee involvement. Public commuter transport is finally on Hawke's Bay Regional Council's radar for CHB, and our Pōrangahau-Wimbledon Road PGF resilience project, of which I am on the governance group, is nearing completion.

Most of all, I've enjoyed the people side of being a Councillor in the past 12 months, including being a hearings commissioner for the proposed District Plan, and attending events such as Business After 5 (BA5), and interacting with people using our new rural recycling services.

KATE TAYLOR

Councillor

Aramoana/Ruahine Ward



A highlight of the past year was our Council achieving a CouncilMARK AA™ rating for the local government excellence programme. It shows this Council is tracking in the right direction, but we must not take our foot off the pedal, instead continue to engage with our communities on issues that matter to them, and strive for continuous improvement.

Another highlight is our continuing steady pace investment in our major infrastructure and renewal works programs while navigating challenging conditions.

I applaud the great effort our Council staff have made to identify alternative sources of external funding – all of which helps towards long-term relief for our ratepayers.

Of major concern was and is the continuing speed, scale and mandate of this Government's local reform programmes which have real sticking points around local voice, governance structures, representation and accountability!

GERARD MINEHAN

Councillor

Ruataniwha Ward



Whether complex and transformational or day-to-day decisions, I'm proud to have been part of work that impacts the health and wellbeing of our people, especially our low-income whānau.

Achievements of particular significance for me over the last twelve months include:

- Continued implementation of Tūhono mai Tūhono atū
- Continued partnership with Mana whenua
- The realisation of the Ngā Ara Tipuna project
- Establishing the Pou Whatuia position

It has been a privilege to be a voice for all in Tamatea.

EXHAM WICHMAN

Councillor

Ruataniwha Ward



Highlights of 2021/22

In the completion of the first year of Central Hawke's Bay District Council's Long Term Plan 2021-2031, we continued our positive momentum working across our five key priority areas – boosted however with the addition of external funding and a step-change in investment in infrastructure renewals.

The addition of investment from the Provincial Growth Fund, the New Zealand Tourism Infrastructure Fund, Waka Kotahi, Ministry of Social Development and Three Waters funding, saw new activities, projects and services for the District not anticipated in the 2021-31 Long Term Plan.

This section provides highlights of the major activities of the year.

Governance Priorities and Projects: Thrive in Five

Following the October 2019 Triennial Election, Council took the time to identify key issues and opportunities facing Central Hawke's Bay.

Council agreed that the platform provided by Project Thrive provided the building blocks for success, however with a need to sharpen the focus on five strategic priorities to truly transform the future for Central Hawke's Bay.

Council has continued to focus on these five key strategic priorities to ensure success of Project Thrive, which will again be reviewed following the 2022 Triennium Elections.

Thrive in Five includes:

#1 – #thebigwaterstory

Delivery of #thebigwaterstory and improved water security for Central Hawke's Bay.

#2 – The District Plan Review

The District Plan: Delivery of a notified and operative District Plan.

#3 – Wastewater

Waste Water Treatment Project: Capital Works plan completed, initial improvements completed, and future funding strategy clarified.

#4 – Social Housing

Social Housing: Increased numbers of social housing in Central Hawke's Bay, including improved leverage off Council's retirement housing portfolio.

#5 – Creating a Wastefree CHB

Wastefree CHB: Reduce recycling to landfill and improved asset management and leverage of landfill.

Elected Member Priorities

Following the October 2019 triennial election, Council has taken the time to discuss the key issues and opportunities facing Central Hawke's Bay District Council and have confirmed the general direction they wish to take Central Hawke's Bay.

Council has agreed that the platform built by Project Thrive has provided building blocks for success that now require continuation of momentum on building excellence for community with an eye to "sharpening our focus on the mechanisms that we have for true transformation for the future".

Council will continue to place its energy and investment on projects and priorities that deliver on the five key areas of focus.

Key Areas



Protecting and promoting our unique landscape



Attracting and enabling business success



Planning for tomorrow as we future-proof Central Hawke's Bay



Strengthening our district and community identity



Promoting smart growth

Strategic Priorities

These will be supported and delivered through five strategic priorities that Council want to ensure its success in:



Delivery of #thebigwaterstory and improved water security for Central Hawke's Bay.



The District Plan: Delivery of a notified and operative District Plan.



Waste Water Treatment Project: Capital works plan completed, initial improvements completed, and future funding strategy clarified.






Social Housing: Increased numbers of social housing in Central Hawke's Bay, including improved leverage off Council's retirement housing portfolio.



Waste Free CHB: Reduce recycling to landfill and improved asset management and leverage of landfill.

Priorities and projects

In addition to setting the direction for Council, this report seeks to provide clarity on the role of the two full Committees of Council by outlining the work programme for the committees in the next three years on the basis of "what we know now". Priorities and projects can change at the direction of Council.

 Strategy and Wellbeing Committee	 Council	 Finance and Infrastructure Committee
<p>Lead and monitor the implementation of the Waste Free CHB Strategy.</p> <p>Lead the delivery of the Social Housing Strategic Framework.</p> <p>Monitor the implementation of the Economic Development Strategy.</p> <p>Monitor the implementation of the Environmental Strategy.</p> <p>Review the current Community Wellbeing Strategy and then monitor the implementation of a revised Social Development Strategy.</p> <p>Develop a Māori/Iwi Engagement Strategy.</p> <p>Monitor development and implementation of Community Plans.</p>	<p>Review and approve Section 17a Reviews as appropriate.</p> <p>Monitor the delivery of the District Plan project and make any decisions related to this project.</p> <p>Lead the development of the Long Term Plan 2021-2031, and delegate to committees on specific functions as and when required.</p> <p>Lead the development of Annual Plans, and delegate to committees on specific functions as and when required.</p> <p>Monitor the implementation of CouncilMARK recommendations and progress.</p> <p>Provide advocacy, leadership and facilitation on Water Security initiatives for Central Hawke's Bay.</p> <p>Work with committees to undertake reviews of Council Bylaws and Policies.</p>	<p>Lead and monitor the Wastewater Treatment Plan projects for across Central Hawke's Bay.</p> <p>Monitor the implementation of #thebigwaterstory.</p> <p>Complete and lead the Rates Review.</p> <p>Monitor the implementation and progress of Provincial Growth Fund projects.</p> <p>Develop a Land Transport Strategic Framework and ensure governance input into the three-year business plan before NZTA submission.</p> <p>Lead the review of the Financial Strategy and associated policies that input into the Long Term Plan 2021-2031.</p> <p>Review the current Treasury Policy – Investment, Debt and Liability Management policies.</p> <p>Monitor the implementation of the Non-Rateable Income Strategic Framework.</p>

Priority #1 – #thebigwaterstory

Delivery of #thebigwaterstory and improved water security for Central Hawke's Bay.

Five years ago, Central Hawke's Bay District Council started a very important conversation with the community about how we could realise our aspirations to Thrive, and what role the Council plays in that.

Through this process, the importance of water to our community came through as one of the strongest messages. This, combined with a vision for growth and prosperity, environmental responsibilities, and durable infrastructure, was how #thebigwaterstory was born. #thebigwaterstory is about our wastewater, stormwater and drinking water, and represents the durable infrastructure required to transform the day to day lives of Central Hawke's Bay's residents.



The 2021/2022 year has seen the delivery of further key flagship projects in The Big Water Story, a number of important project(s) signalled in the Long Term Plan have been completed, these include the water treatment plant upgrades in:

Water

- Run to waste system at SH2 Borefield feeding Waipukurau
- Further upgrades at the Johnson Street Water Plant in Waipawa
- Waipawa Firefighting Stages 1 and 2
- A water main extension down Pourerere Road
- Water main renewals – Nelson and Reservoir Roads
- Water main upgrade on Tikokino Road

Stormwater

- Upgrades of the stormwater system on Nelson Street
- A number of projects commenced as part of Long Term Plan 2018, continue into 2021 – these are the Waipukurau Second Water Supply, SH2 Borefield and Filtration upgrade and the Kairakau water upgrades.
- A number of new projects set in our 2021 Long Term Plan are well underway, notably;
 - An increase in renewals, with Pōrangahau Road next on the list
 - Our reservoir replacement programme
 - Many sub projects as part of the Waipawa to Waipukurau second supply.

Top: Overview of the Waipawa to Waipukurau supply project.

Above: Waipawa firefighting upgrades.

Priority #2 – The District Plan Review

Delivery of a notified and operative District Plan

In 2017 Council set a bold and ambitious plan to review the District Plan as a key project to bring Project Thrive alive. With the current operative District Plan – essentially a rule book that directs how the community can use, develop and subdivide land nearly 20 years old, the mandate for change was clear.

The review project began in late 2017, with key milestones in 2019 including consulting with the community and key stakeholders on the Draft District Plan, the delivery of hearings and Committee Meetings in 2020 prior to and through Covid-19.

In December the review programme reached a 'pens down' milestone, where the writing of the plan came to end, ready to commence the formal Schedule 1 process under the Resource Management Act 1991.

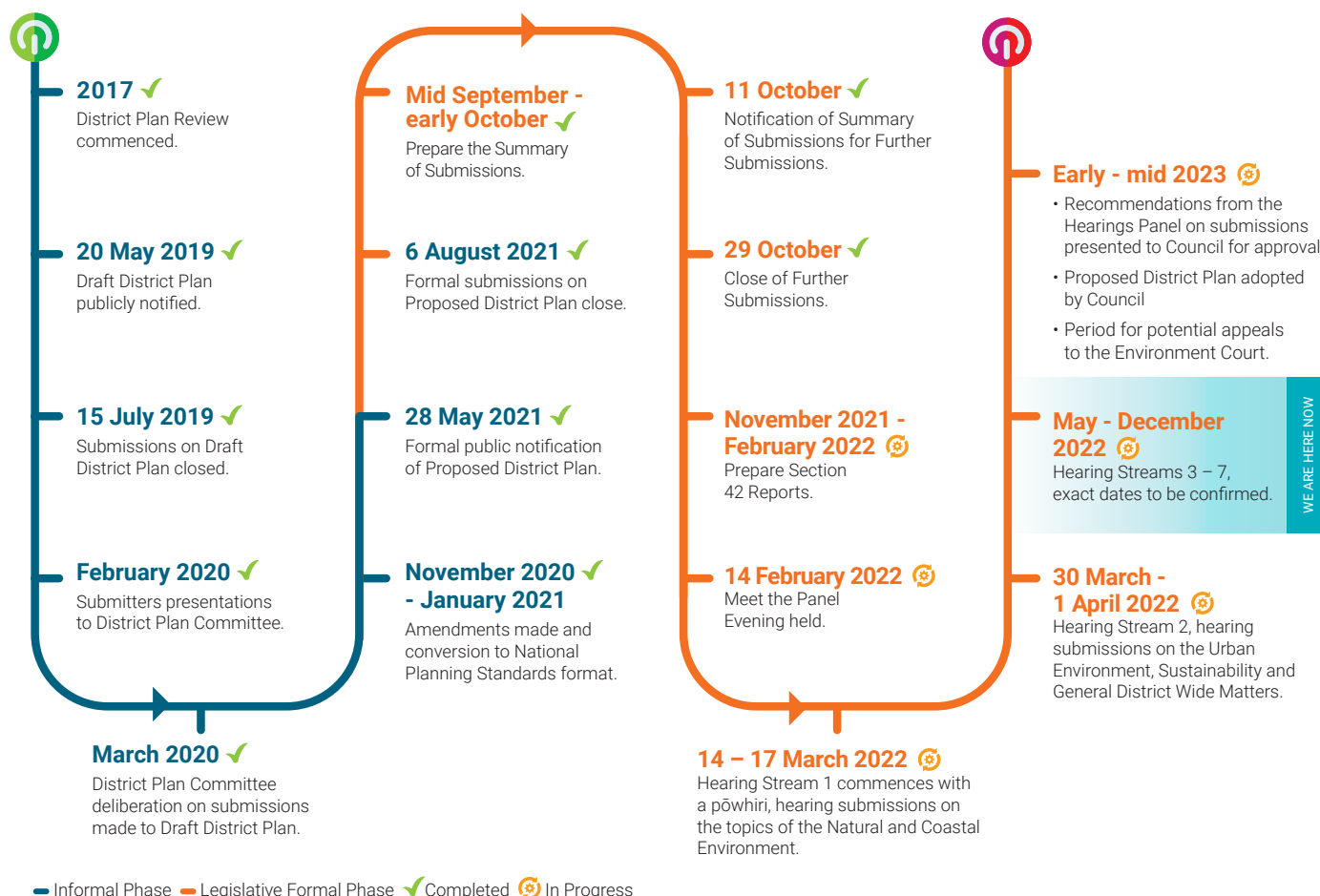
On 27 May 2021, Council formally adopted the Proposed District Plan for formal notification, which began on Friday 28 May 2021, and closed on 6 August 2021.

Council received a total of 123 submissions and 29 further submissions. Council staff then prepared a Summary of Submissions, which included details of changes sought to the Plan by submitters.

In July 2021 Council formally appointed a Panel of six Commissioners, Chaired by Commissioner Robert Schofield, to hear oral submissions and deliberate on these submissions, in order to make recommended decisions to the Council to adopt a new District Plan by May 2023.

The matters raised in the submissions have been sorted into seven topic groups, with hearings on each topic group expected to take about two to three days. In the 2021/22 financial year, three hearing topics have been formally heard, with four more topics to be heard by the end of the 2022 calendar year.

District Plan Development Process



Priority #3 – Waste Water Treatment Projects

Significant progress, milestones reached and improvements underway

In October 2020 – Council adopted our Long Term In Wastewater strategy that sets out the direction confirmed in our recent Long Term Plan 2021 adoption. The strategy aligns with our vision to ensure

“Our effluent is treated in a sustainable way that creates a resource, protects our environment, and continues to do so for generations to come.”

Informed through working closely with community members to develop options which focus on generational thinking to ensure a positive balance between the environmental health of our District, the strength of our infrastructure to enable Central Hawke's Bay to thrive, and affordability for all of our people.

Work commenced in 2018/2019 to implement improvements to our plants and these continue as we focus on short term improvements while the longer term improvements are planned and delivered.

2021/ 2022 saw some significant inroads into our wastewater programme with the completion of desludging our Waipawa and Waipukurau wastewater ponds. The upgrade of wavebands to improve capacity and environmental performance at both plants.



Waipawa saw the completion of a new treatment system known as a dissolved air flotation (DAF) system to improve treatment in the short term while our longer term solution is built.

Both the Takapau and Pōrangahau wastewater consents have been applied for and been through public notification processes, and expect to be granted in 2022.

These upgrades will see wastewater discharge removed from rivers and rather irrigated or dispersed onto land progressively over the next 3 to 9 years.

Works have commenced on some aspects of our long term vision set out through our strategy where we are aiming to complete a near 9 km pipeline from Otāne to Waipawa, and a pump station to convey wastewater from Otāne to Waipawa for treatment and eventually discharge at our land based site. This project is due to be commissioned in August 2022.

The strategy focusses on management of biosolids (sludge) produced through the treatment process and how council can manage the flow and load entering our systems.

A robust programme to study our wastewater networks commenced this year and has seen a significant amount of camera and flow studies.

More information here: <https://www.chbdc.govt.nz/our-district/projects/the-big-wastewater-story>



Left: Dissolved Air Flotation System at Waipawa.

Top: The new outlet for the Otāne wastewater system in Waipawa.

Above: New pump station in Otāne.

Priority #4 – Social Housing

Increased numbers of social housing in Central Hawke's Bay, including improved leverage off Council's Retirement Housing Portfolio.

Social Housing still remains one of the most challenging activities of all of Council's activities to gain traction on. This challenge recognises the significant complexity and important leadership role Council continues to need to play in seeing housing remain a priority for the District. Some of the key highlights over the last 12 months include:

Continuing to Advocate for Housing Support

Council has been relentless in seeking positive outcomes for Central Hawke's Bay. In the past 12 months Kainga Ora (KO) have purchased 8 2 bedroom units in Waipukurau. Development of the 118 Pōrangahau Road site with solid progress on this site being achieved this year. A commitment to taking a place based approach to housing on this site has been established with Kainga Ora.

Retirement Housing

Following the adoption of the service and delivery review in 2020 of the Retirement Housing activity, Council adopted its Retirement Housing Policy in late 2021. The Policy reiterates Goal 4 of Council's Housing Strategic Framework that 'Retirement Housing is provided in the most efficient and effective way.' Eligibility requirements and financial management policies are stated to achieve the objectives:

1. To house the most 'in need' independent living older CHB residents
2. To be not-for-profit but sustainably self-funding including long term renewals and upgrades
3. To be a supportive property owner with consideration for the safety and wellbeing of its tenants.

Pōrangahau Road South Growth Precinct

A priority action from the Central Hawke's Bay Integrated Spatial Plan 2050 was addressing growth opportunities on the site known as the Waipukurau Hospital site. Made up of six land owners the land has been zoned residential for over 20 years, however due to constraints with infrastructure has not been able to be developed. Council has taken a leadership role in meeting and facilitating discussions with land owners regarding opportunities for the site, including developing an outlined development plan for the precinct, in order to make a submission to the Proposed District Plan to support the Precinct.

Waipukurau South Growth Precinct (Infrastructure Acceleration Fund application)

Another lever that Council has to unlock housing development in the Waipukurau South Growth Precinct is to apply for central government funding to build the required infrastructure that would enable the area to be adequately serviced (roads and 3 waters infrastructure in particular).

In August 2021 Council made an application to the Kainga Ora Infrastructure Acceleration fund (IAF) to fast-track investment in the Waipukurau South Growth Precinct, with an application seeking approximately \$11 million of funding from Kainga Ora to fast track infrastructure to service the area and support other associated projects including water, wastewater and stormwater in partnership with adjoining landowners and the Heretaunga Tamatea Settlement Trust.

The fund received over 250 expressions of interest from across the country, with Council's proposal being selected as one of 80 proposals across New Zealand to proceed to the next stage – the Request for Proposal Stage. The proposal was identified as a 'fast track – small scale' proposal recognising the lower level of funding required for the proposal. The Request for Proposals closed on Friday 17 December 2021.

On 3 May 2022 Council's proposal was one of 35 shortlisted to proceed to the next phase of the application, a period of negotiations with Kainga Ora to confirm the funding required to build the necessary infrastructure to service the area and enable it to be developed to its full potential. Officers have met with Kainga Ora officials to advance the negotiations, and will continue to do so over the next few months. Final decisions from the Minister of Housing are expected to be made in November 2022.



Priority #5 – Creating a Waste Free CHB

Reduce recycling to landfill and improved asset management and leverage of landfill.

Council has continued and strengthened its promotion of a 'Waste Free CHB' through 2021/22. The catch phrase 'Waste Free CHB' has continued to grow to embody a range of initiatives and activities that Council and its communities undertake together to reduce waste and promote environmental outcomes.

The 2021/2022 year was spent continuing the momentum as we continue our journey towards a Waste Free CHB.

Through the Long Term Plan 2021 – 2031 following extensive community engagement, Council made the decision to extend kerbside recycling services to the rural communities of Takapau, Ongaonga, Tikokino and Otāne and also created a new rural mobile recycling trailer service. In Year 3 of the Long Term Plan, a proposal to end the current single-use rubbish bag service for refuse bins was also adopted. Preparations are underway for the change in July 2023.

In the preparation of the 2022/23 Annual Plan, Council also confirmed the retention of recycling drop off centres across the district, following expected declines at drop off centres following the introduction of kerbside collection not eventuating. Volume of recycling instead increased across the district, including at drop-off centres.

Separate containers for paper and cardboard were introduced as part of the kerbside recycling service to improve the quantity and quality of the recycling materials collected.

Building on the Waste Management and Minimisation Plan approved in 2019, the Council continued to invest in waste minimisation education and events.

The planned Keep New Zealand Beautiful Clean Up Day also had to be cancelled when the country went into a second lockdown following the country going into a second lock-down following the COVID-19 Delta Outbreak in September 2021.

Other activities and events included:

- Continued investment in the EnviroSchools Programme
- Expansion of the Zero waste education programme
- Introduction of the Paper to Trees programme to schools.
- Continued the Second-hand Sunday Initiative.

Over the last twelve months there was significant investment into leachate management infrastructure at the landfill. The investment will reduce reliance on tankering of leachate to the Waipukurau sewage treatment plant. Over the longer term we expect to see operational cost savings for this operation.

Council continued to improve how we dispose of waste at the landfill- bringing operations in line with industry best practice with a strong focus on reducing any health and safety risks, both to our operators and our customers.

WASTE FREE CHB



More highlights over the last 12 months

Outside of our Thrive in Five projects and priorities, other successes and highlights over the last 12 months include:

Continued Growth and Development

Central Hawke's Bay has continued to see strong growth and development over the last 12 months. This followed a peak in development in the 2020/21 year..

As part of the Long Term Plan 2021-2031 a high growth scenario was forecast for the District, adding roughly 1,500 homes to the District over the next ten years and another 4,000 residents. An update to population and economic projections published in early 2022 shows that the district is already on track to exceed this high growth scenario with 1700 homes now forecast by 2031.

On the back of a year of unprecedented growth in resource consent applications, this year has seen continued growth in building consent numbers for new dwellings across the District. Despite the challenges for the wider residential construction market, the growth in new dwellings also reflects an optimism and positivity for the District that has been growing since 2013.

As context the table below gives an indication of the development in the District for the 2020-2021 and 2021-2022 years for the periods 1 July to 30 June.

BUILDING CONSENTS	2020 -2021	2021 -2022	CHANGE	%
Volume – Applications	430	452	22	5%
New Dwellings	141	175	34	19%
Total Value – \$M's	\$69.3	\$78.06	\$8.08	11%

RESOURCE CONSENTS	2020 -2021	2021 -2022	CHANGE	%
Total Applications	334	257	(77)	(30)%
Total Applications approved	265	251	(14)	(6)%
New lots for creation	1152	694	(458)	(66)%



Council's decision to prioritise investment and the review of the District Plan, and the completion of more holistic planning such as the Central Hawke's Bay Integrated Spatial Plan 2050 continue to place the District well to plan for and prepare for this future growth.

Launch of Ngā Ara Tipuna

One of the community standouts during the last 12 months has been the completion and the official launch of Ngā Ara Tipuna ki Tamatea. With attendance from Ministers, Regional Officials, Funders, community and wider Mana whenua, the launch was a unique opportunity to Mana whenua to demonstrate their kāwanatanga in the rohe.

This project has been a unique partnership project between Te Taiwhenua o Tamatea, hapu and Council that has created a lasting taonga for the community of Tamatea – Central Hawke's Bay.





Jobs in Central Hawke's Bay – Mayors Taskforce for Jobs

Since its development in July 2020, the Jobs in Central Hawke's Bay – Mayors Taskforce for jobs has gone from strength to strength, its success recognised when the project won top prize in the Economic Wellbeing category at the Local Government Excellence Awards in July 2021.

Funded through partnership funding between Local Government New Zealand and the Ministry of Social Development, the programme has achieved outstanding results for our community.

To date the programme has achieved over 746 unique jobseeker referrals through the employment hubs and placed over 350 people in employment, 100% who are Central Hawke's Bay residents.



At the time of writing Council has secured funding for a further year on the programme, through to July 2023.

The programme has received national attention for its achievements with Mayor Alex and Jono Craig sharing tips for success at the MTFJ AGM in July.



Big strides forward in roading and water projects

Other major achievements in our roading and water activities in the period include:

Wastewater upgrades across Waipawa and Otāne

Council has made significant inroads into the improvements of the Waipawa and Otāne wastewater systems with the construction of a new pump station in Otāne, and over 8kms of wastewater pipeline between the towns, the desludging of the Waipawa pond, the installation of a new DAF treatment system in Waipawa – all key projects to improving the performance and our environmental outcomes in Tamatea.

Wastewater upgrades planned for Takapau and Pōrangahau

Our three smaller towns had wastewater consents expiring – in 2021 we applied for their replacement consents to make significant improvements to how we manage, treat and discharge wastewater as part of #thebigwastewaterstory programme.

Motorcaravan dump station built in Waipukurau

Council through the Tranche One Department of Internal Affairs funding built a Motor Caravan Dump Station to allow us to be an accredited member of the motor caravan association and to provide a service to support those visiting our district in their Motor Caravans.

Dashboard maps, software improvements for 3 Waters

Council has invested in significant software to be smarter, have greater visibility on the current and future performance of our networks thanks in large to the Tranche One DIA funding and now have the ability to have direct access to asset performance.

Roading upgrades – Pōrangahau/Wimbledon Road

As we move through the final stretch of upgrades on these two vital routes, we are happy to report we are continuing to reach key milestones. To date, we have completed 17 of the 20 projects.

Local Government Reform

In the past financial year, central government has continued to progress three tranches of significant reform that will impact on Local Government. These reforms will impact on Central Hawke's Bay District Council responsibilities, operations and financial statements.

Three Waters Reform

Everyone has the right to safe drinking water no matter where they live, and we should also expect strong and resilient stormwater and sewage services that protect the environment and enable communities to prosper and grow.

The Government's three waters reforms were initiated in response to the challenges facing three waters service delivery across the country.

Challenges include ageing infrastructure, historical under-investment, source water contamination, higher public expectations, resilience needed for impacts of climate change and natural hazards, changes in population and huge looming costs.

Government estimates New Zealand will need to invest \$120 billion to \$185 billion in three waters infrastructure over the next 30 years.

That's why Government is introducing a package of reforms:

- New responsibilities for drinking water suppliers through the Water Services Act 2021, including proposed new rules and standards
- A new water regulator Taumata Arowai
- Proposed changes to the way three waters services and infrastructure are owned and delivered.

The changes mean that in future, your local council would no longer be responsible for these services – known as three waters. Instead, from July 2024 they would be owned and delivered by one of four new multi-region entities across Aotearoa New Zealand. Hawke's Bay would be part of "Entity C".

The new responsibilities for drinking water suppliers are already in law under the Water Services Act 2021, and Taumata Arowai, the regulator is up and running.

The first Water Services Bill to set up the new entities has already passed its First Reading in Parliament and has been passed to Select Committee to receive and hear submissions. Another Bill is expected later this year.

Resource Management Reforms

The Government is repealing the Resource Management Act 1991 (RMA) and replacing it with new legislation. The reform of the RMA represents a significant systemic change which will have implications for Council's activities and functions.

The three new Acts are:

- The Natural and Built Environments Act (NBA), which will be the main replacement for the RMA
- The Strategic Planning Act (SPA), which will require councils, iwi/Māori, and central government agencies to develop 30-year regional spatial plans
- The Climate Change Adaptation Act (CAA), which deals with the legal and technical matters associated with climate change adaptation and managed retreat.

The Natural and Built Environments Act and the Strategic Planning Act will be introduced to Parliament toward the end of 2022. The Climate Change Adaptation Act will follow in 2023.

Central government is seeking pilot regions to test some aspects of the reforms. Decisions on whether or not Tairāwhiti will be a pilot region will be made later in the year.

More information is available on the Ministry for the Environment website:

<https://environment.govt.nz/what-government-is-doing/areas-of-work/rma/resource-management-system-reform/>

Local Government Reform

An independent Ministerial review into the future of local government is underway, and should be completed by April 2023.

Its overall purpose is to consider how New Zealand's system of local democracy and governance will need to evolve over the next 30 years in order to improve the wellbeing of New Zealanders, and actively embody the Treaty partnership.

More information is available on the Future for Local Government website:

www.futureforlocalgovernment.govt.nz/

Statement of Māori Contribution to Decision-Making

Supporting and Encouraging Māori to contribute to Council Decision Making
Making Tautoko me te akiaki i Ngāi Māori hei āwhina i ngā whakataunga

Tangata Whenua play a hugely significant role in the district in terms of leading economic, environmental, social and cultural opportunities for the community.

This considered, the scope for Māori involvement in decision making is wide and varied. Council recognises the mana, rights, and interests of Māori, considering the relationship of Māori and their culture and traditions with their ancestral land, water, sites, waahi tapu, valued flora and fauna, and other taonga.

Tuhono Mai Tuhono Atu

In 2020 Council adopted its Māori Engagement Strategy as a channel to ensure council continues to consider and promote the current and future opportunities for Māori wellbeing.

The Māori Engagement Strategy was developed in partnership with Tangata whenua, Mana whenua and Council in 2020.

Developed in conjunction with Te Taiwhenua o Tamatea, the Strategy seeks to ensure that as a Council and community we are acting as a key enabler in supporting Tangata Whenua to achieve their aspirations.

Based on four pou, that Strategy's vision is:

The strategy provides a framework for priorities that contribute toward our collective aspirations for cultural development – both internally as an organisation and outward facing to our community.

We realise that achieving this will require time, flexibility, and the ability to self-reflect.

Our Policy Approach

Our approach to partnering with Māori will continue to be enhanced and grow as the fires of our partnership are fanned.

Council's **Governance Policy Framework** sets the Māori Contribution to Decision Making Policy as an integral policy in Council's overall Governance Policy Framework.

The **Māori Contribution to Decision Making Policy** recognises the unique position of tangata whenua of Tamatea / Central Hawke's Bay District and the important role Māori play in Council's decision-making processes. It sets our recognition of Te Tiriti o Waitangi / the Treaty of Waitangi as New Zealand's founding document. Our relationship with and responsibilities to Māori are grounded by this and guided by relevant law.

Council's **Significance and Engagement Policy** also sets out the engagement principles and practices that guide when and how council will engage with the community as part of any decision-making process. The Policy acknowledges the unique status of Māori and the wider Māori community and is committed to ensuring that it provides opportunities for Māori to contribute to in the decision-making process.

Te Tiriti o Waitangi – Treaty of Waitangi Obligations

We recognise Te Tiriti o Waitangi as the founding document between Māori and the Crown. For Council, the legislative recognition of Te Tiriti o Waitangi is provided for in the Local Government Act 2002. There are specific provisions in Parts 2 and 6 of the Act which provide principles and requirements for Council to facilitate participation by Māori in local authority decision-making processes.

The Act states that Council must:

- Establish and maintain processes to provide opportunities for Māori to contribute to the decision-making processes of the local authority
- Consider ways in which it may foster the development of Māori capacity to contribute to the decision-making processes of the local authority
- Provide relevant information to Māori for these purposes.

The Resource Management Act 1991 (RMA) is another key piece of legislation applicable to local government. Section 8 of the RMA requires all persons exercising functions and powers under it in relation to managing the use, development, and protection of natural and physical resources shall take into account the principles of Te Tiriti o Waitangi.

The Tamatea Way

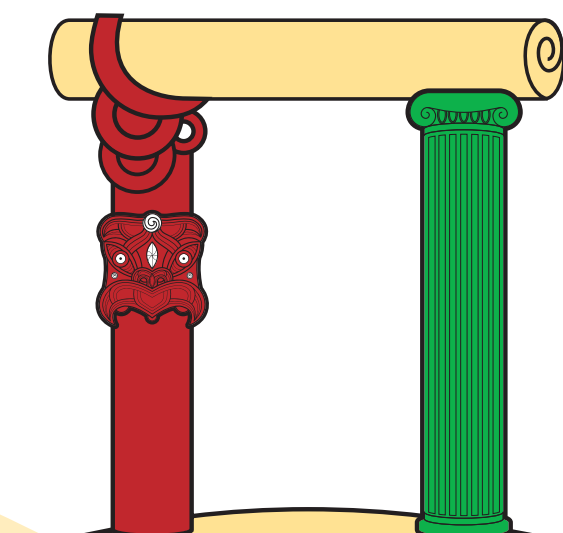
The Tohu introduced into Tuhono Mai Tuhono Atu is an interpretation of Tamatea's concept of equality and partnership according to Te Tiriti o Waitangi, te Te Reo Māori version of the Treaty.

As an authority we welcome responsibility to work with iwi Māori to give effect to and realise the promise of Te Tiriti o Waitangi. We realise that achieving this will require time, flexibility, and the ability to self-reflect. Our success will be shaped by our ability and capacity to form a range of relationships with iwi and Māori in our rohe.

The two strong Pou upholds the treaty scroll the founding document for partnership between these two entities, ngā marae me ngā hāpu o Tamatea and Central Hawke's Bay District Council on behalf of the Crown.

The Pou stand of equal height width and diameter, representing the equal right of decision-making through connections and conversations as set out in our **Māori Contribution to Decision Making Policy**.

The Waharoa is the entranceway by which we enter into strong partnerships that determine and guide ongoing strengthening.



Statement of Compliance and Responsibility

Compliance

Council and management of the Central Hawke's Bay District Council confirm that all the statutory requirements of section 283 of the Local Government Act 2002, which includes the requirement to comply with Part VIIA of the Local Government Act 1974 regarding financial management and borrowing, have been complied with.

Responsibility

1. The Central Hawke's Bay District Council and its management accept responsibility for the preparation of the annual Financial Statements and non-financial performance information and the judgements used in them.
2. The Central Hawke's Bay District Council and its management accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting and non-financial performance information.
3. In the opinion of the Central Hawke's Bay District Council and its management the Annual Financial Statements and the results of its operations and the service performance achievements for the year ended 30 June 2022 fairly reflect the financial position of Central Hawke's Bay District Council.



Alex Walker
Mayor of Tamatea/
Central Hawke's Bay



Doug Tate
Chief Executive

Independent Auditor's Report

To the readers of Central Hawke's Bay District Council's
Annual Report for the year ended 30 June 2022



The Auditor-General is the auditor of Central Hawke's 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 information in the District Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the District Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the District Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

We completed our work on 19 December 2022. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 67 to 70 and pages 72 to 103:
 - present fairly, in all material respects:
 - the District Council's financial position as at 30 June 2022;
 - the results of its operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;
- the funding impact statement on page 71, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Long-term plan and annual plan;
- the statement of service provision referred to as "Council Service" on pages 25 to 62:

- presents fairly, in all material respects, the District Council's levels of service for each group of activities for the year ended 30 June 2022, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
- complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 25 to 62, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's Long-term plan and annual plan; and
- the funding impact statement for each group of activities on pages 25 to 62, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Long-term plan.

Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 64 to 66, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council's audited information and, where applicable, the District Council's long-term plan and annual plans.

The basis for our opinion is explained below and we draw attention to other matters. In addition, we outline the responsibilities of the Council and our responsibilities relating to the audited information, we comment on other information, and we explain our independence.

Emphasis of matter - The Government's three waters reform programme

Without further modifying our opinion, we draw attention to note 1 on page 81, which outlines that, in June 2022, the Government introduced legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities with effect from 1 July 2024. The legislation received royal assent from the Governor-General on 14 December 2022. The impact of these reforms will mean that the District Council will no longer deliver three waters services or own the assets required to deliver these services. In December 2022, the Government introduced the Water Services Legislation Bill, which will transfer assets and liabilities to the water services entities.

Basis for our opinion on the audited information

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We describe our responsibilities under those standards further in the "Responsibilities of the auditor for the audited information" section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

Responsibilities of the Council for the audited information

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the District Council or there is no realistic alternative but to do so.

Responsibilities of the auditor for the audited information

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the District Council's Long-term plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit 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.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the statement of service provision referred to as "Council Services", as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the District Council to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 1 to 107, but does not include the audited information and the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information, and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the District Council in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit and our report on the disclosure requirements, we have no relationship with, or interests in, the District Council.



Stuart Mutch
Ernst & Young
Chartered Accountants
On behalf of the Auditor-General
Wellington, New Zealand





Section Two

Council Services



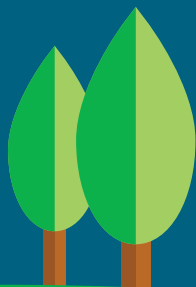
Groups of Activities

- | | |
|---|----|
| • Leadership, Governance and Consultation Group | 27 |
| • Planning and Regulatory Group | 31 |
| • Land Transport Group | 39 |
| • Solid Waste Group | 42 |
| • Water Supplies Group | 45 |
| • Wastewater (Sewerage) Group | 48 |
| • Storm Water Group | 51 |
| • Places and Open Spaces | 54 |

Groups of Activities

We've got an ambitious plan to bring the vision and goals for a Thriving Central Hawke's Bay of the future to life. How the activities and services we deliver support the achievement of our community's vision and goals can be summarised below.

Vision		Central Hawke's Bay – a proud and prosperous District, made up of strong communities and connected people, who respect and protect our environment and celebrate our beautiful part of New Zealand.						
Our DNA		Working Together Customer Excellence Thinking Smarter Planning for Tomorrow						
Goals		 Proud District	 Prosperous District	 Strong Communities	 Connected Citizens	 Smart Growth	 Environmentally Responsible	 Durable Infrastructure
Groups of Activities:	Leadership, Governance and Consultation	✓	✓	✓	✓	✓	✓	
	Planning and Regulatory Services	✓	✓	✓		✓	✓	
	Land Transport		✓		✓			✓
	Solid Waste	✓	✓	✓	✓	✓	✓	✓
	Water Supplies	✓	✓	✓	✓	✓	✓	✓
	Wastewater	✓	✓	✓	✓	✓	✓	✓
	Stormwater						✓	✓
	Places and Open Spaces	✓	✓	✓	✓		✓	



Leadership, Governance and Consultation Group

Leadership, Governance and Consultation

What Council does

This activity enables elected Councillors to effectively govern the activities, services and projects delivered by the Council. Councillors must represent their communities and make decisions in an open, transparent and accountable manner.

The activity in this section supports the decision-making processes of elected members and ensures decisions are made in accordance with guiding legislation, including the preparation of reports and other supporting functions, to ensure a functioning local democracy exists in Central Hawke's Bay.

Through this activity, funds such as the Community Voluntary Organisation Scheme (CVOS) are sourced and distributed to community organisations through the Social Development Activity.

The Leadership, Governance and Consultation Activity supports the following goals of Council:



What we delivered

LEVEL OF SERVICE TO BE DELIVERED	TARGETS TO MEASURE OUR SUCCESS IN 2021/22	ACHIEVED LEVEL OF SERVICE
Council that listens to its community, responds efficiently and effectively, communicates well and has a can-do customer services attitude.	85% of people who consider that Council has responded well or very well to community needs and issues.	Not Achieved 77% of people consider that Council has responded well or very well to community needs or issues. While the target for the 21/22 year of 85% is higher than the previous Long Term Plan measure of 75%, in the 2020/21 year a result of 82% was achieved. This will need to be an area that Council continues to work in, recognising that Council has responded across a wider range of issues from floods, fires and many other disruptors such as COVID-19, where Council's role has generally been perceived as responding well.
	100% of formal consultation follows legislative and policy requirements.	Achieved Council met legislative and policy requirements with regards to consultation.
	85% of people consider that Council has communicated well on Council business.	Achieved 91% of people consider that Council has engaged and communicated well about Council business.
	50% of Iwi and Marae report to be satisfied with the level of engagement and partnership with Central Hawke's Bay District Council.	Not Achieved Despite a range of hui, communications and wananga with Iwi, marae, hapu and other groups, we have not reached a point in the maturity of our relationship with Manawhenua to appropriately measure the level of satisfaction. Both parties recognise that it is early in our partnership journey, and we look forward to continuing to work with Manawhenua on how best to measure this into the future.

Social Development

What Council does

Council provides Social Development services to foster the growth of community social assets. Council's role is to advocate, facilitate and co-ordinate the sustained enablement and enhancement of the community's social wellbeing.

Primarily this is achieved through the implementation of the District's Community Wellbeing Strategy, along with the management of the 'network of networks' which provides important social services and connections across the District and Region.

The activity also co-ordinates Council's community planning programme, with successful results already in Ongaonga and Takapau.

The distribution of Community Funding, both funded by Council and other organisations such as Creative NZ, is also a major focus of this activity.

The Social Development Activity supports the following goals of Council:



What we delivered

LEVEL OF SERVICE TO BE DELIVERED	TARGETS TO MEASURE OUR SUCCESS IN 2021/22	ACHIEVED LEVEL OF SERVICE
A strong Council voice advocates for and leads change in economic and social issues and opportunities for the district.	95% of the community is satisfied with the Social Development activity of Council.	Not Achieved 90% of residents reported they were satisfied with the Social Development activity of council via the 2022 Resident Opinion Survey
	Council implements the Social Wellbeing Strategy.	Achieved The Social Wellbeing Strategy is being implemented actively.
Council supports the enhancement of economic wellbeing by the delivery of increased job opportunities, a diversified and resilient local economy and increased productivity.	85% of community groups associated with the Social Wellbeing Network are satisfied with the advice and support provided by Council. Council supports community groups to achieve their goals.	Achieved Council developed a targeted survey to survey community groups associated with the Social Development Network. 98% of those who responded reported being satisfied with the advice and support provided by council community groups to achieve their goals
	100% of community groups supported by Council are satisfied with the level of service provided.	Achieved Council developed a targeted survey to survey community groups supported by council. 100% of partner organisations who responded to the survey were satisfied with the support and advice and support provided by Council.

Economic Development

What Council does

This activity primarily supports the sustainable economic wellbeing and prosperity of Central Hawke's Bay. Primarily delivered through the District's Economic Development Action Plan 2019, it leverages on coordinated leadership and the facilitation of shared outcomes.

This year the focus now has been on the achievement of sustainable and long term benefits associated with PGF / Kānoa-funded projects, including upgrading the road from Pōrangahau to Waipukurau (\$20.1m) and Ngā Ara Tipuna ki Tamatea (\$2.8m) a unique partnership project with manawhenua.

The Economic Development Activity supports the following goals of Council:



What we delivered

LEVEL OF SERVICE TO BE DELIVERED	TARGETS TO MEASURE OUR SUCCESS IN 2021/22	ACHIEVED LEVEL OF SERVICE
Council supports the enhancement of economic wellbeing by the delivery of increased job opportunities, a diversified and resilient local economy and increased productivity.	Council implements the 2019 Economic Development Action Plan (Implementation Plan)	Achieved Council through the Strategy and Wellbeing Committee has made solid progress through the implementation of the ED Action Plan, with regular updates on Economic Development reported on at each Strategy and Wellbeing Committee as part of priority reporting.
	90% of representatives of the Economic Leadership Group are satisfied that the 2019 Economic Development Action Plan is being delivered.	Not Achieved While we received feedback from a range of business groups associated with the Business Network, activities associated with Mayors Taskforce for Jobs and other networks, we did not achieve the formal development of this economic leadership group to formally record the achievement of the ED Action Plan. The establishment group is a major focus in Q3 and Q4 with the commencement of the new Economic Development Lead occurring in early August and a major refocus on Economic Development Leadership and Wellbeing in the community.

Funding Impact Statement for the year ending 30 June 2022 for

Community Leadership Group

	2021 Long Term Plan \$000	2022 Long Term Plan \$000	2022 Actual \$000
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges and rates penalties	1,251	1,604	1,611
Targeted rates	0	0	0
Subsidies and grants for operating purposes	48	34	2,026
Fees, charges	0	25	18
Interest and dividends from investments	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
Total operating funding	1,299	1,663	3,655
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	1,032	1,145	3,020
Finance costs	0	0	0
Other operating funding applications	282	523	528
Total applications of operating funding	1,315	1,668	3,548
Surplus (deficit) of operating funding	(15)	(5)	108
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	0	9	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding	0	9	0
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	0	10	0
- to replace existing assets	0	0	0
Increase (decrease) in reserves	(15)	(6)	108
Increase (decrease) of investments	0	0	0
Total application of capital funding	(15)	4	108
Surplus (deficit) of capital funding	15	5	(108)
Funding balance	0	0	0

Councils' operational income was ahead of budget by \$2m due to external funding from central government. This largely relates to economic stimulus monies to deliver a number of social development programs such as Mayors Taskforce for Jobs and Social Workers. This additional funding has also led to additional expenditure as the unbudgeted programs were delivered.

Planning and Regulatory Group

District Planning

What Council does

The Council prepares plans and policies that deliver the Resource Management Act 1991 (RMA), including Development Strategies and the District Plan.

The District Plan, a legal requirement under the RMA, controls the way we use, subdivide and develop land in our District. It identifies where activities can take place, how land can be developed and what special features of our District should be protected.

This requires careful consideration and balancing of the need to protect our heritage, taonga, and quality of living environments with enabling development and growth.

District Plan Review

In 2017, Council embarked on a full review of its District Plan. The current District Plan is nearly 20 years old and no longer compliant with the RMA. In June 2019, Council undertook consultation with the community on the scope of the District Plan review, and in May 2021 the Plan was formally notified. Council received 123 submissions and 29 further submissions on this proposed Plan, and appointed a Panel of Commissioners, chaired by Commissioner Robert Schofield, to assess submissions and recommend a new District Plan to Council by May 2023. The formal hearings for the District Plan review will conclude at the end of 2022.

Over the next ten years, investment is planned to see a continuing rolling review of the District Plan put in place. This rolling review will be critical to ensuring the Plan remains compliant with the RMA. It will also, importantly, ensure we keep pace with, and prepare for the growth our District is currently experiencing and that which is forecast in the Central Hawke's Bay Integrated Spatial Plan 2020 – 2050.

The District Planning Activity supports the following goals of Council:



What we delivered

LEVEL OF SERVICE TO BE DELIVERED	TARGETS TO MEASURE OUR SUCCESS IN 2021/22	ACHIEVED LEVEL OF SERVICE
Council creates an environment where development and the use of land in our District balances the need for growth while protecting our special places and community values.	A District Plan current within the statutory timeframes.	<p>Achieved</p> <p>This measure recognised that Council is making progress towards the review of its District Plan. Council remains on track to have reached, by 2023/24 and in accordance with the 2021-2031 Long Term Plan measures, a new Operative District Plan that gives effect to national policy statements and national environmental standards within statutory timeframes.</p> <p>The District Plan review continues to progress, currently going through formal hearings which are due to be completed by the end of 2022. Following these hearings, the Panel of Commissioners will deliberate and make recommended decisions to Council on a new District Plan, for Council to adopt by May 2023, within statutory timeframes (ie, within two years of public notification).</p>
	A District Plan that is future-focused and responsive to the district's growth and development.	<p>Not Achieved</p> <p>Officers are developing a project plan to integrate issues that have not been able to be included in the current District Plan review.</p> <p>It is anticipated the plan will outline the sequencing of reviews (including potential plan changes) that will be required to ensure the District Plan stays current and enables/facilitates strategic planning and development over the next 10 years, in particular in light of the growth Central Hawke's Bay is experiencing.</p> <p>This work programme has however been put on hold to ensure that Council's resources prioritise the delivery of the current District Plan review in order for a new District Plan to be operative in 2023.</p> <p>Officers are also mindful of the timing of the RMA reform and based on advice from the Ministry for the Environment expect that the full Natural and Built Environment Act will be available for consultation later in 2022. This creates some level of uncertainty as to how the new district plan will transition into the new resource management system. In association with the Strategic Planning Bill and public consultation on the new legislation Council will be seeking to ensure the district is as well placed for this as it can be.</p>

Land Use and Consenting

What Council does

The council processes, and provides advice on, resource consent applications, which enable the use, development and subdivision of land in line with our District Plan and other policies.

When assessing applications or providing advice, we look at how any proposed use, development and subdivision will affect the community as a whole.

We work with developers to facilitate new initiatives and developments in our District. As part of this we work to ensure the advice we give, and the consents we issue, benefit the wider community and facilitate good development decisions.

We monitor compliance with the District Plan standards, and conditions of consents, to ensure any negative effects on the environment are avoided, remedied or mitigated.

This sometimes means there are appeals to the Environment Court on our decisions, and managing that process is an important part of this activity.

Growth a major focus

Forecast growth is expected to be a major ongoing challenge in this area. We are managing unprecedented levels of growth and development in the District, not seen to the same extent since the 1960's.

In the last two years we have seen a period of unprecedented growth with 249 resource consents processed in the 2021/22 year. An additional 1,500 homes are expected to be constructed over the next ten years across the District, with subdivision required to create new land parcels for these homes.

The Land Use Consent Activity supports the following goals of Council:



What we delivered

LEVEL OF SERVICE TO BE DELIVERED	TARGETS TO MEASURE OUR SUCCESS IN 2021/22	ACHIEVED LEVEL OF SERVICE
Land use, development and subdivision of land is enabled in line with the District Plan and other environmental policies.	100% of resource consents (non-notified) processed within 20 working days (the statutory timeframe).	Not Achieved 257 resource consents were processed in the year with 62.2% (2021: 49.6%) processed within the 20-day statutory limit. As a result of the tight labour market and continued staff vacancies, over 95% of all applications have been processed by external agents during this period.
	90% of customers satisfied with the land use and subdivision consent services provided.	Not Achieved An 87% (2021: 72%) satisfaction score was achieved through targeted surveys and is a direct result of proactive communication with customers to acknowledge our internal resourcing issues.

Building Control

What Council does

The Council is responsible for receiving, processing and issuing building consents. This involves processing applications, conducting inspections throughout building projects, enforcing building standards, and responding to building-related complaints.

As a Council, we must manage building consents in a manner that contributes to the health and wellbeing of the community. We work hard to ensure that all people, including developers, understand the requirements, costs and timeframes involved in a building process.

Providing advice and guidance through the process is an important part of this activity and helps to generate successful outcomes for all. We encourage people to come in and talk to us before or during works to ensure things are done correctly the first time.

A growing District

There are 1,500 new homes forecast for construction in Central Hawke's Bay over the next ten years. In the 20/21 year, the District experienced its largest year of commercial construction value in over 20 years.

Further expansion and capital investment in commercial construction is expected over the life of this plan. This growth will require Council to be prepared to respond to this increase in Building Consents

The Building Control Activity supports the following goals of Council:



What we delivered

LEVEL OF SERVICE TO BE DELIVERED	TARGETS TO MEASURE OUR SUCCESS IN 2021/22	ACHIEVED LEVEL OF SERVICE
The building consent process is compliant, efficient and user friendly.	100% of building consents processed within 20 working days (the statutory timeframe).	Not Achieved 441 (2021:427) Building Consents were processed in the year with 72.8% (2021: 87.8%) processed within the 20 day statutory timeframes. The average processing time was 15.3 days (2021:15.8 days).
	90% of customers satisfied with the building consent services provided.	Not Achieved Despite challenging times for the sector, positive customer feedback has been received throughout the year and is echoed in comments received in the residents' survey with an 88% satisfaction rating (2021: 73%).

Environmental Health

What Council does

The Council monitors and enforces environmental and public health standards to keep our community safe and healthy.

We ensure that public health standards are maintained so you are confident that your food is safe when you go out to eat. We also respond to complaints in accordance with our legislative responsibilities.

This activity delivers three key functions among other powers and responsibilities:

1. Registration and inspection of premises including hair salons, camping grounds and funeral directors.
2. Registration and auditing of food premises
3. Alcohol Licensing

The Environmental Health Activity supports the following goals of Council:



What we delivered

LEVEL OF SERVICE TO BE DELIVERED	TARGETS TO MEASURE OUR SUCCESS IN 2021/22	ACHIEVED LEVEL OF SERVICE
A safe and healthy community, by ensuring environmental and public health standards are maintained.	100% of Complaints received are responded to within 3 working days.	Achieved 100% of complaints responded to within 3 working days. A total of 3 complaints were received.
	95% of customers satisfied with the public health services delivered.	Achieved During the Independent Survey completed in May/June 95% of customers were satisfied with the public health services delivered. (2021: 94%)

Animal Services

What Council does

The Council delivers services to manage dog and stock control, safeguarding the public from wandering, threatening and aggressive animals. This includes educating the public on responsible animal ownership and providing services for dog registration.

We receive and respond to complaints from the public and issue fines for breaches of legislation when necessary.

The Council operates a pound, which provides roaming or abandoned animals with shelter and food and offers a microchipping service.

This involves re-housing stray animals where possible and appropriate. We have a statutory responsibility to undertake this activity, through the Dog Control Act 1996 and the Stock Impounding Act 1955.

The Animal Services Activity supports the following goals of Council:



What we delivered

LEVEL OF SERVICE TO BE DELIVERED	TARGETS TO MEASURE OUR SUCCESS IN 2021/22	ACHIEVED LEVEL OF SERVICE
Animals are looked after in a humane manner and are not menacing, dangerous or a nuisance to the public.	More than 95% of known dogs registered.	Achieved 97% of known dogs are registered as at June 2022. This is an increase from 92% achieved in the 2020/21 year.
	100% of serious dog incidents responded to within 2 hours.	Achieved 100% of serious dog incidences responded to within 2 hours. A total of 28 requests for service were received.
	100% response to all stock complaints and requests within 24 hours.	Achieved 100% of all stock complaints and requests responded to within 24 hours. A total of 49 complaints were received.
	90% of users satisfied with the Animal Control service provided.	Achieved During the Independent Survey completed in May/June 91% of customers were satisfied with the animal services delivered. (2021:71%)

Compliance and Monitoring

What Council does

This activity ensures that standards, either set by Council through policies or bylaws, or by Central Government legislation that Council is required to monitor, are being met.

This includes monitoring the conditions of resource consents and requirements the Resource Management Act 1991 (RMA).

We carry out inspections under legislation including the inspection of swimming pool fences and management of earthquake prone building legislation. We also implement our requirements under the Building Act 2004, relating to Building Warrants of Fitness and other related requirements.

We respond to noise complaints and other bylaw breaches, and issue Land Information Memorandums (LIMS) and Property Information Memorandums (PIMS).

The Compliance and Monitoring Activity supports the following goals of Council:



What we delivered

LEVEL OF SERVICE TO BE DELIVERED	TARGETS TO MEASURE OUR SUCCESS IN 2021/22	ACHIEVED LEVEL OF SERVICE
The compliance and monitoring process is compliant, efficient and customer-friendly.	90% of Owners, or their agents, advised that their BWOF has lapsed within one month of expiry.	Achieved 100% (2021: 100%) of owners have been contacted within the required timeframe and BWOF processing is up to date.
	100% of PIMs, LIMs, and CCCs issued within the statutory timeframe.	Achieved 100% (2021: 97%) of LIMS issued within 10 days. 100% (2021: 97%) of CCC issued within statutory timeframe of 20 days. Average processing time was 3 days (2021: 3 days).
	100% of complaints about non-compliance with bylaws responded to within 3 days.	Achieved 100% (2021: 100%) of complaints responded to within 3 working days. A total of 23 complaints were received.
	100% of resource consents monitored within two years of being issued.	Achieved New reporting tool in development to increase relevance with full implementation in line with adoption of the proposed district plan early 2022. Currently there is only 1 consent that requires ongoing monitoring which is regularly monitored.
	90% of users satisfied with the Compliance and Monitoring service provided.	Not Achieved 71% satisfaction rating achieved. This is the first year where targeted surveys have specifically focused on Building Compliance and Monitoring services. In 2021 building consents have been included with Building Compliance and Monitoring services with a collective rating of 72%.

Funding Impact Statement for the year ending 30 June 2022 for

Planning and Regulatory Group

	2021 Long Term Plan \$000	2022 Long Term Plan \$000	2022 Actual \$000
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges and rates penalties	807	1,238	1243
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees, charges	1,041	1,686	2577
Interest and dividends from investments	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	22	16	8
Total operating funding	1,870	2,939	3,828
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	1,334	2,920	3,884
Finance costs	19	66	30
Other operating funding applications	484	597	642
Total applications of operating funding	1,837	3,583	4,556
Surplus (deficit) of operating funding	33	(644)	(728)
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	201	1344	963
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding	201	1344	963
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	234	700	237
- to replace existing assets	0	0	0
Increase (decrease) in reserves	0	0	(2)
Increase (decrease) of investments	0	0	0
Total application of capital funding	234	700	235
Surplus (deficit) of capital funding	(33)	644	728
Funding balance	0	0	0

Fees & Charges were above budget with an increase in building and resource consents income. This was offset by additional costs to outsource the processing the consents that couldn't be handled in house and undertaking the District Plan Review. The change in debt relates to the District Plan Review which is being debt funded, as well as the purchase of land to house the new Pound.

Land Transport Group

Land Transport

What Council does

Council is the road controlling authority for Central Hawke's Bay. Our role is to provide a transport system that improves wellbeing and liveability by providing safe, sustainable, reliable, efficient, and effective movement of people and goods.

The existing transport network is a significant part of the District's core infrastructure and contributes to the social and economic wellbeing of residents, visitors and businesses.

Our transport network is essential to the continued growth and economic success of Central Hawke's Bay District and must be managed safely, efficiently and effectively now and in the future.

Funding Assistance Rate (FAR)

As part of the National Land Transport Programme run by the Waka Kotahi NZ Transport Agency, each Council receives a Funding Assistance Rate (FAR). This offsets the rates cost of local land transport activities such as local road maintenance and improvements, public transport and cycling improvements.

Currently Council receives a 61% FAR from Waka Kotahi NZ Transport Agency, with rates forming the remaining 39% of the cost of current subsidised works Council completes.

The FAR rate we receive is forecast to decrease over the 2021-2031 Long Term Plan. This means that ratepayers will have to pay 1% more for the cost of everyday roading services each year until the FAR rate eventually reduces to 59% in 2023/24.

The Land Transport Activity supports the following goals of Council:



What we delivered

LEVEL OF SERVICE TO BE DELIVERED	TARGETS TO MEASURE OUR SUCCESS IN 2021/22	ACHIEVED LEVEL OF SERVICE
Safe, reliable and lasting road assets that connect our people and places and allow our district to prosper.	Reduce fatalities and serious injury crashes on the local road network to zero.	Not Achieved There were no fatalities for the year ending in June 2022. There were 10 serious injuries recorded on Council roads during the year
	85-90% quality of ride on a sealed local road network, measured by smooth travel exposure.	Achieved 96% of average quality of ride on a sealed local road network, measured by smooth travel exposure. This is measured yearly using laser mounted equipment which gather information which impacts ride quality on the sealed road network.
	At least 50% of the footpaths in excellent condition and no more than 10% of the footpaths in poor condition measured annually.	Achieved The council has 74 kilometres of footpaths. The footpath condition was rated as 60% excellent and only 5% poor.
	4-10% of the sealed local road network that is resurfaced.	Achieved 4.1 % of the network has been re-sealed this year.
	100% of customer service requests relating to road and footpaths are responded to within three working days.	Not Achieved 91% of customer service requests relating to road and footpaths were responded to within the targeted 3 days.
	90% of users satisfied with the roading service provided.	Not Achieved 67% of users are happy with the quality of land transport services with an increase in rural areas being unsatisfied.

Funding Impact Statement for the year ending 30 June 2022 for

Land Transport Group

	2021 Long Term Plan \$000	2022 Long Term Plan \$000	2022 Actual \$000
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges and rates penalties	6,707	6,967	6,976
Targeted rates	0	0	0
Subsidies and grants for operating purposes	2,571	3,198	4,058
Fees, charges	19	63	52
Interest and dividends from investments	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	165	166	180
Total operating funding	9,462	10,394	11,266
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	4,635	5,349	6,290
Finance costs	0	0	0
Other operating funding applications	1,178	1,792	1,771
Total applications of operating funding	5,813	7,141	8,061
Surplus (deficit) of operating funding	3,649	3,253	3,205
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	4,663	12,466	15,592
Development and financial contributions	3	0	0
Increase (decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	12
Lump sum contributions	0	0	0
Total sources of capital funding	4,666	12,466	15,604
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	300	1,250	394
- to replace existing assets	7,999	14,303	17,976
Increase (decrease) in reserves	16	166	439
Increase (decrease) of investments	0	0	0
Total application of capital funding	8,315	15,719	18,809
Surplus (deficit) of capital funding	(3,649)	(3,253)	(3,205)
Funding balance	0	0	0

Subsidies for Capital Expenditure and the replacement of assets contains additional revenue and costs of \$11.2m relating to the PGF funded route 52 upgrade project.

2021/22 was year one of Council's operating envelope with Waka Kotahi NZ Transport Agency, and Council was slightly behind in its delivery schedule at the end of the year. This will be caught up before the end of its three year contract.

Also impacting 2021/22 was additional expenditure relating to emergency reinstates following a number of weather events causing slips and road slumping.

Solid Waste Group

Solid Waste

What Council does

Our solid waste activities cover refuse collection and disposal, transfer stations, recycling, hazardous waste management, management of the District's operating Landfill on Farm Road and closed landfill sites, and support for waste minimisation and educational activities.

In the 2021/2022 financial year, we managed 17,500 tonnes of waste. This comes from weekly kerbside collections, transfer station deliveries and deliveries direct to our landfill from Central Hawke's Bay and other districts such as Tararua. Approximately, 3,000 tonnes is recycled through the kerbside recycling service and other waste diversion programmes.



A major focus for Council has been the vision of achieving a Waste Free CHB. This vision, established through the Waste Management and Minimisation Strategy in 2019, introduces three new targets:

1. To increase diversion from landfill to 70% by 2040
2. To increase diversion from landfill to 48% by 2025
3. To increase participation in kerbside recycling services (measured through set-out rates) to 60% by 2025

We continue to make minor adjustments to our kerbside recycling collection attempting to increase waste diversion from landfill whilst balancing these against costs.

A separate crate for cardboard and paper was introduced to improve the amount and quality of recyclable paper we receive.

The Solid Waste Activity supports the following goals of Council:



What we delivered

LEVEL OF SERVICE TO BE DELIVERED	TARGETS TO MEASURE OUR SUCCESS IN 2021/22	ACHIEVED LEVEL OF SERVICE
Council supports and provides incentives for waste reduction, reuse and recycling in order to achieve its Waste Free CHB goals.	32% of total waste is diverted from the landfill to recycling, re-use and recovery.	Achieved 2309 tonnes out of the 6146 tonnes (37.6%) received at transfer stations was diverted.
	2,275m ³ of green waste processed each year.	Achieved 2655m ³ of green waste was processed this year.
	94.4% of schools participating in waste minimisation programmes.	Achieved 17 out of the 18 schools (94%) in the district and 5 pre-schools enrolled in a waste minimisation programme.
	Hold 5 waste minimisation promotional events in the District.	Achieved 8 waste minimisation events were held this year.
	80% of users satisfied with the solid waste service provided.	Achieved 90% of users satisfied with the kerbside recycling service (up from 82% in the 2020/21 year). 96% of users satisfied with the recycling drop off centres. 93% of users satisfied with the rural recycling trailer service. 87% of users satisfied with the kerbside rubbish service (up from 82% in the 2020/21 year). 85% of users satisfied with the transfer station service (up from 71% in the 2020/21 year).

Funding Impact Statement for the year ending 30 June 2022 for

Solid Waste Group

	2021 Long Term Plan \$000	2022 Long Term Plan \$000	2022 Actual \$000
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges and rates penalties	1,195	1,327	1,333
Targeted rates	242	399	401
Subsidies and grants for operating purposes	54	260	286
Fees, charges	1,156	2,088	2,453
Interest and dividends from investments	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
Total operating funding	2,648	4,074	4,473
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	1,942	2,943	4,137
Finance costs	85	39	24
Other operating funding applications	342	537	533
Total applications of operating funding	2,369	3,519	4,694
Surplus (deficit) of operating funding	278	554	(221)
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	10	0
Increase (decrease) in debt	(122)	(119)	233
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding	(122)	(109)	233
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	0	68	67
- to replace existing assets	97	105	13
Increase (decrease) in reserves	59	272	(68)
Increase (decrease) of investments	0	0	0
Total application of capital funding	157	445	12
Surplus (deficit) of capital funding	(278)	(554)	221
Funding balance	0	0	0

The income from fees and charges was higher than budgeted reflecting the buoyant economy and the activity in the construction industry.

Operating expenditure was also higher than budget by \$1,175k. \$798k of this was from the purchase of carbon credits (reflects the increased tonnage and price escalations). The balance is related to the expansion of the solid waste kerbside collection services (both refuse and recycling) and the new recycling trailer service. This is a mixture of setup costs and ongoing delivery costs.

Water Supplies Group

Water Supply

What Council does

We operate seven different water supply schemes servicing Kairakau, Pourerere, Pōrangahau, Takapau Te Paerahi, Waipawa and Otāne, and Waipukurau. These supply schemes provide water to over 4,100 households and businesses.

Our water supply schemes require a large amount of infrastructure including water treatment plants, reservoirs, pump stations, pipe networks, water meters, back flow prevention units, hydrants and more.

The water supply systems are designed to treat raw water to make sure it is safe to drink, and to continuously supply this water to users at a suitable pressure and quantity through a piping network. Council's water supply systems also needs to provide enough water pressure for firefighting services in urban areas. Council undertakes these water supply activities because of public demand, statutory obligations and duty of care.

We work under a Ministry of Health framework to ensure our supplies are meeting the Drinking Water Standards for New Zealand.

The Wastewater Activity supports the following goals of Council:



What we delivered

LEVEL OF SERVICE TO BE DELIVERED	TARGETS TO MEASURE OUR SUCCESS IN 2021/22	ACHIEVED LEVEL OF SERVICE
Safe, reliable and consistent water supplies to our community, working with our customers to support wise and sustainable water use.	100% of all potable supplies comply with part 4 of the drinking water standards (bacteria compliance criteria).	Not Achieved Not achieved for Waipukurau due to a high turbidity event in March 2022 associated with the severe weather event. All other supplies have achieved this measure.
	100% of all potable supplies comply with Part 5 of the drinking water standards (protozoal compliance criteria).	Not Achieved Not achieved due to a technical non compliance in late 2022 associated with data loss. No risk to water quality was identified.
	No more than 30% of real water loss from the local authority's networked reticulation system.	Not Achieved Modelling shows that water losses across the network exceed the targeted 30%. Further work is underway to install additional network water meters which will verify losses more accurately and will enable targeted improvement.
	Attendance for urgent call-outs; no longer than 2 hours from notification to the time that service personnel reach the site.	Achieved The median response time for year to date is 0 hours 18 minutes.
	Resolution of urgent call outs; no longer than 12 hours from notification to the time that service personnel confirm resolution of the fault or interruption.	Achieved The median resolution time for year to date is 1 hour 30 minutes.
	Attendance for non-urgent call outs: no longer than 6 hours from notification to the time that service personnel reach the site.	Achieved The median response time for year to date is 0 hours 12 minutes.
	Resolution of non-urgent call outs: 72 hours from notification to the time that service personnel confirm resolution of the fault or interruption.	Not Achieved The median response time for year to date is 117 hours 48 minutes.
	No more than 5 complaints relating to drinking water received (per annum per 1000 connections to the local authority's networked reticulation system).	Achieved There were 18 complaints received out of a total of 4295 connections which is 4.19 complaints per 1000 connections.
	≤1.80m ³ average consumption of drinking water per day per water connection.	Not Achieved The average water consumption per water connection is 2.62m ³ per day.
	90% of users satisfied with the water supply service provided.	Achieved 90% of residents were satisfied with service provided.

Funding Impact Statement for the year ending 30 June 2022 for

Water Supplies Group

	2021 Long Term Plan \$000	2022 Long Term Plan \$000	2022 Actual \$000
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges and rates penalties	0	0	0
Targeted rates	3,272	3,713	3807
Subsidies and grants for operating purposes	0	0	585
Fees, charges	0	5	28
Interest and dividends from investments	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
Total operating funding	3,272	3,718	4,420
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	1,532	1,980	2,952
Finance costs	616	293	167
Other operating funding applications	511	780	872
Total applications of operating funding	2,659	3,053	3,991
Surplus (deficit) of operating funding	613	665	429
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	0	2300	2,505
Development and financial contributions	5	770	192
Increase (decrease) in debt	220	1,707	2,916
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding	225	4,777	5,613
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure			
- to meet additional demand	0	163	104
- to improve the level of service	0	3,939	3708
- to replace existing assets	1,088	1668	2364
Increase (decrease) in reserves	(250)	(328)	(134)
Increase (decrease) of investments	0	0	0
Total application of capital funding	838	5,442	6,042
Surplus (deficit) of capital funding	(613)	(665)	(429)
Funding balance	0	0	0

Council received \$3m of external funding from central government (3 Waters reform and Tourism Infrastructure funding) which has paid for approximately 40% of Councils capital program and \$549k of its operating costs for 2022.

Council continues to face price escalations as it tries to manage a aging network and as the network continues to expand.

During the year Council undertook \$6.2m of asset creation/renewals against a budget of \$5.8m (as detailed in the table below).

DRINKING WATER

	LTP 2021/22	Actuals 2021/22	Project Status	Funding Mechanism
Growth Projects	162,500	103,561	On Going	Developer Contributions
Bulk Water Metering	100,000	1,588	On Going	Loan Funding
Waipukurau Second Supply	2,333,000	1,560,931	On Going	Loan Funding
District Wide Reticulation Renewals	1,590,000	1,160,707	On Going	Loan Funding
Waipukurau fire fighting improvements	604,140	47,414	On Going	Loan Funding
Waipawa fire fighting improvements	494,279	404,512	On Going	Loan Funding
Great North Rd - High St Main Replacement	200,000	0	On Going	Loan Funding
3 Waters Reform Capital Program	0	2,405,007	On Going	External Funding
Kairakau Water Supply	0	139,832	On Going	External Funding
Other Improvements/Renewals	285,900	352,334		Loan Funding
	5,769,819	6,175,886		

Wastewater (Sewerage) Group

Wastewater (Sewerage)

What Council does

The Council operates and manages six wastewater schemes, servicing the urban areas of Pōrangahau, Otāne, Takapau, Te Paerahi, Waipawa and Waipukurau.

The Council provides a variety of infrastructure to manage sewerage within our identified urban and residential areas. Our sewer system includes sewer service lines, manholes, underground pipes, pump stations and sewer treatment plants. Major investment is required across our entire network, as a result of rates being held at artificially low levels over a number of years, at the expense of essential renewals.

This activity also includes the Council's 'Tradewaste' functions, which include the monitoring and treatment of liquid discharged from businesses into the wastewater system.

We undertake wastewater activities because of statutory obligations, duty of care and public demand. The alternative to a Council provided sewerage system is the use of septic tanks. These independent systems are approved and monitored by the Hawke's Bay Regional Council (HBRC). The six Council managed wastewater schemes all have resource consents that have expired or will expire in the life of this plan.

Our vision for Wastewater is that...

"Our effluent is treated in a sustainable way that creates a resource, protects our environment, and continues to do so for generations to come."

The Wastewater Activity supports the following goals of Council:



What we delivered

LEVEL OF SERVICE TO BE DELIVERED	TARGETS TO MEASURE OUR SUCCESS IN 2021/22	ACHIEVED LEVEL OF SERVICE
Effective reticulation, treatment and disposal of wastewater in a way that protects the health of our communities and our natural environment.	No more than 10 dry weather sewerage overflows (per 1,000 connections to the total sewerage system).	Achieved 2.03 dry weather sewerage overflows per 1,000 connections to the total sewerage system. There are currently 3444 sewerage connections to the total sewerage systems.
	No more than 30 total sewerage overflows (per 1,000 connections to the total sewerage system).	Achieved 2.61 sewerage overflows per 1,000 connections to the total sewerage system. There are currently 3444 sewerage connections to the total sewerage systems.
	Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of: <ul style="list-style-type: none"> • 0 abatement notices • 0 infringement orders • 0 enforcement orders and • 0 convictions, received by the territorial authority 	Achieved 0 abatement notices 0 infringement orders 0 enforcement orders 0 convictions, received by the territorial authority
	No more than one hour median response time for attending sewerage overflows resulting from blockages or other faults (measured from the time that notification is received to the time that service personnel reach the site).	Achieved The median response time year to date is 36 minutes.
	No more than four hours median resolution time for attending sewerage overflows resulting from blockages or other faults (measured from the time that notification is received to the time that service personnel confirm resolution of the blockage or other fault).	Not Achieved The median resolution time year to date is 4 hours 27 minutes.
	No more than 10 complaints received per annum per 1,000 sewerage connections about any of the following: <ul style="list-style-type: none"> • Sewage odour, • Sewerage system faults, • Sewerage system blockages or Council's response to issues with its sewerage systems. 	Achieved 8.13 complaints received per 1,000 sewerage connections year to date. There are currently 3444 sewerage connections to the total sewerage systems.
	90% of users satisfied with the wastewater service provided.	Achieved 92% of residents were satisfied with service provided.

Funding Impact Statement for the year ending 30 June 2022 for

Wastewater (Sewerage) Group

	2021 Long Term Plan \$000	2022 Long Term Plan \$000	2022 Actual \$000
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges and rates penalties	0	0	0
Targeted rates	3,573	3,008	3008
Subsidies and grants for operating purposes	0	0	1346
Fees, charges	245	775	455
Interest and dividends from investments	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
Total operating funding	3,818	3,783	4,809
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	1,519	1,412	3,081
Finance costs	698	426	296
Other operating funding applications	511	780	582
Total applications of operating funding	2,728	2,618	3,959
Surplus (deficit) of operating funding	1,090	1,165	850
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	0	700	2,678
Development and financial contributions	10	902	354
Increase (decrease) in debt	1,100	1,535	5,325
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding	1,110	3,137	8,357
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure			
- to meet additional demand	0	1,496	385
- to improve the level of service	0	2,969	3856
- to replace existing assets	2,168	3698	5119
Increase (decrease) in reserves	32	(3,860)	(153)
Increase (decrease) of investments	0	0	0
Total application of capital funding	2,200	4,302	9,207
Surplus (deficit) of capital funding	(1,090)	(1,165)	(850)
Funding balance	0	0	0

Council received \$4m of external funding from central government (3 Waters reform funding) which has paid for approximately 30% of Councils capital program and \$1.3m of its operating costs for 2022. This additional revenue for operations has also been reflected in its operational expenditure.

During the year Council undertook \$9.4m of asset creation/renewals against a budget of \$8.2m (as detailed in the table below).

WASTEWATER

	LTP 2021/22	Actuals 2021/22	Project Status	Funding Mechanism
Growth Projects	115,000	33,634	On Going	Developer Contributions
Reticulation renewal - Racecourse Road	1,231,000	118,251	On Going	Loan Funding
Reticulation renewal-Winlove				
to Svenson Hosp Site enablement	150,000	232,667	On Going	Loan Funding
Takapau wastewater treatment and discharge upgrade	532,591	345,000	On Going	Loan Funding
Great North Rd link Abbotsford to Tamumu Main	350,000	49,084	On Going	Loan Funding
Porangahau/Te Paerahi wastewater treatment and discharge upgrade	2,085,929	475,147	On Going	Loan Funding
District I&I Project	300,000	81,841	On Going	Loan Funding
3 Waters Reform Capital Program	0	2,901,644	On Going	External Funding
Otane/Waipawa/Waipukurau wastewater treatment and discharge upgrade	3,197,634	4,621,718	On Going	Loan Funding
Waipukurau Review main under buildings	200,000	3,638		Loan Funding
Other Improvements/Renewals	0	496,476		Loan Funding
	8,162,154	9,359,099		

Storm Water Group

Stormwater

What Council does

Stormwater is the water that runs off surfaces such as roads, driveways, footpaths and rooftops after rain events.

The Council operates and manages four stormwater systems in Otāne, Takapau, Waipawa and Waipukurau. These systems are designed to take stormwater away from built up urban areas and disperse it to waterways (streams, rivers and the ocean) to minimise the effects of flooding on property and the risk to human life. Our stormwater systems include underground pipes, open drains, overland flow paths, pump stations and stormwater ponds.

Networks in Pōrangahau, Ongaonga, Te Paerahi, Tikokino and other coastal settlements form part of the roading network and drainage system.

Alongside our urban stormwater drainage systems, the Hawke's Bay Regional Council (HBRC) is responsible for managing rivers and rural drainage schemes to ensure our communities are protected from flooding.

Freshwater Management – National Policy Statement

The National Policy Statement Freshwater Water Management 2020, came into effect in September 2020.

The new policy statement aims to avoid further loss or degradation of waterways and will involve a whole new approach to how stormwater is currently managed in the District.

This means Council can expect required upgrades to its existing and/or new stormwater discharges, with the ongoing levels of maintenance and treatment standards of stormwater to be much higher than currently provided for in future resource consents.

The Stormwater Activity supports the following goals of Council:



What we delivered

LEVEL OF SERVICE TO BE DELIVERED	TARGETS TO MEASURE OUR SUCCESS IN 2021/22	ACHIEVED LEVEL OF SERVICE
Effective management of stormwater in a way that respects and protects private and public assets and preserves the health of the waterways.	For each flooding event, 0 of habitable floors affected. (Expressed per 1,000 properties connected to the territorial authority's stormwater system.)	Not Achieved 0.3 habitable floors affected in flooding events per 1,000 properties connected. There are currently 3233 storm water connections to the networked reticulation system.
	Compliance with the territorial authority's resource consents for discharge from its stormwater system measured by the number of: <ul style="list-style-type: none"> • abatement notices 0 • infringement orders 0 • enforcement orders 0; and • successful prosecutions, received by the territorial authority in relation to those resource consents 0 	Achieved All requirements listed below were achieved within the reporting period for Councils stormwater systems. <ul style="list-style-type: none"> • abatement notices: 0 • infringement orders: 0 • enforcement orders: 0 • successful prosecutions, received by the territorial authority in relation to those resource consents: 0
	No longer than 2 hours response time to attend a flooding event, measured from the time of notification to the time that service personnel reach the site.	Achieved The median response time year to date is 120 minutes as there were 7 flooding events reported.
	No more than 5 complaints received about the performance of the stormwater system (expressed per 1,000 properties connected to the stormwater system).	Achieved 3.71 complaints received per 1,000 stormwater connections. There are currently 3233 storm water connections to the networked reticulation system.
	90% of users satisfied with the stormwater service provided.	Not Achieved 83% of residents were satisfied with the service provided.

PROJECT	2021 LONG TERM PLAN \$	2021 ANNUAL PLAN \$	2021 ACTUAL \$	PROJECT STATUS	FUNDING MECHANISM
District Wide Renewals	226,000	226,000	49,380	Ongoing	Rates
Waipukurau Tutanekai St Helicoil Replacement			303,352	Complete	Rates / Reserves
Total application of capital funding	226,000	226,000	352,732		

Funding Impact Statement for the year ending 30 June 2022 for

Storm Water Group

	2021 Long Term Plan \$000	2022 Long Term Plan \$000	2022 Actual \$000
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges and rates penalties	0	85	86
Targeted rates	713	808	817
Subsidies and grants for operating purposes	0	0	0
Fees, charges	0	0	0
Interest and dividends from investments	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
Total operating funding	713	894	903
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	250	376	329
Finance costs	28	34	12
Other operating funding applications	166	313	324
Total applications of operating funding	444	723	665
Surplus (deficit) of operating funding	269	171	238
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	217	26
Increase (decrease) in debt	(43)	771	71
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding	(43)	988	97
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure			
- to meet additional demand	0	245	109
- to improve the level of service	0	140	644
- to replace existing assets	226	774	19
Increase (decrease) in reserves	0	1	(437)
Increase (decrease) of investments	0	0	0
Total application of capital funding	226	1,159	335
Surplus (deficit) of capital funding	(269)	(171)	(238)
Funding balance	0	0	0

Operationally Council's Stormwater was delivered largely on budget.

Council has delivered \$772k of capital upgrades to the stormwater network during 2022, short of its budget of \$1.2m (as detailed in the table below). This has meant that little of the capital program for 2022 was loan funded. The undrawn loan funding and undelivered capital program will be carried forward to 2023 to be undertaken then.

STORMWATER

	LTP 2021/22	Actuals 2021/22	Project Status	Funding Mechanism
Growth Projects	145,000	109,193	On Going	Developer Contributions
Pah Flat Drain Channel Upgrade and treatment	100,000	0	On Going	Loan Funding
Improvements to Shortfalls in Existings Assets	325,000	0	On Going	Loan Funding
Other Improvements/Renewals	588,500	662,708		Loan & Rate Funding
	1,158,500	771,901		

Places and Open Spaces

Reserves and Open Spaces

What Council does

This activity manages open spaces and parks across Central Hawke's Bay.

This includes active and passive recreation, playgrounds, sportsfields and walking tracks. The activity beautifies and celebrates our townscape and special places and promotes pride in our places. Providing quality public open spaces gives our locals spaces to enjoy, promotes the District and attract visitors.

Some sites provide attractive venues for our community. Reserves alongside riverbanks, lakes, or the coast provide for passive recreation, access to water, and promote conservation values.

We also maintain some reserves that provide, for operational purposes, access or drainage. This activity works with other community groups and organisations to develop walking and cycling facilities in our District and the Hawke's Bay Region.

The Reserves and Open Spaces Activity supports the following goals of Council:



What we delivered

LEVEL OF SERVICE TO BE DELIVERED	TARGETS TO MEASURE OUR SUCCESS IN 2021/22	ACHIEVED LEVEL OF SERVICE
A range of parks and reserves that are affordable, well maintained, safe and provide for the provide for the recreational (play and sport) cultural and environmental well-being of the community.	Monitoring the number of health and safety incidents or injuries due to inadequate or poor maintenance in our parks, reserves, or sports grounds. Target 0.	Achieved There have been no reported health and safety incidents or injuries due to inadequate or poor maintenance.
	42% of residential dwellings are within a 10-minute walk of a Council-owned or supported playground.	Not Achieved 41% of residents within urban boundaries are within a 10-minute walk of a playground.
	60% of urban dwellings are within a 10-minute walk of a park or community open space.	Achieved 61% of residents within urban boundaries are within a 10-minute walk of a park or community open space.
	80% of people have used or visited a park, reserve or open space in the last 12 months.	Achieved 86% of residents have used or visited a Council Park reserve or open space in the district in the last 12 months.
	90% of people are satisfied with the parks, reserves and open spaces.	Achieved 91% of those that have used a Council Park, reserve or open space were satisfied or very satisfied.

Public Toilets

What Council does

The Council provides and maintains 15 Public Toilets across the District. You can find these at parks and other prominent locations in the District.

Public conveniences meet the needs of our community and visitors as they are out and about. They are located for the convenience of people using spaces and facilities such as beaches and playgrounds, or as they travel through the District.

RURAL	WAIPUKURAU AND WAIPAWA	COASTAL
• Forest Gate Domain	• A'Deane Park	• Aramoana Beach
• Ōtāne Hall	• Coronation Park	• Blackhead Beach
• Ōtāne Recreation Ground	• Madge Hunter Park	• Kairakau Beach Campground
• Tikokino Hall	• Nelly Jull Park	• Kairakau Beach North End
• Ongaonga (at Ongaonga Museum)	• The Green Patch (Post Officer Corner)	• Pourerere Beach
• Takapau Town	• Bogle Brothers Esplanade	• Pourerere portaloos (Christmas holidays only)
	• Russell Park	• Te Paerahi changing shed
	• Russell Park back Sports Field	• Te Paerahi freedom camping area
	• Waipawa Cemetery	• Whangaehu
		• White Domain – Pōrangahau

The Public Toilets Activity supports the following goals of Council:



What we delivered

LEVEL OF SERVICE TO BE DELIVERED	TARGETS TO MEASURE OUR SUCCESS IN 2021/22	ACHIEVED LEVEL OF SERVICE
Facilities are clean, safe, in good working order and meet the needs of our community and visitors.	Fewer than 10 complaints received about inadequate maintenance and poor cleaning of our toilets.	Achieved Council received 1 complaint for inadequate maintenance through the year.

Retirement Housing

What Council does

Council owns and operates 48 flats across Waipukurau and Waipawa, providing retirement housing to those aged over 60.

Our aged population is increasing. Demand for housing is high and a long waiting list exists for retirement housing. In late 2020 the Council considered a Section 17a review of the Retirement Housing Activity, and confirmed it would retain the portfolio of housing it currently owns.

The decision was taken to increase rents across the portfolio to cover the cost maintenance and renewal work. This increase means the Council is able retain its retirement portfolio for older residents, without financially impacting ratepayers.

The Retirement Housing Activity supports the following goals of Council:



What we delivered

LEVEL OF SERVICE TO BE DELIVERED	TARGETS TO MEASURE OUR SUCCESS IN 2021/22	ACHIEVED LEVEL OF SERVICE
Safe, well maintained and comfortable community housing for our retired community.	95% of tenants are satisfied with Council's Retirement Housing service.	Not Achieved 80% of tenants reported that they were satisfied or very satisfied overall with their retirement housing.

Libraries

What Council does

Libraries provide a space where our community can fully participate in society, providing social connectedness, lifelong learning and literacy in the widest sense – from celebrating the love of reading, to developing skills related to business, the arts or science.

Central Hawke's Bay is serviced by two libraries in Waipawa and Waipukurau, as well as a range of online services to our community.

In addition to traditional lending services, libraries provide a range of programmes, online services and opportunities for social connectedness, including free wifi 24/7. The programmes on offer seek to break down barriers many face and empower our community to lead better lives.

Libraries Strategic Framework

The service is guided by a Strategic Framework adopted in 2019, the first ever strategic plan for the service. The Strategic Framework is guided by the outcomes and vision in Project Thrive, 'Connecting Minds, Creating Futures'. This vision is supported by four goals:

1. Leading the Way – Relevant to all
2. Facilitators for discovery, innovation and lifelong learning
3. Empowering our community to lead better lives
4. Inspiring everyone to thrive

Guided by our Libraries Strategic Framework, our libraries are transitioning into providing services that have wide ranging relevance to our community

The Libraries Activity supports the following goals of Council:



What we delivered

LEVEL OF SERVICE TO BE DELIVERED	TARGETS TO MEASURE OUR SUCCESS IN 2021/22	ACHIEVED LEVEL OF SERVICE
Our libraries are inclusive places and all people are encouraged to make use of the library's services.	81,000 physical visitors to Waipukurau Knowledge and Learning Hub – Te Huinga Wai, 66,000 physical visitors to Waipawa Library.	Not Achieved 54% of residents used a Council Library in the last 12 months. The main factor affecting this was the fact that the Waipukurau Library was closed for this period. A flaw in this dataset is that it does not measure children or youth and they are not represented in the data source of the Residents Survey. There is no way to accurately measure this level of service with some library users not necessarily registering to use the service.
	12,000 digital visits to library facilities through website, online databases, and platforms.	Achieved Across the year we have achieved 25,548 digital visits This continues to be a significant increase as we promote this platform to our users.
Council will provide a range of information services for community to access.	8 issues per capita per annum – both physical and digital.	Not Achieved 6.08 Issues per capita Final statistics are influenced by the fact that Waipukurau was closed for part of the year and that COVID closed Waipawa during Lockdown, with numbers generally down overall, reflecting the general trend of most services and libraries throughout the country.
Council will provide a range of activities and learning opportunities.	400 events and programmes available.	Achieved Approximately 439 events or programmes were available through the library, from digital support to arts and crafts and the use of the Waka Tākaro. Although COVID did inhibit people from coming into the library innovative programmes were developed to still assist those within the community, these include at home activity packs (over 200 were provided) and the Books at Home programme which allowed the delivery of books to people unable to come into the library. Digital programming has been important and therefore programmes such as Talk Digital and Tea and Tech have been developed to support the community. The Waka Tākaro has been a great contributor to engaging with the community and offering a programme to get tamariki out and engaging in Play. The libraries have assisted and supported events such as the Ki O Rahi Tournament and Matariki.
	6,000 participants in events including programmes, exhibitions, author events, and classes.	Achieved 6104 participants were involved in either events, programmes, or activities.

Community Facilities

What Council does

The Council manages built community assets and places – including halls, museums, theatres, swimming pools and the council administration building.

Our primary role is in the provision and management of these facilities on behalf of our community, regularly liaising directly with users, lessees or operators of the facilities.

We directly manage the Central Hawke's Bay Municipal Theatre, and lease the Waipukurau Civic Theatre. We also support a number of hall committees in the operation of Council and community owned halls.

We manage and operate the Waipawa and Districts Centennial Memorial Pool and provide an operational grant to the Central Hawke's Bay Community Trust for the operation of the Centralines Pool. We employ staff on behalf of the Central Hawke's Bay Museum and provide an operational grant towards its operation each year.

The Community Facilities Activity supports the following goals of Council:



What we delivered

LEVEL OF SERVICE TO BE DELIVERED	TARGETS TO MEASURE OUR SUCCESS IN 2021/22	ACHIEVED LEVEL OF SERVICE
Safe, affordable and appropriate facilities that provide for the cultural and social well-being of the community. They are activated and vibrant community spaces	12,000 community users of the Waipawa and Districts Centennial Memorial Pool.	Achieved 13,301 attended the Waipawa pool despite some closures due to below normal temperatures and COVID outbreak.
	90% of users that are satisfied with community halls.	Achieved 91% of respondents who used community halls were satisfied or very satisfied.

Cemeteries

What Council does

The Council provides and maintains cemeteries across the District, maintaining accurate records of lost loved ones.

We provide and operate eleven operational cemeteries and four closed cemeteries in the District.

The history and essence of our community is contained within our cemeteries. The community expects attractive and peaceful cemetery facilities to celebrate the lives of their loved ones, which into the future will need to cater for a growing range of differing needs and preferences.

Families and loved ones can arrange burials at Council's cemeteries or through the services of a funeral director.

Providing and managing cemeteries is carried out in accordance with the Burial and Cremations Act 1964.

OPERATIONAL

- The CHB Cemetery
- Waipawa Cemetery
- Waipukurau Cemetery
- Ōtāne Cemetery
- Takapau Cemetery
- Tikokino/Hampden Bush Cemetery
- Forest Gate Cemetery (Ongaonga)
- Pōrangahau Cemetery
- Ashley-Clinton Cemetery
- Makaretu Cemetery
- Elsthorpe Cemetery

CLOSED

- Old Kaikōra North Cemetery, Ōtāne
- Old Hampden Bush Cemetery, Tikokino

Unofficial:

- St. Peter's Church Cemetery Reserve, Waipawa
- Church Knoll Reserve, Pōrangahau

The Cemeteries Activity supports the following goals of Council:



What we delivered

LEVEL OF SERVICE TO BE DELIVERED	TARGETS TO MEASURE OUR SUCCESS IN 2021/22	ACHIEVED LEVEL OF SERVICE
Cemetery grounds provide a special place of remembrance for loved ones amongst attractive and well-maintained grounds.	90% of the community satisfied with cemetery facilities.	Achieved 98% of residents are satisfied with the Council Cemeteries.
	Zero complaints about late or inadequate services at our cemeteries.	Not Achieved There was one complaint received about an ash interment. Council worked with the family to resolve on the day.

Funding Impact Statement for the year ending 30 June 2022 for

Places and Open Spaces Group

	2021 Long Term Plan \$000	2022 Long Term Plan \$000	2022 Actual \$000
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges and rates penalties	3,561	4,166	4,185
Targeted rates	0	0	0
Subsidies and grants for operating purposes	17	2	92
Fees, charges	566	776	702
Interest and dividends from investments	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	6	43	58
Total operating funding	4,150	4,987	5,037
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	2,375	3,547	3,224
Finance costs	174	115	39
Other operating funding applications	776	1,008	1,012
Total applications of operating funding	3,324	4,669	4,275
Surplus (deficit) of operating funding	826	318	762
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	0	0	401
Development and financial contributions	4	173	103
Increase (decrease) in debt	185	406	254
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding	189	578	758
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	0	193	210
- to replace existing assets	959	683	1,034
Increase (decrease) in reserves	56	20	276
Increase (decrease) of investments	0	0	0
Total application of capital funding	1,015	896	1,520
Surplus (deficit) of capital funding	(826)	(318)	(762)
Funding balance	0	0	0

There were some variances to budget within this group which are detailed below.

Places and Open Spaces

Council has now completed in consultation on its thriving spaces and places strategy, and the capital upgrades identified in this strategy will be outworked in future years. This year was business as usual as the strategy work was completed. Unspent capital funding will be carried forward to future years.

Public Toilets

Operational costs were largely on budget.

During 2022 Council completed the Whangaehu toilet upgrade. This was partly funded by a Tourist Infrastructure Improvement Grant.

Retirement Housing

Retirement housing is a self-funding activity and operational surplus or deficits are funded from reserves.

During the year rents were increased, however despite this activity ran at a loss meant that retirement housing reserves were further depleted.

Capital works included pre-programmed exterior painting, reactive maintenance, renewals during change-over of tenants, and addition of heating where needed to meet the healthy homes standard.

Libraries

During 2022 Council opened Te Huinga Wai – Knowledge & Learning Hub in Waipukurau at a cost of \$695k (\$325k of which was externally funded, and balance funded through the use of reserves and new debt). The additional technology rooms and meeting space has allowed the Council to offer additional programs to the public.

The old Waipukurau Library remains closed while future plans for the site are developed.

Community Facilities

The Central Hawke's Bay Municipal Theatre bookings were affected by Covid restrictions and lock downs, however theatre staff did a good job reducing their costs to match their reduced income.

Again, limited capital work was undertaken while the thriving spaces and places strategy was finalised and plans were drawn up to strengthen the Central Hawke's Bay Municipal Theatre and the Waipukurau Memorial Hall.

Cemeteries

This activity operated on largely on budget throughout the year.



Section Three

Financial Information



For the Year Ended 30 June 2022

• Annual Report Disclosure Statement	64
• Statement of Comprehensive Revenue and Expense	67
• Statement of Financial Position	68
• Statement of Changes in Equity	69
• Statement of Cash Flows	70
• Funding Impact Statement (whole of council)	71
• Notes to the Financial Statements	72
• Supplementary Information	104
• Elected Council Members	105
• Glossary	106

Annual Report Disclosure Statement

For the year ended 30 June 2022

What is the purpose of this statement?

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

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

Rates (income) affordability benchmark

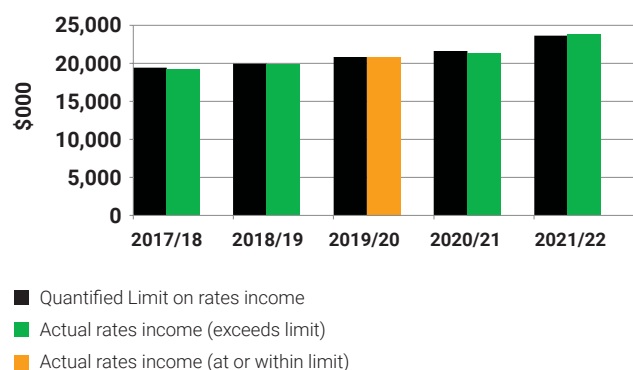
The council meets the rates affordability benchmarks if:

- Its actual rates income equals or is less than each quantified limit on rates; and
- Its actual rates increase equal or are less than each quantified limit on rates increases.

The following graphs compare the council's actual rates income with a quantified limit on rates contained in the financial strategy included in the council's long-term Plan. The quantified limit is the total rates as forecast in the 2018-2028 Long Term Plan (LTP) and 2021-2031 LTP.

Total Rates Income for 2021/22 is \$93k below the defined limit.

Rates (income) affordability - Total Rates



Rates (increases) affordability benchmark

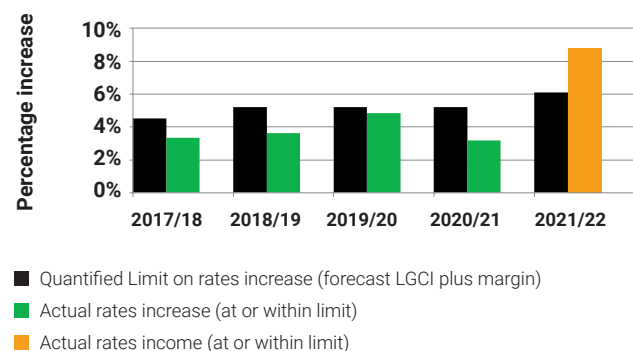
The following graph compares the council's actual rates increases with a quantified limit on rates increases contained in the financial strategy included in the council's long-term plan. The quantified limit as set in the 2021-2031 LTP is:

"Rates Increases to existing ratepayers will not exceed the projected Local Government Cost Index plus 3%.

The additional 3% provided in the rates increases limit is included to cover costs relating to natural disasters, new initiatives, additional responsibilities or higher standards imposed by central government, or increases to the levels of services approved by Council. The limits set for rates increases are the upper limit and Council will work hard to maintain increases to levels below these limits". For the 2021/22 year this was set at LGCI (3.1%) plus 3%, or 6.1% in total.

As consulted on in the 2021-31 LTP (facing the facts) Council has recognised that for too long Council infrastructure has had under investment, and the 2021-2031 LTP is a period of catch. What this means is that the quantified limit on rates increases is being purposely exceeded as Council undertakes a period of capital expenditure to catch up on prior periods of underinvestment.

Rates (increases) affordability benchmark

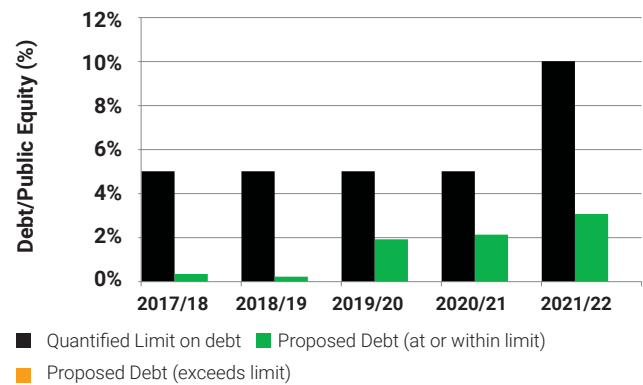


Debt affordability benchmark

The council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing. The following graph compares the council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's long-term plan. The quantified limit in the 2018-2028 LTP was 5% of Councils Equity. For the 2021-2031 LTP this was increased to be 10%.

For 2021/22 Council's External Debt equated to 2.5% of Council's Equity which was compliant with the benchmark.

Debt affordability benchmark

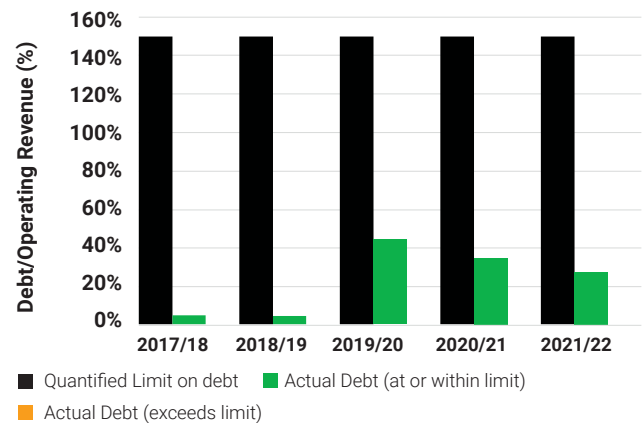


Debt as a percentage of operating income

Council meets the Debt as a Percentage of Operating Income Benchmark if Councils external debt level remains below 150% of its annual operating income. This limits is set in Council's Treasury Management Policy.

For 2021/22 Council's debt was 28% of its 2021/22 operating income so was compliant with this benchmark.

Debt as a Percentage of Operating Income



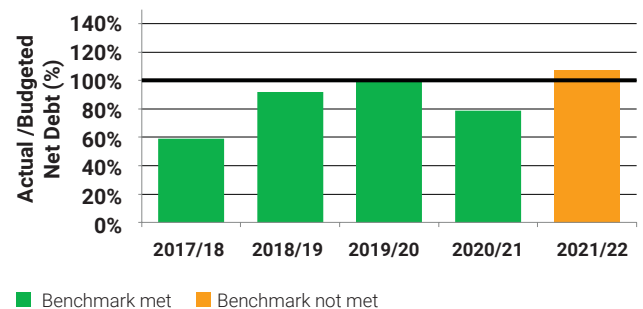
Debt control benchmark

The following graph displays the council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).

The council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.

While Council's external borrowings was below budgeted levels, its creditors exceed budgeted levels. This largely related back to the additional external funding Council has received for capital works (Route 52 upgrade, 3 waters upgrades) and operational project delivery (economic stimulus programs) being spent. Since accounts payable is one source of Council debt, the expenditure of this additional funding has distorted this benchmark for this financial year.

Debt control benchmark

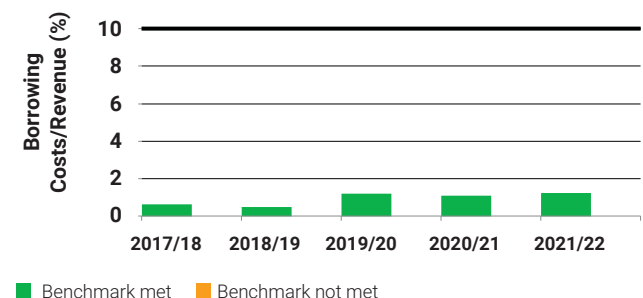


Debt servicing benchmark

The following graph compares the council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's long-term plan. The quantified limit in the 2018-2028 LTP was 5% of Councils Equity. For the 2021-2031 LTP this was increased to be 10%.

Council's borrowing costs are well below the prescribed benchmark of being equal or less than 10% of revenue. This highlights low interest rate environment Council is operating in at present.

Debt servicing benchmark



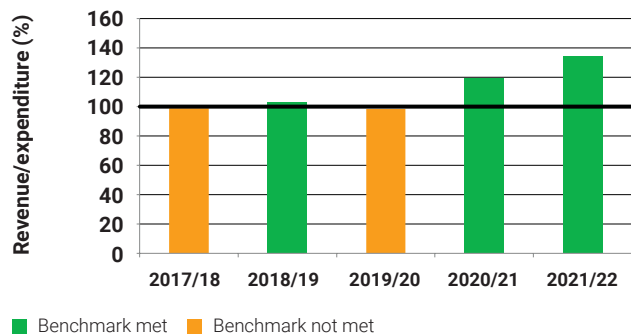
Balanced budget benchmark

The following graph displays the council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments, and revaluations of property, plant, or equipment).

Council meets this benchmark if its revenue equals or is greater than its operating expenses.

In 2021/22 Council's operating income was bolstered by external funding (PGF, 3 Waters Reform, Cultural Tourism, Economic Recovery Packages, and Tourism Infrastructure subsidies). This has distorted this benchmark for the past two financial years. As these are largely one off events it is expected that this benchmark will return to more normal levels in future years.

Balanced budget benchmark



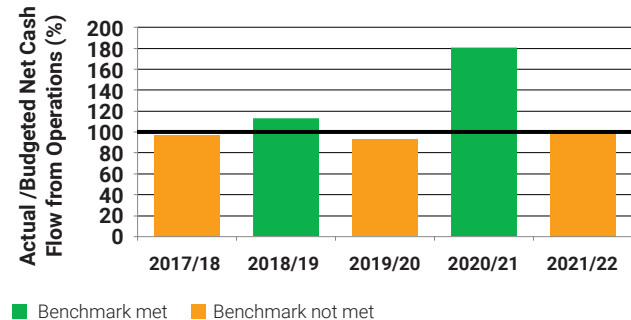
Operations control benchmark

This graph displays the council's actual net cash flow from operations as a proportion of its planned net cash flow from operations.

Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.

For the past two years Council's finances have been distorted by external funding (PGF, 3 Waters Reform, Covid Economic Recovery Stimulus). During 2021/22 Council has spent several million dollars of these funds which were received during the previous financial year resulting in a cash out flows in the current year, while the cash inflow was in the previous financial year. Also impacting this year was the district plan where \$912k of operational expenditure was funded through debt rather than operational income.

Operations control benchmark

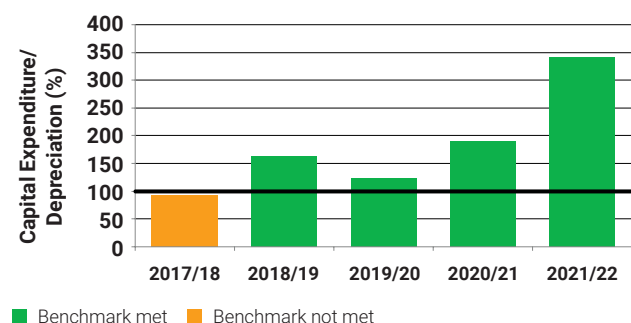


Essential services benchmark

The following graph displays the council's capital expenditure on network services as a proportion of depreciation on network services. The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.

Due to the upgrade of Route 52 (PGF funded) and 3 Waters Upgrades (funded by the 3 Waters Reform monies) Council has undertaken some significant capital works in 2021/22. Because of this additional funding and through the use of debt, Council has spent \$3.42 for every dollar of depreciation charged the year. This shows that Council's aged assets are being replaced with younger assets as promised in the "Facing the Facts" 2021/2031 Long Term Plan.

Essential services benchmark



Statement of Comprehensive Revenue and Expense

For the year ending 30 June 2022

	Note	Actual 2021 \$000	Budget 2022 \$000	Actual 2022 \$000
REVENUE				
Rates revenue	2	21,364	23,343	23,483
Subsidies and grants	2	25,909	18,960	29,692
Interest and dividends		215	71	101
Fees and Charges	2	5,204	5,418	6,284
Development contributions		322	2072	675
Other revenue	2	972	249	282
Total revenue		53,986	50,111	60,517
EXPENDITURE				
Personnel costs		5,696	7,397	7,403
Depreciation and amortisation	2	11,971	12,696	12,816
Finance costs		462	732	521
Other operating expenses	2	26,447	18,139	25,379
Total operating expenditure		44,575	38,964	46,119
Net Operating Surplus/(Deficit)		9,411	11,147	14,398
OTHER (GAINS)/LOSSES				
(Gains)/Losses on Public Debt		-	-	0
(Gains)/Losses on Investments		-	-	32
Total Other (Gains)/Losses		-	0	32
Operating surplus/(deficit) before tax		9,411	11,147	14,366
Income tax expense		0	0	0
Net surplus/(deficit) after tax		9,411	11,147	14,366
OTHER COMPREHENSIVE INCOME				
Gains/(losses) on the revaluation of property, plant and equipment	10	14,005	24,963	73,384
Gains/(Losses) on the Disposal Revalued Property, Plant and Equipment		-	-	0
Impairment of Recreation and Community Assets		-	-	0
Total other comprehensive Income		14,005	24,963	73,384
Total comprehensive income for the year		23,415	36,110	87,750

Statement of Financial Position

As at 30 June 2022

	Note	Actual 2021 \$000	Budget 2022 \$000	Actual 2022 \$000
ASSETS				
Current assets				
Cash and cash equivalents	3	2,623	2,527	5,703
Trade and other receivables	4	4,462	4,927	6,088
Prepayments		480	296	567
Stock on Hand		26	22	29
Current Investments	5	13,037	119	555
Total current assets		20,626	7,891	12,943
Non-current assets				
Investments	5	1,322	3,457	1,240
Property, plant and equipment and Intangibles	6	880,897	936,243	977,581
Total non-current assets		882,219	939,700	978,821
Total assets		902,845	947,592	991,764
LIABILITIES				
Current liabilities				
Trade and other payables	7	13,003	7,430	12,762
Employee entitlements	7	386	330	513
Current Public Debt	7	107	4118	6,130
Total current liabilities		13,496	11,877	19,406
Non-current liabilities				
Non-Current Public Debt	8	20,000	22,560	16,000
Provisions for Landfill Closure	9	3,463	4,029	2,722
Total non-current liabilities		23,463	26,590	18,722
Total liabilities		36,959	38,467	38,128
EQUITY				
Special & Other Funds	10	7,193	7,951	6,519
Trust Funds	10	184	172	184
Revaluation Reserve of Assets	10	604,604	626,166	677,990
Ratepayers' Equity		253,905	274,835	268,943
Total equity		865,886	909,125	953,636
Total Liabilities and Equity		902,845	947,592	991,764

Statement of Changes in Equity

For the year ending 30 June 2022

	Note	Actual 2021 \$000	Budget 2022 \$000	Actual 2022 \$000
Opening Equity Balance		842,469	873,015	865,884
Total comprehensive income for the year		23,415	36,110	87,750
Closing Equity Balance		865,884	909,125	953,634
COMPONENTS OF EQUITY				
Ratepayers Equity at the beginning of the Year		244,458	261,149	253,903
Net Surplus/(Deficit) for the Year		9,411	11,147	14,366
Transfers to (from) other reserves		34	2,540	674
Ratepayers Equity at end of Year		253,903	274,836	268,942
Special & Other Funds at the beginning of the Year	10	7,025	10,491	7,193
Transfers to (from) Special Funds		168	(2,540)	(675)
Special & Other Funds at the end of the Year		7,193	7,951	6,518
Trust Funds at the beginning of the Year	10	182	172	184
Transfers to (from) Trust Funds		2	0	0
Trust Funds at the end of the Year		184	172	184
Revaluation Reserves at the beginning of the Year	10	590,804	601,203	604,605
Gains/(Losses) on the Revaluation Property, Plant, and Equipment		14,005	24,963	73,384
Impairment of Recreation and Community Asset		-	-	0
Gains/(Losses) on the Disposal Revalued Property, Plant and Equipment		(204)	-	0
Revaluation Reserves at the end of the Year		604,605	626,166	677,989
Total Equity at end of Year		865,886	909,125	953,634

Statement of Cash Flows

For the year ending 30 June 2022

	Note	Actual 2021 \$000	Budget 2022 \$000	Actual 2022 \$000
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash was provided from:				
- Receipts from rates revenue		21,584	23,300	23,058
- Subsidies and grants received		30,811	18,960	25,574
- Fees and charges received		4,438	5,403	6,232
- Interest received		297	71	78
- Receipts from other revenue		507	249	250
- Development Contributions		322	2,072	675
Cash was disbursed to:				
- Payments to suppliers of Goods and Services		(26,994)	(18,034)	(24,479)
- Payments to employees		(5,640)	(7,397)	(7,276)
- Interest paid		(458)	(732)	(456)
Net cash from operating activities		24,867	23,891	23,656
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash was provided from:				
- Proceeds from sale of property, plant and equipment		38	25	311
- Proceeds from investments		17,000	2,526	15,500
Cash was disbursed to:				
- Purchase of investment		(19,000)	0	(2,963)
- Purchase of intangible assets		(11)	-	(218)
- Purchase of property, plant and equipment		(22,799)	(33,396)	(35,206)
Net cash from investing activities		(24,772)	(30,845)	(22,576)
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash was provided from:				
- Proceeds from borrowing	8	-	6,954	2,000
Cash was disbursed to:				
- Repayment of borrowings	8	-	-	0
Net cash from financing activities		-	6,954	2,000
Net (decrease)/increase in cash, cash equivalents and bank overdrafts		95	0	3,080
Cash, cash equivalents and bank overdrafts at the beginning of the year	3	2,527	2,527	2,623
Cash, cash equivalents and bank overdrafts at the end of the year	3	2,623	2,527	5,703

	Note	Actual 2021 \$000	Budget 2022 \$000	Actual 2022 \$000
Net Operating Surplus/(deficit) after tax		9,411	11,147	14,366
Add/(less) non-cash items				
Depreciation and amortisation expense		11,971	12,696	12,816
Property, plant, and equipment impairment		-	-	42
Vested Assets revenue		(393)	-	101
(Gains)/Losses in fair value of investment property		-	-	32
(Gains)/Losses on derivative financial instruments		-	-	0
Total non-cash items		11,578	12,696	12,991
Add/(less) items classified as investing or financing activities				
Proceeds from capital subsidies and grants received		-	-	0
(Gains)/losses on disposal of property, plant and equipment		(17)	-	(32)
Total items classified as investing or financing activities		(17)	0	(32)
Add/(less) movements in working capital items				
(Increase)/decrease in receivables		642	(379)	(1,893)
(Increase)/decrease in prepayments		(184)	(58)	(88)
(Increase)/decrease in inventory		(4)	0	(4)
Increase/(decrease) in payables		3,385	393	(1,813)
Increase/(decrease) in employee entitlements		56	92	127
Net movement in working capital items		3,895	48	(3,669)
Net cash inflow from operating activities		24,867	23,891	23,655

Funding Impact Statement

For the year ending 30 June 2022 (whole of council)

	Annual Plan 2021 \$000	Annual Report 2021 \$000	Long Term Plan 2022 \$000	Actual 2022 \$000
SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges and rates penalties	13,950	13,942	15,413	15,449
Targeted rates	7,503	7,421	7,929	8,034
Subsidies and grants for operating purposes	2,715	10,989	3,494	8,394
Fees, charges	4,337	5,205	5,418	6,284
Interest and dividends from investments	92	215	71	101
Local authorities fuel tax, fines, infringement fees and other receipts	231	505	224	246
Total operating funding	28,828	38,277	32,548	38,508
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	21,325	32,142	26,446	33,657
Finance costs	419	447	685	479
Other operating funding applications	(180)	0	(910)	(875)
Total applications of operating funding	21,565	32,589	26,221	33,261
Surplus (deficit) of operating funding	7,263	5,688	6,328	5,247
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	4,852	14,920	15,466	21,298
Development and financial contributions	107	322	2,072	675
Increase (decrease) in debt	2,762	0	6,954	2,000
Gross proceeds from sale of assets	35	295	25	36
Lump sum contributions	-	-	-	0
Other dedicated capital funding	-	-	-	0
Total sources of capital funding	7,755	15,537	24,517	24,009
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	-	-	1,904	597
- to improve the level of service	5,652	8,105	9,338	9,139
- to replace existing assets	9,554	17,711	22,129	27,261
Increase (decrease) in reserves	0	(6,591)	0	5,259
Increase (decrease) of investments	(188)	2,000	(2,526)	(13,000)
Total application of capital funding	15,018	21,225	30,845	29,256
Surplus (deficit) of capital funding	(7,263)	(5,688)	(6,328)	(5,247)
Funding balance	0	-	0	0

Notes to the Financial Statements

1. Statement of Accounting Policies

Reporting Entity

Central Hawke's Bay District Council (Council) is a New Zealand territorial local authority established under the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing the Council's operations includes the LGA and the Local Government (Rating) Act 2002.

The Council provides local infrastructure, local public services, and performs regulatory functions to the community. The Council does not operate to make a financial return and accordingly, Council has designated itself as a public benefit entity (PBE) for the purposes of complying with generally accepted accounting practice.

The financial statements of the Council are for the year ended 30 June 2022. The financial statements were authorised for issue by Council on 22 September 2022.

Basis of Preparation

Statement of Compliance

The financial statements of the Council have been prepared in accordance with the requirements of the LGA and the Local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRP)R), which include the requirement to comply generally accepted accounting practice in New Zealand (NZ GAAP).

The financial statements have been prepared in accordance with and comply with PBE Standards.

Measurement Base

The financial statements have been prepared on a historical cost basis, except for the revaluation of land and buildings, certain infrastructural assets, and certain financial instruments.

Functional and Presentation Currency

The financial statements are presented in New Zealand dollars. There will be rounding of numbers in the Report as certain balances have been rounded to the nearest thousand dollars or dollar.

Changes in Accounting Policies

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

Standards issued and not yet effective, and not early adopted

Standards and amendments, issued but not yet effective that have not been early adopted, and which is relevant to the Council:

Financial instruments

In January 2017, the XRB issued PBE IFSAS 41 Financial Instruments. PBE IFSAS 41 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. PBE IFRS 41 is effective for annual periods beginning on or after 1 January 2022, with early application permitted. The main changes under PBE IFSAS 41 are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.
- A new impairment model for financial assets based on expected credit losses, which may result in the earlier recognition of impairment losses.
- Revised hedge accounting requirements to better reflect the management of risks.

The Council plans to apply this standard in preparing its 30 June 2023 financial statements. The Council has not yet assessed the effects of the new standard.

In November 2017, the XRB issued PBE IFRS 48 Service Performance Reporting. PBE IFRS 48 is effective for annual periods beginning on or after 1 January 2022, with early application permitted. This standard establishes new requirements for the selection and presentation of service performance information.

An entity must provide users with:

- sufficient contextual information to understand why the entity exists, what it intends to achieve in broad terms over the medium to long term, and how it goes about this; and
- information about what the entity has done during the reporting period in working towards its broader aims and objectives.

The Council plans to apply this standard in preparing its 30 June 2023 financial statements. The Council has not yet assessed the effects of the new standard.

Significant Accounting policies

Significant accounting policies are included in the notes to which they relate.

Significant accounting policies that do not relate to specific note are outlined below:

Good and Service Tax (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Budget figures

The budget figures are those approved by the Council in its 2020-21 Annual Plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Council in preparing these financial statements.

Revenue

Revenue is measured at the fair value of consideration received or receivable. Where revenue is derived by acting as an agent for another party, the revenue that is recognised is the commission or fee on the transaction.

Revenue may be derived from either exchange or non-exchange transactions.

Exchange transactions

Exchange transactions are transactions where the Council receives assets (primarily cash) or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services, or use of assets) to another entity in exchange.

Non-exchange transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange revenue transaction, the Council receives value from another entity without directly giving approximately equal value in exchange.

An inflow of resources from a non-exchange transaction recognised as an asset, is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow. A liability arises only when there is a condition attached to the revenue which requires the entity perform in a certain way, or return the asset.

As Council satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange revenue transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Non-exchange Revenue

Rates Revenue

Rates are set annually by a resolution from Council and relate to a financial year. All ratepayers are invoiced quarterly within the financial year to which the rates have been set. Rates revenue is recognised when payable.

Government subsidies

Council receives government grants from Waka Kotahi NZ Transport Agency, Ministry of Business Innovation and Employment, and Department of Internal Affairs which subsidises part of Council's costs in providing the local infrastructure and community services. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

Vested Assets

Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as revenue. Assets vested in Council are recognised as revenue when control over the asset is obtained.

Fees and Charges

Non-exchange revenue from the rendering of services consists of services in activities where Council subsidise the activity. Such revenue is recognised by reference to the stage of completion of the transaction at balance date based on the actual service provided as a percentage of the total services to be provided only when there are conditions attached that require the funds to be returned if performance does not occur. When no conditions are attached revenue is recognised when receivable.

Exchange Revenue

Contribution Revenue

Development contributions are recognised as revenue when the Council provides, or is able to provide, the service that gave rise to the charging of the contribution. Otherwise development contributions are recognised as liabilities until such time as the Council provides, or is able to provide, the service.

Rates Revenue from Water by Meter

Water meter revenue is based on actual usage charged at the time of use.

Provision of services

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.

Sale of Goods

Sales of goods are recognised when a product is sold to the customer. Sales are usually in cash.

Interest and Dividends

Dividends are recognised when the right to receive payment has been established. Interest revenue is recognised using the effective interest method.

Borrowing Costs

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

Grant Expenditure

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of the Council's decision.

Operating Leases as Lessor

Assets leased to third parties under operating leases are included in property, plant and equipment in the Statement of Financial Position. They are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment. Rental revenue (net of any incentives given to lessees) is recognised on a straight line basis over the lease term.

Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts where applicable are shown within borrowings in current liabilities in the statement of financial position.

Trade and Other Receivables

Trade 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.

A provision for impairment of receivables is established when there is objective evidence that Council will not be able to collect all amounts due according to the original terms of receivables.

Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership, or liquidation, and default in payments are considered indicators that the debtor is impaired.

When the receivable is uncollectible, it is written off against the provision account for receivables. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due).

Inventories

Raw materials and stores, and finished goods are stated at the lower of cost and net realisable value costs are assigned to individual items of inventory on the basis of weighted average costs. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Financial Assets

Financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in surplus or deficit in the Statement of Comprehensive Revenue and Expense.

Purchases and sales of financial assets are recognised on trade-date, the date on which Council 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 the Council has transferred substantially all the risks and rewards of ownership.

Council classifies its financial assets into the following categories: fair value through surplus or deficit, held-to-maturity investments, and 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 surplus or deficit

Financial assets at fair value through surplus or deficit include financial assets held for trading. A financial asset is classified in this category if acquired principally for selling in the short-term or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short-term profit-taking.

After initial recognition, financial assets in this category are measured at their fair values with gains or losses recognised in the surplus or deficit.

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. Council's loans and receivables comprise cash and cash equivalents, trade and other receivables, term deposits, and related party loans.

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 surplus or deficit in the Statement of Comprehensive Revenue and Expense.

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. Council 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.

Impairment of Financial Assets

At each balance sheet date Council assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in surplus or deficit in the Statement of Comprehensive Revenue and Expense.

Loans and Other Receivables

Impairment of a loan or a receivable is established when there is objective evidence that Council 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.

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 surplus or deficit in the Statement of Comprehensive Revenue and Expense. When the receivable is uncollectable, 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, and related party and community loans is established when there is objective evidence that the Council 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.

Property Plant and Equipment and Intangibles

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses. Property, plant and equipment consist of:

Operational Assets

These include land, buildings, landfill post closure, library books, plant and equipment, and motor vehicles.

Infrastructure Assets

Infrastructure assets are the fixed utility systems owned by Council. Each asset class includes all items that are required for the network to function, for example, sewer reticulation includes reticulation piping and sewer pump stations.

Intangible Assets

These include Software and GIS District Imagery.

Restricted Assets

Restricted assets are parks and reserves owned by Council which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the Statement of Comprehensive Revenue and Expense. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

Subsequent Costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

Land, land under roads, restricted assets, assets under construction, and the museum assets are not depreciated.

The useful lives and associated depreciation and amortisation rates of major classes of assets have been estimated as follows:

ASSET CATEGORY	USEFUL LIFE	DEPRECIATION RATE
Operational & Restricted Assets		
Buildings	4-190	0.5%–25.0%
Monuments	42-96	1.0%–2.4%
Computer equipment	4	25%
Furniture and fittings	10	10%
Landfill post closure	35-57	1.75%-2.8%
Library books	1-10	10%-100%
Motor vehicles	4	25%
Plant and equipment	5-50	2%–20%
Swimming pools	9-50	2%-11.1%
Intangible Assets		
Software	4-5	20%-25%
GIS Imagery	4	25%
Infrastructural Assets		
Roading		
Base Course	50-75	1.3%-2%
Bridge (Deck)	70-140	0.7%-1.4%
Crossing	75	1.3%
Drainage	30-80	1.3%-3.3%
Footpath	30-80	1.3%-3.3%
Marking	2	50%
Minor Structure	75	1.3%
Railing	20-40	2.5%-5%
Retaining Wall	35-75	1.3%-2.9%
SW Channel	75	1.3%
Sign	15	6.7%
Street Light (Bracket)	25	4%
Street Light (Light)	6	16.7%
Street Light (Pole)	25	4%
Sub Base [urban]	50-75	1.3%-2%
Sub Base [rural]	50-75	1.3%-2%
Top Surface	3-25	4%-33.3%
Sewerage Network		
Pipes and manholes	60-135	0.7%-1.7%
Manholes	100	1%
Treatment ponds and pumps	15-100	1%-3.8%
Flow monitoring equipment	10	10%
Stormwater		
Pipes	30-100	1%-3.5%
Manholes	100	1%
Water Network		
Monitoring equipment (hardware)	5-20	5%–20%
Monitoring equipment (software)	5-20	5%–20%
Pipes, hydrants, valves	25-50	2%–4%
Treatment plants and pumps	5-20	5%–20%
Items under construction	Non-depreciable	

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year-end.

Revaluations

Council accounts for revaluations of property, plant and equipment on a class of asset basis.

REVALUATIONS	FREQUENCY
Roads (except land under roads)	Annually
Bridges	Annually
Sewerage	Every 3 years
Stormwater	Every 3 years
Water	Every 3 years
Land, excluding land under roads	Every 3 years
Restricted Assets	Every 3 years
Buildings	Every 3 years

Land, buildings (operational and restricted), and infrastructural assets (except land under roads) are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value.

All other asset classes are carried at depreciated historical cost.

Council assesses the carrying values of its revalued assets annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the Statement of Comprehensive Revenue and Expense. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the Statement of Comprehensive Revenue and Expense will be recognised first in the Statement of Comprehensive Revenue and Expense up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

Infrastructural asset classes: roads

Roading assets are revalued at fair value determined on a depreciated replacement cost basis and reviewed by an independent valuer. The most recent valuation was performed by Pauline True, Consultant, BBS Economics, PGDipArts (GIS), Stantec through their professional services contract. The revaluation is based on a straight line depreciation following the NZ Infrastructure Asset Valuation and Depreciation Guidelines. The unit rates are based on the commercial rates previously determined by GHD Consultants and have been adjusted using NZTA's infrastructure cost indices. The valuation is effective as at 30 June 2022. There are no restrictions on the assets.

Infrastructural asset classes: water, sewerage and stormwater systems

Water, sewer and stormwater infrastructure assets are revalued at fair value determined on a depreciated replacement cost basis. The valuation was completed internally using commercial rates provided by and reviewed by an independent external consultant (Stantec). Revaluation is based on straight line depreciation following the NZ Infrastructure Asset Valuation and Depreciation Guidelines (NZIAVDG), using Council asset management programs. The most recent valuation was effective as at 30 June 2022.

Operational and Restricted Land and Buildings

These are revalued at fair value as determined from market-based evidence by an independent valuer. The most recent valuation for land was performed by Registered Valuer, David Nagel, B.Agr.Sc (RVM), SPINZ, ANZIV, and Kaydee Lee, MPINZ from QV Asset & Advisory and the valuation is effective as at 30 June 2021. The most recent valuation for buildings was performed by Registered Valuer, Susie Penrose BBS VPM ANZIV SPINZ, Telfer Young (Hawke's Bay) Limited and the valuation is effective as at 30 June 2022.

Land Under Roads

Land under roads is based on cost less accumulated depreciation and impairment.

Unformed or Paper Roads

An unformed or paper road is a term for a road that is legally established and recorded in survey plans, but has not been formed, and that ownership of the land associated with the paper road resides with Council.

Council does not recognise land under unformed paper roads in the statement of financial position because there is no service potential from the majority of paper roads. The public good of having access routes is very difficult to value. In addition, there is a very limited market for sale to the surrounding or adjacent property owner, and cannot be measured reliably because of the small individual area of many paper roads to those adjacent or surrounding properties, and the high cost of sale.

Intangible Assets

Carbon Credits

Purchased carbon credits are recognised at cost on acquisition. They are not amortised, but are instead tested annually for impairment. They are derecognised when they are used to satisfy carbon emission obligations.

Creditors and Other Payables

Trade and other payables are measured by amortised cost using the effective interest method. Trade payables are usually paid within 30 days of recognition. Due to their short-term nature they are not discounted.

Employee Benefits

Short-Term Benefits

Employee benefits are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements able to be settled within 12 months, and sick leave.

Council recognises a liability for sick leave 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 those future absences.

Long-Term Benefits

Long Service Leave: These are long-term employee benefits that are assessed on an actuarial entitlement basis at current rates of pay.

Provisions

Council recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Borrowing

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using EIR method. Gains and losses are recognised in surplus or deficit when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of Comprehensive Revenue and Expense.

Equity

Equity is the community's interest in Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

The components of equity are:

- Ratepayers equity
- Revaluation reserves
- Special funded reserves
- Trust funds.

Special Funded and Council Created Reserves

Special funded reserves are reserves restricted by Council decision. The Council may alter them without references to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

Trust Funds

Trust funds are those subject to specific conditions accepted as binding by Council. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Cost Allocation

Council has derived the cost of service for each significant activity of Council using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs, which cannot be identified in an economically feasible manner, with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using specific allocation ratio.

Statement of Cash Flows

Cash means cash and cash equivalent balances on hand, held in bank accounts, demand deposits and other highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The Council invests such assets as part of its day to day cash management.

Operating activities are the principal revenue-producing activities of the entity and other activities that are not investing or financing activities. They include cash received from all revenue sources (such as rates, taxes and operating government grants) and record the cash payments made for the supply of goods and services (including payments to other public benefit entities to finance their operations, but not loans). 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, which are intended to generate future income and cash flows. Investing and financing activity transactions have had their respective sources and applications of cash netted off where roll over 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.

Critical Accounting Estimates and Assumptions

In preparing these financial statements Council has made estimates and assumptions concerning the future.

These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements 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:

Overdue Receivables Provision

The appropriate note discloses an analysis of the exposure of Council in relation to the estimates and uncertainties surrounding impairment provision for overdue receivables.

Landfill Aftercare Provision

The appropriate note discloses an analysis of the exposure of Council 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 Depreciated Replacement Cost 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 modelling 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 Council could be over or under estimating the annual depreciation charge recognised as an expense in the Statement of Comprehensive Revenue and Expense.

To minimise this risk Council'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 modelling are also carried out regularly as part of the Council's asset management planning activities, which gives Council further assurance over its useful life estimates.

Experienced independent valuers are used in performing or reviewing the Council's infrastructural asset revaluations.

Critical Judgements in Applying Council's Accounting Policies

Management has exercised the following critical judgements in applying the Council's accounting policies for the period ending 30 June 2021.

Classification of Property

Council owns a number of properties, which are maintained primarily to provide housing to pensioners. The receipt of market-based rental from these properties is incidental to holding these properties. These properties are held for service delivery objectives as part of the Council's housing policy. These properties are accounted for as property, plant and equipment.

Financial Information

Rounding

There will be rounding of numbers in the Report as the model used calculates to the dollar but the Report is rounded to the nearest thousands.

Three waters reform programme

In July 2020, the Government launched the Three Waters Reform Programme with the goal of reforming local government three waters service delivery arrangements.

Currently 67 different councils own and operate the majority of the drinking water, wastewater and stormwater services across New Zealand. The Government proposes reforming local government's three waters services into four multi-regional entities, with effect from 1 July 2024. The exact size, shape and design of these entities is still being worked through, including details of revenues, expenses, assets and liabilities that may transfer to the new entities.

If the reforms progress, and Central Hawke's Bay District Council participates, there is likely to be a material impact on our financial statements from 1 July 2024. No allowance has been made in the 30 June 2022 financial statements for this possibility, but the table below details at a high level the categories that will be impacted should this progress:

	2021 COUNCIL \$000	2022 COUNCIL \$000
3 Waters Revenue	11,372	15,887
3 Waters Operational Spend	6,272	8,615
3 Waters Capital Spend	8,504	16,308
3 Waters Assets – Plant, Property, & Equipment	109,751	126,806
3 Waters Liabilities - Debt	20,693	29,004

2. Operating Revenue and Expense

This note lists items requiring separate disclosure, having not been disclosed on the face of the Statement of Comprehensive Revenue and Expense or in other notes.

a. Pursuant to Section 98 of the Local Government Act 2002, Council incurred the following expenses:

	2021 Council \$000	2022 Council \$000
Insurance premiums	402	434

b. Council incurred the following expenses.

	2021 Council \$000	2022 Council \$000
Depreciation and amortisation	11,970	12,813

c. Other Operating expense

The major expense types included in 'Other Operating Expenses':

	2021 Council \$000	2022 Council \$000
Repairs and maintenance	6,638	3,867
Contracts	4,536	16,166
Fees to Auditors	204	99
Other	15,069	5,247
Total	26,447	25,379

	2021 Council \$000	2022 Council \$000
Audit Fees are broken down as follows		
Fees to EY for audit of financial Statements	105	97
Fees to EY for audit of LTP	86	0
Fees to EY for trustee reporting assurance	2	2
Total	193	99

d. Budget Variance

Variances to forecast budgets are explained in the Funding Impact Statements earlier in these financial reports.

e. Revenue

Revenue included in Surplus or Deficit includes amounts where the associated expenditure has been or will be capitalised. In the current year \$142,234 of Interest Revenue has been credited to Special Funds following recognition in the Statement of Comprehensive Revenue and Expense, and \$6,975 from Development Contributions was used from development contributions received in prior years to fund capital upgrades (during 2022 a total of \$674,842 of Development Contributions were received, and \$681,817 were applied to capital projects).

f. Breakdown of rates and further information

	2021 Council \$000	2022 Council \$000
General Rates	13,982	15,432
Targeted rates attributable to activities		
Metered Water Revenue	408	601
Other Water Rates	2,923	3,206
Sewer	2,933	3,008
Storm Water	784	817
Refuse and Recycling	374	401
Economic Social Development	0	0
Rate discounts taken	(26)	33
Rate remissions	(14)	(16)
Total	21,364	23,483

g. Breakdown of subsidies and grants

	2021 Council \$000	2022 Council \$000
Roading Subsidies – Waka Kotahi NZ Transport Agency	9,681	8,469
PGF Infrastructure Projects – MBIE	6,135	11,232
Department of Internal Affairs – 3 Waters Reform	3,647	6,980
Nga Ara Tipuna – MBIE, Lotteries, ECCT, Centralines	2,387	359
Economic Stimulus Packages – Various Government Agencies	3,518	2,021
Tourism Infrastructure and Responsible Camping – MBIE	131	204
Landfill Subsidy – MfE	81	286
Other Grants and Subsidies	329	141
Total	25,909	29,692

h. Breakdown of fees & charges

	2021 Council \$000	2022 Council \$000
Building and resource consent charges	1,725	2,151
Landfill Charges	987	1,853
Transfer Stations Charges	421	421
District Trade Waste Sewerage	330	455
Retirement Housing and District Property Rents &Hires	372	392
Camp Ground Charges	80	76
Other fees & Charges	1,289	936
Total	5,204	6,284

i. Breakdown of other revenue

	2021 Council \$000	2022 Council \$000
Petrol Tax Income	147	136
Warranty Recoveries	0	0
Gain on Property Plant and Equipment Sales	73	36
Waipawa Pool Donations	1	0
Vested Roding Asset	393	0
Waka Kotahi NZ Transport Agency – Funding Assistance Rate Adjustment	280	20
Others	78	91
Total	972	282

j. Summary revenue and expenditure for group of activities

The cost of service for each significant activity of the Council has been derived using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers, and floor area.

There have been no changes to the cost allocation methodology during the year.

Revenue

	2021 Council \$000	2022 Council \$000
Community Leadership	6,188	2,044
Land Transport	16,693	19,894
Planning and Regulatory	2,111	2,585
Recreation and Community Facilities	920	1,356
Solid Waste	2,153	2,739
Water Supplies	2,175	3,310
Wastewater (Sewerage)	2,143	4,833
Stormwater	6	26
Total Activity Revenue	32,389	36,787
Less Internal Revenue	233	247
General Rates	21,364	23,483
Total Revenue	53,986	60,517

Expenditure

	2021 Council \$000	2022 Council \$000
Community Leadership	8,493	3,548
Land Transport	14,533	15,521
Planning and Regulatory	3,240	4,557
Recreation and Community Facilities	5,415	5,878
Solid Waste	3,838	5,020
Water Supplies	3,902	4,944
Wastewater (Sewerage)	4,222	5,303
Stormwater	824	1,039
Total Activity Expenditure	44,467	45,810
Plus Internal Expenditure	108	308
Total expenditure	44,575	46,119

3. Cash & cash equivalents

	2021 Council \$000	2022 Council \$000
Cash and cash equivalents		
Cash at bank and in hand	8	9
Short term deposits maturing 3 months or less from date of acquisition	2,615	5,695
Total Cash and Cash Equivalents	2,623	5,703

The carrying value of cash at bank and term deposits with maturities less than three months approximate their fair value.

The total value of cash and cash equivalents that can only be used for a specified purpose as outlined in the relevant trust deeds is \$184k (2021 \$184k)

4. Trade and Other Receivables

	2021 Council \$000	2022 Council \$000
Rates Receivable – Non-exchange	445	450
Rates Receivable – Exchange (Water Meter)	207	627
NZ Transport Agency Subsidies – Non-exchange	1,370	2,888
Ministry of Business Innovation & Employment (MBIE)/PGF	0	0
Department of Internal Affairs	93	0
General Debtors – Non-exchange	2,513	2,302
Total	4,628	6,267
Less Provision for Impairment of Receivables	166	178
Total	4,462	6,088

Trade and Other Receivables Aging is as follows:

	2021 Council \$000	2022 Council \$000
Current	3,689	6,158
Overdue (net of impairment)	773	-70
Total	4,462	6,088

Fair value

Debtors and other receivables are non-interest bearing and receipt is normally on 30 day terms, therefore the carrying value of debtors and other receivables approximates their fair value.

Impairment

CHBDC has various powers under the Local Government (Rating) Act 2002 to recover any outstanding rating debts, however it still provides for impairment on receivables. Ratepayers can apply for payment plan options in special circumstances. Where such repayment plans are in place, debts are discounted to their present value of future payments if the impact of discounting is material.

These powers allow CHBDC to commence legal proceedings to recover any rates that remain unpaid 4 months after the due date for payment. If payment has not been made within 3 months of the Court's judgement, then CHBDC can apply to the Registrar of the High Court to have the judgement enforced by sale or lease of the rating unit.

Council's infrastructure is recorded at fair value, and this year the roading network has been revalued. Water Networks were revalued in 2022, and buildings were revalued in 2022. No new assets are considered to be impairment during 2022, so no new impairment has been made.

No receivables (2021: nil) whose carrying amount would otherwise be past due or impaired, have terms which have been renegotiated:

	2021 Council \$000	2022 Council \$000
Individual impairment	166	178
Total provision for impairment	166	178

Individually impaired receivables have been determined to be impaired because of the significant financial difficulties being experienced by the debtor.

Movements in the provision for impairment of receivables are as follows:

	2021 Council \$000	2022 Council \$000
At 1 July	278	166
Additional provision made during the year	82	83
Provisions reversed during the year	0	0
Receivable written off during the period (see note below)	(194)	(71)
At 30 June	166	178

CHBDC holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

During the year Council has written off \$71k of debt. Most of this relates to the debt that had previously been identified as doubtful. This is a mixture of rates on unproductive Māori Land (unenforceable), remissions granted under Councils Water Leak Policy, or where the debtor can't be traced or has no ability to pay.

5. Investments

	2021 Council \$000	2022 Council \$000
Term Deposit – Current	13,036	92
Carbon Credit Units Held	0	463
Bank Bonds – Non-current	1,275	1,211
Total Bonds	14,311	1,766
	2021 Council \$000	2022 Council \$000
NZ Local Government Insurance Corp. Limited	46	28
Total Shares	46	28
Total Term Investments	14,357	1,794
Investments in Associates (non-controlled)		
HB LASS	1	1
Total Investments	14,358	1,795

Amortised Costs

The amortised costs of local authority and bonds/notes is reflected in the above values which are based on EIR method.

6. Property Plant and Equipment and Intangible Assets

2022	Opening Cost 1-Jul-21	Vested Assets*	Disposals	Transfers	Revaluation	Closing Cost 30-Jun-22	Opening Acc Depn 1-Jul-2021	Depn	Disposals	Impairment	Revaluation	Closing Accm Depn 30-Jun-22	Net Book Value 30-Jun-22	Net Book Value 30-Jun-21
Description														
Wastewater	47,641	0	0	5,540	3,227	56,408	(1,341)	(1,341)	0	0	2,682	0	56,408	46,300
Water	41,834	0	0	3,504	25	45,362	(952)	(955)	0	0	1,907	0	45,362	40,882
Stormwater	22,943	0	0	712	1,381	25,036	(374)	(374)	0	0	748	0	25,036	22,569
Roading	671,668	0	0	4,695	51,355	727,718	0	(7,447)	0	0	7,447	0	727,718	671,668
Land Under Roads	37,657	0	0	0	0	37,657	0	0	0	0	0	0	37,657	37,657
Solid Waste	546	9	0	0	(26)	529	(20)	(12)	0	0	32	(0)	529	526
Landfill	7,754	4	0	527	(784)	7,501	(2,506)	(303)	0	0	0	(2,809)	4,692	5,248
Total Infrastructure Assets	830,043	13	0	14,978	55,178	900,211	(5,193)	(10,432)	0	0	12,816	(2,810)	897,401	824,850
Land	23,248	193	0	0	0	23,441	0	0	0	0	0	0	23,441	23,248
Buildings	19,504	439	0	189	(427)	19,705	(3,590)	(1,710)	0	0	4,908	(392)	19,313	15,914
Motor Vehicles	808	221	0	(77)	0	952	(599)	(114)	78	0	0	(635)	317	209
Emergency Equipment	210	0	0	0	0	210	(179)	(10)	0	0	0	(189)	21	31
Misc Plant	2,178	857	0	0	0	3,035	(1,825)	(193)	0	0	0	(2,018)	1,017	353
Computer Equipment	805	97	0	0	0	902	(512)	(131)	0	0	0	(643)	259	293
Office Furniture & Equipment	678	7	0	0	0	685	(594)	(14)	0	0	0	(608)	76	84
Monuments	284	0	0	0	0	379	(20)	(12)	0	0	32	0	379	264
Library Books	949	80	0	(252)	0	777	(600)	(77)	254	0	0	(423)	354	349
Total Operating Assets	48,664	1,894	0	(329)	189	50,086	(7,919)	(2,261)	332	0	4,940	(4,907)	45,179	40,745
Software and Other Intangibles	676	218	0	0	6	900	(418)	(123)	0	0	0	(541)	359	258
Total	879,383	2,125	0	(329)	15,173	54,846	951,197	(12,816)	332	0	17,756	(8,258)	942,939	865,853
Work In Progress	15,045	34,872	0	(101)	(15,173)	34,642	0	0	0	0	0	0	34,642	15,045
Total	894,428	36,997	0	(430)	0	54,846	985,839	(12,816)	332	0	17,756	(8,258)	977,581	880,898

2021	Opening Cost 1-Jul-20	Additions*	Vested Assets/ EXPENSED*	Disposals	Transfers	Revaluation	Closing Cost 30-Jun-21	Opening Acc Depn 1-Jul 2020	Depn	Disposals	Impairment	Revaluation	Closing Accm Depn 30-Jun-21	Net Book Value 30-Jun-21	Net Book Value 30-Jun-20
Description															
Wastewater	17,716	263	0	0	1,851	0	19,830	0	(798)	0	0	0	(798)	19,032	17,716
Reticulation	26,026	219	0	0	1,566	0	27,811	0	(543)	0	0	0	(543)	27,268	26,026
Water	4,395	230	0	0	2,378	0	7,003	0	(206)	0	0	0	(206)	6,797	4,395
Reticulation	33,693	1,138	0	0	0	0	34,831	0	(746)	0	0	0	(746)	34,085	33,693
Stormwater	22,586	41	0	0	316	0	22,943	0	(374)	0	0	0	(374)	22,569	22,586
Roading	662,794	9,555	393	0	1,090	(2,164)	671,668	0	(7,147)	0	0	7,147	0	671,668	662,794
Land Under Roads	37,657	0			0		37,657	0	0	0	0	0	0	37,657	37,657
Solid Waste	471	75	0	0	0	0	546	(9)	(11)	0	0	0	(20)	526	462
Landfill	8,221	(467)	0		0		7,754	(2,149)	(357)				(2,506)	5,248	6,072
Total Infrastructure Assets	813,559	11,054	393	0	7,201	(2,164)	830,043	(2,158)	(10,182)	0	0	7,147	(5,193)	824,850	811,401
Land	14,447	0	0	(220)	0	9,021	23,248	0	0	0	0	0	0	23,248	14,447
Buildings	19,075	236	0	0	193	0	19,504	(2,399)	(1,191)	0	0	0	(3,590)	15,914	16,676
Motor Vehicles	724	122	0	(38)	0	0	808	(530)	(104)	35	0	0	(599)	209	194
Emergency Equipment	191	19	0	0	0	0	210	(172)	(7)	0	0	0	(179)	31	19
Misc Plant	2,134	44	0	0	0	0	2,178	(1,680)	(145)	0	0	0	(1,825)	353	454
Computer Equipment	664	141	0	0	0	0	805	(383)	(129)	0	0	0	(512)	293	281
Office Furniture & Equipment	670	670	8	0	0	0	0	678	(576)	(18)	0	0	0	(594)	84
94															
Monuments	284	0	0	0	0	0	284	(16)	(4)	0	0	0	(20)	264	268
Library Books	894	65	0	(10)	0	0	949	(542)	(68)	10	0	0	(600)	349	352
Total Operating Assets	39,083	635	0	(268)	193	6,857	48,664	(6,298)	(1,666)	45	0	0	(7,919)	40,745	32,785
Software and Other Intangibles	665	11	0	0	0	0	676	(296)	(122)	0	0	0	(418)	258	369
Total	853,307	11,700	393	(268)	7,394	6,857	879,383	(8,752)	(11,970)	45	0	7,147	(13,530)	865,853	844,555
Work In Progress	9,514	13,631	0	(706)	(7,394)	0	15,045	0	0	0	0	0	0	15,045	9,514
Total	862,821	25,331	393	(974)	0	6,857	894,428	(8,752)	(11,970)	45	0	7,147	(13,530)	880,898	854,069

Work in Progress

	2021 Council \$000	2022 Council \$000	Status	Estimated completion date
Animal Control Pound	-	44	Active	Jun-23
Halls, Property and Buildings Projects	211	-	Complete	Jun-22
Roading Projects	6,803	20,478	Active	Jun-23
Solid Waste Landfill Cell Capping/Leachate Irrigation	783	844	Active	Jun-23
Solid Waste Transfer Station Weighbridge	-	6	Active	Jun-23
Stormwater Tutaneke St Helicoid Replacement	-	-	Complete	Jun-22
Stormwater Waipukurau Service Land Overflow (Ruataniwha St Flooding Solution)	53	-	Complete	Jun-22
Stormwater Waipukurau Model	4	117	Active	Jun-23
Wastewater Otane Inlet Works	-	236	Active	Jun-23
Wastewater Otane to Waipawa Pipeline	1,156	-	Complete	Jun-22
Wastewater Otane Pumpstation	-	1,668	Active	Jun-23
Wastewater Waipukurau/Waipawa/Otane Upgrades	-	371	Active	Jun-23
Wastewater Porangahau Upgrade	400	970	Active	Jun-23
Wastewater Takapau Treatment Upgrade	714	1,059	Active	Jun-23
Wastewater Waipukurau DAF Unit	-	206	Active	Jun-23
Wastewater Leachate to Land Stage 2	125	-	Complete	Jun-22
Wastewater Capex Renewals (a3 Waters Reform Tranche 1)	73	-	Complete	Jun-22
Wastewater Capex OTN WPA Stg2 (3 Waters Reform Tranche 1)	1,116	2,400	Active	Jun-23
Wastewater Capex Trtmt Imp (3 Waters Reform Tranche 1)	35	-	Complete	Jun-22
Water Kairakau Upgrade	178	819	Active	Jun-23
Water Pourerere Beach Consent	-	66	Complete	Jun-22
Water Waipawa Main Renewal	-	759	Complete	Jun-22
Water Waipukurau Pump Station 2	1,349	-	Complete	Jun-22
Water Waipukurau Second Supply	359	-	Complete	Jun-22
Water Supply Improvements	-	243	Active	Jun-23
Water Supply CAPEX Software (3 Waters Reform Tranche 1)	54	-	Active	Jun-23
Water Supply CAPEX WPK 2nd Sup (3 Waters Reform Tranche 1)	1,003	3,563	Active	Jun-23
Water Supply CAPEX Nelson St (3 Waters Reform Tranche 1)	572	-	Complete	Jul-22
Water Supply Firefighting	55	452	Active	Jun-23
Water SH2 Filtration system (turbidity solutions)	1	341	Active	Jun-23
Total	15,044	34,642		

Depreciation by Activity

	2022 Actual	2022 Annual Plan Budget	2021 Actual	2021 Annual Plan Budget
COMMUNITY LEADERSHIP GROUP				
Depreciation expense for the year	0	0	0	0
Renewals, Loan Funding	0	10	0	0
Difference (Depreciation – renewals, loans)	0	(10)	0	0
REGULATORY GROUP				
Depreciation expense for the year	1	1	1	50
Renewals, Loan Funding	237	700	66	118
Difference (Depreciation – renewals, loans)	(236)	(699)	(65)	(68)
LAND TRANSPORT GROUP				
Depreciation expense for the year	7,460	7,616	7,164	8,005
Renewals, Loan Funding	18,370	15,553	14,756	7,299
Difference (Depreciation – renewals, loans)	(10,910)	(7,937)	(7,592)	706
SOLID WASTE GROUP				
Depreciation expense for the year	326	305	378	310
Renewals, Loan Funding	80	173	256	270
Difference (Depreciation – renewals, loans)	246	132	122	40
WATER GROUP				
Depreciation expense for the year	953	1,014	953	916
Renewals, Loan Funding	6,176	5,770	2,017	1,494
Difference (Depreciation – renewals, loans)	(5,223)	(4,756)	(1,064)	(578)
WASTEWATER GROUP				
Depreciation expense for the year	1,344	1,457	2,643	2,681
Renewals, Loan Funding	9,359	8,162	1,969	2,049
Difference (Depreciation – renewals, loans)	(8,015)	(6,705)	674	632
STORMWATER GROUP				
Depreciation expense for the year	374	381	740	560
Renewals, Loan Funding	772	1,159	725	541
Difference (Depreciation – renewals, loans)	(398)	(778)	15	19
RECREATION AND COMMUNITY GROUP				
Depreciation expense for the year	1,603	1,375	1,404	1,351
Renewals, Loan Funding	1,244	876	688	881
Difference (Depreciation – renewals, loans)	359	499	716	470
OVERHEADS				
Depreciation expense for the year	755	546	348	719
Renewals, Loan Funding	759	968	346	309
Difference (Depreciation – renewals, loans)	(5)	(422)	2	410
TOTALS				
Depreciation expense for the year	12,816	12,696	13,631	14,592
Renewals, Loan Funding	36,997	33,371	20,823	12,961
Difference (Depreciation – renewals, loans)	(24,181)	(20,675)	(7,192)	1,631

7. Trade and other payables

	2021 Council \$000	2022 Council \$000
Trade Creditors – Exchange	8,678	11,257
Revenue in Advance – Non Exchange	3,772	1,078
Other Accounts Payable and Accrued Expenses – Non Exchange	553	428
Total Trade Creditors and Other Accounts Payables	13,003	12,762
Other		
Current Public Debt	107	6,130
Employee benefit liabilities	386	513
Total Other Current Debt	493	6,644
Total Current Liabilities	13,496	19,406

Creditors and other payables are non-interest bearing and are normally settled on 30 day terms, therefore the carrying value of creditors and other payables approximates their fair value.

8. Public Debt

	2021 Council \$000	2022 Council \$000
Loans as at 1 July	20,000	20,000
Net Accrued Interest Change	107	130
Fair Value Adjustments	0	0
Plus Loans raised during the year	0	2,000
Less Loans repaid during the year	–	0
Total Public Debt	20,107	22,130
Less Loans repayable within 12 months	(107)	(6,130)
Non-Current Public Debt	20,000	16,000

	2021 Council \$000	2022 Council \$000
Current	107	6,130
One to Two years	0	10,000
Two to Five years	14,000	6,000
More than Five years	6,000	0
Total	20,107	22,130

Internal Borrowings

Internal borrowings are eliminated on consolidation of activities in the Council's financial statements.

Internal borrowings are funded through Council's treasury function, which is in turn funded from number of sources including, but limited to external debt, reserves, special funds, and rates.

	Council Balance 30 Jun 21 \$000	Borrowed \$000	Interest \$000	Principal Repaid \$000	Council Balance 30 Jun 22 \$000
Cemeteries	19	0	0	19	(0)
Properties and Buildings	461	241	11	106	595
Parks and Reserves	1,257	211	22	83	1,386
Public Conveniences	139	85	4	16	207
Retirement Housing	0	0	(6)	0	0
Land Transport	0	0	0	0	0
Solid Waste	1,431	379	24	146	1,663
Stormwater	354	387	12	316	425
Theatres, Halls, and Museums	392	0	6	22	370
Animal Control	0	237	4	25	212
Wastewater	12,600	6,005	296	680	17,924
Water Supplies	7,739	3,264	167	348	10,655
Libraries	153	0	2	14	138
IT	28	0	0	14	14
Civil Defence	134	0	2	44	91
GIS Maps	54	0	1	17	36
District Plan	736	912	26	161	1,487
Total	25,497	11,720	571	2,012	35,205

9. Provision for Landfill Decommissioning and Aftercare Cost

	2021 Council \$000	2022 Council \$000
Opening Balance	3,934	3,463
Effect of Discounting	15	42
Additional Provisioning	(486)	(783)
Release of Provision	0	0
Closing balance	3,463	2,722

Central Hawke's Bay District Council gained resource and land use consents for the District Landfill in 1995 with the consent expiring in 2030. The Landfill opened for operation in July 1996. The current resource consent expires in 2030. Council has a responsibility for closure of the Landfill and ongoing maintenance and monitoring after the closure. To determine the financial provision that should be made for the post closure maintenance and monitoring requirements, the Discounted Cash Flow model is used. The model is used to calculate the present value of the cost of closure and capping of the landfill, and the aftercare costs for the 30 year consent period post closure. This is then capitalised as an asset which will be depreciated up until the point of closure. This depreciation expense should then be funded annually and a reserve put aside to cover these costs when they occur.

- Estimated Time of closure = 31 May 2030
- Estimated Remaining Capacity in Undeveloped Cells (based on short term developments stages 1-3) = 150,200 m³ airspace volume
- Estimated Additional Remaining Capacity in Undeveloped Cells (based on longer term developments beyond stage 3) = 889,000 m³ airspace volume
- Average tonnes of waste received by the landfill over the last 3 years - 14,000 tonnes pa
- Length of post-closure monitoring period = 30 years
- Total expected cash outflow – undiscounted = \$5.4m
- Discount rate=3.36%

The unwinding of the discount during the year has been recognised as an expense within finance costs.

10. Public Equity

Capital Management

For the purpose of the Council's capital management, the Council's capital is its equity, including accumulated comprehensive revenue and expense and all equity reserves attributable to the Council. Equity is represented by net assets.

The Council manages the Council's capital largely as a by-product of managing its revenue, expenses, assets, liabilities and general financial dealings. The Local Government Act 2002 requires the Council to manage its revenue, expenses, assets, liabilities and general financial dealings in a manner that promotes the current and future interests of the community. In addition, The Local Government (Financial Reporting and Prudence) Regulation 2014 sets out a number of benchmarks for assessing whether the Council is managing its revenue, expenses, assets and liabilities prudently.

The primary objective of the Group's capital management is to achieve intergenerational equity, which is a principle promoted in the Local Government Act 2002 and applied by the Council. Intergenerational equity requires the Council to spread the funding of the cost of its assets over the current and future generations of ratepayers, such that:

- Current ratepayers are required to meet the cost of using the assets, but not the full cost of long term assets that will benefit ratepayers in future generations and
- Ratepayers in future generations are not required to meet the costs of deferred asset renewals and maintenance.

In order to achieve this overall objective, the Council has in place asset management plans for major classes of assets, detailing renewals and programmed maintenance.

An additional objective of capital management is to ensure that the expenditure needs identified in the Council's Long-term Plan and Annual Plan are met in the manner set out in these plans. The Local Government Act 2002 requires the Council to make adequate and effective provision in its Long-term Plan and in its Annual Plan to meet the expenditure needs identified in those plans. The factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities are set out in the Local Government Act 2002. The sources and levels of funding are set out in the funding and financial policies in the Council's Long-term Plan. The Council monitors actual expenditure incurred against the Long-term Plan and Annual Plan.

No changes were made in the objectives, policies or processes for managing capital during the years ended 30 June 2022 and 2021

(a) Council Special & Other Funds

Special funds are established by Council resolution restricting how the funds may be used. To show independence from general ratepayers' equity, a separate account is maintained for each fund.

	Council Balance 1-Jul-21 \$000	Council Transfers from Ratepayers Equity \$000	Council Transfers to Ratepayer Equity \$000	Council Balance 30-Jun-22 \$000
RESERVES HELD FOR EMERGENCY PURPOSES				
Mayors Relief Fund	6	2	(3)	5
Adverse Events Reserve Fund	1,060	23	(245)	838
Catastrophic Events Reserve Fund	2,492	166	(358)	2,300
Total	3,558	191	(606)	3,143
	\$000	\$000	\$000	\$000
RESERVES FOR FUTURE ASSET PURCHASES				
Capital Projects Fund	58	1	(41)	17
Ruahine Ward Disbursement Fund	615	6	(12)	609
Ruataniwha Ward Disbursement Fund	18	0	0	18
Aramoana Ward Disbursement Fund	189	2	(12)	179
Esplanade Reserve Fund	225	2	(50)	177
Rural Fire Reserve	61	0	(24)	37
Stormwater Renewal Reserve	4	30	0	34
Water Rates Smoothing Reserve	275	0	(75)	200
Wastewater Upgrade Reserve	677	0	(100)	577
EQC Pourerere	4	0	0	4
Bridge Replacement Funding	161	56	(0)	216
CHB District Retirement Housing Reserve	118	4	(20)	102
Vehicle Depreciation Reserve	517	14	(68)	463
Landfill/Transfer Station Smoothing Reserve	0	132	0	132
LT Vehicle Depreciation Reserve	133	20	(59)	94
Total	3,055	267	(461)	2,860
	\$000	\$000	\$000	\$000
RESERVES HELD FOR FUTURE OPERATIONAL COSTS				
Elections & By-elections Reserve Fund	42	0	0	42
Ruahine Ward Hall Maintenance Reserve	44	0	0	44
Library Fund	151	1	(130)	22
Road Legalisation Funding	23	0	0	23
Landfill Aftercare Depreciation Reserve	263	93	0	356
District Landfill Levy Reserve	0	0	0	0
Recreation and Community Facilities Reserve	20	0	(20)	0
Total	543	94	(149)	488
Total Special Funds	7,156	552	(1,216)	6,491

Other Funds. From time to time Council assists community organisations and holds funds on their behalf.

	Council Balance 1-Jul-21 \$000	Council Transfers from Ratepayers Equity \$000	Council Transfers to Ratepayer Equity \$000	Council Balance 30-Jun-22 \$000
Te Aute Drain Channel Clearing Reserve	37	0	(9)	28
	\$000	\$000	\$000	\$000
Total Special & Other Funds	7,193	552	(1,226)	6,519

(b) Trust Funds

Trust Funds are set up to account for grants to Council with restrictions on their use. They usually consist of donations and bequests.

	Council Balance 1-Jul-21 \$000	Council Transfers from Ratepayers Equity \$000	Council Transfers to Ratepayer Equity \$000	Council Balance 30-Jun-22 \$000
Waipawa Building Society Scholarship Trust	113	2	(2)	113
Eric Tate Scholarship Trust	71	2	(2)	71
Creative NZ Grants unspent	0	0	0	0
Total	184	4	(4)	184

(c) Asset Revaluation Reserve

	Water, Wastewater, Storm Water, Solid Waste \$000	Roadings \$000	Total \$000
INFRASTRUCTURE			
Opening Balance	75877	495,981	571,858
Revaluation	9,968	58,802	68,770
Revaluation Reserve Change	0	0	0
Transfer from/(to) Ratepayers Equity	0	0	0
Closing Balance	85,845	554,783	640,628

	Land \$000	Buildings \$000	Total \$000
OTHER PROPERTY PLANT AND EQUIPMENT			
Opening Balance	20,585	12,162	32,747
Current Year Revaluation	0	4,615	4,615
Current Year Impairment	0	0	0
Disposal of Asset (Write Back)	0	0	0
Closing Balance	20,585	16,777	37,362

	Council \$000
TOTAL REVALUATION RESERVE	
Opening Balance	604,605
Revaluations	73,385
Impairment	0
Disposal of Asset (Write Back)	0
Closing Balance	677,990

11. Related party transactions other than remuneration of key management personnel

All related party transactions that the Council entered into during the year occurred within a normal client/supplier relationship and under terms equivalent to those that prevail in arm's length transactions in similar circumstances. Therefore, the Council did not disclose these transactions and balances.

No provision has been required, nor any expense recognised for impairment of receivables for any loans or other receivables to related parties 2021: nil).

12. Statement of Commitments

	2021 Council \$000	2022 Council \$000
PAYMENTS OF COMMITMENTS		
Landfill Lease	127	127
Takapau Transfer Station Lease	2	2
Works Depot Lease	40	40
Railway Office Lease	5	5
Te Huinga Wai Lease	0	35
Kairakau Water Treatment Land Lease	0	3
Total Leases	174	212
Carbon Credits Forward Contract Settlements	–	1557
Total	174	1769
	2021 Council \$000	2022 Council \$000
NON-CANCELLABLE COMMITMENTS		
Less than 1 year	174	212
1 – 2 years	174	1177
3 – 5 years	522	1225
Over 5 years	2,738	2761

List of Financially Material Leases

Landfill

- Landfill rental of \$75k per annum (inflation adjusted) plus a turnover rent of \$5/tonne (also inflation adjusted) for quantities of over 7,000 tonnes in any 12 month period.
- Further terms = 10 years
- Final expiry date = 28 November 2045

Works Depot Lease

- Annual rental \$40,000 per annum, with rent reviews 31/10/23 and 31/10/26
- Further terms 2 x 3 years
- Final expiry date 31/10/29

Te Huinga Wai Lease

- Annual rental \$34,980 per annum, with rent reviews 01/07/26, 01/07/28, and 01/07/30
- Further terms 3 x 2 years
- Final expiry date 30/06/32

13. Employee Staffing Levels and Remuneration

The Chief Executive of Council appointed under Section 42 of the Local government Act 2002, receives a salary of \$230,400 (2021 \$238,000)

The Chief Executive has full access to use of a Council vehicle.

Annual Remuneration Bands	2021	2022		
\$59,999 and under	47	40		
\$60,000-\$79,999	12	17		
\$80,000-\$99,999	11	7		
\$100,000-\$250,000	8			
\$100,000-\$119,999		7		
\$120,000-\$250,000		7		
Total Employees	78	78		

	2021 Council \$000	2022 Council \$000		
Salaries and other short term employment benefits paid				
CE and Key Management	958	1112		
Mayor and Councillors	363	376		

	FTE	2021 Head Count	FTE	2022 Head Count
Number of Employees as at 30 June				
Number of full time Key Management Personnel	6	6	6	6
Number of full time employees	58	58	60	60
Number of part time employees	8	14	9	12
Total Employees	72	78	75	78

Employee staffing levels and remuneration is required to be disclosed under Clause 32A, Schedule 10 of the Local Government Act 2002. Definitions used in this disclosure are those contained in Clause 32A.

14. Severance Payments to Staff

There was a \$25,000 severance payment made during the year that was outside of contractual for staff. (2021: \$30,000).

15. Councillors Fees

	2021	2022
Mayor		
A Walker	104,163	105,000
Councillors		
Kelly Annand (Deputy Mayor, Strategy and Wellbeing Chair, Urban Lead Councillor)	53,613	54,198
Brent Muggeridge (Finance and Infrastructure Committee Chair, Risk and Assurance Member)	40,563	41,006
Tim Aitken (Rural Lead Councillor, Risk and Assurance Member)	33,500	33,902
Gerard Minehan (Risk and Assurance Member)	30,525	30,858
Jerry Greer (Risk and Assurance Member)	30,525	30,858
Kathryn Taylor	26,510	26,798
Exham Wichman	26,510	26,798
Pip Burne	17,978	26,798
Total	363,886	376,216

16. Financial Instruments

Financial Instrument Categories

The accounting policies for financial instruments have been applied to the line items below:

	2021 Council \$0	2022 Council \$0
Financial Assets		
Fair Value through surplus/(deficit)		
Local Authority Stock, Bonds, Term Deposits	–	0
Unlisted Shares	46	28
Loans and Receivables		
Amortised Costs		
Cash and Cash Deposits	2,622	5,703
Debtors and Other Receivables	4,462	6,088
Local Authority Stock, Bonds, Term Deposits	14,311	1,766
Financial Liabilities		
Financial Liabilities at amortised cost		
Public Debt	20,107	22,130
Creditors and other payables	13,003	13,276

All borrowing costs are recognised as expenses in the period in which they occur.

Financial Instruments risks

The Council's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Council has a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure from its treasury activities. CHBDC has established Council approved Liability Management and Investment policies. These policies do not allow any transactions that are speculative in nature to be entered into.

Market Risk

Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Council does not have foreign currency risks as all transactions are in New Zealand dollars.

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowings and investments issued at fixed rates of interest expose the Council to fair value interest rate risk. Councils Liability Management Policy is to maintain between 40% to 100% of its borrowings in fixed rate instruments.

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates expose a council to cash flow interest rate risk. As Council's financial instruments are all on a fixed rate basis (i.e. fixed rate borrowing through the LGFA, fixed rate bonds and bank term deposits), the impact of changing interest rates is zero, as a change in market interest rates will not change interest cash flow amounts.

Credit Risk

Credit risk is the risk that a third party will default on its obligations to the Council, causing it to incur a loss. Due to the timing of its cash inflows and outflows, surplus cash is invested into term deposits and listed bonds, which gives rise to credit risk.

The Council's investment policy limits the amount of credit exposure to any organisation based on the following limits. The Local Government Funding Agency is limited to \$10m. Any NZ Registered bank is limited to \$8m with the exception of Council's transactional bank which may exceed this for up to 5 working days. There is no limit for investment in the NZ Government.

Other than NZ Government, the Council invests funds only with entities that have a Standard and Poor's credit rating of at least A-1 for short-term and A+ for long term investments.

The Council holds no collateral or credit enhancements for financial instruments that give rise to credit risk.

Maximum Exposure to credit risk

The Council's maximum credit risk exposure for each class of financial instrument is as follows:

	2021 Council \$0	2022 Council \$0
Cash at bank and term deposit	15,635	5,770
Receivables	4,187	6,088
Community and related party loans	0	0
Bonds	978	981
LGFA Borrower Notes	320	320
Derivative financial instrument assets	0	0
Financial guarantees	0	0
Total	21,120	13,159

Credit quality of financial Assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (if available) or to historical information about counterparty default rates.

	2021 Council \$0	2022 Council \$0
Counterparties with Credit Ratings		
Cash at bank and term deposits AA-	15,635	5,770
Bonds AA-	978	981
LGFA Borrower Notes AA+	320	320

Receivables arise mainly from the Councils statutory functions. Therefore, there are no procedures in place to monitor or report the credit quality of receivables with reference to internal or external credit ratings. The Council has no significant concentrations of credit risk in relation to receivables as it has a large number of credit customers, mainly ratepayers, and the Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers. For details on the aging of receivables refer to Note 4.

Liquidity Risk

Management of Liquidity Risk

Liquidity risk is the risk that the Council will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions. The Council aims to maintain flexibility in funding by keeping committed credit lines available.

As part of meeting its liquidity requirements, the Council maintains a target level of investments that must mature within the next 12 months. The Council manages its borrowings in accordance with its funding and financial policies, which include a Liability Management policy.

The Council has a maximum amount that can be drawn down against its overdraft facility of \$1.5m (2021 \$1.5m).

There are no restrictions on the use of this facility.

Contractual maturity analysis of financial liabilities, excluding derivatives

The table below analyses the Council's financial assets into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows and include interest receipts. The table below analyses the Council's financial assets into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows and include interest receipts.

2022	Carrying amount \$000	Contractual cash flows \$000	Less than 1 year \$000	1-Feb years \$000	2-May years \$000	More than 5 years \$000
Payables	12,762	12,762	12,762			
Secured loans	22,130	23,567	479	6,441	12,583	4,064
Total	34,892	36,329	13,241	6,441	12,583	4,064

2021	Carrying amount \$000	Contractual cash flows \$000	Less than 1 year \$000	1-Feb years \$000	2-May years \$000	More than 5 years \$000
Payables	13,003	13,003	13,003			
Secured loans	20,107	21,997	456	456	14,929	6,157
Total	33,110	35,000	13,459	456	14,929	6,157

Contractual maturity analysis of financial assets

The table below analyses the Council's financial assets into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows and include interest receipts. The table below analyses the Council's financial assets into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows and include interest receipts.

2022	Carrying amount \$000	Contractual cash flows \$000	Less than 1 year \$000	1-Feb years \$000	2-May years \$000	More than 5 years \$000
Cash and cash equivalents	5,703	5,703	5,703			
Receivables	6,088	6,088	6,088			
Term deposits	67	67	67			0
Listed bonds	981	1,028	0	0	1,028	0
LGFA Borrower Notes	320	353	67	174	112	0
Total	13,159	13,239	11,925	174	1,140	0

Carrying	Contractual amount \$000	Less than cash flows \$000	1-Feb 1 year \$000	2-May years \$000	More than years \$000	5 years \$000
Cash and cash equivalents	2,622	2,622	2,622			
Receivables	4,187	4,187	4,187			
Term deposits	13,013	13,049	13,049			0
Listed bonds	978	1,061	0	0	1,061	0
LGFA Borrower Notes	320	353	0	0	241	112
Total	21,120	21,272	19,858	0	1,302	112

17. Contingencies

Liabilities

There are no known contingent liabilities against Council.

18. Events Subsequent to Balance Date

In the ordinary course of business Council can be subject to subsequent events that may have a material effect on the Council. Council do not consider that any subsequent events that will have a material financial impact on Council have arisen. (2021: No events).

Supplementary Information

In accordance with the Local Government Act 2002 Schedule 10 section 30A and 31A.

Supplementary Information

Rating Base Information

For all rating units in the district

	2021	2022
Number of rating units	8,124	7,976
Capital Value	5,879,401,905	5,761,524,900
Land Value	3,660,782,600	3,608,282,300

Insurance Information

		Total Value Covered \$0	Maximum Amount Available \$0	
Year ending June 2022				
Insurance Contracts	· Buildings, Plant & Equipment	116,067	114,726	
	· Infrastructure	155,924	30,000	Loss Limit
Financial Risk Sharing		0	0	0
Self-Insured		0	0	0
Year ending June 2021				
Insurance Contracts	· Buildings, Plant & Equipment	80,721	80,503	
	· Infrastructure	167,474	30,000	Loss Limit
Financial Risk Sharing		0	0	0
Self-Insured		0	0	0

	Total Replacement Costs (TRC)
Water	81,094,288
Wastewater	88,053,936
Stormwater	38,229,121
Roading	895,931,499
Totals	1,103,308,844

Elected Council Members

The Central Hawke's Bay District Council comprises of Her Worship the Mayor and eight elected members representing the district's two wards. Elections are held every three years. Why not get involved next time?

MAYOR

Alex Walker	+64 27 860 7752	alex.walker@chbdc.govt.nz
-------------	-----------------	---------------------------

ARAMOANA/RUAHINE WARD

Tim Aitken	+64 27 472 4587	tim.aitken@chbdc.govt.nz
Jerry Greer	+64 27 488 4786	jerry.greer@chbdc.govt.nz
Brent Muggerridge	+64 21 332 353	brent.muggerridge@chbdc.govt.nz
Kate Taylor	+64 27 603 2200	kate.taylor@chbdc.govt.nz

RUATANIWHA WARD

Kelly Annand	+64 27 479 4000	kelly.annand@chbdc.govt.nz
Exham Wichman	+64 27 4656484	exham.wichman@chbdc.govt.nz
Gerard Minehan	+64 27 479 3773	gerard.minehan@chbdc.govt.nz
Pip Burne	+64 21 025 74496	pip.burne@chbdc.govt.nz

For more information about the Council structure please refer to our Local Governance Statement, available from the Council on request or on our website: www.chbdc.govt.nz



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.
General Rate	A rate levied across all properties for activities that benefit the whole District.
Group of Activities	Several activities combined together (eg cultural 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.





CENTRAL HAWKE'S BAY DISTRICT COUNCIL

www.chbdc.govt.nz • thrive@chbdc.govt.nz • 06 857 8060
PO Box 127 • 28 - 32 Ruataniwha Street, Waipawa 4210



**CENTRAL
HAWKE'S BAY**
DISTRICT COUNCIL