



**CENTRAL  
HAWKE'S BAY**  
DISTRICT COUNCIL

# Annual Report 2023/24

E ora ngātahi ana!  
Together we Thrive!



This annual report highlights the progress we have made toward achieving our outcomes for our community and our overall delivery and performance for the year 2023/24.

It has been prepared in accordance with the Local Government Act 2002 and is a legislative requirement. It also informs ratepayers and our communities about our stewardship of the district's assets, our financial performance, how we have used rates and our achievements for the year. These achievements reflect the contribution of many in our community, with Council supporting community-led initiatives and working with its partners for a thriving Central Hawke's Bay.

This annual report for 2023/24 financial year is the third of our Long-Term Plan 'Facing the Facts', so the key activities we discuss follow the priorities we agreed with the community when we formed that plan. Delivering on this Plan hasn't been without its challenges – least of all Cyclone Gabrielle.

You can find this and our previous annual reports at our website [www.chbdc.govt.nz](http://www.chbdc.govt.nz)



***Together we Thrive!***

**E ora ngātahi ana!**

**Proud District**

**Prosperous District**

**Connected Citizens**

**Strong Communities**

**Smart Growth**

**Environmentally Responsible**

**Durable Infrastructure**



# Raarangi kōrero

## Contents

### Section One – Introduction and Overview

Kia ora	
From the Mayor and the elected Council team .....	2
The Year in Review .....	4
The numbers at a glance .....	4
Cyclone Gabrielle .....	6
Land Transport Recovery .....	8
Drinking Water and Wastewater Investment .....	10
Stormwater .....	11
Delivering on External Funding .....	12
Other Highlights of 2023/24 .....	15
Statement of Māori Contribution to Decision-Making .....	18
Statement of Compliance and Responsibility .....	20
Independent Auditor’s Report .....	21

### Section Two – Council Services

Groups of Activities .....	26
Leadership, Governance and Consultation Group ..	27
Planning and Regulatory Group .....	31
Land Transport Group .....	38
Solid Waste Group .....	41
Water Supplies Group .....	44
Wastewater (Sewerage) Group .....	47
Stormwater Group .....	50
Places and Open Spaces .....	53

### Section Three – Financial Information

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 For Whole Of Council .....	71
Notes to the Financial Statements .....	72
1. Statement of Accounting Policies .....	72
2. Operating Revenue and Expense .....	82
3. Trade and Other Receivables .....	84
4. Cash & Cash Equivalents .....	87
5. Investments .....	87
6a. Property Plant and Equipment .....	88
6b. Work in Progress .....	90
6c. Depreciation by Activity .....	90
7. Trade and other payables .....	91
8. Public Debt .....	91
9. Provision for Landfill Decommissioning and Aftercare Cost .....	92
10. Public Equity .....	93
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 .....	97
17. Contingencies .....	100
18. Events Subsequent to Balance Date .....	100
19. Supplementary Information .....	100
20. Comparison to Prospective Financial Statements .....	101
Elected Council Members .....	102
Glossary .....	104



# *Kia ora*

## *From the Mayor and the elected Council team,*

**Tēnā koutou, tēnā koutou, tēnā koutou katoa,**

This annual report closes and reflects on the Long-Term Plan 2021–2031 ‘Facing the Facts’. It looks on what we set out to achieve and the challenges we have faced, and speaks to the resilience, agility and strength of our community to adapt in what has been an incredible three years.

### **Facing the Facts – Long-Term Plan 2021–2031**

Facing up to the significant challenges and major investment that was required across our assets was the major focus of the Long-Term Plan 2021–2031 ‘Facing the Facts’ (LTP). It sought to present and deliver an open and transparent view of Council’s reality, where we knew more about our assets than ever before. And the truth was confronting.

We landed on a long-term plan that was ambitious in nature. It set out how we would continue to address the major investment required in our drinking and wastewater, how we planned for and funded unprecedented growth, and how we would enhance our goal of being a Waste Free CHB.

We have achieved a great deal since its launch and over the last 12 months being the third year of the Plan. This Annual Report is an opportunity to pause and reflect on that progress.

### **Significant challenges and pressures**

Little did we know when the LTP was finalised in 2021, the unprecedented challenges ahead that would impact on the budget, our goals and the implementation of the LTP. We faced a severe drought and the ongoing impacts of the global pandemic, both of which placed immense pressure on our community.

We experienced severe weather events, occurring through 2022 with the ‘wettest year on record’ to then be followed closely by Cyclone Gabrielle in February 2023.

Increasing cost pressures on households, businesses and Council have become a feature of our lives in recent years. This includes rising fuel prices, the average grocery shop increasing by 35 per cent and higher interest rates.

Rising costs meant that what we budgeted for was no longer adequate. For example, fees and rates that had previously covered expenses were no longer sufficient; in some areas resulting in some activities not being fully funded.

One of the largest cost pressures has occurred in the construction industry, where over the past three years the cost of infrastructure replacements (roads, water and wastewater treatment plants, and bridges) has gone up by between 27 per cent to 38 per cent, depending on the type of asset.

Borrowing costs have been a challenge, going from 2.2 per cent per annum during the COVID-19 pandemic to 6.2 per cent per annum last year. But in the financial year, Council only added an additional \$2 million of external debt, with the majority of our capital work being done through roading recovery.

## Cyclone Gabrielle

Cyclone Gabrielle's effects are still visible. The date 14 February 2023 will be etched for decades ahead in our community. Consequently, there is still much to do and a long road ahead for many in our community.

At the end of the financial year, Pōrangahau remained the last community at Category 2A.

In the financial year we received an allocation of \$44.4 million of roading recovery funding, of which \$27.1 million was spent by year end. The balance of these funds plus a further tranche of \$11 million will fund the continuation of this recovery work in 2024/25. We still have sites across our roading network damaged and in need of funding assistance without long-term certainty on how these will be funded.

We provide a further update on progress on our recovery from Cyclone Gabrielle later in this report.

## Financial and Organisation Performance

Council's operating expenditure was \$12.1 million ahead of budget, reflecting the impact of weather events and the pressure of rapidly rising costs.

The biggest spend was \$9.5 million on cyclone roading repairs, in addition to \$17.6 million spend on roading asset replacements. This was 99 per cent funded by NZTA.

As with most households and businesses, we experienced rises in insurance premiums after the cyclone, as well as the impact on premiums of asset replacement costs.

Our consenting activities for the financial year were over budget. There was a high degree of complexity in the consents processed which meant that some of the work was outsourced, resulting in higher than budgeted cost.

Stormwater work undertaken post cyclone consisting mainly of drain clearing and vegetation control was an unbudgeted expense.

We struggled to meet expected levels of service as we focused on recovery work.

A profound effect over the last 12 months was the need to slow or pause parts of our capital programmes, particularly relating to wastewater, as we work through and understand the effects of Cyclone Gabrielle on these assets and what this means for our future investment. Many other renewals programmes were also paused, and we refocused most notably on land transport recovery and supporting our community through the recovery process.

The planned delivery of \$36.8 million capital investment was paused so that the full impact of the cyclone could be assessed. The focus of our staff was redirected to delivery of recovery work. This resulted in \$27.1 million of recovery work being delivered, with the team still delivering \$12.7 million - around one third - of the planned capital investment.

## Keeping the basics going

Despite the challenges of the cyclone, we used the shared resources of rates from community, combined with our ability to source external funding where appropriate,

to keep delivering on the basics. We deliberately focused on ensuring we receive value from our investment and ensuring that our organisation, partners and contractors are equally as accountable for that investment.

This past year we have graded more than 900 kilometres of roads, fixed 3,845 potholes, picked up more than 75,000 bags of rubbish and 165,000 crates of recycling, disposed of more than 10,000 tonnes of waste, made 662 repairs to our 262 bridges, and kept the lights on and the shelves stocked at the Waipawa and Waipukurau libraries. This is in addition to the services that keep taps running and toilets flushing across the district.

Although reduced from the peak in recent years, we continue to see growth in our district – an extra 4,000 people or 1,360 houses is forecast in the next ten years.

## Partnership and people

We continue to grow strong and enabling relationships with Mana whenua.

In November 2023, following engagement and communication from Mana whenua, Council resolved to establish a Māori Ward for the 2025 Elections. This was further supported with the establishment of two Māori Appointments to the elected Council.

## Focus on the future

We now look ahead to the delivery of the Three Year Plan 2024–2027.

The three urgent priorities identified are: Land Transport, Critical Three Waters Investment and Recovery. Now we enter a period of opportunity, where the future of Local Water Done Well and the Hawke's Bay Waters Model will be considered. We will gain certainty on our land transport recovery, while delivering on the basics well.

We are proud of how our organisation and its people have served our community so well through challenging times. They have delivered a huge amount of work on our basic core infrastructure in the recovery programme and continued to provide core services, as well as securing significant external funding.

This is a demonstration of public money and resources spent well to deliver high-quality services for better outcomes for our district.

Tamatea – Central Hawke's Bay is a great place to live and we aim to protect and enhance it in order to secure the future for a district that thrives.



**Alex Walker**  
Mayor of Tamatea –  
Central Hawke's Bay



**Doug Tate**  
Chief Executive  
Central Hawke's Bay District Council



# The Year in Review

As a result of the cyclone, we prioritised our infrastructure needs to recover, particularly in roading, and to continue to provide essential services to our community.

In the past year we paid invoices collectively worth over \$80 million – far greater than expected, supported largely by external funding. This covers everything from roading, public toilets, facilities such as town halls, libraries, and swimming pools, stormwater, waste collection, and the list goes on.

Consequently, our planned investments in roading and three waters outlined in the LTP had to be adjusted to address the community's immediate needs.

The next section of the Annual Report outlines the major focus areas we've had over the last 12 months.

## The numbers at a glance

Council's operational expenditure was \$12.1 million more than budget. This was driven by a number of factors, including:



**\$9.5 million**

OF CYCLONE ROADING REPAIRS (IN ADDITION TO \$17.6 MILLION SPEND ON ROADING ASSET REPLACEMENTS). THIS WAS 99 PER CENT FUNDED BY NZTA.



**\$0.2 million**

IN UNBUDGETED INSURANCE INCREASES CAUSED BY PREMIUM INCREASES OFF THE BACK OF THE CYCLONE AND DUE TO INCREASING ASSET REPLACEMENT COSTS.



**\$0.8 million**

IN ECONOMIC AND SOCIAL DEVELOPMENT PROJECTS FUNDED BY VARIOUS GOVERNMENT DEPARTMENTS TO DELIVER VARIOUS AGREED OUTCOMES.



**\$0.8 million**

UNPLANNED STORMWATER WORK UNDERTAKEN POST CYCLONE CONSISTING MAINLY OF DRAIN CLEARING AND VEGETATION CONTROL.

**\$0.3 million**

IN RESOURCE CONSENTING COSTS (DESPITE THE NUMBER OF CONSENTS ISSUED BEING DOWN DUE TO ECONOMIC CONDITIONS). THIS WAS DRIVEN FROM THE IMPLEMENTATION OF THE NEW DISTRICT PLAN AND THE CHANGE IN ITS REGULATIONS REQUIRING ADDITIONAL PROFESSIONAL ADVICE.



**\$0.5 million**

EXPENDITURE FOR OTHER ACTIVITIES

## We all need a little help from our friends

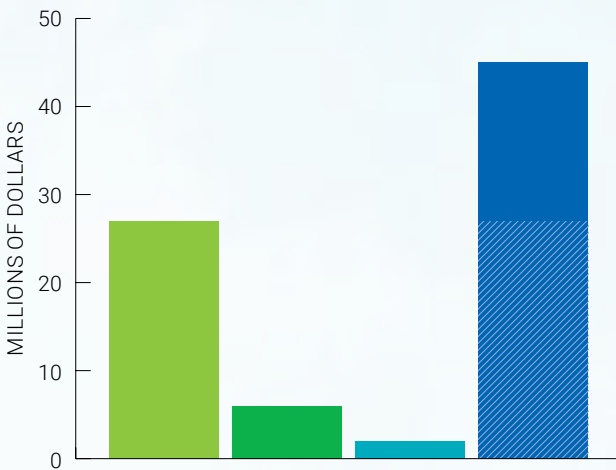
Cyclone Gabrielle was not factored into our Long-Term Plan. It caused hundreds of millions of dollars of damage to Central Hawke’s Bay. While we have achieved a whopping \$45 million worth of roading repairs in the past 18 months, we still need to find \$129 million for the balance of rebuild and repair work.

Rates alone cannot cover everything we need to do. That’s why we look at as many funding avenues as possible, including borrowing money. When it comes to infrastructure and helping to keep the economy running, we don’t think it is fair to keep digging into the pockets

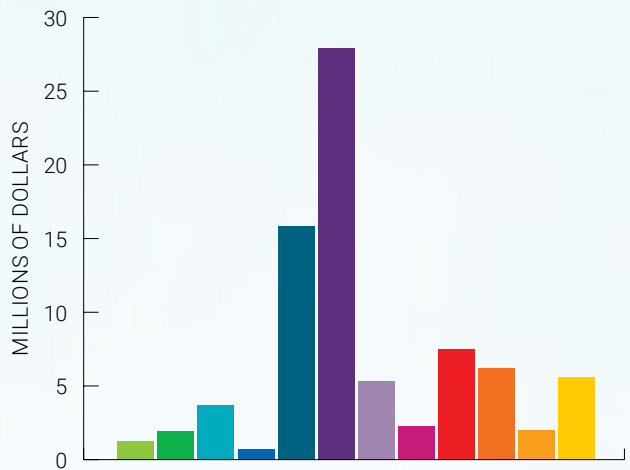
of ratepayers. When you break down the \$80 million, only \$27 million was funded by rates, \$6 million from fees and charges, and \$2 million of additional loans. The balance was Government funding, of which \$27 million was emergency funding for road repairs. We are still on track for a thriving district, using as many avenues as possible.

Achieving external funding is a challenge and an area of success for Council in the last year. Every dollar secured from external sources can be used to deliver unbudgeted or otherwise unaffordable or expensive deliverables, which in turn reduces the burden on ratepayers.

**Funding we received**



**Where we spent the money**



- Rates Funding
- Fees & Charges Funding
- Additional Loans Funding
- Government Funding
- Government Funding – Emergency Road Repairs

- Governance
- Economic & Social Development (2/3 externally funded)
- District Planning & Consenting (2/5 funded through fees)
- Compliance (Environment and Animal) (3/5 funded through fees)
- Rooding (BAU) (3/5 externally funded)
- Rooding (Cyclone Recovery) (externally funded)
- Solid Waste (3/5 funded through fees & subsidies)
- Stormwater
- Drinking Water
- Wastewater
- Parks & Open Spaces (1/4 externally funded)
- Community Facilities (1/5 funded through fees)

The total operating expenditure for all councils across New Zealand increased by 23% during the past two financial years to \$15.8 billion in 2022/23. Inflation is a key cause of this increase because councils’ operating costs (for example, employee and insurance costs) and costs to maintain and build infrastructure increased. (Insights into local government 2023, Office of the Auditor-General)

# Cyclone Gabrielle

Cyclone Gabrielle left a profound mark on our community, highlighting the importance of community resilience. It affected homes, infrastructure, and the well-being and livelihoods of many residents. And yet it has brought us together in support of each other. It has tightened our focus on critical priorities; largely infrastructure and repairing, replacing, or building it to last for generations to come. The last 12 months have seen significant activity and progress in our recovery from Cyclone Gabrielle.

## River and environmental management

The river and environmental management response is led by Hawke's Bay Regional Council (HBRC).

### Key milestones to date:

- Ōtāne/Te Aute/Papanui, Waipawa and Elsthorpe recategorised from Category 2 to Category 1.
- Pōrangahau Flood Mitigation Scheme funding secured via the North Island Weather Event – Hawke's Bay Crown Funding.
- The rapid repairs to community flood safety schemes to move Category 2C properties to Category 1
- Restored the stop bank network network damaged in Cyclone Gabrielle to pre-cyclone levels of service (for 1 in 100-year event).
- Biosecurity protection policy for Chilean Needle Grass review completed.
- Walker Road, Waipawa stop bank and erosion work completed.
- The National Institute of Water and Atmospheric Research (NIWA) report released (initial findings).
- The Hawke's Bay Independent Flood Review released.

## Update on Pōrangahau – flood mitigation scheme

At 30 June 2024, Pōrangahau was the only community in Category 2A in the region.

HBRC received funding from the Crown in 2023 to establish a flood mitigation scheme for the Pōrangahau community. This is one of six infrastructure projects HBRC was tasked with progressing to ensure the level of flood protection required is put in place as quickly as possible, protecting communities from future events and enabling communities to move from the 2A category to 2C. Council has played a supporting role in this project. Both organisations are working to address the critical challenges and leverage the opportunities presented by this project to deliver beneficial outcomes for Pōrangahau.

We supported HBRC through the community engagement process with two meetings held in the community in late April 2024. Our focus is to ensure that the HBRC-led community engagement process adequately supports not only those community members whose land is affected by the proposed flood mitigation scheme, but also the broader Pōrangahau community. HBRC will confirm the viability of the proposed flood mitigation plan in the next financial year.

## Community well-being and resilience

The need for sustained community well-being support was clearly heard across the district. While the initial response may be over, the journey of recovery continues along what is now a well-defined pathway.

A key issue raised across our district is the need for communities to have increased resilience through times of isolation. Addressing this need includes the development of Community Resilience Plans, establishing Community Emergency Hubs and improved communications.

A successful application to the New Zealand Disaster Fund in December 2023 allowed us to start implementing our community resilience work programme.

Public sector funding supported community well-being initiatives and four facilities were successfully nominated for solar installation from the Ministry of Business, Innovation and Employment's solar resilience fund.

### Key milestones/actions

- Provision of navigational support to support community and individual well-being.
- Development of Community Resilience Plans
- Establishing community-led Community Emergency Hubs
- Partnering with New Zealand Red Cross to deliver 50 Red Cross home bundles

## Community Emergency Hubs

Community Emergency Hubs are the pre-identified, community-led places that can support a community to coordinate their efforts to help each other during and after an emergency.

Hubs were established last year in communities throughout the district and the procurement of hub emergency supplies is well underway.

The hubs will be supported with additional supplies located in mobile trailers, which will be prepositioned throughout the district.



## Mana whenua

The Ngāti Kere Hapu Authority (NKHA) supported the Pōrangahau community by managing a flood recovery fund for incoming donations. NKHA also set up a business arm after securing funding to manage the rebuild programme for those uninsured homes as well as an agreement and partnership to continue to run a resilience hub.

Mataweka Marae became a community hub following the closure of the Council-led Civil Defence Centre in Waipawa. It established a charitable trust to employ resilience hub coordinators to manage food distribution and welfare support. The hub operated until September 2023.

Our Pou Whātua/Māori Relationships Manager is working with Te Taiwhenua o Tamatea to understand their future resilience work programme for marae, and identifying ways Council can support.

Ngāti Kahungunu Iwi Incorporated (NKII) have positioned emergency containers at:

- Mataweka Marae (Waipawa)
- Rākauātāhi Marae (Takapau)
- Rongomaraeroa Marae (Pōrangahau)
- Pourerere

## Impacted homes

As at year end, the official number of remaining yellow stickered properties was 23, with all but one split between Waipawa (8) and Pōrangahau (14). Council Officers have contacted most of the property owners for an update on the repair process and whether a reassessment of the property is needed. At the time of publishing this report, 17 properties have started or completed plans for their repair work, two properties are ready for reassessment, four properties are yet to be confirmed, and Council Officers have carried out at least one site visit, door knock, emails and phone calls to the affected community.



Above: credit Mataweka Marae.

Count of Assessment Type	Current Assessment Status				
Suburb	Downgraded to White	Yellow Partial (Y1)	Yellow Short Term (Y2)	White	Total
Ōtāne	1				1
Pōrangahau	20	1	14	70	105
Waipawa	56		8	310	374
Waipukurau	6			74	80
Rural	4		1		5
Ongaonga				67	67
Total	87	1	23	521	632

# Land Transport Recovery

Land transport recovery has been our major focus in the last 12 months.

At the beginning of the financial year, most of the damage from Cyclone Gabrielle was yet to be funded and a plan to address it underway. This included large slips, landslides, and washouts that closed roads and damaged or destroyed bridges.

Additional funding of \$11 million was received for four specific priority recovery sites: Elsthorpe Road, Wimbledon Road (two sites) and Fletcher's Crossing Bridge directly from Government, which is being managed by Crown Infrastructure Partners.

Central Government (NZ Transport Agency) and Council committed \$44.4 million to fund planned cyclone response and recovery work across the district:

- \$34.9 million for our response phase repairs, including more than 4,000 minor repairs to the network and 24 major response projects;
- \$9.5 million additional funding awarded in April 2024 to carry out minor protection work on 98 currently unfunded cyclone-damaged sites to reduce traffic management costs and ensure sites remained safe and accessible.

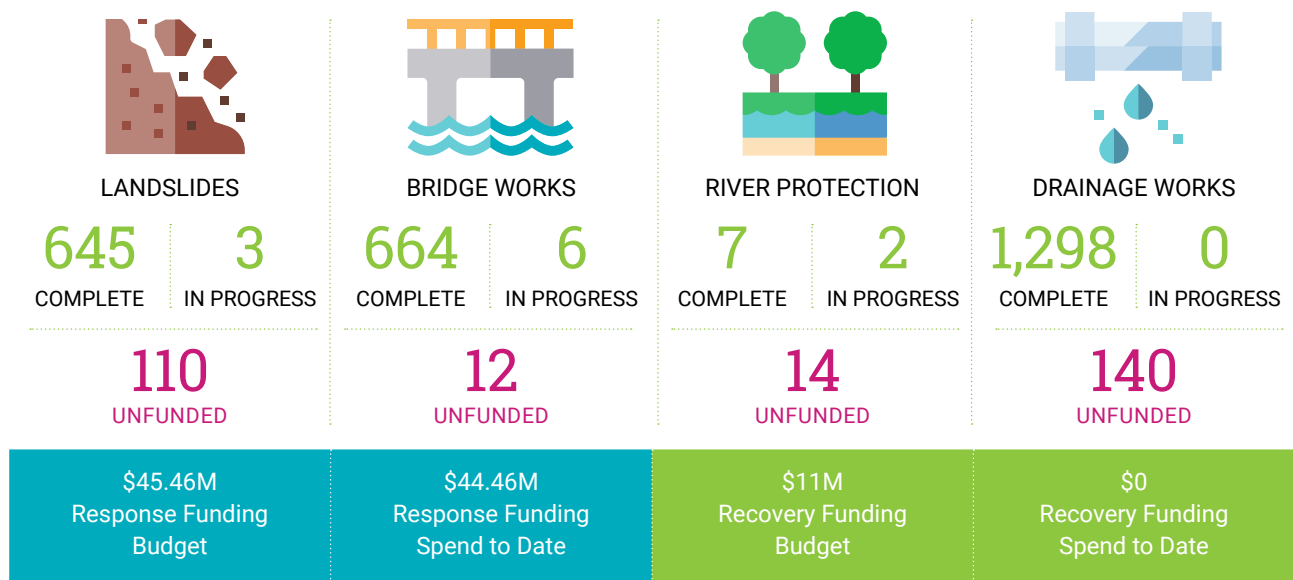
NZ Transport Agency's Emergency Response Funding deadline has been extended into the next financial year, from 30 June 2024 to 31 December 2024. This means that further repairs can be completed, utilising the external funding.

The district's roads were badly damaged by the 'wettest year on record' in 2022, followed by Cyclone Gabrielle in February 2023. Repairing them to pre-2022 conditions is long and costly and there will undoubtedly be trade-offs to make.

As at 30 June, we still have an estimated \$129 million worth of work to complete outside the existing funding. We are committed to securing more funding and delivering a roading network that is safe, efficient and effective to keep our communities connected and our economy growing.

## Central Hawke's Bay District Council's Land Transport Recovery Programme

The planned programme of repair work has been categorised into Minor, Simple and Complex Repairs, with each category packaged according to the type of work required:







Deputy Mayor Kelly Annard and Waipawa school Principal Paul Jamieson, Re-opening of Harker Street.

Repairs completed in FY 2023/24





# Drinking Water and Wastewater Investment

Our focus for drinking water and wastewater services has been on the most urgent recovery priorities and ensuring long-term resilience as we plan ahead.

It is vital we invest in our drinking water services, stormwater and wastewater strategically, as we strive for generational change in this area. Cyclone Gabrielle has undoubtedly reinforced the importance of continuing to invest in our wastewater network and improve network resilience.

One of the key decisions of the Three Year Plan 2024–2027 –recognising the significant uncertainty and impacts of the Upper Tukituki Flood Control Scheme Review, was to delay the wastewater programme for three years.

The current work on our wastewater options will have a long-lasting and ongoing impact for delivery of our wastewater programmes.

We reinstated a section of our flood protection that was damaged during the cyclone upstream of the Tikokino Road Water Treatment Plant with the assistance of a \$2.5 million grant from the government. This protects the plant from flooding in lower-level flood events.

In conjunction with conversations with the community, we have paused the consenting process for Pōrangahau wastewater management. This is to allow for more certainty as the community works towards recategorization from Category 2A before recommending this work.

The Waipukurau Wastewater Treatment Plant’s anaerobic pond outflow channel was replaced. The old reinforced concrete channel had deteriorated and was no longer fit for purpose.

We achieved minor efficiencies across all wastewater sites, including optimising chemical usage and also increasing aeration.

There is still substantial work in understanding the impacts of the cyclone on our three waters infrastructure. This is a priority of the Three Year Plan.

*Below: Veolia Waste Water Technician - Ken Sanderson.*



# Stormwater

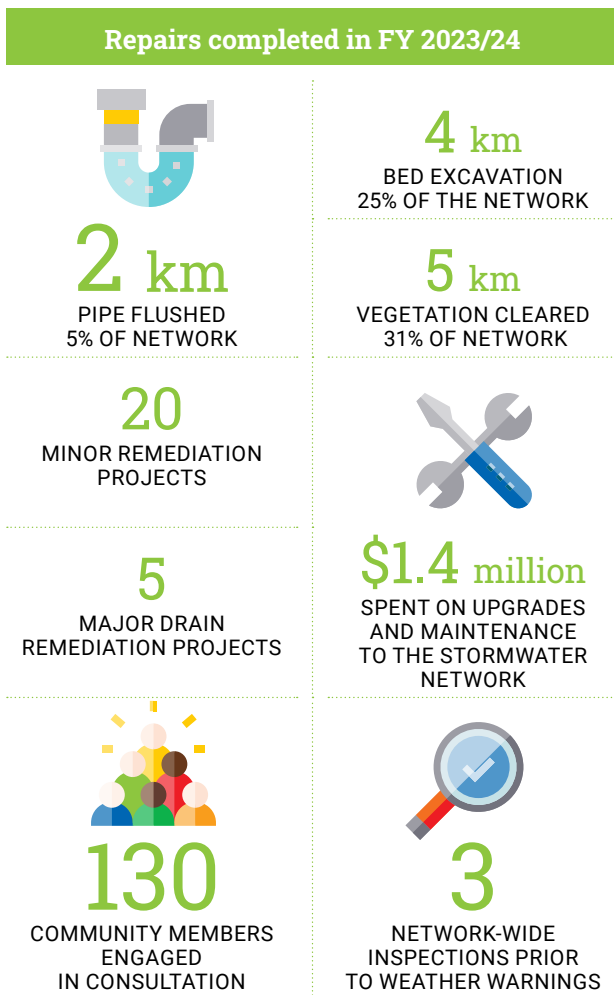
The need to prioritise stormwater following the cyclone was strongly expressed by the community. With decades of underfunding in infrastructure, it became apparent the havoc Mother Nature can wreak on a stormwater system under pressure in Cyclone Gabrielle.

Our stormwater system is made up of both piped and open drain networks, located within road corridors, reserves and private property. We all have a part to play in keeping stormwater and drains cleared and operating for our community.

We need the community's support to report issues and identify problem areas but most importantly, keep drains clear of rubbish, green waste or anything that could restrict the flow of water. The drains play an important interconnected role in the network that is our stormwater system. Dumping green waste or blocking drains with fences can have a hugely detrimental impact.

After the cyclone it was clear that stormwater management must be prioritised. We have made considerable progress in the management of stormwater systems since. Funding was reprioritised and urgent maintenance work was completed, including excavating drains and clearing vegetation to allow for free-flowing drains. That provided resilience to the network, and the open drain network allowed for stormwater to flow more freely.

New investment in stormwater in the last financial year focused on urban areas, which continues in the first and ongoing years of the Three Year Plan 2024–2027.



Cyclone Gabrielle significantly impacted and exposed the vulnerability of the district's stormwater network. A step change in the management of our stormwater networks is a key part of our recovery plan. We have nearly doubled the level of investment in stormwater over the next three years, which will see a significant increase in scheduled and planned maintenance of the open drain network.

# Delivering on External Funding

Part of our deliberate External Funding Strategy is to endeavour to offset the impact on rates wherever we can.

Our population is smaller than other districts around the country and to deliver what we need – let alone what we want – we need external funding.

A planned recovery from Cyclone Gabrielle fundamentally changed the way we have approached the 2023–24 Annual Plan, requiring us to take a back-to-basics approach. Wherever possible, we have tried to ‘double-down’ on achieving external funding across the district.

We received just under \$40 million of external funding in the 2023-24 year, including \$650,000 from Ministry of Business, Innovation and Employment (MBIE) for a seed drying facility in conjunction with Ludlow Farms as an economic uplift project; \$45 million from NZ Transport Agency Waka Kotahi (NZTA) for cyclone recovery and an extra \$1.7 million for the Streets for People project to improve safety and connectivity of Waipawa’s main street; and \$12,825 from Sport New Zealand to help with rural travel assistance for sports clubs in our widespread district.

## Other funding achieved this year includes:

Fund	Amount	How it was used
New Zealand Red Cross Disaster Fund – Special Appeal	\$340,000	for building community resilience – not all spent at 30 June
MSD	\$135,000	Support for community well-being – not all spent at 30 June
MSD	\$10,000	Cyclone Anniversary remembrance service
MSD	\$37,323	Deposit for first of four solar installations to support Community Emergency Hubs and Civil Defence Centres
Sport New Zealand	\$12,825	Rural Travel Assistance for Sports Clubs
Creative New Zealand	\$32,825	Support for Arts
MBIE	\$271,929	He Ringa Whanau Ora Social Work Contract
Kainga Ora & MSD	\$117,093	Tamatea Housing Task Force
Mayor’s Taskforce for Jobs	\$1,140	MTFJ Trades Graduation
HB Tourism & Various Local Businesses	\$7,952	Spring Fling
Sport New Zealand	\$85,000	Play Advocate
MBIE	\$650,000	Seed drying facility
Mayor’s Taskforce for Jobs	\$325,000	Mayor’s Taskforce for Jobs Programme (Jobs in Central Hawke’s Bay)
Ministry for the Environment	\$250,713	Waste minimisation
MBIE - Tourism Infrastructure Fund	\$34,684	Contribution to Kairakau Water Upgrade
Takapau Lions	\$2,000	Library donation
MBIE - Tourism Infrastructure Fund	\$83,207	Tukituki Trails
NZTA	\$35,538,483	Local roading subsidy, cyclone recovery & Streets for People
MBIE - Tourism Infrastructure Fund	\$146,812	Freedom Camping Ambassador and Bylaw Review
Department of Internal Affairs	\$405,538	3 Waters Asset information
MBIE – Tourism Infrastructure Fund	\$205,800	Pourerere Northern Reserve
MBIE – Tourism Infrastructure Fund	\$194,250	Otāia Lindsay Bush Car Park Upgrade
NZTA	\$140,000	Bikes in Schools projects
MSD	\$5,000	Community Well-being and Hauora Grant – training for frontline staff
Digital Inclusion Alliance Aotearoa	\$6,200	Digital skills pathway courses for Seniors



## Mayor's Taskforce for Jobs (MTFJ)

Our local MTFJ team has become the flagship of excellence in our community and is the driving force behind 'Jobs in Central Hawke's Bay'.

They are respected for their incredible partnerships, stewardship of networks, innovation and most of all, for their people-centred thinking and action that is changing lives. Some of the year's highlights were the Enhanced Taskforce Green programme (supporting people into work during our cyclone recovery), our second Tamatea Work Ready programme (supporting people to attain driver licencing for work), and then expanding our role in supporting businesses to be better employers.

Through MTFJ, we have introduced two new initiatives this year. One was our Youth Employer of the Year Award in partnership with the Waipukurau Rotary Club. The other, a series of workshops targeted to engage local businesses in recovery works as part of our commitment to progressive procurement for equitable outcomes for local businesses, Māori and young people. As always, our measurable outcomes underestimate, by far, the impact that this local leadership is having in the growth of a 'culture of work' here in our community.

As we look down the barrel of a tough economic phase from 2024 to 2025, history tells us our young people are the first to lose work and will find it the hardest to return to the workforce. We are looking strategically to how we innovate and 'flex' for these changing times.

Our young people continue to be the priority for a thriving future in our community – Jobs in Central Hawke's Bay is a crucial part of achieving our goal of thriving.



## Outcomes for the community



47

TOTAL EMPLOYMENT PLACEMENTS MADE

30

NEET'S

14

YOUTH



TOP 3

INDUSTRIES OF PLACEMENTS:  
AGRICULTURE/  
PRIMARY INDUSTRY,  
RETAIL/HOSPITALITY,  
AGRICULTURE/FORESTRY



TOP 3

ETHNICITIES OF PLACEMENTS:  
NZ EUROPEAN, MĀORI,  
OTHER



280

TOTAL NUMBER OF REGISTERED JOBSEEKERS

5

DISADVANTAGED

988

TOTAL NUMBER OF REGISTERED BUSINESSES

\* Youth who are not in employment, education or training

## Here's a snapshot of what we've achieved so far. (As at 30/06/2024)



162

Unique jobseeker referrals



68

People placed in jobs/training (that we know of)



958

CHB Business connections

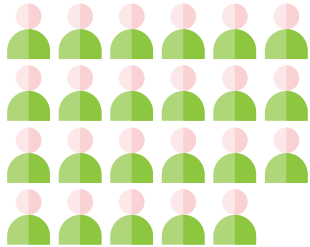


100%

Local Central Hawke's Bay residents

## Enhanced Taskforce Green

Enhanced Taskforce Green (ETFG) is a disaster recovery employment support programme that assists communities with clean-up activities. It helps communities to recover from damage resulting from weather events or natural disasters. ETFG funding Mauri Oho to employ jobseekers (and people at risk of losing their job due to the event) to assist with clean-up in impacted Central Hawke’s Bay.



**23**  
STAFF EMPLOYED



**Areas Covered**  
ELSTHORPE, POURERERE, WAKARARA,  
WAIPAWA, ONGAONGA, HATUMA,  
FLEMINGTON, PŌRANGAHAU

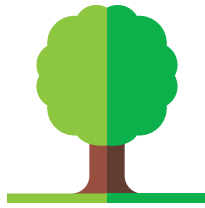


**8**  
FLOOD GATES INSTALLED



**17.016 km**  
FENCING

1.206 KM NEW FENCE  
10.703 KM MAINTENANCE & REPAIR



**27**  
LANDOWNERS ASSISTED

2 TREES REMOVED  
PLUS COUNTLESS BRANCHES



**Job Training /  
Pathways**

1 DAY FIRST AID TRAINING  
1 SESSION JOBS IN CHB WORK  
PATHWAYS  
1 ONE-DAY 4X4 TRAINING  
1 DOWNERS HAWKE’S BAY CENTRE

Below: Mayor Alex Walker – Enhanced Taskforce Green.



# Other Highlights of 2023/24

## Externally funded park upgrades

The Pouterere Northern Reserve now offers a bird watching area, accessible picnic tables and an accessible beach experience, with improvements made to the car park near the lagoon. This upgrade was fully funded through the Ministry of Business, Innovation and Employment's Tourism Infrastructure Fund.

Over 20 kilometres of Tukutuki trails were restored for cycling, with the reinstatement of the Black Creek Bridge being the final piece of major work and still underway. It was funded through the Tourism Infrastructure Fund but only made possible due to the huge contribution of voluntary hours by Rotary River Pathways Trust volunteers

## Waste

Waste is a core part of Council's business. We collect it, we process it, we recycle it, and we also take in some waste from other areas. The district has a large geographic footprint but a comparatively small population.



Above: Patangata Bridge, left: before, right: after.



Photo: credit Mataweka Marae.

## Waste services in FY 2023/24



# 10,650 tonnes

SOLID WASTE DISPOSED AT LANDFILL. 6,100 TONNE WAS FROM CENTRAL HAWKE'S BAY, THE REMAINING WASTE WAS FROM NEIGHBOURING DISTRICTS.

# 1,620 tonnes

WE DIVERTED 1,620 TONNES OF PLASTIC, PAPER, STEEL, GLASS, AND E-WASTE.



# 165,000

RECYCLING CRATES EMPTIED



# 75,000

RUBBISH BAGS COLLECTED



# 1,700 tonnes

OF GREEN WASTE THAT WOULD HAVE OTHERWISE GONE TO LANDFILL.



### Spotlight on our people

Our Council team works together to support a thriving district. We are building an organisational culture around the principles of delivering on Our Strategic Direction – our vision and purpose, our THRIVE values, our DNZ and focusing on outcomes.

To that end, we continue to develop our leaders. In the last year, we are proud to acknowledge that two of our team members have achieved national recognition for their professional performance.

### Sheffield Emerging Leader Award at the Taituarā Local Government Professionals Awards

Central Hawke’s Bay District Council’s Project Manager Rebecca England won the Sheffield Emerging Leader Award at the Taituarā Local Government Professionals Awards for her role in helping deliver the land transport recovery programme – over \$35 million worth of work in a year.

This award acknowledges an outstanding young leader who is making a significant difference in our community. Recipients demonstrate a proven track record of designing and delivering innovative projects with tangible community impact. Rebecca’s dedication and leadership have demonstrably improved Central Hawke’s Bay, particularly in the wake of Cyclone Gabrielle.

“Rebecca’s resilience, determination, and unwavering commitment truly shine through,” said Katy Anquetil, Executive Director of Sheffield Wellington.

“Following Cyclone Gabrielle, she played a pivotal role in the cyclone recovery. Her proactive approach and forward-thinking leadership are an inspiration.”



Above: Rebecca England

Beyond her immediate contributions, Rebecca’s win opened doors to further professional development. She will attend the prestigious International City/County Managers Association (ICMA) Conference in Pittsburgh this September, funded by the award sponsor. ICMA is the world’s leading association for local government professionals, offering unparalleled networking and learning opportunities. Rebecca’s participation will undoubtedly benefit both her and the Central Hawke’s Bay community.

### Organisational Commitment to Community Service and Response Award

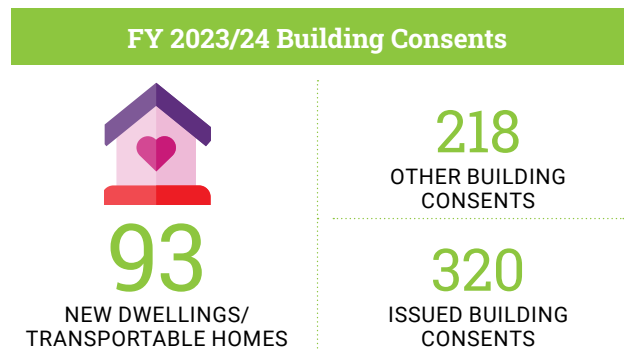
Central Hawke’s Bay District Council’s Building Consents Officer Thomas Kerr won the Organisational Commitment to Community Service and Response Award at the Building Officials of New Zealand conference.

This was in recognition for the work Thomas undertook during the response and recovery periods following Cyclone Gabrielle. Thomas and the wider Building Consents team did outstanding work in the aftermath of Cyclone Gabrielle, classifying and stickering hundreds of flood-damaged properties across the district. His technical proficiency, eye for detail and ability to come to grips with rapidly changing legislation were some of the key traits that got him the nod. He did all of this while also being personally impacted and dealing with damage to his own home caused by the cyclone.

### Building a future in Central Hawke’s Bay

Part of our core service is to ensure building work carried out in the district is done in accordance with the Building Code, the Building Act 2004 and Council’s District Plan. The Three Year Plan reflects significant urban growth across Central Hawke’s Bay,

Immediately post COVID-19 there was a massive boom on building consents. This was due to the low interest rates banks were offering on mortgages, increasing the affordability of building, combined with large numbers of people returning to New Zealand. Projections for building consents were set with these factors in mind. With stronger headwinds in the last 18 months, this pipeline has slowed; however, Council is preparing to ensure its systems, people and processes are set for the next lift in activity by completing a Smart Growth Review.









# Statement of Māori Contribution to Decision-Making

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

Tāngāta 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.

Council approved the appointment of two Pou Whirinaki/ Māori support and advisory roles to assist elected members with decision making, to be made in the 2024/2025 financial year.

Mana whenua have gifted the name Rautahi to Council to establish the Māori ward that was confirmed last year for the next triennial election in 2025. A referendum will be held at that time to determine the future of the ward.

The Kahui is a collaborative hui with Mana whenua governance and elected members to discuss matters that are at the forefront of the shared agendas. This collaborative function has assisted with the process and practise of democratic decisions such as the Māori appointments and Māori ward discussions.

Partnership agreements with Te Taiwhenua o Tamatea and Tamatea Pokai Whenua have been developing throughout the year with work programmes and relationships being built. Signed and sealed documents are planned for the end of December 2024.

## 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 well-being.

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 Tāngāta Whenua to achieve their aspirations.

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*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.*

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## 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 Tāngāta 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 shown below, introduced into 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 2024 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  
Central Hawke's Bay  
District Council

# Independent Auditor's Report

To the readers of Central Hawke's Bay District Council's  
Annual Report for the year ended 30 June 2024



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 31 October 2024. 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 101:
  - present fairly, in all material respects:
    - the District Council's financial position as at 30 June 2024;
    - 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 Services" on pages 25 to 61:
  - presents fairly, in all material respects, the District Council's levels of service for each group of activities for the year ended 30 June 2024, 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 61, 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 61, 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.

## 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.

## 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.



# Independent Auditor's Report

To the readers of Central Hawke's Bay District Council's  
Annual Report for the year ended 30 June 2024



## 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 annual plan or 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.

# Independent Auditor's Report

To the readers of Central Hawke's Bay District Council's  
Annual Report for the year ended 30 June 2024



## 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 20 and 102 to 106 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 (including International Independence Standards) (New Zealand) (PES 1) issued by the New Zealand Auditing and Assurance Standards Board.

Other than our audit and our report on the disclosure requirements we have carried out an engagement to provide debenture trustee reporting, which is compatible with those independence requirements. Other than these engagements we have no relationship with, or interests in, the District Council.

A handwritten signature in blue ink, appearing to read 'Stuart Mutch', is positioned above the printed name.

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








# Section Two

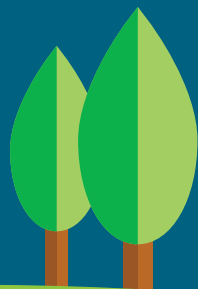
## **Council Services**

Groups of Activities	26
Leadership, Governance and Consultation Group	27
Planning and Regulatory Group	31
Land Transport Group	38
Solid Waste Group	41
Water Supplies Group	44
Wastewater (Sewerage) Group	47
Stormwater Group	50
Places and Open Spaces	53

# 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 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 councillors 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:



LEVEL OF SERVICE TO BE DELIVERED	TARGETS TO MEASURE OUR SUCCESS IN 2023/24	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 consider that Council has responded well or very well to community needs and issues.	<p><b>Not Achieved</b></p> <p>43% of people consider that Council has responded well or very well to community needs and issues.</p> <p>This is an area that Council continues to work on, recognising Council has responded to a wide range of issues in the last 12 months, most notably Cyclone Gabrielle recovery, developing Council’s Three Year Plan and undertaking a Representation Review.</p> <p>2023 Result: 76%</p>
	100% of formal consultation follows legislative and policy requirements.	<p><b>Achieved</b></p> <p>All consultation has been compliant with legislation and policy.</p> <p>2023 Result: 100%</p>
	85% of people consider that Council has communicated well on Council business.	<p><b>Not Achieved</b></p> <p>59% of people consider that Council has engaged and communicated well about Council business.</p> <p>2023 Result: 81%</p>
	60% of Iwi and Marae report to be satisfied with the level of engagement and partnership with Central Hawke’s Bay District Council.	<p><b>Not Measured</b></p> <p>Not measured in 2023/24.</p> <p>2023 Result: Not Achieved</p>



## 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 coordinate the sustained enablement and enhancement of the community's social well-being. Primarily this is achieved through the implementation of the district's Community Well-Being 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 coordinates 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:



LEVEL OF SERVICE TO BE DELIVERED	TARGETS TO MEASURE OUR SUCCESS IN 2023/24	ACHIEVED LEVEL OF SERVICE
Council has a strong voice so that it can, in partnership with community, advocate and lead change in social issues and opportunities for the district.	95% of the community is satisfied with the Social Development activity of Council.	<b>Not Achieved</b> 73% of people were satisfied with the Social Development activity of Council. 2023 Result: 76%
	Council implements the Social Well-Being Strategy.	<b>Achieved</b> Implementation of the Social Development Strategic framework has been achieved through the workplans of the Network of Networks. 2023 Result: Achieved
Council creates opportunities for the community to build capacity and is resourced to deliver on community priorities.	85% of community groups associated with the Social Well-Being Network are satisfied with the advice and support provided by Council. Council supports community groups to achieve their goals.	<b>Achieved</b> 93% of community groups associated with the Social Well-being Network who responded to the survey were satisfied or very satisfied with the advice and support provided by Council. 2023 Result: 100%
	100% of community groups supported by Council are satisfied with the level of service provided.	<b>Not Achieved</b> 96% of community groups who responded to the survey were satisfied or very satisfied with the level of service provided by Council. 2023 Result: 95%

## Economic Development

### What Council does

This activity primarily supports the sustainable economic well-being 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.

### 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 2023/24	ACHIEVED LEVEL OF SERVICE
Council supports the enhancement of economic well-being 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).	<p><b>Not Achieved</b></p> <p>A majority of the actions have been undertaken. A refresh of the Economic Development Action Plan will commence once the Matariki Strategy (at a regional level) is refreshed to ensure alignment.</p> <p>2023 Result: Not Achieved</p>
	90% of the representatives of the Economic Leadership Group are satisfied that the 2019 Economic Development Action Plan deliverables are being achieved.	<p><b>Not Achieved</b></p> <p>The satisfaction level of the Economic Leadership Group with the 2019 Economic Development Action Plan deliverables remains unclear. New service standards have been introduced, and the focus will be on completing the remaining key actions from the Action Plan while conducting a refresh.</p> <p>2023 Result: Not Achieved</p>

# Funding Impact Statement for Community Leadership

Funding impact statement for the year ending 30 June 2024

	Long-Term Plan 2023 \$000	Long-Term Plan 2024 \$000	Annual Plan 2024 \$000	Actual 2024 \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges and rates penalties	1,724	1,794	1,980	1,980
Targeted rates	0	0	0	0
Subsidies and grants for operating purposes	35	36	335	1,460
Fees, charges	77	26	17	24
Interest and dividends from investments	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	98
<b>Total operating funding</b>	<b>1,836</b>	<b>1,856</b>	<b>2,331</b>	<b>3,562</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	1,301	1,275	1,708	2,578
Finance costs	0	1	0	0
Internal charges and overheads applied	549	572	607	610
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>1,850</b>	<b>1,848</b>	<b>2,315</b>	<b>3,188</b>
<b>Surplus (deficit) of operating funding</b>	<b>(14)</b>	<b>8</b>	<b>16</b>	<b>374</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	8	7	0	0
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total sources of capital funding</b>	<b>8</b>	<b>7</b>	<b>0</b>	<b>0</b>
<b>Applications of capital funding</b>				
<b>Capital expenditure</b>				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	21	21	0
- to replace existing assets	0	0	0	0
Increase (decrease) in reserves	(6)	(6)	(6)	374
Increase (decrease) of investments	0	0	0	0
<b>Total application of capital funding</b>	<b>(6)</b>	<b>15</b>	<b>16</b>	<b>374</b>
<b>Surplus (deficit) of capital funding</b>	<b>14</b>	<b>(8)</b>	<b>(16)</b>	<b>(374)</b>
<b>Funding balance</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>0</b>

Council's operational income was ahead of budget by \$1.1 million due to external funding from Central Government. Examples of this includes programme funding: He Ringa Whanau Ora, Tamatea Housing Taskforce, Mayor's Taskforce for Jobs. This additional funding has also led to additional expenditure as the unbudgeted programmes were delivered.



# Planning and Regulatory Group

## District Planning

### What Council does

Council prepares plans and policies in accordance with the Resource Management Act 1991 (RMA), including plans and strategies that enable our district to be ready for the future.

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 May 2023 Council publicly notified its decisions on provisions and matters raised in submissions on the Proposed District Plan. A number of appeal points have been raised by submitters, and these are now being managed through an Environment Court process.

Council's decisions were the result of a full review of the District Plan beginning in 2017. The Proposed District Plan underwent comprehensive consultation with the community in order to bring it up to date with legislative requirements and community aspirations.

Through the life of this Three Year Plan, investment is planned to resolve appeals on the Proposed District Plan so that it can be made operative and replace the current District Plan in full. Investment is also planned to ensure continued rolling reviews of the District Plan, to ensure that it continues to evolve and is fit for purpose. Rolling reviews will also 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, growth that is projected to continue for the next three decades.

### 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 2023/24	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 that is current within the statutory time frames.	<b>Not Achieved</b> Mediation with appellants have continued throughout the reporting period. A number of appeal points have been resolved. Officers are aiming to make the proposed District Plan 'operative in part' in the next reporting period while the Environment Court process continues to address the outstanding appeals.
	A District Plan that is future-focused and responsive to the district's growth and development.	<b>Achieved</b> Our forward work programme has begun with the commencement of an Industrial Land Study and the coordination of a Structure Plan for Waipukurau South Growth Precinct. Improvements to how we monitor growth and development have been implemented.

## Land Use and Consenting

### What Council does

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 whole community.

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 1960s.

In the last two years, we have seen a period of unprecedented growth. An additional 1,350 homes are expected to be constructed over the next ten years across the district, with subdivision of land 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 2023/24	ACHIEVED LEVEL OF SERVICE
To enable use, development and subdivision of land in line with our District Plan and other environmental policies.	80% of resource consents (non-notified) are processed within 20 working days (the statutory time frame).	<p><b>Not Achieved</b></p> <p>51.4% achieved for the year.</p> <p>105 resource consents were issued in this year.</p> <p>56 consents were processed within the statutory time frame of 20 working days.</p> <p>The adoption of the Proposed District Plan has increased complexities throughout our consent decisions and has increased time frames for processing to ensure consistency in the application of the new rules.</p> <p>There is still a heavy reliance on external consent processing due to resources.</p> <p>2023 Result: 60%</p>
	90% of customers are satisfied with the land use and subdivision consent services provided.	<p><b>Not Achieved</b></p> <p>57% of people were satisfied with the land use and subdivision consent services provided.</p> <p>2023 Result: 59%</p>

## Building Control

### What Council does

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 well-being of the community. We work hard to ensure that all people, including developers, understand the requirements, costs and time frames involved in a building process.

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

### A growing district

There are 1,350 new homes forecast for construction in Central Hawke's Bay over the next ten years. This growth will require Council to be prepared to respond to this increase in building consents.

In the 2023/24 year, the district processed 283 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 2023/24	ACHIEVED LEVEL OF SERVICE
To protect the community from unsafe buildings and ensure buildings are designed and constructed in a manner that promotes sustainable development.	100% of building consents are processed within 20 working days (the statutory time frame).	<p><b>Not Achieved</b></p> <p>94.7% of consents were processed within the 20-working-day time frame in the year.</p> <p>There were 283 consents processed, with 268 processed within 20 working days (the statutory time frame).</p> <p>2023 Result: 80.5%</p>
	90% of customers are satisfied with the building consent services provided.	<p><b>Not Achieved</b></p> <p>75% Satisfaction</p> <p>2023 Result: 88%</p>



## Environmental Health

### What Council does

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 that you can be 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:

- Registration and inspection of premises including hair salons, camping grounds and funeral directors
- Registration and auditing of food premises
- 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 2023/24	ACHIEVED LEVEL OF SERVICE
To keep the community safe and healthy by ensuring environmental and public health standards are maintained.	100% of complaints received are responded to within three working days.	<p><b>Achieved</b></p> <p>24 complaints were received this year and all were responded to within three working days.</p> <p>2023 Result: 100%</p>
	95% of customers satisfied with the public health services delivered.	<p><b>Not Achieved</b></p> <p>80% of users were satisfied with the public health services delivered from the residents survey.</p> <p>To ensure that we measure satisfaction of our highest users being businesses, e.g. liquor/food/hairdressers, we created a targeted survey. There were 18 responses to the targeted survey, of which 94% were satisfied with public health services provided.</p> <p>2023 Result: 87%</p>

## Animal Services

### What Council does

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 rehoming 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 2023/24	ACHIEVED LEVEL OF SERVICE
To ensure that 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 are registered.	<b>Achieved</b> 96% of dogs are currently registered. 2023 Result: 97%
	100% of serious dog incidents are responded to within two hours.	<b>Achieved</b> A total of 36 serious dog incidents have been received to 30 June 2024, all of which were attended to within two hours. 2023 Result: 100%
	100% response to all stock complaints and requests within 24 hours.	<b>Achieved</b> A total of 75 stock complaints have been received to 30 June 2024, all of which were attended to within 24 hours. 2023 Result: 100%
	90% of users are satisfied with the animal control services provided.	<b>Not Achieved</b> 58% of people were satisfied with the Animal Control services provided. This is a decline from the previous year. The feedback received through the Residents' Opinion Survey was around the price of dog registration and the number of wandering dogs. 2023 Result: 83%

## 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 of 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 2023/24	ACHIEVED LEVEL OF SERVICE
To ensure that animals are looked after in a humane manner and are not menacing, dangerous or a nuisance to the public.	95% of owners or their agents are advised that their BWOFF has lapsed within one month of expiry.	<b>Achieved</b> 100% notified. 2023 Result: 100%
	100% of PIMs, LIMs and CCCs are issued within the statutory time frame.	<b>Not Achieved</b> 94% of LIMs (156 out of 166) have been delivered within ten days. 100% of PIMs have been delivered within ten days. 99.3% of CCC's have delivered within statutory timeframes (403 out of 406). 2023 Result: 100%
	100% of complaints about non-compliance with bylaws are responded to within three days.	<b>Achieved</b> A total of 137 complaints have been received to 30 June 2024 and addressed within three working days. 2023 Result: 100%
	100% of resource consents are monitored within two years of being issued.	<b>Not Achieved</b> We have limited resource to undertake this function. No consents have been monitored. This will be considered as part of the Three Year Plan 2024-2027 2023 Result: Not achieved
	90% of users satisfied with the compliance and monitoring service provided.	<b>Not Achieved</b> 53% of people were satisfied with monitoring and investigation of property issues related to building and resource consents. 2023 Result: 71%



# Funding Impact Statement for Planning & Regulatory

Funding impact statement for the year ending 30 June 2024

	Long-Term Plan 2023 \$000	Long-Term Plan 2024 \$000	Annual Plan 2024 \$000	Actual 2024 \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges and rates penalties	1,428	1,434	1,682	1,684
Targeted rates	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	147
Fees, charges	1,805	1,879	2,298	1,919
Interest and dividends from investments	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	17	20	15	31
<b>Total operating funding</b>	<b>3,250</b>	<b>3,332</b>	<b>3,995</b>	<b>3,781</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	3,306	2,632	3,786	3,528
Finance costs	88	90	104	107
Internal charges and overheads applied	638	666	755	729
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>4,032</b>	<b>3,388</b>	<b>4,645</b>	<b>4,364</b>
<b>Surplus (deficit) of operating funding</b>	<b>(781)</b>	<b>(55)</b>	<b>(651)</b>	<b>(583)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	781	55	1,101	480
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total sources of capital funding</b>	<b>781</b>	<b>55</b>	<b>1,101</b>	<b>480</b>
<b>Applications of capital funding</b>				
<b>Capital expenditure</b>				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	450	75
- to replace existing assets	0	0	0	0
Increase (decrease) in reserves	0	0	0	(178)
Increase (decrease) of investments	0	0	0	0
<b>Total application of capital funding</b>	<b>0</b>	<b>0</b>	<b>450</b>	<b>(103)</b>
<b>Surplus (deficit) of capital funding</b>	<b>781</b>	<b>55</b>	<b>651</b>	<b>583</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

With the downturn in the economy the number of consents (building and land use) has fallen, creating a shortfall in fee revenue. However despite this, the implementation of the new District Plan has increased the cost of processing of new consents as they are being processed against the new regulations for the first time.

The District Plan Review was notified last year and this year has seen many of the appeals worked through, with a handful remaining unresolved at year end.

# 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 well-being 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 well-being 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 NZ Transport Agency Waka Kotahi (NZTA), 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 59 per cent FAR from NZTA, with rates forming the remaining 41 per cent of the cost of current subsidised works Council completes.

For the Cyclone Emergency repairs Council is currently receiving a bespoke FAR of 99 per cent from NZTA, leaving Council only paying the residual 1 per cent. This bespoke level of funding is linked to certain priority cyclone recovery sites and is only granted one year at a time. Normally emergency repairs are funded at an emergency FAR rate of the standard FAR of 59 per cent plus an additional 20 per cent, or 79 per cent in total, with the balance coming from Council. There is no guarantee that the existing bespoke FAR of 99 per cent will continue into the future.

### 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 2023/24	ACHIEVED LEVEL OF SERVICE
To deliver 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.	<p><b>Not Achieved</b></p> <p>Zero fatalities</p> <p>Nine serious injuries</p> <p>2023 Result: Not Achieved (Eight serious injuries).</p>
	85–90% quality of ride on a sealed local road network, measured by smooth travel exposure.	<p><b>Achieved</b></p> <p>The average ride quality on the local sealed road network is 95%.</p> <p>2023 Result: 91%</p>
	At least 50% of the footpaths are in excellent condition and no more than 10% of the footpaths are in poor condition (measured annually).	<p><b>Achieved</b></p> <p>2024 Result: Not measured as below:</p> <p>As the footpath condition rating only happens once every three years, the goal has been met (footpaths do not deteriorate as rapidly due to their usage being lighter and any damage from incidents is reported and repaired quickly).</p> <p>2023 Result: Not measured</p> <p>2022 Result: 60% excellent and only 5% poor</p>
	4–10% of the sealed local road network is resurfaced.	<p><b>Achieved</b></p> <p>5.3% of the sealed road network has been resealed this year.</p> <p>2023 Result: 4.1%</p>
	100% of customer service requests relating to road and footpaths are responded to within three working days.	<p><b>Not Achieved</b></p> <p>79% of customer service requests relating to road and footpaths were responded to within three working days.</p> <p>2023 Result: 69%</p>
	90% of users are satisfied with the roading service provided.	<p><b>Not Achieved</b></p> <p>63% of users satisfied with the roading service provided. While this measure wasn't achieved, it shows a significant improvement on last year, which was measured just after Cyclone Gabrielle. What this result shows is the improvement across the network as repairs are undertaken, but that more work is required to complete the job at hand.</p> <p>2023 Result: 34%</p>



# Funding Impact Statement For Land Transport

Funding impact statement for the year ending 30 June 2024

	Long-Term Plan 2023 \$000	Long-Term Plan 2024 \$000	Annual Plan 2024 \$000	Actual 2024 \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges and rates penalties	7,122	7,316	7,780	7,786
Targeted rates	0	0	0	0
Subsidies and grants for operating purposes	3,121	3,059	3,132	20,087
Fees, charges	65	67	67	73
Interest and dividends from investments	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	171	176	176	158
<b>Total operating funding</b>	<b>10,479</b>	<b>10,618</b>	<b>11,155</b>	<b>28,104</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	5,331	5,328	7,638	17,014
Finance costs	0	0	0	0
Internal charges and overheads recovered	1,918	1,998	2,289	2,238
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>7,249</b>	<b>7,326</b>	<b>9,926</b>	<b>19,252</b>
<b>Surplus (deficit) of operating funding</b>	<b>3,231</b>	<b>3,292</b>	<b>1,229</b>	<b>8,852</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	4,240	4,144	4,144	15,451
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	0	0	1,100	0
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total sources of capital funding</b>	<b>4,240</b>	<b>4,144</b>	<b>5,244</b>	<b>15,451</b>
<b>Applications of capital funding</b>				
<b>Capital expenditure</b>				
- to meet additional demand	0	0	0	0
- to improve the level of service	1,256	1,263	1,050	695
- to replace existing assets	6,048	6,007	6,007	23,406
Increase (decrease) in reserves	166	166	(584)	202
Increase (decrease) of investments	0	0	0	0
<b>Total application of capital funding</b>	<b>7,471</b>	<b>7,436</b>	<b>6,473</b>	<b>24,303</b>
<b>Surplus (deficit) of capital funding</b>	<b>(3,231)</b>	<b>(3,292)</b>	<b>(1,229)</b>	<b>(8,852)</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

This year saw the continuation of the Cyclone Gabrielle repairs, which had the largest impact on this activity during the year. Council received \$28.3 million of subsidies in excess of budget (which was based on business as usual) from NZTA for emergency events, which is also matched in additional costs – both operational and asset replacement. Due to the level of repairs required, it could take several more years to get the district's roading network back to pre-cyclone standards.

# 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 2023/24 financial year Council received 10,875 tonne of refuse into its landfill. 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 a further 4,600 tonnes was diverted from landfill through waste diversion programmes. The majority of this comes from green waste (4,980m<sup>3</sup>) and recycling (538 tonnes of glass, and 726 tonnes of plastics, cans, paper and cardboard) through Council's kerbside collections, drop off centres, and recycling trailers. Other diversions include e-waste, tyres, recycled building materials, and scrap metal.

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

- To increase diversion from landfill to 70% by 2040
- To increase diversion from landfill to 48% by 2025
- 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 in attempt to increase waste diversion from landfill while 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:

 <p><b>PROUD DISTRICT</b> HE ROHE POHO KERERŪ</p>	 <p><b>CONNECTED CITIZENS</b> HE KIRIRARAU WHAI HONONGA</p>	 <p><b>DURABLE INFRASTRUCTURE</b> HE HANGANGA MAUROA</p>
 <p><b>PROSPEROUS DISTRICT</b> HE ROHE TŌNUI</p>	 <p><b>SMART GROWTH</b> HE TIPU ATAMAI</p>	
 <p><b>STRONG COMMUNITIES</b> HE HAPORI KAHA</p>	 <p><b>ENVIRONMENTALLY RESPONSIBLE</b> HE WHAKAARO NUI KI TE TAIAO</p>	

## What we delivered

LEVEL OF SERVICE TO BE DELIVERED	TARGETS TO MEASURE OUR SUCCESS IN 2023/24	ACHIEVED LEVEL OF SERVICE
<p>Council supports and provides incentives for waste reduction, reuse and recycling in order to achieve its Waste Free CHB goals.</p>	<p>40% of total waste from transfer station and kerbside collections is diverted from the landfill to recycling, reuse and recovery.</p>	<p><b>Not Achieved</b></p> <p>Diversion rate for the full year was 36%.</p> <p>CHBDC received more asbestos and contaminated waste this year and less green waste. There is few options to divert asbestos waste outside the 233 tonnes of asbestos contaminated concrete, which was used as the foundation of a new tip head at the landfill in March.</p> <p>2023 Reported: 38.6%</p>
	<p>2,275 m<sup>3</sup> of green waste is processed each year.</p>	<p><b>Achieved</b></p> <p>4,980m<sup>3</sup> of green waste was processed during the year.</p> <p>2023 Reported: 6,500 m<sup>3</sup> - impacted by Cyclone Gabrielle clean-up</p>
	<p>94.4% of schools are participating in waste minimisation programmes.</p>	<p><b>Achieved</b></p> <p>17 out of the 18 registered schools are participating in a waste minimisation programme (94%).</p> <p>2023 Reported: 94%</p>
	<p>Council will hold five waste minimisation promotional events in the district.</p>	<p><b>Achieved.</b></p> <p>Five events completed: Adopt your part of the Bay 2023, Child restraint seat recycling/repurposing drive, Preserving Food Event, Second Hand Sunday, and Repurpose crafting programme.</p> <p>2023: Eight Events</p>
	<p>85% of users are satisfied with the solid waste service provided.</p>	<p><b>Not Achieved</b></p> <p>59% of people were satisfied with the kerbside rubbish collection service provided.</p> <p>55% of people were satisfied with the kerbside recycling collection service provided.</p> <p>66% of people were satisfied with the drop-off recycling centres.</p> <p>64% of people were satisfied with the rural mobile recycling services.</p> <p>55% of people were satisfied with the transfer stations (rubbish dumps) provided by Council.</p> <p>2023 Result: 86%-90% across various categories</p>



# Funding Impact Statement For Solid Waste

Funding impact statement for the year ending 30 June 2024

	Long-Term Plan 2023 \$000	Long-Term Plan 2024 \$000	Annual Plan 2024 \$000	Actual 2024 \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges and rates penalties	1,378	1,291	1,347	1,348
Targeted rates	431	763	609	607
Subsidies and grants for operating purposes	267	275	750	564
Fees, charges	1,861	1,731	2,694	2,404
Interest and dividends from investments	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0
<b>Total operating funding</b>	<b>3,936</b>	<b>4,060</b>	<b>5,400</b>	<b>4,923</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	3,035	3,142	4,271	4,247
Finance costs	35	31	60	70
Internal charges and overheads applied	574	596	683	619
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>3,644</b>	<b>3,769</b>	<b>5,014</b>	<b>4,936</b>
<b>Surplus (deficit) of operating funding</b>	<b>292</b>	<b>291</b>	<b>385</b>	<b>(13)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	0	0	0	243
Development and financial contributions	10	11	11	4
Increase (decrease) in debt	(149)	(115)	53	153
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total sources of capital funding</b>	<b>(138)</b>	<b>(105)</b>	<b>64</b>	<b>400</b>
<b>Applications of capital funding</b>				
<b>Capital expenditure</b>				
- to meet additional demand	0	0	0	0
- to improve the level of service	74	76	291	300
- to replace existing assets	110	64	64	38
Increase (decrease) in reserves	(30)	46	95	49
Increase (decrease) of investments	0	0	0	0
<b>Total application of capital funding</b>	<b>154</b>	<b>186</b>	<b>449</b>	<b>387</b>
<b>Surplus (deficit) of capital funding</b>	<b>(292)</b>	<b>(291)</b>	<b>(385)</b>	<b>13</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

This year's volumes to landfill were similar to the previous year but less than forecast, hence the revenue targets not being met.

This year also saw the construction of a weighbridge at the Waipukurau Transfer Station (largely externally funded by the Ministry for the Environment), which in time will allow Council to move to a weight-based waste disposal charging system.

# Water Supplies Group

## Water Supply

### What Council does

We operate seven different water supply schemes servicing Kairakau, Pouterere, Pōrangahau, Takapau, Te Paerahi, Waipawa and Ōtāne, and Waipukurau. These supply schemes provide water to over 4,400 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 piped network. Council's water supply systems also need 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 2023/24	ACHIEVED LEVEL OF SERVICE
To provide safe, reliable and consistent water supplies to our community, working with our customers to support wise and sustainable water use.	100% of the local authority's drinking water complies with Part 4 of the drinking water standards (bacteria compliance criteria).	<b>Not Achieved</b> Bacterial compliance in the reticulation network has been achieved 100%. Bacterial compliance in the treatment plants has been achieved 97.7%. 2023 Reported: 92%
	100% of the local authority's drinking water supply complies with Part 5 of the drinking water standards (protozoal compliance criteria).	<b>Not Achieved</b> Protozoal compliance has been achieved 97.7%. 2023 Reported: 92%
	No more than 30% of real water is lost from the local authority's networked reticulation system.	<b>Unable to Report</b> This data is not available as water loss is not actively tracked or monitored across Council's networks. Further work is underway to install additional network water meters that will verify losses more accurately and enable targeted improvement. 2023 Reported: Not achieved

LEVEL OF SERVICE TO BE DELIVERED	TARGETS TO MEASURE OUR SUCCESS IN 2023/24	ACHIEVED LEVEL OF SERVICE
	Attendance to urgent call-outs: no longer than two hours from notification to the time that service personnel reach the site.	<p><b>Achieved</b></p> <p>0.27 hours on average for the year.</p> <p>2023 Reported: 0.7 hours</p>
	Resolution of urgent call-outs: no longer than 12 hours from the time that the local authority receives notification to the time the service personnel confirms resolution of the fault or interruption.	<p><b>Achieved</b></p> <p>0.47 hours on average for the year.</p> <p>2023 Reported: 1.8 hours</p>
	Attendance for non-urgent call-outs: no longer than six hours from the time that the local authority receives notification to the time the service personnel reaches the site.	<p><b>Achieved</b></p> <p>0.77 hours on average for the year.</p> <p>2023 Reported: 0.8 hours</p>
	Resolution of non-urgent call-outs: 72 hours from notification to the time that service personnel confirms resolution of the fault or interruption.	<p><b>Achieved</b></p> <p>14.83 hours on average for the year.</p> <p>2023 Reported: 17.2 hours</p>
	No more than five complaints relating to drinking water received (per annum per 1,000 connections to the local authority's networked reticulation system).	<p><b>Achieved</b></p> <p>2.4 complaints received per 1,000 connections (10 complaints).</p> <p>2023 Reported: 9.8 complaints per 1,000</p>
	≤1.80 m <sup>3</sup> average consumption of drinking water per day per water connection.	<p><b>Achieved</b></p> <p>1.41m<sup>3</sup> per day on average for the year.</p> <p>2023 Reported: Not measured</p>
	90% of users are satisfied with the water supply service provided.	<p><b>Not Achieved</b></p> <p>68% of users were satisfied with the water supply services provided.</p> <p>2023 Result: 88%</p>



# Funding Impact Statement For Water Supply

Funding impact statement for the year ending 30 June 2024

	Long-Term Plan 2023 \$000	Long-Term Plan 2024 \$000	Annual Plan 2024 \$000	Actual 2024 \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges and rates penalties	0	0	0	0
Targeted rates	4,078	4,411	4,503	4,401
Subsidies and grants for operating purposes	0	0	0	35
Fees, charges	5	5	5	0
Interest and dividends from investments	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0
<b>Total operating funding</b>	<b>4,083</b>	<b>4,416</b>	<b>4,508</b>	<b>4,436</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	2,145	2,156	2,648	2,985
Finance costs	375	591	633	818
Internal charges and overheads recovered	834	867	884	830
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>3,354</b>	<b>3,614</b>	<b>4,166</b>	<b>4,633</b>
<b>Surplus (deficit) of operating funding</b>	<b>729</b>	<b>802</b>	<b>342</b>	<b>(197)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	0	0	0	653
Development and financial contributions	793	817	817	292
Increase (decrease) in debt	3,199	8,426	6,764	1,985
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total sources of capital funding</b>	<b>3,992</b>	<b>9,243</b>	<b>7,581</b>	<b>2,930</b>
<b>Applications of capital funding</b>				
<b>Capital expenditure</b>				
- to meet additional demand	167	172	128	56
- to improve the level of service	3,182	4,245	6,143	1,991
- to replace existing assets	3,045	8,024	2,882	811
Increase (decrease) in reserves	(1,673)	(2,397)	(1,229)	(125)
Increase (decrease) of investments	0	0	0	0
<b>Total application of capital funding</b>	<b>4,721</b>	<b>10,044</b>	<b>7,923</b>	<b>2,733</b>
<b>Surplus (deficit) of capital funding</b>	<b>(729)</b>	<b>(802)</b>	<b>(342)</b>	<b>197</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Due to the uncertainty caused by the change in government, and the repeal of the 3 Waters legislation, Council has deferred the reservoir replacement until a later year. The table below shows the spend by location:

	Long-Term Plan 2024 \$000	Annual Plan 2024 \$000	Actual 2024 \$000
<b>Drinking Water Capex</b>			
Waipawa	1,166	1,376	353
Waipukurau	3,828	776	491
Water Metering & Demand Management	597	50	38
Reticulation & Water Security	2,077	6,950	1,976
Reservoir Replacement	4,774	0	0
<b>Total</b>	<b>12,442</b>	<b>9,152</b>	<b>2,858</b>

# Wastewater (Sewerage) Group

## Wastewater

### What Council does

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

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 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:

*"Our effluent is treated in a sustainable way that creates a resource and 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 2023/24	ACHIEVED LEVEL OF SERVICE
To provide for the effective reticulation, treatment and disposal of wastewater in a way that protects the health of our communities and natural environment.	No more than ten dry weather sewerage overflows (per 1,000 connections to the total sewerage system).	<b>Achieved</b> 7 total overflows for the year, being 1.9 per 1,000 connections. 2023 Reported: 2.0
	No more than 30 total sewerage overflows (per 1,000 connections to the total sewerage system).	<b>Achieved</b> 13 total overflows for the year, being 3.5 per 1,000 connections. 2023 Reported: 6

LEVEL OF SERVICE TO BE DELIVERED	TARGETS TO MEASURE OUR SUCCESS IN 2023/24	ACHIEVED LEVEL OF SERVICE
	<p>Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of:</p> <ul style="list-style-type: none"> <li>zero abatement notices,</li> <li>zero infringement orders,</li> <li>zero enforcement orders, and</li> <li>zero convictions received by the territorial authority.</li> </ul>	<p><b>Achieved</b></p> <p>Zero abatement notices, Zero infringement orders, Zero enforcement orders, and Zero convictions received by the territorial authority. 2023 Reported: Zero</p>
	<p>No more than a 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 reaches the site).</p>	<p><b>Achieved</b></p> <p>0.42 hours average median response time for the year. 2023 Reported: 0.5 hours</p>
	<p>No more than a four-hour 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 confirms resolution of the blockage or other fault).</p>	<p><b>Achieved</b></p> <p>2.98 hours average median response time for the year. 2023 Reported: 2.6 hours</p>
	<p>No more than ten complaints received per annum per 1,000 sewerage connections about any of the following:</p> <ul style="list-style-type: none"> <li>sewerage odour,</li> <li>sewerage system faults,</li> <li>sewerage system blockages, or</li> <li>Council's response to issues with its sewerage systems.</li> </ul>	<p><b>Not Achieved</b></p> <p>19 total complaints for the year being 5.2 complaints per 1,000 connections. 2023 Reported: 15 complaints</p>
	<p>90% of users are satisfied with the wastewater service provided.</p>	<p><b>Not Achieved</b></p> <p>78% of users were satisfied with the wastewater services provided. 2023 Reported: 93%</p>

# Funding Impact Statement For Wastewater

Funding impact statement for the year ending 30 June 2024

	Long-Term Plan 2023 \$000	Long-Term Plan 2024 \$000	Annual Plan 2024 \$000	Actual 2024 \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges and rates penalties	0	0	0	0
Targeted rates	3,190	3,662	3,766	3,761
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges	1,017	1,034	775	459
Interest and dividends from investments	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0
<b>Total operating funding</b>	<b>4,207</b>	<b>4,696</b>	<b>4,541</b>	<b>4,220</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	1,496	1,577	2,108	3,061
Finance costs	551	727	988	955
Internal charges and overheads recovered	834	867	884	844
Other operating funding applications	0	0	0	0a
<b>Total applications of operating funding</b>	<b>2,882</b>	<b>3,171</b>	<b>3,980</b>	<b>4,860</b>
<b>Surplus (deficit) of operating funding</b>	<b>1,326</b>	<b>1,526</b>	<b>562</b>	<b>(640)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	0	0	0	224
Development and financial contributions	929	957	957	784
Increase (decrease) in debt	4,836	6,852	11,765	865
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total sources of capital funding</b>	<b>5,765</b>	<b>7,809</b>	<b>12,722</b>	<b>1,873</b>
<b>Applications of capital funding</b>				
<b>Capital expenditure</b>				
- to meet additional demand	1,541	1587	2,391	152
- to improve the level of service	2,128	2170	6,266	697
- to replace existing assets	4,437	5955	6,159	455
Increase (decrease) in reserves	(1,014)	(377)	(1,533)	(71)
Increase (decrease) of investments	0	0	0	0
<b>Total application of capital funding</b>	<b>7,091</b>	<b>9,335</b>	<b>13,283</b>	<b>1,233</b>
<b>Surplus (deficit) of capital funding</b>	<b>(1,326)</b>	<b>(1,526)</b>	<b>(562)</b>	<b>640</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Due to the uncertainty caused by the change in government, and the repeal of the 3 Waters legislation, Council has slowed it's upgrade program, and will rephase these into future years. The table below details the location and nature of the capital spend this year:

	Long-Term Plan 2024 \$000	Annual Plan 2024 \$000	Actual 2024 \$000
<b>Wastewater Capex</b>			
Te Paerahi/Pōrganahau Plant	2,170	2,776	220
Takapau Plant	0	2,990	154
Reticulation Upgrades	2,118	3,266	389
Waipukurau/Waipawa/Ōtāne Plant	5,424	5,784	541
<b>Total</b>	<b>9,712</b>	<b>14,816</b>	<b>1,304</b>



# Stormwater Group

## Stormwater

### What Council does

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

Council operates and manages four stormwater systems in Ōtāne, 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 properties 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 for Freshwater 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 2023/24	ACHIEVED LEVEL OF SERVICE
To effectively manage stormwater in a manner that respects and protects private and public assets and preserves the health of our waterways.	For each flooding event, zero habitable floors will be affected. (Expressed per 1,000 properties connected to the territorial authority's stormwater system.)	<b>Achieved</b> Zero properties affected per 1,000 connections. 2023 Reported: 0.31 impacted by Cyclone Gabrielle
	Compliance with the territorial authority's resource consents for discharge from its stormwater system measured by the number of:	
	Zero abatement notices.	<b>Achieved</b> Zero abatement notices. 2023 Reported: One
	Zero infringement orders.	<b>Achieved</b> Zero infringement notices. 2023 Reported: Zero

LEVEL OF SERVICE TO BE DELIVERED	TARGETS TO MEASURE OUR SUCCESS IN 2023/24	ACHIEVED LEVEL OF SERVICE
	Zero enforcement orders.	<b>Achieved</b> Zero enforcement orders. 2023 Reported: Zero
	Zero successful prosecutions received by the territorial authority in relation to those resource consents.	<b>Achieved</b> Zero prosecutions. 2023 Reported: Zero
	No more than a two-hour median response time to attend a flooding event (measured from the time that the territorial authority receives notification to the time that service personnel reaches the site).	<b>Not Achieved</b> Median for the year was 11.6 hours. 2023 Reported: 1.4 hours
	No more than five complaints received about the performance of the stormwater system (expressed per 1,000 properties connected to the stormwater system).	<b>Achieved</b> Zero complaints per 1,000 properties. 2023 Reported: 1.1
	90% of users are satisfied with the stormwater service provided.	<b>Not Achieved</b> 62% of people were satisfied with the stormwater services provided. 2023 Result: 64%

# Funding Impact Statement For Stormwater

Funding impact statement for the year ending 30 June 2024

	Long-Term Plan 2023 \$000	Long-Term Plan 2024 \$000	Annual Plan 2024 \$000	Actual 2024 \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges and rates penalties	106	106	97	97
Targeted rates	991	1,000	962	962
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges	0	0	0	0
Interest and dividends from investments	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0
<b>Total operating funding</b>	<b>1,097</b>	<b>1,106</b>	<b>1,059</b>	<b>1,059</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	484	398	525	1,254
Finance costs	66	105	64	135
Internal charges and overheads recovered	335	349	335	320
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>885</b>	<b>852</b>	<b>924</b>	<b>1,709</b>
<b>Surplus (deficit) of operating funding</b>	<b>212</b>	<b>255</b>	<b>135</b>	<b>(650)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	224	230	230	80
Increase (decrease) in debt	1,231	1,508	1,965	1,168
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total sources of capital funding</b>	<b>1,454</b>	<b>1,738</b>	<b>2,196</b>	<b>1,248</b>
<b>Applications of capital funding</b>				
<b>Capital expenditure</b>				
- to meet additional demand	886	764	1,268	85
- to improve the level of service	309	583	628	314
- to replace existing assets	797	821	875	165
Increase (decrease) in reserves	(326)	(174)	(441)	34
Increase (decrease) of investments	0	0	0	0
<b>Total application of capital funding</b>	<b>1,666</b>	<b>1,994</b>	<b>2,330</b>	<b>598</b>
<b>Surplus (deficit) of capital funding</b>	<b>(212)</b>	<b>(255)</b>	<b>(135)</b>	<b>650</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

This year Council undertook a significant amount of drain clearing work, which has been treated as operational maintenance while the budget sat in capital, hence the overspend on operational supplies and underspend on capital expenditure. The table below details where the capital expenditure was undertaken:

	Long-Term Plan 2024 \$000	Annual Plan 2024 \$000	Actual 2024 \$000
<b>Stormwater Capex</b>			
Bush Drain Restoration	27	30	11
Districtwide	683	702	160
Lake Whatumā Health	106	125	0
Ōtāne	53	62	56
Takapau	53	62	0
Waipawa	318	180	7
Waipukurau	292	465	71
Waipukurau CBD	159	185	0
Waipukurau Eastern Interceptor	212	650	14
Waipukurau Industrial	265	310	0
Waipukurau Growth Present	0	0	245
	<b>2168</b>	<b>2771</b>	<b>564</b>

# 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, sports fields 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 local community spaces to enjoy, promotes the district and attracts visitors.

Some sites provide attractive venues for our community. Reserves alongside riverbanks, lakes or the coast provide for passive recreation and 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 2023/24	ACHIEVED LEVEL OF SERVICE
Council provides a range of parks and reserves that are affordable, well maintained and safe, and that 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: Zero	<p><b>Achieved</b></p> <p>There were no incidents or injuries due to inadequate or poor maintenance.</p> <p>2023 Reported: 1</p>
	60% of residential dwellings are within a ten-minute walk (pedshed) of a Council-owned or supported playground.	<p><b>Not Achieved</b></p> <p>41%</p> <p>This is calculated based on the total number of residential parcels across the district’s urban towns, divided by the total number of residential parcels within the township zone. There has been no change to this calculation in this financial year.</p> <p>Council has budgeted to upgrade existing, and introduce new playgrounds and play areas over the next ten years.</p> <p>2023 Reported: 41%</p>



LEVEL OF SERVICE TO BE DELIVERED	TARGETS TO MEASURE OUR SUCCESS IN 2023/24	ACHIEVED LEVEL OF SERVICE
	60% of urban dwellings are within a ten-minute walk (pedshed) of a park or community open space.	<p><b>Achieved</b></p> <p>61%</p> <p>This is calculated based on the total number of residential parcels across the district's urban areas that are within a ten-minute walk of a park or community open space divided by the total number of residential parcels within the urban areas.</p> <p>2023 Reported: 61%</p>
	80% of people have used or visited a park, reserve or open space in the last 12 months.	<p><b>Achieved</b></p> <p>83% of people have used or visited a park, reserve or open space in the last 12 months.</p> <p>2023 Reported: 79%</p>
	90% of people are satisfied with the parks, reserves and open spaces.	<p><b>Not Achieved</b></p> <p>69% of people were satisfied with the parks, reserves and open spaces.</p> <p>The feedback received through the Residents' Opinion Survey is that residents have expressed a desire for improved modern playground equipment and maintenance required of river walking tracks.</p> <p>2023 Reported: 87%</p>

## Public Toilets

### What Council does

Council provides and maintains 15 public toilets across the district at parks and other prominent locations.

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
<ul style="list-style-type: none"> <li>• Forest Gate Domain</li> <li>• Ōtāne Hall</li> <li>• Ōtāne Recreation Ground</li> <li>• Tikokino Hall</li> <li>• Ongaonga (at Ongaonga Museum)</li> <li>• Takapau Town</li> </ul>	<ul style="list-style-type: none"> <li>• A'Deane Park</li> <li>• Coronation Park</li> <li>• Madge Hunter Park</li> <li>• Nelly Jull Park</li> <li>• The Green Patch (Post Officer Corner)</li> <li>• Bogle Brothers Esplanade</li> <li>• Russell Park</li> <li>• Russell Park back sports field</li> <li>• Waipawa Cemetery</li> </ul>	<ul style="list-style-type: none"> <li>• Aramoana Beach</li> <li>• Blackhead Beach</li> <li>• Kairakau Beach Campground</li> <li>• Kairakau Beach North End</li> <li>• Pourerere Beach</li> <li>• Pourerere portaloos (Christmas holidays only)</li> <li>• Te Paerahi changing shed</li> <li>• Te Paerahi freedom camping area</li> <li>• Whangaehu</li> <li>• White Domain – Pōrangahau</li> </ul>

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 2023/24	ACHIEVED LEVEL OF SERVICE
Council provides public toilets that are clean, safe, in good working order, and meet the needs of our community and visitors.	Fewer than six complaints are received about inadequate maintenance and poor cleaning of our toilets.	<p><b>Achieved</b></p> <p>Four complaints were received for the year.</p> <p>We are continuing to monitor and lift contractor performance in this respect.</p> <p>2023 Reported: Seven complaints</p>

## 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, 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 of maintenance and renewal work.

This increase means Council can 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 2023/24	ACHIEVED LEVEL OF SERVICE
Council provides safe, well-maintained and comfortable community housing for our retired community.	95% of tenants are satisfied with Council's retirement housing service.	<p><b>Achieved</b></p> <p>100%</p> <p>The annual Satisfaction Survey had 21 responses (43.8% – up on prior year's response rate) and for the overall satisfaction question, 100% were satisfied and 17 of these very satisfied.</p> <p>There were no dissatisfied responses across the survey.</p> <p>2023 Reported: 78%</p>

## 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.

In addition to traditional lending services, libraries provide a range of programmes, online services and opportunities for social connectedness, including free Wi-Fi 24/7. The programmes on offer seek to break down barriers many people face and to 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:

- Leading the Way – relevant to all
- Facilitators for discovery, innovation and lifelong learning
- Empowering our community to lead better lives
- 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 2023/24	ACHIEVED LEVEL OF SERVICE
Our libraries are inclusive places and all people are encouraged to make use of the libraries' services.	81,000 physical visitors to Waipukurau Knowledge and Learning Hub – Te Huinga Wai; 66,000 physical visitors to Waipawa Library.	<b>Not Achieved</b> 75,923 people visited Te Huinga Wai and 49,447 people visited Waipawa Library. 2023 Reported: 61,948 and 72,432 respectively
	12,500 digital visits to the libraries' facilities through website, online databases and online platforms.	<b>Achieved</b> The total number of digital visits was 24,894, which exceeds the target. 2023 Reported: 20,377
Council will provide a range of information services for community to access.	Eight issues per capita per annum, both physical and digital.	<b>Not Achieved</b> The number of books equates to six issues per capita per year to date, which is under the target set. 2023 Reported: 7 Issues



LEVEL OF SERVICE TO BE DELIVERED	TARGETS TO MEASURE OUR SUCCESS IN 2023/24	ACHIEVED LEVEL OF SERVICE
Council will provide a range of activities and learning opportunities.	400 events and programmes available.	<p><b>Achieved</b></p> <p>The total number of programmes run in the four quarters was 522.</p> <p>2023 Reported: 631</p>
	6,000 participants in events, including programmes, exhibitions, author events and classes.	<p><b>Achieved</b></p> <p>The total number of participants attending programmes in the four quarters was 13,318.</p> <p>2023 Reported: 6,853</p>

## Community Facilities

### What Council does

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 2023/24	ACHIEVED LEVEL OF SERVICE
Council provides safe, affordable and appropriate facilities that provide cultural and social well-being of our community. These, that are activated, are vibrant community spaces used by our community.	14,000 community users of the Waipawa pool.	<p><b>Not Achieved</b></p> <p>Season total: 12,904</p> <p>A run of cold nights and cooler weather in March meant that school swimming finished early and pool opening hours were curtailed. Pool closed 18 March.</p> <p>2023 Reported: 6,512</p>
	60% of users are satisfied with community halls.	<p><b>Achieved</b></p> <p>80% of people were satisfied with the community halls provided in the district.</p> <p>2023 Reported: 91%</p>

## Cemeteries

### What Council does

Council provides and maintains cemeteries across the district, maintaining accurate records of lost loved ones. We provide and operate 11 operational cemeteries and 4 closed cemeteries in the district.

The history and essence of our community are contained within our cemeteries. The community expects attractive and peaceful cemetery facilities to celebrate the lives of their loved ones, which 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	CLOSED
<ul style="list-style-type: none"> <li>• The CHB Cemetery</li> <li>• Waipawa Cemetery</li> <li>• Waipukurau Cemetery</li> <li>• Ōtāne Cemetery</li> <li>• Takapau Cemetery</li> <li>• Tikokino/Hampden Bush Cemetery</li> <li>• Forest Gate Cemetery (Ongaonga)</li> <li>• Pōrangahau Cemetery</li> <li>• Ashley-Clinton Cemetery</li> <li>• Makaretu Cemetery</li> <li>• Elsthorpe Cemetery</li> </ul>	<ul style="list-style-type: none"> <li>• Old Kaikora North Cemetery, Ōtāne</li> <li>• Old Hampden Bush Cemetery, Tikokino Unofficial:</li> <li>• St. Peter's Church Cemetery Reserve, Waipawa</li> <li>• Church Knoll Reserve, Pōrangahau</li> </ul>

### The Cemeteries Activity supports the following goals of Council:



### What we delivered

LEVEL OF SERVICE TO BE DELIVERED	TARGETS TO MEASURE OUR SUCCESS IN 2023/24	ACHIEVED LEVEL OF SERVICE
Council looks after its cemetery grounds, providing a special place of remembrance for loved ones amongst attractive and well-maintained grounds.	90% of the community are satisfied with cemetery facilities.	<p><b>Not Achieved</b></p> <p>69% of people were satisfied with the condition and maintenance of the district's cemeteries.</p> <p>2023 Reported: 93%</p>
	Zero complaints about late or inadequate services at our cemeteries.	<p><b>Not Achieved</b></p> <p>There was one complaint throughout the year.</p> <p>2023 Reported: Zero</p>

# Funding Impact Statement For Recreation & Community

Funding impact statement for the year ending 30 June 2024

	Long-Term Plan 2023 \$000	Long-Term Plan 2024 \$000	Annual Plan 2024 \$000	Actual 2024 \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges and rates penalties	4,453	4,732	4,907	4,908
Targeted rates	0	0	0	0
Subsidies and grants for operating purposes	2	2	3	138
Fees, charges	916	986	887	891
Interest and dividends from investments	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	44	45	45	84
<b>Total operating funding</b>	<b>5,415</b>	<b>5,765</b>	<b>5,842</b>	<b>6,021</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	3,277	3,453	5,156	5,288
Finance costs	127	141	106	107
Internal charges and overheads recovered	1,069	1,118	1,202	1,272
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>4,473</b>	<b>4,712</b>	<b>6,464</b>	<b>6,667</b>
<b>Surplus (deficit) of operating funding</b>	<b>941</b>	<b>1,052</b>	<b>(623)</b>	<b>(646)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	0	0	0	364
Development and financial contributions	178	183	183	138
Increase (decrease) in debt	516	569	2,325	1,284
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total sources of capital funding</b>	<b>694</b>	<b>751</b>	<b>2,508</b>	<b>1,786</b>
<b>Applications of capital funding</b>				
<b>Capital expenditure</b>				
- to meet additional demand	51	0	50	0
- to improve the level of service	474	656	697	246
- to replace existing assets	912	892	935	620
Increase (decrease) in reserves	198	255	203	274
Increase (decrease) of investments	0	0	0	0
<b>Total application of capital funding</b>	<b>1,635</b>	<b>1,803</b>	<b>1,885</b>	<b>1,140</b>
<b>Surplus (deficit) of capital funding</b>	<b>(941)</b>	<b>(1,052)</b>	<b>623</b>	<b>646</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

## Places and Open Spaces

This year was business as usual. Council obtained some external funding from the Tourism Infrastructure Fund to upgrade the Pourerere Beach Reserve.

## Public Toilets

This year was business as usual. The planned upgrades at Otaia Lindsay Bush and Madge Hunter Park have been delayed due to cyclone damage.

## Retirement Housing

Retirement housing is a self-funding activity and operational surplus or deficits are funded from reserves. During the year this activity made a small surplus, allowing funds to be put aside for future capital replacements (roofs, painting, carpets, etc.).

## Libraries

This year was business as usual with both libraries running their full suite of programmes (last year's hours of operation were impacted by the cyclone).

## Community Facilities

During the year two major projects were undertaken. The Wallingford Hall had a roof replacement following Cyclone Gabrielle, and Council partnered with the Central Hawke's Bay District Community Trust (who own and operate the heated pool complex in Waipukurau) to upgrade the pool building and reticulation.

## Cemeteries

This activity operated largely on budget throughout the year.







# Section Three

# **Financial Information**

## **For the Year Ended 30 June 2024**

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 For Whole Of Council	71
Notes to the Financial Statements	72
Elected Council Members	102
Glossary	104

# Annual Report Disclosure Statement

For the year ended 30 June 2024

## What is the purpose of this statement?

The purpose of this statement is to disclose 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

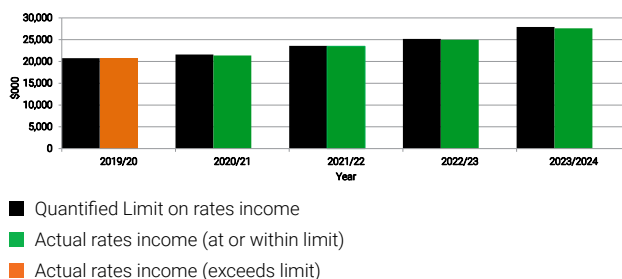
Council meets the rates affordability benchmarks if:

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

Total rates income for 2023/24 is \$305,000 below the defined limit.

## Rates (income) affordability - Total Rates



## Rates (increases) affordability benchmark

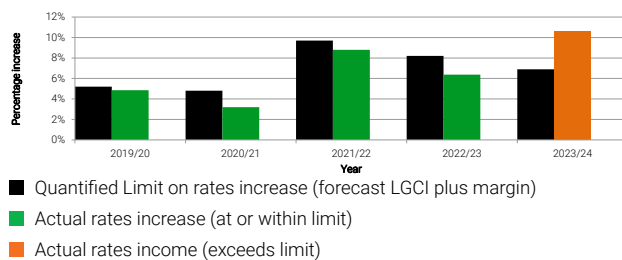
The following graph compares Council's actual rates increases with a quantified limit on rates increases contained in the financial strategy included in Council's LTP. The quantified limit as set in the 2021–2031 LTP is:

Rates increases to existing ratepayers will not exceed the Local Government Cost Index (LGCI) 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 2023/24 year, this was set at LGCI (3.9%) plus 3%, or 6.9% in total, which was non-compliant with the benchmark.

## Rates (increases) affordability benchmark

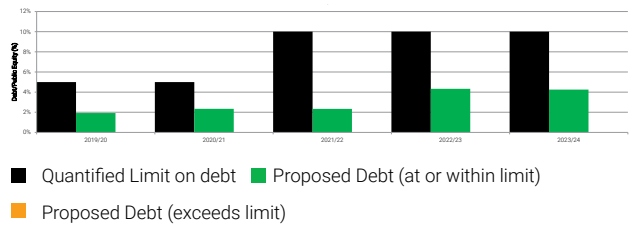


### Debt affordability benchmark

Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing. The following graph compares Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in Council's LTP. The quantified limit in the 2018–2028 LTP was 5% of Council's equity. For the 2021–2031 LTP, this was increased to 10%.

For 2023/24 Council's external debt equated to 4.1% of Council's equity, which was compliant with the benchmark.

### Debt affordability benchmark

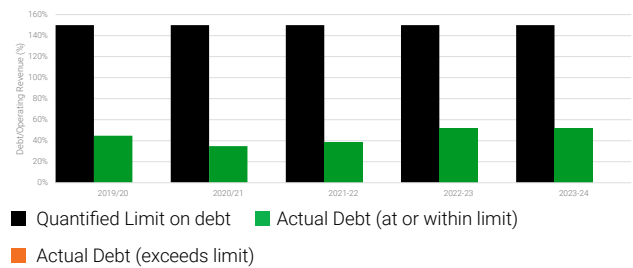


### Debt as a percentage of operating income

Council meets the debt as a percentage of operating income benchmark if Council's external debt level remains below 150% of its annual operating income. This limit is set in Council's Treasury Management Policy.

For 2023/24, Council's debt was 52% of its 2023/24 operating income so was compliant with this benchmark.

### Debt as a Percentage of Operating Income



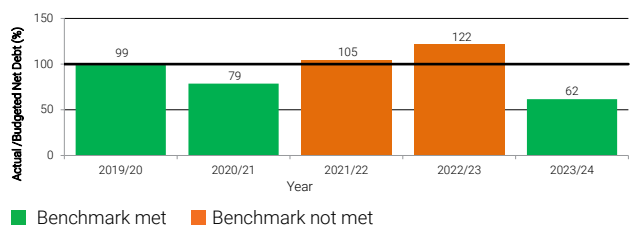
### Debt control benchmark

The following graph displays Council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets.

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

In 2024 with the change in government and the scrapping of Labour's 3 Waters Reform, Council paused its 3 Waters upgrade programme while it worked through the implications of both the change in government and the Cyclone Gabrielle recovery on Council's finances. Therefore it didn't complete the original planned capital construction programme for the year, nor draw the associated debt.

### Debt control benchmark

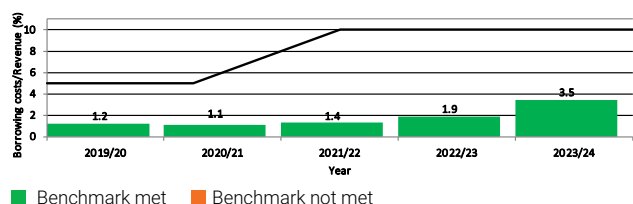


### Debt servicing benchmark

The following graph compares Council's actual borrowing costs with a quantified limit set in Council's long-term plan. The quantified limit in the 2018–2028 LTP was 5% of operating revenue. For the 2021–2031 LTP, this was increased to be 10%.

Council's borrowing costs are well below the prescribed benchmark of being equal to or less than 10% of revenue.

### Debt servicing benchmark



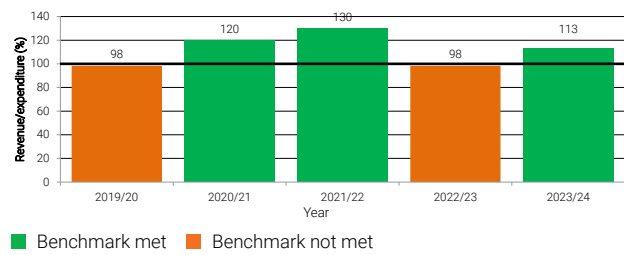
### Balanced budget benchmark

The following graph displays 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 2023/24 Council received additional emergency cyclone recovery funding from NZTA to repair its roads (operational costs) and replace destroyed assets (capital expenditure). This has assisted the achievement of this benchmark.

### Balanced budget benchmark



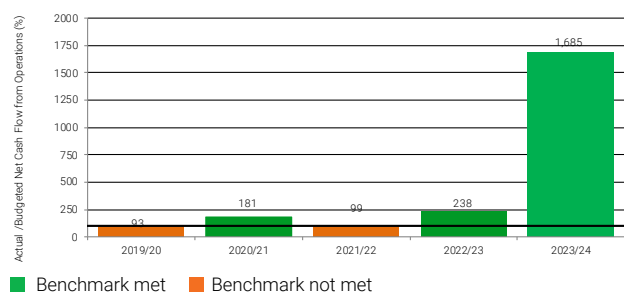
### Operations control benchmark

This graph displays 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.

During the current financial year, Council received significant, unbudgeted grants to assist with cyclone recovery, which has distorted this graph.

### Operations control benchmark

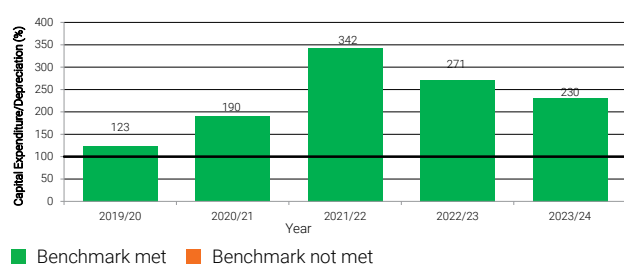


### Essential services benchmark

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

Despite the pause on 3 Waters referred to under "Debt control benchmark", Council has continued to replace its assets faster than their expected deterioration. This is due to the major roading rebuild programme that is currently being undertaken post-Cyclone Gabrielle (which also shortened the life expectancy of the roading network).

### Essential services benchmark



# Statement of Comprehensive Revenue and Expense

For the year ending 30 June 2024

	Actual 2023 \$000	Note	Budget 2024 \$000	Actual 2024 \$000
<b>Revenue</b>				
Rates revenue	24,979	2 (f)	27,650	27,622
Subsidies and grants	27,331	2 (g)	9,503	39,919
Interest and dividends	274		79	327
Fees and Charges	5,932	2 (h)	6,992	5,772
Development contributions	812		2,197	1,302
Other revenue	2,411	2 (i)	257	536
<b>Total revenue</b>	<b>61,739</b>		<b>46,679</b>	<b>75,477</b>
<b>Expenditure</b>				
Personnel costs	7,950		10,149	9,491
Depreciation and amortisation	13,822	2 (a), 6	15,843	15,731
Written Off Cyclone Damaged Assets	2,764		0	0
Finance costs	1,109		2,015	2,074
Other operating expenses	36,316	2 (c)	25,898	38,717
<b>Total operating expenditure</b>	<b>61,961</b>		<b>53,905</b>	<b>66,013</b>
<b>Net Operating Surplus/(Deficit)</b>	<b>(222)</b>		<b>(7,225)</b>	<b>9,464</b>
<b>Other (Gains)/Losses</b>				
(Gains)/Losses on Public Debt	0		0	0
(Gains)/Losses on Investments	275		0	303
<b>Total Other (Gains)/Losses</b>	<b>275</b>		<b>0</b>	<b>303</b>
<b>Operating surplus/(deficit) before tax</b>	<b>(497)</b>		<b>(7,225)</b>	<b>9,161</b>
Income tax expense	0		0	0
<b>Net surplus/(deficit) after tax</b>	<b>(497)</b>		<b>(7,225)</b>	<b>9,161</b>
<b>Other comprehensive income</b>				
Gains/(losses) on the revaluation of property, plant and equipment	65,726	10	24,959	49,318
Gains/(Losses) on the Disposal Revalued Property, Plant and Equipment	0		0	0
Impairment of Cyclone Damaged Assets	(39,904)		0	0
<b>Total other comprehensive income</b>	<b>25,822</b>		<b>24,959</b>	<b>49,318</b>
<b>Total comprehensive income for the year</b>	<b>25,326</b>		<b>17,734</b>	<b>58,479</b>

The accompanying notes form an integral part of these Financial Statements.

## Summary Statement of Comprehensive Revenue and Expense – Cyclone Gabrielle Impact Disclosure

	2023	2024	2024	2024 Council Actual (excl Rooding and Stormwater Cyclone Recovery)
	Council Actual \$'000	Council Budget \$'000	Council Actual \$'000	Council Actual \$'000
Total Revenue	61,739	46,679	75,477	48,346
Finance Costs	1,109	2,015	2,074	2,074
Depreciation and Amortisation	13,822	15,843	15,731	15,731
Other Operating expenditure	47,030	36,047	48,208	37,829
<b>Net Operating Surplus/(Deficit)</b>	<b>(222)</b>	<b>(7,225)</b>	<b>9,464</b>	<b>(7,288)</b>
Other (Gains)/Losses	275	-	303	303
Income Tax	-	-	-	-
<b>Net Surplus/(Deficit)</b>	<b>(497)</b>	<b>(7,225)</b>	<b>9,161</b>	<b>(7,591)</b>
Movements in PPE revaluations	65,726	24,959	49,318	49,318
Impairment of Cyclone Damaged Assets	(39,904)	-	-	-
<b>Total Comprehensive Revenue and Expense</b>	<b>25,326</b>	<b>17,734</b>	<b>58,479</b>	<b>41,727</b>

Because the Cyclone Recovery Activity was so large in this financial year it distorts Council's financial result. On the previous page in the Statement of Comprehensive Revenue and Expense Officers have added an additional column of numbers showing what Council's result would have looked like if you excluded the additional funding from Waka Kotahi, the additional roading repairs this funding paid for, and the additional stormwater work Council undertook as part of cyclone recovery programme.



# Statement of Financial Position

As at 30 June 2024

	Actual 2023 \$000	Note	Budget 2024 \$000	Actual 2024 \$000
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	9,064	4	54	6,839
Trade and other receivables	7,898	3	6,187	10,280
Prepayments	306		567	369
Stock on Hand	26		29	25
Current Investments	1,808	5	1,606	429
Assets Held for Sale	732		0	732
<b>Total current assets</b>	<b>19,833</b>		<b>8,443</b>	<b>18,674</b>
<b>Non-current assets</b>				
Investments	673	5	375	799
Property, plant and equipment and Intangibles	1,018,577	6	1,068,899	1,083,165
<b>Total non-current assets</b>	<b>1,019,250</b>		<b>1,069,274</b>	<b>1,083,964</b>
<b>Total assets</b>	<b>1,039,083</b>		<b>1,077,717</b>	<b>1,102,639</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables	14,118	7	11,863	15,745
Employee entitlements	652	7	513	827
Current Public Debt	14,372	7	3,130	11,530
<b>Total current liabilities</b>	<b>29,142</b>		<b>15,507</b>	<b>28,102</b>
<b>Non-current liabilities</b>				
Non-Current Public Debt	28,000	8	58,928	33,000
Provisions for Landfill Closure	2,983	9	2,787	3,823
Carbon Credit Receivable Liability	0		0	277
<b>Total non-current liabilities</b>	<b>30,983</b>		<b>61,715</b>	<b>37,100</b>
<b>Total liabilities</b>	<b>60,125</b>		<b>77,222</b>	<b>65,202</b>
<b>Equity</b>				
Special & Other Funds	5,993	10	4,069	7,097
Trust Funds	186	10	184	189
Revaluation Reserve of Assets	702,345	10	735,322	751,589
Ratepayers' Equity	270,434		260,919	278,562
<b>Total equity</b>	<b>978,958</b>		<b>1,000,495</b>	<b>1,037,437</b>
<b>Total Liabilities and Equity</b>	<b>1,039,083</b>		<b>1,077,717</b>	<b>1,102,639</b>

# Statement of Changes in Equity

For the year ending 30 June 2024

	Actual 2023 \$000	Note	Budget 2024 \$000	Actual 2024 \$000
<b>Opening Equity Balance</b>	<b>953,634</b>		<b>982,761</b>	<b>978,958</b>
Total comprehensive income for the year	25,325		17,734	58,479
<b>Closing Equity Balance</b>	<b>978,958</b>		<b>1,000,495</b>	<b>1,037,437</b>
<b>Components of Equity</b>				
<b>Ratepayers Equity at the beginning of the Year</b>	<b>268,942</b>		<b>268,315</b>	<b>270,434</b>
Net Surplus/(Deficit) for the Year	(497)		(7,225)	9,161
Transfers to (from) other reserves	1,989		(170)	(1,034)
<b>Ratepayers Equity at end of Year</b>	<b>270,434</b>		<b>260,920</b>	<b>278,561</b>
<b>Special &amp; Other Funds at the beginning of the Year</b>	<b>6,518</b>	<b>10</b>	<b>3,889</b>	<b>5,993</b>
Transfers to (from) Special Funds	(525)		180	1,104
<b>Special &amp; Other Funds at the end of the Year</b>	<b>5,993</b>		<b>4,069</b>	<b>7,097</b>
<b>Trust Funds at the beginning of the Year</b>	<b>184</b>	<b>10</b>	<b>194</b>	<b>186</b>
Transfers to (from) Trust Funds	2		(10)	3
<b>Trust Funds at the end of the Year</b>	<b>186</b>		<b>184</b>	<b>189</b>
<b>Revaluation Reserves at the beginning of the Year</b>	<b>677,989</b>	<b>10</b>	<b>710,363</b>	<b>702,344</b>
Gains/(Losses) on the Revaluation Property, Plant, and Equipment	65,726		24,959	49,318
Impairment of Recreation and Community Asset	(39,904)		0	0
Transfers to (from) Revaluation Reserves	(1,466)		0	(73)
<b>Revaluation Reserves at the end of the Year</b>	<b>702,344</b>		<b>735,322</b>	<b>751,589</b>
<b>Total Equity at end of Year</b>	<b>978,958</b>		<b>1,000,495</b>	<b>1,037,437</b>

# Statement of Cash Flows

For the year ending 30 June 2024

	Actual 2023 \$000	Note	Budget 2024 \$000	Actual 2024 \$000
<b>Cash flows from operating activities</b>				
Cash was provided from:				
Receipts from rates revenue	25,221		26,350	27,505
Operating subsidies and grants received	26,190		9,503	40,744
Fees and charges received	5,764		6,589	2,543
Interest received	75		79	270
Receipts from other revenue	2,411		257	536
Development Contributions	812		2,197	1,302
Cash was disbursed to:				
Payments to suppliers of Goods and Services	(31,315)		(31,222)	(37,119)
Payments to employees	(7,812)		(10,276)	(9,317)
Interest paid	(794)		(2,015)	(1,834)
<b>Net cash from operating activities</b>	<b>20,551</b>		<b>1,462</b>	<b>24,630</b>
<b>Cash flows from investing activities</b>				
Cash was provided from:				
Proceeds from capital subsidies and grants received	0		0	0
Proceeds from sale of property, plant and equipment	154		21	21
Proceeds from investments	64		1,998	1,862
Cash was disbursed to:				
Purchase of investment	(550)		0	(275)
Purchase of intangible assets	(48)		0	0
Purchase of property, plant and equipment	(36,810)		(30,811)	(30,091)
<b>Net cash from investing activities</b>	<b>(37,191)</b>		<b>(28,792)</b>	<b>(28,483)</b>
<b>Cash flows from financing activities</b>				
Cash was provided from:				
Proceeds from borrowing	26,000	8	34,761	16,000
Cash was disbursed to:				
Repayment of borrowings	(6,000)	8	(10,000)	(14,371)
<b>Net cash from financing activities</b>	<b>20,000</b>		<b>24,761</b>	<b>1,629</b>
Net (decrease)/increase in cash, cash equivalents and bank overdrafts	3,360		(2,569)	(2,224)
Cash, cash equivalents and bank overdrafts at the beginning of the year	5,703	4	2,623	9,064
Cash, cash equivalents and bank overdrafts at the end of the year	9,064	4	54	6,840
<b>Net Operating Surplus/(deficit) after tax</b>				
	<b>(497)</b>		<b>(7,225)</b>	<b>9,161</b>
Add/(less) non-cash items				
Depreciation and amortisation expense	13,822		15,843	15,731
Written Off Cyclone Damaged Assets	2,764		0	0
Landfill discounted Cashflow Rate Adjustment	73		0	82
Work in Progress Assets Expensed	314		0	61
Property, plant, and equipment impairment	0		0	0
Vested Assets revenue	0		0	0
(Gains)/Losses in fair value of investment property	0		0	0
(Gains)/Losses on derivative financial instruments	0		0	0
<b>Total non-cash items</b>	<b>16,973</b>		<b>15,843</b>	<b>15,874</b>
Add/(less) items classified as investing or financing activities				
Proceeds from capital subsidies and grants received	0		0	0
(Gains)/losses on disposal of property, plant and equipment	(275)		0	(303)
<b>Total items classified as investing or financing activities</b>	<b>(275)</b>		<b>0</b>	<b>(303)</b>
Add/(less) movements in working capital items				
(Increase)/decrease in receivables	(2,904)		(4,000)	(2,381)
(Increase)/decrease in prepayments	261		(256)	(63)
(Increase)/decrease in inventory	4		0	0
Increase/(decrease) in payables	6,851		(3,000)	2,166
Increase/(decrease) in employee entitlements	138		100	175
<b>Net movement in working capital items</b>	<b>4,350</b>		<b>(7,156)</b>	<b>(103)</b>
<b>Net cash inflow from operating activities</b>	<b>20,552</b>		<b>1,462</b>	<b>24,629</b>

# Funding Impact Statement For Whole Of Council

For the year ending 30 June 2024

	Long-Term Plan 2023 \$000	Long-Term Plan 2024 \$000	Annual Plan 2024 \$000	Actual 2024 \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges and rates penalties	16,237	16,700	17,811	17,890
Targeted rates	8,690	9,837	9,840	9,731
Subsidies and grants for operating purposes	3,426	3,372	5,359	22,985
Fees, charges	5,746	5,728	6,742	5,771
Interest and dividends from investments	42	27	79	327
Local authorities fuel tax, fines, infringement fees and other receipts	232	240	486	591
<b>Total operating funding</b>	<b>34,372</b>	<b>35,905</b>	<b>40,317</b>	<b>57,295</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	27,344	27,273	38,003	49,655
Finance costs	1,013	1,362	1,982	1,992
Other operating funding applications	(834)	(880)	(1,956)	(1,447)
<b>Total applications of operating funding</b>	<b>27,524</b>	<b>27,754</b>	<b>38,029</b>	<b>50,200</b>
<b>Surplus (deficit) of operating funding</b>	<b>6,848</b>	<b>8,151</b>	<b>2,288</b>	<b>7,095</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	4,240	4,144	4,144	16,934
Development and financial contributions	2,133	2,197	2,197	1,302
Increase (decrease) in debt	10,751	18,153	24,761	2,000
Gross proceeds from sale of assets	26	21	21	21
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
<b>Total sources of capital funding</b>	<b>17,150</b>	<b>24,516</b>	<b>31,123</b>	<b>20,257</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	2,646	2,523	3,837	293
- to improve the level of service	7,474	9,069	15,597	4,336
- to replace existing assets	16,053	22,206	17,417	25,728
Increase (decrease) in reserves	0	0	86	(2,165)
Increase (decrease) of investments	(2,175)	(1,131)	(3,526)	(840)
<b>Total application of capital funding</b>	<b>23,998</b>	<b>32,667</b>	<b>33,411</b>	<b>27,352</b>
<b>Surplus (deficit) of capital funding</b>	<b>(6,848)</b>	<b>(8,151)</b>	<b>(2,288)</b>	<b>(7,095)</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# 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 Council's operations includes the LGA and the Local Government (Rating) Act 2002.

Council provides local infrastructure and local public services, and performs regulatory functions to the community. 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 Council are for the year ended 30 June 2024. The financial statements were authorised for issue by Council on 31 October 2024.

### Basis of Preparation

#### Statement of Compliance

The financial statements of 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 with 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 dollar or thousand dollars.

#### Changes in Accounting Policies

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

#### Standards Issued and Effective

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

No standards have been early adopted.

#### Significant Accounting Policies

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

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

#### Goods 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 Council in its 2023–24 Annual Plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by 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 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, 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 that 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 for which the rates have been set. Rates revenue is recognised when payable.

### **Government subsidies**

Council receives government and crown agencies grants, which subsidise 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 assets is obtained.

### **Fees and charges**

Non-exchange revenue from the rendering of services consists of services in activities where Council subsidises 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 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 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 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 include 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 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 if 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 assets are 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 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.

### **Current assets held for sale**

These include assets immediately available for sale, and the disposal is likely to occur within 12 months.

In this case it relates to 83 Pōrangahau Road, Waipukurau. This property was purchased to enable a stormwater attenuation basin to be built on the rear of the property as part of the housing development project known as the Waipukurau South Growth Precinct. The front of this property, which includes the existing house, is surplus to the development project and has been subdivided off and will be sold in the next financial year.

### **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 that 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's assets are not depreciated.

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

<b>Asset category</b>	<b>Useful life</b>	<b>Depreciation rate</b>
<b>Operational &amp; Restricted Assets</b>		
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%
<b>Intangible Assets</b>		
Software	4-5	20%-25%
GIS Imagery	4	25%
<b>Infrastructural Assets</b>		
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%
<b>Sewerage Network</b>		
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%
<b>Stormwater</b>		
Pipes	30-100	1%-3.5%
Manholes	100	1%
<b>Water Network</b>		
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	MINIMUM 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 2024. 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 programmes. The most recent valuation was effective as at 30 June 2024.

### 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 James Wilson, MPINZ from QV Asset & Advisory, and the valuation is effective as at 30 June 2024. The most recent valuation for buildings was performed by Registered Valuer Susie Penrose, BBS VPM ANZIV SPINZ, CBRE, and the valuation is effective as at 30 June 2024.

### 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; and
- trust funds.

### **Special funded and council-created reserves**

Special funded reserves are reserves restricted by Council decision. 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 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 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. 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 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 that 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.
- estimates that 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 underestimating 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 give Council further assurance over its useful life estimates.

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

## Critical Judgements in Applying Council's Accounting Policies

Management has exercised the following critical judgements in applying Council's accounting policies for the period ending 30 June 2024.

### 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 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.

### Local Water Done Well

Since the change of Government in 2023, the National lead coalition has replaced the previous Government's Three Water Reform programme with Local Water Done Well (LWDW). LWDW introduces a new delivery system and regulatory regime for New Zealand's water services. This regime introduces the need to prepare Water Services Plan by mid-2025 and for water services to be financially sustainable by 1 July 2028. Councils can choose to do this as stand-alone councils or through a wider regional grouping of councils.

The four Hawke's Bay councils have agreed to explore a Hawke's Bay regional water model and have engaged the Regional Recovery Agency (RRA) to prepare a business case on the viability of such a joint water delivery model ahead of a public consultation planned to occur in 2025. This will give the councils time to either prepare a joint water services delivery plan or individual ones ahead of the 2025 deadline, dependent on the consultation feedback.

If the Hawke's Bay regional water model proceeds there is likely to be a material impact on Council's financial statements. No allowance has been made in the 30 June 2024 financial statements for this possibility, but the table below details at a high level the categories that will be impacted should this progress:

	2023 Council \$'000	2024 Council \$'000
3 Waters Revenue	11,333	11,748
3 Waters Operational Spend	7,121	11,202
3 Waters Capital Spend	16,492	4,726
3 Waters Assets - Plant, Property and Equipment	134,878	140,011
3 Waters Liabilities	49,922	46,940

## 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 Expenses or in other notes.

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

	2024 Council \$'000	2023 Council \$'000
<b>Insurance premiums</b>	<b>761</b>	<b>620</b>

### (b) Council incurred the following expenses.

	2024 Council \$'000	2023 Council \$'000
<b>Depreciation and Amortisation</b>	<b>15,731</b>	<b>13,822</b>

### (c) Other Operating expense

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

	2024 Council \$'000	2023 Council \$'000
Repairs and maintenance	3,238	4,939
Contractors	27,364	22,393
Fees to Auditors	159	153
Other	7,956	8,831
<b>Total</b>	<b>38,717</b>	<b>36,316</b>

Note both the 2023 and 2024 figures includes fees paid to contractors for roading repairs due to Cyclone Gabrielle Damage which has inflated these numbers.

Audit Fees are Broken down as follows

	2024 Council \$'000	2023 Council \$'000
Fees to EY for audit of financial Statements	157	151
Fees to EY for audit of LTP	0	-
Fees to EY for trustee reporting assurance	2	2
	<b>159</b>	<b>153</b>

### (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, \$234,952 of Interest Revenue has been credited to Special Funds following recognition in the Statement of Comprehensive Revenue and Expenses and during 2024, a total of \$825,063 of Development Contributions were received and \$401,612 were applied to capital projects.

### (f) Breakdown of rates and further information

	2024 Council \$'000	2023 Council \$'000
<b>General Rates</b>	<b>17,799</b>	<b>16,175</b>
<b>Targeted rates attributable to activities</b>		
Metered Water Revenue	484	478
Other Water Rates	3,917	3,571
Sewerage	3,761	3,173
Stormwater	962	977
Refuse and Recycling	607	478
<b>Rate discounts taken</b>	<b>109</b>	<b>143</b>
<b>Rate remissions</b>	<b>(18)</b>	<b>(16)</b>
<b>Total Rates</b>	<b>27,622</b>	<b>24,979</b>



### (g) Breakdown of Subsidies and Grants

	2024 Council \$'000	2023 Council \$'000
Roading Subsidies - Waka Kotahi NZ Transport Agency	34,953	22,962
PGF Infrastructure Projects - MBIE	1,280	1,759
Department of Internal Affairs - 3 Waters Programme	0	829
Ngā Ara Tipuna - MIE, Lotteries, ECC, Centralines	0	0
Economic Stimulus Packages - Various Government Agencies	1,405	1,014
Tourism Infrastructure and Responsible Camping - MBIE	218	177
Landfill Subsidy - MfE	807	362
Other Grants and Subsidies	1,256	228
<b>Total</b>	<b>39,919</b>	<b>27,331</b>

### (h) Breakdown of fees & charges

	2024 Council \$'000	2023 Council \$'000
Building and resource consent charges	1,359	1,729
Landfill Charges	1,711	1,645
Transfer Stations Charges	467	511
District Trade Waste Sewerage	459	405
Retirement Housing and District Property Rents & Hires	536	493
Campground Charges	92	84
Other fees & Charges	1,147	1,066
<b>Total</b>	<b>5,771</b>	<b>5,932</b>

### (i) Breakdown of other revenue

	2024 Council \$'000	2023 Council \$'000
Petrol Tax Income	135	129
Warranty Recoveries	0	0
Gain (Loss) on Property Plant and Equipment Sales	(54)	182
Mayoral Fund Donations	98	509
Vested Rooding Assets	0	0
NZTA Funding Assistance Rate Adjustment	0	0
NEMA Civil Defence Claims	0	901
Insurance Proceeds	0	500
Others	357	190
<b>Total</b>	<b>536</b>	<b>2,411</b>

### (j) Summary revenue and expenditure for group of activities

The cost of service for each significant activity of 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.

	2024 Council	2023 Council
<b>Revenue (including Targeted Rates)</b>		
Community Leadership	1,582	1,547
Land Transport	35,769	24,932
Planning and Regulatory	2,097	2,352
Recreation and Community Facilities	1,615	1,235
Solid Waste	3,215	2,749
Civil Defence	175	1,401
Water Supplies	980	1,328
Wastewater (Sewerage)	1,467	586
Stormwater	80	17
<b>Total Activity Revenue</b>	<b>46,980</b>	<b>36,147</b>
Plus Internal Revenue	875	613
General Rates	27,622	24,979
<b>Total Revenue</b>	<b>75,477</b>	<b>61,739</b>
<b>Expenditure</b>		
Community Leadership	3,188	3,239
Land Transport	28,457	26,234
Planning and Regulatory	4,366	4,682
Recreation and Community Facilities	8,973	5,966
Solid Waste	5,215	4,879
Civil Defence	438	2,135
Water Supplies	6,141	6,321
Wastewater (Sewerage)	6,325	6,185
Stormwater	2,165	1,993
<b>Total Activity Expenditure</b>	<b>65,267</b>	<b>61,632</b>
Plus Internal Expenditure	746	329
<b>Total expenditure</b>	<b>66,013</b>	<b>61,961</b>

### 3 Trade and Other Receivables

#### Accounting Policy

Short-term receivables are recorded at the amount due, less an allowance for Expected Credit Loss (ECL).

Council applies the simplified ECL Model of recognising lifetime ECL for short-term receivables.

In measuring ECLs, receivables have been grouped into rates receivables and other receivables, and assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due. A provision matrix is then established based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment

Rates are "written off"

- when remitted in accordance with Council's rates remission policy, and
- in accordance with the write-off criteria of Sections 90A (where rates cannot reasonably be recovered) and 90B (in relation to Māori freehold land) of the Local Government Rating Act 2002.

	2024 Council \$'000	2023 Council \$'000
Rates Receivable - Non-exchange	748	586
Rates Receivable - Exchange (Water Meter)	204	250
NZ Transport Agency Subsidies - Non-exchange	3,756	4,333
National Emergency Management Agency - Non-exchange (Cyclone Welfare Claim)	0	229
Hawke's Bay Regional Council - Exchange (Stock Bank Repairs)	0	173
General Debtors - Non-exchange	5,693	2,529
<b>Total</b>	<b>10,401</b>	<b>8,099</b>
Less Provision for Impairment of Receivables	121	201
<b>Total</b>	<b>10,280</b>	<b>7,898</b>

**Trade and Other Receivables Aging is as follows:**

	2024 Council \$'000	2023 Council \$'000
Current	9,237	7,118
Overdue (net of impairment)	1,043	780
<b>Total</b>	<b>10,280</b>	<b>7,898</b>

**Rates Receivables**

Council does not provide for ECL on rates receivables. With the exception of Māori land arrears, as it has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts. These powers allow Council to commence legal proceedings to recover any rates that remain unpaid four (4) months after the due date for payment. If payment has not been made within three (3) months of the Court's judgement, then Council can apply to the Registrar of the High Court to have the judgement enforced by sale or lease of the rating unit.

Ratepayer 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 minimal.

**Other Receivables**

The ECL rates for other receivables at 30 June 24 and 30 June 23 are based on the payment profile of revenue on credit over the prior two years at the measurement date and the corresponding historical credit losses experienced for that period. The historical loss rates are adjusted for current and forward-looking macroscopic factors that might affect the expected recoverability of receivables. Given the short period of credit risk exposure, the effects of the macroeconomic factors are not considered significant.

**The aging profile of receivables at year end is detailed below:**

	2024 Council \$'000	Expected Credit Loss Rate 2024	Lifetime ECL 2024 \$'000
<b>RATES</b>			
Current & Past Due < 90 Days	369	0%	0
Past Due > 90 Days	379	3%	11
<b>Total</b>	<b>748</b>		<b>11</b>
<b>WATER RATES</b>			
Not Past Due	153	15%	23
Past Due 31-60 Days	3	13%	0
Past Due 61-90 Days	3	40%	1
Past Due > 90 Days	45	78%	35
<b>Total</b>	<b>204</b>		<b>59</b>
<b>GENERAL DEBTORS</b>			
Not Past Due	572	1%	6
Past Due 31-60 Days	432	2%	9
Past Due 61-90 Days	18	3%	1
Past Due > 90 Days	255	14%	35
<b>Total</b>	<b>1,277</b>		<b>51</b>
NZTA & Other Govt Agencies	8,051	0%	0
<b>Total</b>	<b>9,328</b>		<b>51</b>
<b>TOTAL</b>	<b>10,280</b>		<b>121</b>

	2023 Council \$'000	Expected Credit Loss Rate 2023	Lifetime ECL 2023 \$'000
<b>RATES</b>			
Current & Past Due < 90 Days	251	0%	0
Past Due > 90 Days	335	3%	10
<b>Total</b>	<b>586</b>		<b>10</b>
<b>WATER RATES</b>			
Not Past Due	63	11%	7
Past Due 31-60 Days	19	12%	2
Past Due 61-90 Days	10	28%	3
Past Due > 90 Days	157	77%	121
<b>Total</b>	<b>250</b>		<b>132</b>
<b>GENERAL DEBTORS</b>			
Not Past Due	1,496	1%	15
Past Due 31-60 Days	186	2%	4
Past Due 61-90 Days	56	3%	1
Past Due > 90 Days	258	15%	39
Total			
NZTA & Other Govt Agencies	5,267	0%	0
<b>Total</b>	<b>5,267</b>		<b>0</b>
<b>TOTAL</b>	<b>8,099</b>		<b>201</b>

All receipts greater than 30 days in age are considered past due.

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

	2024 Council \$'000	2023 Council \$'000
At 1 July	201	178
ECL Adjustment due to the adoption of PBE IPSAS 41	0	69
Additional provision made during the year	19	132
Provisions reversed during the year	-	-
Receivable written off during the period	(99)	(178)
<b>At 30 June</b>	<b>121</b>	<b>201</b>

Council 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 a total of \$99,262 of debt. Most of this relates to the debt that had previously been identified as doubtful. This is a mix of rates on Māori land (unenforceable), remissions granted under Council's Water Leak Policy, or where the debtor cannot be traced or has no ability to pay.

## 4 Cash & Cash Equivalents

	2024 Council \$'000	2023 Council \$'000
Cash and cash equivalents		
Cash at bank and in hand	6,839	9,063
Short-term deposits maturing 3 months or less from date of acquisition	1	1
<b>Total Cash and Cash Equivalents</b>	<b>6,839</b>	<b>9,064</b>

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 \$189,000 (2023: \$186,000).

## 5 Investments

	2024 Council \$'000	2023 Council \$'000
Term Deposit and Bonds - Current	249	1,158
Carbon Credit Units Held	180	650
Term Deposit and Bonds - Non Current	771	646
<b>Total Bonds, Stock</b>	<b>1,200</b>	<b>2,454</b>

	2024 Council \$'000	2023 Council \$'000
NZ Local Government Insurance Corp. Limited	27	26
Total Shares	27	26
Total Term Investments	1,226	2,479
Investments in Associates (non controlled)		
HB LASS	1	1
<b>Total Investments</b>	<b>1,227</b>	<b>2,480</b>

### Amortised Costs

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



# 6a Property Plant and Equipment

2024	Opening Cost 1-Jul-23	Additions*	Vested Assets	Disposals	Transfers	Revaluation	Impairment	Closing Cost 30-Jun-24	Opening Acc Deprn 1-Jul-23	Deprn	Disposals	Revaluation	Closing Depn Accm Depn 30-Jun-24	Net Book Value 30-Jun-24	Net Book Value 30-Jun-23
Wastewater	61,916	251	0	0	667	(6,669)	0	56,165	(1,422)	(1,465)	0	2,887	0	56,165	60,495
Water	50,513	484	0	0	1,807	2,744	0	55,548	(798)	(1,508)	0	2,306	0	55,548	49,715
Stormwater	25,124	5	0	0	0	3,170	0	28,299	(456)	(456)	0	912	0	28,298	24,669
Roading**	782,539	25,252	0	0	1,149	18,666	0	827,605	(8,127)	(9,165)	0	17,292	0	827,605	774,412
Roading - Land Under Roads	37,657	76	0	0	0	(76)	0	37,657	0	0	0	0	0	37,657	37,657
Solid Waste	533	3	0	0	26	(14)	0	548	(12)	(12)	0	24	(1)	547	521
Landfill	7,689	9	0	0	844	758	0	9,300	(3,025)	(257)	0	0	(3,282)	6,018	4,664
<b>Total Infrastructure Assets</b>	<b>965,971</b>	<b>26,080</b>	<b>0</b>	<b>0</b>	<b>4,493</b>	<b>18,579</b>	<b>0</b>	<b>1,015,122</b>	<b>(13,840)</b>	<b>(12,863)</b>	<b>0</b>	<b>23,421</b>	<b>(3,282)</b>	<b>1,011,839</b>	<b>952,132</b>
Land	23,441	0	0	0	0	3,140	0	26,581	0	0	0	0	0	26,581	23,441
Buildings	20,085	387	0	0	0	1,577	0	22,049	(1,760)	(2,159)	0	3,218	(701)	21,348	18,325
Motor Vehicles	881	51	0	(68)	0	0	0	864	(485)	(151)	67	0	(569)	295	395
Emergency Equipment	210	0	0	(75)	0	0	0	135	(199)	(8)	75	0	(132)	2	11
Misc Plant	3,107	69	0	(48)	4	0	0	3,132	(2,255)	(251)	48	0	(2,458)	673	851
Computer Equipment	1,026	138	0	(458)	0	0	0	706	(777)	(112)	458	0	(431)	275	249
Office Furniture & Equipment	705	40	0	(131)	0	0	0	614	(623)	(17)	131	0	(510)	105	82
Monuments	379	12	0	0	0	45	0	436	(12)	(12)	0	24	0	436	367
Library Books	854	67	0	0	0	0	0	921	(463)	(39)	0	0	(502)	419	390
<b>Total Operating Assets</b>	<b>50,688</b>	<b>764</b>	<b>0</b>	<b>(780)</b>	<b>4</b>	<b>4,762</b>	<b>0</b>	<b>55,438</b>	<b>(6,574)</b>	<b>(2,750)</b>	<b>779</b>	<b>3,242</b>	<b>(5,303)</b>	<b>50,133</b>	<b>44,112</b>
Software and Other Intangibles	948	0	0	0	0	0	0	948	(686)	(118)	0	0	(804)	144	262
<b>Total Intangibles</b>	<b>948</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>948</b>	<b>(686)</b>	<b>(118)</b>	<b>0</b>	<b>0</b>	<b>(804)</b>	<b>144</b>	<b>262</b>
<b>Total</b>	<b>1,017,607</b>	<b>26,844</b>	<b>0</b>	<b>(780)</b>	<b>4,497</b>	<b>23,341</b>	<b>0</b>	<b>1,071,508</b>	<b>(21,100)</b>	<b>(15,731)</b>	<b>779</b>	<b>26,663</b>	<b>(9,389)</b>	<b>1,062,116</b>	<b>996,506</b>
Work In Progress	22,071	3,537	0	(61)	(4,497)	0	0	21,050	0	0	0	0	0	21,050	22,071
<b>Total</b>	<b>1,039,678</b>	<b>30,381</b>	<b>0</b>	<b>(841)</b>	<b>0</b>	<b>23,341</b>	<b>0</b>	<b>1,092,558</b>	<b>(21,100)</b>	<b>(15,731)</b>	<b>779</b>	<b>26,663</b>	<b>(9,389)</b>	<b>1,083,166</b>	<b>1,018,577</b>

2023	Opening Cost 1-Jul-22	Additions*	Vested Assets	Disposals	Transfers	Revaluation/Impairment	Impairment	Closing Cost 30-Jun-23	Opening Acc Depr 1-Jul-22	Depr	Disposals	Revaluation	Closing Accm Depr 30-Jun-23	Net Book Value 30-Jun-23	Net Book Value 30-Jun-22
Description															
Wastewater	56,408	1,188	0	(93)	4,433	0	(20)	61,916	0	(1,462)	40	0	(1,422)	60,495	56,408
Water	45,362	2,762	0	(1,340)	3,739	0	(10)	50,513	0	(1,448)	651	0	(798)	49,715	45,362
Stormwater	25,036	88	0	0	0	0	0	25,124	0	(456)	0	0	(456)	24,669	25,036
Roading**	727,718	10,252	0	(4,336)	20,478	68,332	(39,904)	782,539	0	(8,127)	2,314	(2,314)	(8,127)	774,412	727,718
Roading - Land Under Roads	37,657	36	0	0	0	(36)	0	37,657	0	0	0	0	0	37,657	37,657
Solid Waste	529	4	0	0	0	0	0	533	0	(12)	0	0	(12)	521	529
Landfill	7,501	0	0	0	0	188	0	7,689	(2,809)	(216)	0	0	(3,025)	4,664	4,692
<b>Total Infrastructure Assets</b>	<b>900,211</b>	<b>14,330</b>	<b>0</b>	<b>(5,769)</b>	<b>28,650</b>	<b>68,484</b>	<b>(39,934)</b>	<b>965,972</b>	<b>(2,809)</b>	<b>(11,721)</b>	<b>3,005</b>	<b>(2,314)</b>	<b>(13,839)</b>	<b>952,132</b>	<b>897,402</b>
Land	23,441	0	0	0	0	0	0	23,441	0	0	0	0	0	23,441	23,441
Buildings	19,705	605	0	0	0	(225)	0	20,085	(392)	(1,368)	0	0	(1,760)	18,325	19,313
Motor Vehicles	952	216	0	(288)	0	0	0	881	(635)	(138)	288	0	(485)	395	317
Emergency Equipment	210	0	0	0	0	0	0	210	(189)	(10)	0	0	(199)	11	21
Misc Plant	3,035	72	0	0	0	0	0	3,107	(2,018)	(237)	0	0	(2,255)	851	1,017
Computer Equipment	902	124	0	0	0	0	0	1,026	(643)	(134)	0	0	(777)	249	259
Office Furniture & Equipment	685	20	0	0	0	0	0	705	(608)	(15)	0	0	(623)	82	77
Monuments	379	0	0	0	0	0	0	379	0	(12)	0	0	(12)	367	379
Library Books	777	150	0	0	0	(73)	0	854	(423)	(40)	0	0	(463)	390	354
<b>Total Operating Assets</b>	<b>50,086</b>	<b>1,188</b>	<b>0</b>	<b>(288)</b>	<b>0</b>	<b>(299)</b>	<b>0</b>	<b>50,687</b>	<b>(4,908)</b>	<b>(1,956)</b>	<b>288</b>	<b>0</b>	<b>(6,576)</b>	<b>44,112</b>	<b>45,178</b>
Software and Other Intangibles	900	48	0	0	0	0	0	948	(541)	(145)	0	0	(686)	262	359
<b>Total Intangibles</b>	<b>900</b>	<b>48</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>948</b>	<b>(541)</b>	<b>(145)</b>	<b>0</b>	<b>0</b>	<b>(686)</b>	<b>262</b>	<b>359</b>
<b>Total</b>	<b>951,197</b>	<b>15,566</b>	<b>0</b>	<b>(6,057)</b>	<b>28,650</b>	<b>68,185</b>	<b>(39,934)</b>	<b>1,017,608</b>	<b>(8,258)</b>	<b>(13,822)</b>	<b>3,293</b>	<b>(2,314)</b>	<b>(21,102)</b>	<b>996,506</b>	<b>942,939</b>
Work In Progress	34,642	16,393	0	(314)	(28,650)	0	0	22,071	0	0	0	0	0	22,071	34,642
<b>Total</b>	<b>985,839</b>	<b>31,959</b>	<b>0</b>	<b>(6,371)</b>	<b>0</b>	<b>68,185</b>	<b>(39,934)</b>	<b>1,039,679</b>	<b>(8,258)</b>	<b>(13,822)</b>	<b>3,293</b>	<b>(2,314)</b>	<b>(21,102)</b>	<b>1,018,577</b>	<b>977,581</b>

Addition\* All assets are constructed by Council except for vested assets

## 6b Work in Progress

	2024 Council \$'000	2023 Council \$'000
Animal Control Pound	75	53
Parks & Reserves	416	20
Halls, Property and Buildings Projects	0	0
Roading Projects	15,690	7,536
Solid Waste Landfill Cell Capping/Leachate Irrigation	0	844
Solid Waste Transfer Station Weighbridge	300	26
Stormwater	327	12
Wastewater	5,086	4,787
Water	8,422	7,917
IAF Project	1,272	876
	<b>31,588</b>	<b>22,071</b>

## 6c Depreciation by Activity

	2024 Actual \$'000	2024 Annual Plan Budget \$'000	2023 Actual \$'000	2023 Annual Plan Budget \$'000
<b>COMMUNITY LEADERSHIP GROUP</b>				
Depreciation expense for the year	0	0	0	0
Capital Expenditure	0	0	0	0
Difference (Depreciation - Capital Expenditure)	0	0	0	0
<b>REGULATORY GROUP</b>				
Depreciation expense for the year	2	1	1	1
Capital Expenditure	75	0	9	0
Difference (Depreciation - Capital Expenditure)	(73)	1	(9)	1
<b>LAND TRANSPORT GROUP</b>				
Depreciation expense for the year	9,204	8,070	8,149	8,070
Capital Expenditure	24,100	7,304	17,824	7,304
Difference (Depreciation - Capital Expenditure)	(14,896)	766	(9,675)	766
<b>SOLID WASTE GROUP</b>				
Depreciation expense for the year	279	318	239	318
Capital Expenditure	339	299	30	299
Difference (Depreciation - Capital Expenditure)	(60)	19	208	19
<b>WATER GROUP</b>				
Depreciation expense for the year	1,508	908	1,449	908
Capital Expenditure	2,859	6,431	8,431	6,431
Difference (Depreciation - Capital Expenditure)	(1,351)	(5,523)	(6,982)	(5,523)
<b>WASTEWATER GROUP</b>				
Depreciation expense for the year	1,465	1,291	1,463	1,291
Capital Expenditure	1,304	8,106	3,533	8,106
Difference (Depreciation - Capital Expenditure)	161	(6,815)	(2,070)	(6,815)
<b>STORMWATER GROUP</b>				
Depreciation expense for the year	456	375	456	375
Capital Expenditure	564	1,992	1,416	1,992
Difference (Depreciation - Capital Expenditure)	(108)	(1,617)	(961)	(1,617)
<b>RECREATION AND COMMUNITY GROUP</b>				
Depreciation expense for the year	2,306	1,311	1,546	1,311
Capital Expenditure	865	1,446	750	1,446
Difference (Depreciation - Capital Expenditure)	1,441	(135)	796	(135)
<b>OVERHEADS</b>				
Depreciation expense for the year	511	269	521	269
Capital Expenditure	252	741	706	741
Difference (Depreciation - Capital Expenditure)	260	(472)	(186)	(472)
<b>TOTALS</b>				
Depreciation expense for the year	15,731	12,543	13,822	12,543
Capital Expenditure	30,357	26,319	32,700	26,319
Difference (Depreciation - Capital Expenditure)	(14,626)	(13,776)	(18,877)	(13,776)

## 7 Trade and other payables

	2024 Council \$'000	2023 Council \$'000
Trade Creditors - Exchange	12,835	11,627
Revenue in Advance - Non Exchange	1,681	1,820
Other Accounts Payable and Accrued Expenses - Non Exchange	1,230	672
<b>Total Trade Creditors and Other Accounts Payables</b>	<b>15,745</b>	<b>14,118</b>
Other		
Current Public Debt	11,530	14,372
Employee benefit liabilities	827	652
<b>Total Other Current Debt</b>	<b>12,357</b>	<b>15,023</b>
<b>Total Current Liabilities</b>	<b>28,102</b>	<b>29,142</b>

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

	2024 Council \$'000	2023 Council \$'000
Loans as at 1 July	42,371	22,130
Interest Accruals	530	371
Fair Value Adjustments	0	0
Plus Loans raised during the year	16,000	26,000
Less Loans repaid during the year	(14,371)	(6,130)
<b>Total Public Debt</b>	<b>44,530</b>	<b>42,371</b>
Less Loans Repayable within 12 months	(11,530)	(14,371)
<b>Non-Current Public Debt</b>	<b>33,000</b>	<b>28,000</b>

Interest rates payable are in the range 1.25% to 3.85% (2023: 1.96% to 3.85%). The weighted average interest rate payable is 2.198% (2021: 2.28%).

### Public Debt is due for repayment in the following periods:

Current	11,530	14,371
One to Two years	8,000	6,000
Two to Five years	25,000	22,000
More than Five years	-	-
	<b>44,530</b>	<b>42,371</b>

Amounts shown as due for repayment are based on the contractual maturity profile of the loans.

## Internal Borrowings

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

	Council Balance 1 July 2023	Borrowed	Interest	Principal Repaid	Council Balance 30 June 2024
	\$'000	\$'000	\$'000	\$'000	\$'000
Cemeteries	(0)	0	0	0	(0)
Properties and Buildings	543	50	22	51	542
Parks and Reserves	1,325	1,500	53	108	2,718
Public Conveniences	375	0	15	23	352
War Memorials	6	0	0	1	5
Retirement Housing	0	0	0	0	0
Land Transport	0	0	0	0	0
Solid Waste	1,755	306	70	154	1,908
Stormwater	2,229	1,223	135	56	3,396
Theatres, Halls, and Museums	349	0	14	21	328
Animal Control	216	120	12	6	330
Wastewater	22,304	1,717	955	852	23,168
Water Supplies	18,389	2,413	816	427	20,375
Libraries	123	0	5	14	109
IT	(0)	0	0	0	(0)
Civil Defence	1,034	250	41	140	1,144
GIS Maps	18	0	1	18	(0)
District Plan	2,102	272	95	396	1,978
Resource Consents	0	350	0	0	350
Building Consents	0	140	0	0	140
<b>Total</b>	<b>50,768</b>	<b>8,342</b>	<b>2,236</b>	<b>2,266</b>	<b>56,844</b>

## 9 Provision for Landfill Decommissioning and Aftercare Cost

	2024 Council \$'000	2023 Council \$'000
Opening Balance	2,983	2,722
Effect of Discounting	82	73
Additional Provisioning/ (Release of Provisioning)	758	188
Release of Provision		
<b>Closing balance</b>	<b>3,823</b>	<b>2,983</b>

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) = 120,477 m<sup>3</sup> Air Space Volume
- Estimated additional remaining capacity in undeveloped cells (based on longer-term developments beyond Stage 3) = 889,000 m<sup>3</sup> Air Space Volume
- Average tonnes of waste received by the landfill over the last three years = 12,263 tonnes per annum
- Length of post-closure monitoring period = 30 years
- Total expected cash outflow - undiscounted = \$6.05 million
- Discount rate = 4.08%

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

## 10 Public Equity

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

Council manages its capital largely as a by-product of managing its revenue, expenses, assets, liabilities and general financial dealings. The Local Government Act 2002 requires 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 Council is managing its revenue, expenses, assets and liabilities prudently.

The primary objective of Council's capital management is to achieve intergenerational equity, which is a principle promoted in the Local Government Act 2002 and applied by Council. Intergenerational equity requires 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, 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 Council's LTP and Annual Plan are met in the manner set out in these plans. The Local Government Act 2002 requires Council to make adequate and effective provision in its LTP and in its Annual Plan to meet the expenditure needs identified in those plans. The factors that 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 Council's LTP. Council monitors actual expenditure incurred against the LTP and Annual Plan.

No changes were made in the objectives, policies or processes for managing capital during the years ended 30 June 2024 and 2023.

### (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 from each fund.

Council Special Funds	Council Balance 1 July 2023 \$'000	Council Transfers from Ratepayers Equity \$'000	Council Transfers to Ratepayers Equity \$'000	Council Balance 30 June 2024 \$'000
<b>Reserves held for Emergency Purposes</b>				
Adverse Events Reserve Fund	858	34	0	892
Catastrophic Events Reserve Fund	1,642	1,202	(500)	2,344
	<b>2,505</b>	<b>1,236</b>	<b>(500)</b>	<b>3,236</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Reserves for Future Asset Purchases</b>				
Capital Projects Fund	14	1	(1)	14
Ruahine Ward Disbursement Fund	627	25	0	652
Ruataniwha Ward Disbursement Fund	19	1	-0	20
Aramoana Ward Disbursement Fund	185	7	0	192
Esplanade Reserve Fund	182	7	0	189
Rural Fire Reserve	39	0	(39)	-
Stormwater Renewal Reserve	-	1	(1)	-
Water Rates Smoothing Reserve	100	0	(75)	25
Wastewater Upgrade Reserve	493	0	(103)	390
EQC Pourerere	4	0	(4)	-
Bridge Replacement Funding	273	11	(0)	284
CHB District Retirement Housing Reserve	188	86	(28)	247
Vehicle Depreciation Reserve	589	171	(2)	757
Landfill/Transfer Station Smoothing Reserve	-	0	0	-
LT Vehicle Depreciation Reserve	63	19	(0)	82
	<b>2,776</b>	<b>329</b>	<b>(253)</b>	<b>2,852</b>



<b>Reserves held for Future Operational Costs</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Mayoral Fund	5	3	(3)	5
Elections & By-elections Reserve Fund	61	2	0	63
Ruahine Ward Hall Maintenance Reserve	45	2	-0	47
Library Fund	23	1	-0	23
Road Legalisation Funding	23	1	-0	24
Waste Minimisation Fund	65	150	-0	215
Landfill Aftercare Depreciation Reserve	452	104	-0	556
Recreation and Community Facilities Reserve	0	0	0	0
	<b>675</b>	<b>263</b>	<b>(3)</b>	<b>934</b>
<b>Total</b>	<b>5,950</b>	<b>1,828</b>	<b>(756)</b>	<b>7,022</b>

## Other Funds

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

	<b>Council Balance 1 July 23 \$'000</b>	<b>Council Transfers From Ratepayers Equity \$'000</b>	<b>Council Transfers to Ratepayer Equity \$'000</b>	<b>Council Balance 30 June 2024 \$'000</b>
Te Aute Drain Channel Clearing Reserve	43	31	0	74
	<b>43</b>	<b>31</b>	<b>0</b>	<b>74</b>
<b>Total Council Special &amp; Other Funds</b>	<b>5,993</b>	<b>1,859</b>	<b>(756)</b>	<b>7,097</b>

## (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.

	<b>Council Balance 1 July 2023 \$'000</b>	<b>Council Transfers from Ratepayers Equity \$'000</b>	<b>Council Transfers to Ratepayer Equity \$'000</b>	<b>Council Balance 30 June 2024 \$'000</b>
Waipawa Building Society Scholarship Trust	115	3	(2)	116
Eric Tate Scholarship Trust	71	2	(0)	73
Creative NZ Grants unspent	-	-	-	-
	<b>186</b>	<b>5</b>	<b>(2)</b>	<b>189</b>
	<b>6,179</b>			<b>7,285</b>

## (c) Asset Revaluation Reserve

<b>Infrastructure</b>	<b>Water Wastewater, Storm Water, Solid Waste, \$'000</b>	<b>Roading \$'000</b>	<b>Total \$'000</b>
<b>Opening Balance</b>	<b>85,316</b>	<b>579,898</b>	<b>665,214</b>
Revaluation	5,359	35,882	41,241
Revaluation Reserve Change	-	-	-
Transfer from/(to) Ratepayers Equity	-	-	-
<b>Closing Balance</b>	<b>90,675</b>	<b>615,780</b>	<b>706,455</b>
<b>Other Property, Plant and Equipment</b>	<b>Land \$'000</b>	<b>Buildings &amp; Monuments \$'000</b>	<b>Total \$'000</b>
<b>Opening Balance</b>	<b>20,585</b>	<b>16,545</b>	<b>37,130</b>
Current Year Revaluation	3,215	4,864	8,079
Current Year Impairment	-	-	-
Disposal of Asset (Write Back)	(74)	-	(74)
<b>Closing Balance</b>	<b>23,726</b>	<b>21,409</b>	<b>45,135</b>
<b>Total Revaluation Reserve</b>			<b>Council \$'000</b>
<b>Opening Balance</b>			<b>702,344</b>
Revaluations			49,320
Disposal of Asset (Write Back)			(74)
<b>Closing Balance</b>			<b>751,590</b>

## 11 Related Party Transactions Other Than Remuneration of Key Management Personnel

All related party transactions that 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, 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 (2023: nil).

## 12 Statement of Commitments

	2024 Council \$'000	2023 Council \$'000
<b>Lease Payments</b>		
Landfill	129	127
Takapau Transfer Station	2	2
RSV Depot	40	40
Visitor Information Centre	5	5
Digital Hub & Library Building	35	35
Kairakau Water Treatment Plant	3	3
Total Lease Payments	214	212
Carbon Credit Forward Contract Settlements	180	592
<b>Total Commitments</b>	<b>394</b>	<b>804</b>

### Non Cancellable Lease and Carbon Credit Commitment

	2024 Council \$'000	2023 Council \$'000
Less than 1 year	394	212
1–2 years	1,154	804
3–5 years	1,510	632
Over 5 years	3,203	2,550

### Landfill

Landfill rental of \$75,000 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 = ten years

Final expiry date = 28 November 2045

### Takapau Transfer Station

- Rent reviews are carried out at 5-yearly intervals from 11 September 1995
- Amounts are subject to these reviews
- Further terms = two of ten years
- Final expiry date = 11 September 2025
- Annual rental = \$1,820 plus GST

### RSV Depot Lease

- Rent reviews are carried out on 31 October 2026
- Rent amounts are subject to this review
- Further terms = two x three years
- Final expiry date = 31 October 2029
- Annual rental = \$40,000 plus GST

### Visitor Information Centre Building

- Rent reviews are carried out 3-yearly to CPI plus 2%
- Rent amounts are subject to this review
- Further terms = five years

- Final Expiry Date = 30 April 2030
- Annual Rental \$5,000 plus GST

#### Digital Hub and Library Building

- Rent reviews are carried out on 01 July 2026, 01 July 2028 and 01 July 2030
- Rent reviews are subject to this review
- Further terms = two years
- Final expiry Date = 30 June 2032
- Annual rental = \$34,980 plus GST

#### Kairakau Water treatment Plant

- Rent reviews are carried out 5-yearly from 2026, 2031, 2036 and 2041
- Further terms = three x ten years
- Final expiry date = 30 June 2072
- Annual rental = \$3,000+ GST

## 13 Employee Staffing Levels and Remuneration

The Chief Executive of Central Hawke's Bay District Council, appointed under Section 42 of the Local Government Act 2002. Total Chief Executive remuneration for the year ending 30 June 2024 is \$283,729 (2023: \$xxx) as detailed below:

Chief Executive Remuneration	2024 \$	2023 \$
Salary	257,852	230,000
Superannuation	8,033	7,166
Vehicle	10,083	10,083
Fringe Benefit Tax	7,761	7,761
<b>Total Package</b>	<b>283,729</b>	<b>255,010</b>

Annual Remuneration Bands	2024	2023
\$59,999 and under	17	18
\$60,000 - \$79,999	18	25
\$80,000 - \$99,999	22	17
\$100,000 - \$119,999	9	10
\$120,000 - \$139,999	14	7
\$140,000 - \$266,000	11	8
<b>Total Employees</b>	<b>91</b>	<b>85</b>

Salaries and other short-term employment benefits paid	2024 Council \$'000	2023 Council \$'000
CE and Key Management	1,121	1,188
Mayor and Councillors	470	470

Number of Employees as at 30 June	2024		2023	
	FTE	Head Count	FTE	Head Count
Number of full time Key Management Personnel	5	5	6	6
Number of full time employees	72	72	64	64
Number of part time employees	10	14	11	15
<b>Total Employees</b>	<b>87</b>	<b>91</b>	<b>81</b>	<b>85</b>

The above FTE headcount only includes Council-funded employees. Council also had seven externally funded employees in 2024 (2023: seven).

Employee staffing levels and remuneration are 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 no severance payments made during the year that were outside of contractual obligations for staff. (2023: \$0)

## 15 Councillors' Fees

	2024	2023
<b>Mayor</b>		
Alex Walker	119,272	119,272
<b>Councillors</b>		
Kelly Annand (Deputy Mayor)	57,000	57,000
Brent Mugeridge	41,937	41,937
Timothy Aitken	41,937	41,937
Gerard Minehan	41,937	41,937
Jeromy Greer	41,937	41,937
Exham Wichman	41,937	41,937
Kathryn Taylor	41,937	41,937
Pip Burne	41,937	41,937
<b>Total cost of remuneration for the Mayor and Councillors</b>	<b>469,831</b>	<b>469,831</b>

## 16 Financial Instruments

Financial Instrument categories

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

	Classification PBE IPSAS 41	2024 Council \$'000	2023 Council \$'000
<b>Financial Assets</b>			
Unlisted Shares	FVTOCRE	27	26
Cash and Cash Deposits	Amortised Cost	6,839	9,064
Debtors and Other Receivables	Amortised Cost	10,280	7,898
Local Authority Stock, Bonds, Term Deposits	Amortised Cost	1,200	2,454
Public Debt	Amortised Cost	44,530	42,371
Creditors and other payables	Amortised Cost	16,572	14,772

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

### Financial Instruments Risks

Council's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. 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. 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 Council to fair value interest rate risk. Council's 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 issues at variable interest rates expose a council to cash flow interest rate risk. As Council's financial instruments are a mixture of variable and fixed rates (i.e. floating rate and fixed rate borrowing through LGFA, floating and fixed rate bonds and bank term deposits), Council has the ability to use an

interest rate swap to minimise exposure. The use of interest rate swaps has the economic effect of converting borrowings at floating rates into fixed rates that are generally lower than those available to Council at fixed rates directly. Under the interest rate swaps Council agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

## Credit Risk

Credit risk is the risk that a third party will default on its obligations to 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.

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 \$10 million. Any NZ registered bank is limited to \$10 million 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, Council invests funds only with entities that have a Standard and Poor's credit rating of at least A- for short-term and A+ for long-term investments.

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

## Maximum Exposure to credit risk

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

	2024 Council \$'000	2023 Council \$'000
Cash at bank and term deposit	6,839	9,064
Receivables	10,280	7,898
Community and related party loans	-	-
Bonds	-	966
LGFA Borrower Notes	979	838
Derivative Financial Instrument	41	0
Financial guarantees	-	-
	<b>18,139</b>	<b>18,766</b>

## 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.

	2024 Council \$'000	2023 Council \$'000
<b>Counterparties with Credit Ratings</b>		
Cash at bank and term deposits A-(ST) or A+(LT)	6,839	9,064
Bonds A-(ST) or A+(LT)	-	966
LGFA Borrower Notes A-(ST) or A+(LT)	979	838

Receivables arise mainly from Council's 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. Council has no significant concentrations of credit risk in relation to receivables as it has a large number of credit customers, mainly ratepayers, and Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers. For details on the ageing of receivables, see Note 4.

## Derivative Financial Instruments

**Accounting Policy** – Council uses derivative financial instruments to economically hedge exposure to interest rate risk arising from financing activities. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance date. Council's derivative financial instruments are not designated as hedging instruments for accounting purposes. Accordingly, the associated gains or losses on derivatives are recognised in surplus or deficit.

**Fair Value** – The fair values of interest rate swaps have been determined by calculating the expected future cash flows under the terms of the swaps and discounting these values to present value. The inputs into the valuation model are from independently sourced market parameters, such as interest rate yield curves. Most market parameters are implied from instrument prices.

**Interest Rate Swaps** – The notional principal amounts of the outstanding interest rate swap contracts for Council were \$10 million (2023: \$nil). At 30 June 2024, the fixed interest rates for the single interest rate swap was 3.9% (2023: nil).

The notional principal amounts of the forward starting interest rate swap contracts for Council were \$10m (2023: \$Nil). At 30 June 2024, the fixed interest rates for the single interest rate swap was 3.9% (2023: nil).

Council manages its interest rate risk through the use of interest rate swaps. At the end of each financial year, Council revalues its interest rate swap portfolio to the current market value. The movement in this valuation reflects what has happened to the floating interest rate during the year. As floating rates rise, the cost to Council to hold these interest rate swaps to maturity decreases; as floating rates fall, Council's cost to maturity increases. This year's recognised but unrealised gain of \$41,000 (2023: \$nil) on revaluation reflects this change in interest rates and essentially means that over the next five years, assuming interest rates remain at today's current rates, Council will continue to benefit from the reduced interest costs.

## Liquidity Risk

### Management of liquidity risk

Liquidity risk is the risk that 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. Council aims to maintain flexibility in funding by keeping committed credit lines available.

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

Council has a maximum amount that can be drawn down against its overdraft facility of \$4.0 million (2023: \$1.5 million). There are no restrictions on the use of this facility.

### Contractual maturity analysis of financial liabilities, excluding derivatives

The table below analyses Council's financial liabilities (excluding derivatives) into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. Future interest payments on floating rate debt are based on the floating rate on the instrument at balance date. The amounts disclosed are the contractual undiscounted cash flows and include interest payments.

	Carrying amount \$'000	Contractual cash flows \$'000	Less than 1 year \$'000	1-2 years \$'000	2-5 years \$'000	More than 5 years \$'000
<b>2024</b>						
Payables	15,745	15,745	15,745	-	-	-
Bank overdraft	-	-	-	-	-	-
Secured loans	44,530	51,439	11,820	9,216	30,403	-
Finance leases	-	-	-	-	-	-
<b>Total</b>	<b>60,275</b>	<b>67,184</b>	<b>27,565</b>	<b>9,216</b>	<b>30,403</b>	<b>-</b>
	Carrying amount \$'000	Contractual cash flows \$'000	Less than 1 year \$'000	1-2 years \$'000	2-5 years \$'000	More than 5 years \$'000
<b>2023</b>						
Payables	14,118	14,118	14,118	-	-	-
Bank overdraft	-	-	-	-	-	-
Secured loans	42,372	48,809	5,701	4,484	38,624	-
Finance leases	-	-	-	-	-	-
<b>Total</b>	<b>56,490</b>	<b>62,927</b>	<b>19,819</b>	<b>4,484</b>	<b>38,624</b>	<b>-</b>



## Contractual maturity analysis of financial assets

The table below analyses 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.

	Carrying amount \$'000	Contractual cash flows \$'000	Less than 1 year \$'000	1-2 years \$'000	2-5 years \$'000	More than 5 years \$'000
<b>2024</b>						
Cash and cash equivalents	6,839	6,839	6,839			
Receivables	10,280	10,280	10,280			
Other financial assets						
-term deposits	-	-	-			
-community and related party loans	-	-				
-listed bonds	-	-	-	-	-	-
-LGFA Borrower Notes	979	1,092	166	219	707	-
<b>Total</b>	<b>18,098</b>	<b>18,211</b>	<b>17,285</b>	<b>219</b>	<b>707</b>	<b>-</b>
<b>2023</b>						
Cash and cash equivalents	9,064	9,064	9,064			
Receivables	7,898	7,898	7,898			
Other financial assets						
-term deposits	-	-	-			
-community and related party loans	-	-				
-listed bonds	966	1,027	33	994	-	-
-LGFA Borrower Notes	838	949	-	174	456	319
<b>Total</b>	<b>18,766</b>	<b>18,938</b>	<b>16,995</b>	<b>1,168</b>	<b>456</b>	<b>319</b>

## 17 Contingencies

Riskpool was a mutual fund for New Zealand councils that provided professional indemnity insurance cover. Central Hawke's Bay District Council was a member of Riskpool; but ceased being a member in 2015. In 2014, Riskpool had several "leaky building" claims made against it. These have been subject to legal proceedings ever since. On 1 August 2023 the Supreme Court dismissed Riskpool's final appeal in LGMFT v Napier City Council [2023] NZSC 97. This created an immediate liability for Riskpool, which necessitated a call on members in December 2023. Central Hawke's Bay District Council's share was \$67,000 and this has been paid. This court case has opened the door for three other claims that had previously been declined and are now subject to further legal proceedings. There is the possibility of further, future calls being made on Central Hawke's Bay District Council. The timing and quantum of these calls is unknown. There are no other 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 Council. Council does not consider that any subsequent events have arisen. (2023: Cyclone Gabrielle Recovery Funding Agreements with the Crown).

## 19 Supplementary Information

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

### Rating Base Information

All rating units for the district:

	2024	2023
Number of rating units	8,144	7,994
Capital Value	\$9,171,224,700	\$9,081,147,310
Land Value	\$5,946,930,400	\$5,915,727,400

## Insurance Information - Assets

### Year ending June 2024

		Total Value Covered \$'000	Maximum Amount Available \$'000	
Insurance Contracts	-Buildings, Plant & Equipment	\$149,907	\$46,200	
	-Infrastructure	\$252,805	\$30,000	Loss Limit
Financial Risk Sharing		\$-	\$-	
Self Insured		\$-	\$-	

### Year ending June 2023

		Total Value Covered \$'000	Maximum Amount Available \$'000	
Insurance Contracts	-Buildings, Plant & Equipment	\$133,116	\$46,200	
	-Infrastructure	\$216,443	\$30,000	Loss Limit
Financial Risk Sharing		\$-	\$-	
Self Insured		\$-	\$-	

### Total Replacement Cost of Infrastructure

Activity	Total Replacement Cost (TRC)
Water	\$112,911,147
Wastewater	\$115,471,875
Stormwater	\$50,040,097
Roading	\$1,118,051,876
<b>Totals</b>	<b>\$1,396,474,995</b>

## 20 Comparison to Prospective Financial Statements

The 2023/24 year has been heavily impacted by Cyclone Gabrielle recovery income and costs. Subsidies and Grants includes \$27.1 million of emergency recovery funding assistance from NZTA (at a funding assistance rate of 99%) which is in addition to what was budgeted. This addition recovery revenue has also driven addition unbudgeted costs of \$9.5 million of roading repairs, and the balance being capitalised as roading assets. In addition to roading expenditure, Council also undertook \$0.9 million of unbudgeted stormwater work (drain and vegetation clearing). The Summary Statement of Comprehensive Revenue and Expenditure at the bottom of page 67 shows what Council's financials would look like with these Cyclone items were excluded.

The economic downturn that New Zealand is currently in the midst of has also impact Council's business as usual activities. For example if you look at Council's Fees and Charges they are down \$1.2 million on budget, and Development Contributions are \$0.9 million down. This reflects the slowdown in the housing market and construction sector which in turn was reflected in Council's consenting revenues (both Resource and Building consents) being down \$0.4 million on budget, and solid waste being \$0.3 million down on budget, both of which experienced lower volumes than forecast.

Personnel costs were \$0.7 million below budget and reflects vacancies carried during the year, some of which were backfilled by contractors (only key/critical roles).

Operating Costs were \$12.8 million over budget, but \$10.4 million of this is cyclone related (see earlier paragraph for detail). Most of the residual was in either the economic development area where Council was spending unbudgeted government stimulus grants, or 3 Waters operational costs and insurance costs that were heightened by the cyclone.

This year Council revalued its roading assets, 3 waters assets, and its land and buildings. This has resulted in a revaluation gain of \$49.3 million as opposed to the budgeted projection of \$25.0 million. This both reflects the high level of construction inflation and the roading assets being partly repaired after being impaired last year. This revaluation is a non-cash income line and simply reflects that Council's asset are worth more than at last valuation and will cost more to replace in future years as they wear out.

# Elected Council Members

The Central Hawke's Bay District Elected Council comprises of Her Worship the Mayor and eight elected councillors 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
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## ARAMOANA/RUAHINE WARD

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## RUATANIWHA WARD

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For more information about the elected Council structure, please refer to our Local Governance Statement, available from Council on request or on our website: [www.chbdc.govt.nz](http://www.chbdc.govt.nz)









# Glossary

<b>Activity</b>	Services, projects or goods provided by, or on behalf of, Council (e.g. libraries). These activities are then combined into groups of activities.
<b>Annual Plan</b>	The Annual Plan is produced in the intervening years between long-term plans. It includes the work programme for the year and financial statements.
<b>Annual Report</b>	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.
<b>Asset</b>	Something of value that Council owns on behalf of the people of Central Hawke's Bay, such as roads, drains, parks and buildings.
<b>Asset Management Plan</b>	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.
<b>Borrowing</b>	Refers to the raising of loans for capital items, such as the sewerage scheme.
<b>Capital Expenditure</b>	Expenditure that will increase the value of Council's assets.
<b>Capital Value</b>	Value of land, including any improvements.
<b>Community Boards</b>	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.
<b>Community Outcomes</b>	Goals that the community believe are important for its present and future economic, social, cultural and environmental well-being.
<b>Council Controlled Organisations</b>	Council-controlled organisations are organisations in which one or more local authorities control 50 per cent or more of the voting rights or appoint 50 per cent or more of the directors.
<b>Financial Year</b>	Council's financial year runs from 1 July to 30 June of the following year.
<b>General Rate</b>	A rate levied across all properties for activities that benefit the whole district.
<b>Group of Activities</b>	Several activities combined together (e.g. cultural and community facilities).
<b>Land Value</b>	Value of land, excluding any improvements.
<b>Local Government Act 2002</b>	The key legislation that defines the powers and responsibilities of local authorities like Central Hawke's Bay District Council.
<b>Long-Term Plan (LTP)</b>	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.
<b>Operating Expenditure</b>	Money Council spends on such items as salaries, materials, electricity and plant hire.

<b>Operating Revenue</b>	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 (e.g. New Zealand Transport Agency subsidies, rental income, permits and fees).
<b>Operating Surplus (Deficit)</b>	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.
<b>Performance Measure</b>	A measure that shows how well Council is doing in achieving the objectives it has set for itself.
<b>Rates</b>	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.
<b>Revenue and Financing Policy</b>	This describes how Council's work will be paid for and the mechanisms for gathering the funds (such as general rate, targeted rates, user charges and grants).
<b>Significance</b>	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 well-being of the community.
<b>Subsidies</b>	Amounts received from other agencies for the provision of services (e.g. NZ Transport Agency roading subsidies).
<b>Targeted Rates</b>	Any rate levied other than the general rate, which is targeted at users of a service such as water supply, wastewater and solid waste.
<b>Transfer to/from Reserves</b>	Transfer of funds to reserves are generally surpluses on operations. Transfers from reserves assist to fund capital expenditure.
<b>User Charges</b>	The charges levied for use of Central Hawke's Bay District Council services (e.g. building consent fees, health inspections).
<b>Working Capital</b>	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**

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