



**CENTRAL
HAWKE'S BAY**
DISTRICT COUNCIL

Hear about
our plans for
the 2020/21
years!

Bringing Thrive Alive!

Annual Plan 2020/21

E ora ngātahi ana! Together we Thrive!



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Introduction and Overview

Introduction

From the Mayor and Chief Executive

The Annual Plan
2020-21 is all about
#DoingtheMahi

Since adopting the Long Term Plan back in 2018, we've been working hard – really hard.

When we consulted on the Long Term Plan, you told us what you wanted to see prioritised across Central Hawke's Bay. We listened and took action to focus on those big issues.

But, at the start of 2020, we were presented with new and unprecedented challenges that have meant we've really had to pull together as a community, and amend our planning to respond to an ongoing crisis. Alongside many other parts of New Zealand, we have battled a drought which continues to be a cause of real struggle for the farmers and growers in our rural communities. On top of that, with the rest of the world, we found ourselves uniting to fight the COVID-19 pandemic. The twin blows of the drought and COVID-19 have resulted in severe financial, physical and mental stress for many in Central Hawke's Bay.

In response, Council is putting time and resource into ensuring the ongoing protection of our community. We have developed and launched an economic recovery plan to focus on the immediate and long-term recovery from the drought and COVID-19, consisting of real and tangible actions that'll benefit those impacted most, support our people and our businesses, and help to reignite our economy in the process.

However, what we're experiencing is a marathon, not a sprint. This Annual Plan – the third year of the 2018-2028 Long Term Plan – is about short-term decision making and how we can ensure continuity while softening the cost burden where we can. The bigger decisions about effects on service, approach to investment and ongoing recovery strategies are far more important and we are now going to focus our efforts on these long term approaches for how we will shape our District and Council post-COVID-19 and drought. That's why we won't be consulting on the 2020-21 Annual Plan, and instead will be focusing our attention on building the 2021 Long Term Plan. You can expect to have a comprehensive conversation with us over the next 6 – 9 months – covering many topics from rating systems, to landfill, and the huge waste water projects in front of us. This will culminate in a full consultation process in early 2021. We want you to know that your health, welfare and the ongoing delivery of essential services is, and always will be, our utmost priority.

Through all of this, we're #DoingtheMahi – keeping our heads down and doing what we said we would do, while making big plans for the future of our district.

This means ensuring we strike the right balance between offering immediate term relief for those affected by the impact of the drought and COVID-19, and continuing to invest for our future generations.

Following the October 2019 Triennial election, elected members took the time to set the following five strategic priorities for the next three years and our 2020-21 year will see us progress the mahi we've already started in these areas:

- **Delivery of #thebigwaterstory** and improved water security for Central Hawke's Bay.
- **The District Plan:** Delivery of a notified and operative District Plan.
- **Wastewater Treatment Project:** Capital works plan and initial improvements completed, and future funding strategy clarified.
- **Social Housing:** Increased numbers of social housing in Central Hawke's Bay, including improved leverage off Council's retirement housing portfolio.
- **Waste Free CHB:** Reduce recycling to landfill and improved asset management and leverage of landfill.

Once again, this year's rates are very close to what we proposed in the Long Term Plan 2018-28. While we were all in Level 4 and 3 Lockdown, significant work went into adjusting the budgets and the rates to minimise the increase as much as possible. We have achieved a level which is nearly half of where we started from and carefully continues to serve your expectations of service while in a world that operates a little differently.

Our visions for a thriving future continue here in our beautiful part of the world!

Together we Thrive! E ora ngātahi ana!



Alex Walker

Alex Walker
Mayor of Central Hawke's Bay



Monique Davidson

Monique Davidson
Chief Executive Officer



Our vision for Central Hawke's Bay is 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.

Together we thrive!


Our Strategic Direction for Central Hawke's Bay

What we know - Our DNA -



WORKING TOGETHER

Central Hawke's Bay will be stronger when we work together. Partnerships and collaboration are at the core of everything we do.



CUSTOMER EXCELLENCE

The communities we serve are our customers. They are at the heart of our decisions, interactions and communication. We'll engage with our customers to deliver value and exceed expectations.



THINKING SMARTER

We need to think smarter and better in everything we do. With a culture of innovation and continuous improvement we will add value to our communities.

What we stand for - Our Values -



Our values capture who we are and what matters most to us. They are the attitudes we embrace as individuals, teams and as a whole organisation. We are all personally responsible for acting with these in mind.

- T** TRUST – We create trust by acting with integrity.
- H** HONESTY – We do what is right even when no one is looking.
- R** RESPECT – We have respect for each other, our community and our stakeholders.
- I** INNOVATION – We find smarter ways to do things to produce improved and sustainable results.
- V** VALUING PEOPLE – We are one team, supporting each other to succeed.
- E** EXCELLENCE – We deliver exceptional results.

What we're most proud of - Our Greatest Asset -

People are our greatest asset. At Central Hawke's Bay District Council we are committed to providing a safe and great place to work that values diversity and inclusion, and develops skilled people who can lead our community to thrive.




Why we do what we do - Our Purpose -

It's our goal to create an environment that supports a thriving Central Hawke's Bay district, by providing efficient and appropriate infrastructure, services and regulatory functions.



The outcomes we want to achieve - Our Objectives -



- A proud district.
- A prosperous district.
- Strong communities.
- Connected citizens.
- Smart growth.
- Environmentally responsible.
- Durable infrastructure.

How we'll reach our outcomes - Our Focus -



- Promoting smart growth.
- Attracting and enabling business success.
- Strengthening our district and community identity.
- Protecting and promoting our unique landscape.
- Planning for tomorrow to future-proof Central Hawke's Bay.

Elected Member Priorities

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

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

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

Key Areas



Protecting and promoting our unique landscape



Attracting and enabling business success



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



Strengthening our district and community identity



Promoting smart growth

Strategic Priorities

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



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



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



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






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



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

Priorities and projects

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

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

We've got big plans!

Our big focus for the 2020/21 year includes the following:



Delivery of #thebigwaterstory

We made good progress on #thebigwaterstory in the 2019-20 year, with Council completing a number of key projects, including two flagship projects - the Takapau Water Treatment Plant upgrade, and the Otane Alternate Water Supply.

The programme of works is on track and going well, however Council still has lots to do in 2020-21 to deliver on #thebigwaterstory!

One priority is the Waipukurau State Highway 2 Borefield Upgrade project which is well underway. When complete, it will add resilience to Waipukurau's water supply and ensure greater efficiency in power use and pump logic, too. Alongside this project, we continue to work on developing options for the Waipukurau Second Water Supply, to add resilience and additional storage, to keep up with the surge of population in the town. This is a long term project which will evolve over the next few years.

Upgrades to the Kairakau water system are in planning stages, with a view for the upgrade to be implemented in time for the 2020-21 summer season. Other projects on the go are further stormwater upgrades in Waipukurau, stage three firefighting improvements in Waipukurau, and the development of a long-term programme for water firefighting and shortfall improvements in Waipawa.

District Plan

The review of the District Plan began in late 2017. We split the review into five main phases: the Rural Environment, Coastal Issues, the Urban Environment, Subdivision Rules and the Natural Environment.

Elected members are committed to engaging with the community and stakeholders to ensure that the community clearly understands and supports the direction of the new Plan.

We released the draft Plan for public consultation in May 2019. Several community meetings were held to discuss the draft, with over 100 submissions received covering a range of issues and provisions. Submitters were also given the opportunity to present in person at Informal Hearings in February 2020.

The District Plan Committee have met during March and April 2020 to deliberate on the submissions and make recommendations on them for consideration by Council. After Council has adopted these recommendations or amended them as necessary, we will make changes to the draft District Plan which, following the adoption by Council, will then be notified for public consultation as a Proposed Plan. At this point, the ball really starts rolling as the release of the Proposed Plan marks the beginning of the formal and statutory phase of the District Plan review.



Social Housing

We're continuing to focus on social housing as a major enabler of the social and economic wellbeing of Central Hawke's Bay.

In March 2019 Council adopted its first Housing Strategic Framework, with four goals and a number of actions defining how Council will support the transformation of social housing in the District.

The major focus of Council to date has been advocating for the District, by working in partnership with the Ministry of Housing and Urban Development (MHUD) and Kainga Ora on Government funded housing development opportunities with results of that partnership expecting to result in tangible outcomes in late 2020 early 2021 for our community.

The second major focus is a piece of work underway reviewing Councils Retirement Housing portfolio. The purpose of the review is to understand how best Council can leverage the communities investment in the portfolio to support social housing outcomes across the District. The outcomes of the review will be included in the 2021 Long Term Plan for consideration by the community.

Wastewater Treatment Project

2019 saw some significant strides forward in planning for the future of our Wastewater in Central Hawke's Bay.

We formally responded to the environment court order concerning the Waipawa Wastewater Plant and outlined a proposed long term plan for the future of Waipawa, Waipukurau and Otane's wastewater. We've been working closely with community members develop options which focus on generational thinking to ensure a positive balance between the environmental health of our District, the strength of our infrastructure to enable Central Hawke's Bay to thrive, and affordability for all of our people. We look forward to bringing these options to you in the lead up to the 2021 Long Term Plan.

Alongside this stream of work, we are developing upgrade options for wastewater plants at Porangahau and Te Paerahi, and Takapau which all have consents expiring in 2021. Considerable work is also underway at the Waipawa Wastewater Plant.

Council's Wastewater projects are consistent with the vision that the community reference group created:

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

Waste Free CHB

In 2019, Council went out for consultation on the new Waste Minimisation and Management Plan (WMMP), which sets out how Central Hawke's Bay District Council will play its part in managing the district's waste over the next six years while continuing to work towards our goal of a 'Waste Free CHB'.

We know that together with the community we need to reduce what is going into our landfill, increase re-use and recycling, raise awareness and education and ensure that our services are practical and affordable. Waste has long been a widely-discussed topic in our community and Council wants to ensure that this plan has the support of residents and the business community alike. This year, Council will undertake a major review of Section 17a in the waste space, reviewing how we deliver services to the community.





Rating Review

We intend to undertake a major rating review during the 2020/21 year to carefully consider the way rates are apportioned and distributed through the community.

This will be the first major rating review for the District in over ten years.

As part of the review we will consult with the community about proposed changes. The intention is that the outcome of the review becomes the basis for rating in 2021/22.

Revenue and Financing Policy

For the 2020/21 Financial Year there has been no changes to the Revenue and Financing Policy. A full review is planned for late 2021 which will be consulted on as part of the 2021-2031 Long Term Plan.

When drafting this Annual Plan, Council has considered the impact of rate increases and associated affordability when setting the budgets further into this document.

However, many of the increases have been outside of Council's control, such as Central Government Policy and International Climate Initiatives.

Overall Rates Increase

This plan includes an overall rates increase of 3.68%, which is an increase of 1.5% above what was indicated in year three of the Long Term Plan 2018-28.

The 1.5% increase is a combination of:

- Increase in compliance costs across the Three Waters.
- Increase in insurance premiums due to a higher risk profile assigned to New Zealand by overseas insurers.
- Increased impacts of Central Government policies such as the Carbon Credit Policy and Waste Levies.
- Offset by a reduction in interest rates due to changed economic conditions.
- Continuing to look for more innovative ways to deliver our services and work collaboratively with our strategic contract partners.

The Annual Plan 2020/21 is intended to be read in conjunction with the Long Term Plan 2018-28. The full details of the operational and capital programmes is included within the Long Term Plan and the 2020/21 year is Year 3 of the Long Term Plan. Any significant variations to the capital programmes are detailed within the Groups of Activities section.





Council Services

Group of Activities

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

Planning and Regulatory Group



District Planning



Compliance & Monitoring



Building Control



Land Use & Subdivision Consents



Public Health



Animal Control

Community Leadership Group



Leadership, Governance and Consultation



Economic & Social Development

Recreation and Community Facilities Group



Theatres, Halls & Museums



Property & Buildings



Libraries



Retirement Housing



Cemeteries



Parks, Reserves & Swimming Pools



Public Toilets

Water Supplies Group



Water Supplies

Land Transport Group



Land Transport

Wastewater Group



Wastewater (Sewerage)

Stormwater Group



Stormwater

Solid Waste Group



Solid Waste

The Annual Plan 2020/21 is intended to be read in conjunction with the Long Term Plan 2018-28. The full details of the operational and capital programmes is included within the Long Term Plan and the 2020/21 year is Year 3 of the Plan. Any significant variations to the capital programmes are detailed within this section for each Group of Activities

Community Leadership Group

	Annual Plan 2020 \$000	LTP 2021 \$000	Annual Plan 2021 \$000
Sources of operating funding			
General rates, uniform annual general charges and rates penalties	1,314	1,251	1,406
Targeted rates	0	0	0
Subsidies and Grants for Operating Purposes	52	48	35
Fees, charges	0	0	29
Interest and dividends from investments	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
Total operating funding	1,367	1,299	1,470
Applications of operating funding			
Payments to staff and suppliers	1,087	1,032	1,142
Finance costs	0	0	0
Other operating funding applications	305	282	343
Total applications of operating funding	1,392	1,315	1,485
Surplus (deficit) of operating funding	(25)	(15)	(15)
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding	0	0	0
Applications of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	0	0	0
- to replace existing assets	0	0	0
Increase (decrease) in reserves	(25)	(15)	(15)
Increase (decrease) of investments	0	0	0
Total applications of capital funding	(25)	(15)	(15)
Surplus (deficit) of capital funding	25	15	15
Funding balance	0	0	(0)

Funding Impact Statement for 2018-2028

Planning and Regulatory Group

Funding impact statement for 2018/28 – Planning and Regulatory Group

	Annual Plan 2020 \$000	LTP 2021 \$000	Annual Plan 2021 \$000
Sources of operating funding			
General rates, uniform annual general charges and rates penalties	694	807	823
Targeted rates	0	0	0
Subsidies and Grants for Operating Purposes	0	0	0
Fees, charges	1,247	1,041	1,393
Interest and dividends from investments	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	18	22	17
Total operating funding	1,959	1,870	2,233
Applications of operating funding			
Payments to staff and suppliers	1,392	1,334	1,583
Finance costs	19	19	35
Other operating funding applications	523	484	585
Total applications of operating funding	1,934	1,837	2,202
Surplus (deficit) of operating funding	25	33	31
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	680	201	695
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding	680	201	695
Applications of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	705	234	726
- to replace existing assets	0	0	0
Increase (decrease) in reserves	0	0	0
Increase (decrease) of investments	0	0	0
Total applications of capital funding	705	234	726
Surplus (deficit) of capital funding	(25)	(33)	(31)
Funding balance	(0)	(0)	0

Variation of capital expenditure between Long Term Plan 2018-28 year 3 and annual plan 2020/21

Activity	Year 3 of LTP \$'000	Annual Plan 2020/21 \$'000	Difference \$'000	Explanation
District Plan	234	726	492	Prior Years Budgets unspent and carried forward to 2021

Funding Impact Statement for 2018-2028

Land Transport Group

	Annual Plan 2020 \$000	LTP 2021 \$000	Annual Plan 2021 \$000
Sources of operating funding			
General rates, uniform annual general charges and rates penalties	6,568	6,707	6,854
Targeted rates	0	0	0
Subsidies and Grants for Operating Purposes	2,626	2,571	2,613
Fees, charges	19	19	36
Interest and dividends from investments	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	162	165	162
Total operating funding	9,374	9,462	9,664
Applications of operating funding			
Payments to staff and suppliers	4,569	4,635	4,705
Finance costs	0	0	0
Other operating funding applications	1,284	1,178	1,497
Total applications of operating funding	5,853	5,813	6,201
Surplus (deficit) of operating funding	3,522	3,649	3,463
Sources of capital funding			
Subsidies and grants for capital expenditure	4,977	4,663	4,852
Development and financial contributions	3	3	3
Increase (decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding	4,980	4,666	4,855
Applications of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	1,489	1,000	1,000
- to replace existing assets	7,013	7,299	7,299
Increase (decrease) in reserves	(1)	16	19
Increase (decrease) of investments	0	0	0
Total applications of capital funding	8,501	8,315	8,318
Surplus (deficit) of capital funding	(3,522)	(3,649)	(3,463)
Funding balance	0	0	0

Variation of capital expenditure between Long Term Plan 2018-28 year 3 and annual plan 2020/21

Activity	Year 3 of LTP \$'000	Annual Plan 2020/21 \$'000	Difference \$'000	Explanation
Seal Renewals	3,714	3,714	0	No Change
Unsealed Renewals	475	475	0	No Change
Bridges / Structures	1,003	1,003	0	No Change
Footpaths	314	314	0	No Change
Drainage	1,207	1,207	0	No Change
Other	1,586	1,586	0	No Change

Funding Impact Statement for 2018-2028

Solid Waste Group

	Annual Plan 2020 \$000	LTP 2021 \$000	Annual Plan 2021 \$000
Sources of operating funding			
General rates, uniform annual general charges and rates penalties	1,309	1,226	1,196
Targeted rates	294	242	373
Subsidies and Grants for Operating Purposes	53	54	53
Fees, charges	1,152	1,156	1,713
Interest and dividends from investments	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
Total operating funding	2,808	2,678	3,335
Applications of operating funding			
Payments to staff and suppliers	2,036	1,915	2,472
Finance costs	71	85	44
Other operating funding applications	431	399	501
Total applications of operating funding	2,538	2,399	3,017
Surplus (deficit) of operating funding	271	278	318
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	(96)	(122)	(129)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding	(96)	(122)	(129)
Applications of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	60	0	0
- to replace existing assets	95	97	97
Increase (decrease) in reserves	19	59	93
Increase (decrease) of investments	0	0	0
Total applications of capital funding	174	157	190
Surplus (deficit) of capital funding	(271)	(278)	(318)
Funding balance	(0)	0	0

Variation of capital expenditure between Long Term Plan 2018-28 year 3 and annual plan 2020/21

Activity	Year 3 of LTP \$'000	Annual Plan 2020/21 \$'000	Difference \$'000	Explanation
Landfill	58	58	0	No Change
Transfer Stations	27	27	0	No Change
Recycling / Bins	12	12	0	No Change

Funding Impact Statement for 2018-2028

Water Supplies Group

	Annual Plan 2020 \$000	LTP 2021 \$000	Annual Plan 2021 \$000
Sources of operating funding			
General rates, uniform annual general charges and rates penalties	0	0	0
Targeted rates	3,036	3,272	3,416
Subsidies and Grants for Operating Purposes	0	0	0
Fees, charges	3	0	3
Interest and dividends from investments	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
Total operating funding	3,039	3,272	3,419
Applications of operating funding			
Payments to staff and suppliers	1,313	1,532	1,522
Finance costs	317	616	347
Other operating funding applications	552	511	703
Total applications of operating funding	2,182	2,659	2,572
Surplus (deficit) of operating funding	856	613	847
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	5	5	50
Increase (decrease) in debt	6,956	220	1,675
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding	6,961	225	1,725
Applications of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	7,070	456	1,990
- to replace existing assets	617	632	832
Increase (decrease) in reserves	130	(250)	(250)
Increase (decrease) of investments	0	0	0
Total applications of capital funding	7,817	838	2,572
Surplus (deficit) of capital funding	(856)	(613)	(847)
Funding balance	0	0	0

Variation of capital expenditure between Long Term Plan 2018-28 year 3 and annual plan 2020/21

Activity	Year 3 of LTP \$'000	Annual Plan 2020/21 \$'000	Difference \$'000	Explanation
District Renewals	176	376	200	Reassessment of work required
Waipukurau Second Supply	0	1,535	1,535	Prior Years Budgets unspent and carried forward to 2021
Waipukurau Water Supply	590	590	0	No Change
Waipawa Water Supply	322	322	0	No Change

Funding Impact Statement for 2018-2028

Wastewater Group

	Annual Plan 2020 \$000	LTP 2021 \$000	Annual Plan 2021 \$000
Sources of operating funding			
General rates, uniform annual general charges and rates penalties	0	0	0
Targeted rates	3,241	3,573	2,932
Subsidies and Grants for Operating Purposes	0	0	0
Fees, charges	237	245	417
Interest and dividends from investments	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
Total operating funding	3,478	3,818	3,349
Applications of operating funding			
Payments to staff and suppliers	1,682	1,519	1,459
Finance costs	482	698	375
Other operating funding applications	552	511	675
Total applications of operating funding	2,717	2,728	2,509
Surplus (deficit) of operating funding	761	1,090	841
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	10	10	50
Increase (decrease) in debt	2,455	1,100	977
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding	2,465	1,110	1,027
Applications of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	2,870	1,609	1,609
- to replace existing assets	546	559	259
Increase (decrease) in reserves	(190)	32	0
Increase (decrease) of investments	0	0	0
Total applications of capital funding	3,226	2,200	1,868
Surplus (deficit) of capital funding	(761)	(1,090)	(841)
Funding balance	(0)	0	0

Variation of capital expenditure between Long Term Plan 2018-28 year 3 and annual plan 2020/21

Activity	Year 3 of LTP \$'000	Annual Plan 2020/21 \$'000	Difference \$'000	Explanation
District Sewer	559	259	(300)	Reassessment of work required
Waipukurau / Waipawa Treatment	1,073	1,073	0	No Change
Porangahau / Te Paerahi Treatment	536	536	0	No Change

Stormwater Group

	Annual Plan 2020 \$000	LTP 2021 \$000	Annual Plan 2021 \$000
Sources of operating funding			
General rates, uniform annual general charges and rates penalties	0	0	0
Targeted rates	685	713	782
Subsidies and Grants for Operating Purposes	0	0	0
Fees, charges	0	0	0
Interest and dividends from investments	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
Total operating funding	685	713	782
Applications of operating funding			
Payments to staff and suppliers	255	250	312
Finance costs	24	28	17
Other operating funding applications	179	166	208
Total applications of operating funding	458	444	538
Surplus (deficit) of operating funding	227	269	245
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	77	(43)	(19)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding	77	(43)	(19)
Applications of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	84	0	0
- to replace existing assets	221	226	226
Increase (decrease) in reserves	0	0	0
Increase (decrease) of investments	0	0	0
Total applications of capital funding	304	226	226
Surplus (deficit) of capital funding	(227)	(269)	(245)
Funding balance	0	0	0

Variation of capital expenditure between Long Term Plan 2018-28 year 3 and annual plan 2020/21

Activity	Year 3 of LTP \$'000	Annual Plan 2020/21 \$'000	Difference \$'000	Explanation
Renewals	198	198	0	No Change
Remediation works	27	27	0	No Change

Recreation and Community Facilities Group

	Annual Plan 2020 \$000	LTP 2021 \$000	Annual Plan 2021 \$000
Sources of operating funding			
General rates, uniform annual general charges and rates penalties	3,520	3,561	3,644
Targeted rates	0	0	0
Subsidies and Grants for Operating Purposes	13	17	13
Fees, charges	558	566	746
Interest and dividends from investments	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	15	6	51
Total operating funding	4,106	4,150	4,454
Applications of operating funding			
Payments to staff and suppliers	2,380	2,375	2,659
Finance costs	141	174	98
Other operating funding applications	838	776	934
Total applications of operating funding	3,359	3,324	3,691
Surplus (deficit) of operating funding	747	826	763
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	4	4	4
Increase (decrease) in debt	241	185	129
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding	245	189	133
Applications of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	287	266	326
- to replace existing assets	655	693	586
Increase (decrease) in reserves	51	56	(16)
Increase (decrease) of investments	0	0	0
Total applications of capital funding	992	1,015	897
Surplus (deficit) of capital funding	(747)	(826)	(763)
Funding balance	(0)	(0)	(0)

Variation of capital expenditure between Long Term Plan 2018-28 year 3 and annual plan 2020/21

Activity	Year 3 of LTP \$'000	Annual Plan 2020/21 \$'000	Difference \$'000	Explanation
Libraries	135	135	0	No Change
Halls / Theatres / Museums	319	319	0	No Change
Pools / Parks / Reserves / Toilets / Cemeteries	371	324	(47)	Project deferred due to timing.
Other Buildings	134	134	0	No Change



Financial Information

Prospective Statement of Comprehensive Income

	Annual Report 2019 \$000	Annual Plan 2020 \$000	Long Term Plan 2021 \$000	Annual Plan 2021 \$000
Revenue				
Rates Revenue	19,830	20,691	21,381	21,453
Subsidies and Grants	11,167	7,721	7,353	7,566
Interest and dividends	189	140	141	92
Fees and charges	3,416	3,217	3,030	4,338
Development Contributions	364	22	22	107
Other Revenue	788	229	228	265
Total revenue	35,754	32,020	32,155	33,821
Expenditure				
Personnel costs	5,147	5,289	5,111	5,829
Depreciation and amortisation	11,946	12,102	13,137	13,065
Finance costs	173	583	798	462
Other operating costs	17,037	14,034	13,643	15,316
Total operating expenditure	34,303	32,008	32,690	34,673
Net Operating Surplus/(Deficit)	1,451	12	(535)	(851)
Other (Gains)/Losses				
(Gains)/Losses on Public Debt	(17)	0	0	0
(Gains)/Losses on Investments	39	0	0	0
Total Other (Gains)/Losses	22	0	0	0
Net Operating surplus/(deficit) before tax	1,429	12	(535)	(851)
Income tax expense	0	0	0	0
Net surplus/(deficit) after tax	1,429	12	(535)	(851)
Other comprehensive income				
Gains/(Losses) on the revaluation of property, plant, equipment	47,287	20,005	14,436	14,928
Total other comprehensive Income	47,287	20,005	14,436	14,928
Total comprehensive income for the year	48,716	20,017	13,901	14,076

Prospective Statement of Changes in Equity

	Annual Report 2019 \$000	Annual Plan 2020 \$000	Long Term Plan 2021 \$000	Annual Plan 2021 \$000
Opening Equity Balance	792,903	841,619	861,636	861,636
Total comprehensive income for the year	48,716	20,017	13,901	14,076
Closing Equity Balance	841,619	861,636	875,537	875,713
Components of Equity				
Ratepayers Equity at the beginning of the Year	243,694	245,062	244,620	244,620
Net Surplus/(Deficit) for the Year	1,429	20,017	(535)	(851)
Transfers to (from) other reserves	(61)	(20,459)	(372)	627
Ratepayers Equity at end of Year	245,062	244,620	243,713	244,396
Special Funds at the beginning of the Year	6,835	6,900	7,364	7,364
Transfers to (from) Special Funds	65	464	382	(455)
Special Funds at the end of the Year	6,900	7,364	7,746	6,909
Trust Funds at the beginning of the Year	186	182	172	172
Transfers to (from) Trust Funds	(4)	(10)	(10)	(172)
Trust Funds at the end of the Year	182	172	162	0
Revaluation Reserves at the beginning of the Year	542,188	589,475	609,480	609,480
Transfers to (from) Revaluation Reserves	47,287	20,005	14,436	14,928
Revaluation Reserves at the end of the Year	589,475	609,480	623,916	624,408
Total Equity at end of Year	841,619	861,636	875,537	875,713

* 1 July 2020 Opening Balance Sheet has been reforecast for the 2020/21 Annual Plan based on 30 June 2019 Actuals

Prospective Balance sheet

	Annual Report 2019 \$000	Annual Plan 2020 \$000	Long Term Plan 2021 \$000	Annual Plan 2021 \$000
Assets				
Current assets				
Cash and cash equivalents	4,561	3,956	2,453	4,561
Accounts receivable	4,548	2,904	2,512	4,548
Prepayments	238	239	229	238
Stock on Hand	22	26	23	22
Current Investments	1,053	500	0	27
Total current assets	10,422	7,624	5,217	9,395
Non-current assets				
Investments	1,034	1,981	3,512	2,386
Property, plant and equipment	845,156	875,172	890,082	895,164
Total non-current assets	846,190	877,153	893,594	897,550
Total assets	856,612	884,777	898,811	906,945
Liabilities				
Current liabilities				
Trade and other payables	9,240	5,073	4,627	9,239
Employee entitlements	238	236	253	238
Current public debt	26	26	43	26
Total current liabilities	9,504	5,335	4,923	9,503
Non-current liabilities				
Non-current public debt	2,000	15,753	16,183	18,157
Provisions for landfill closure	3,489	2,054	2,168	3,573
Total non-current liabilities	5,489	17,806	18,350	21,730
Total liabilities	14,993	23,141	23,274	31,233
Equity				
Special and other funds	6,900	7,364	7,746	6,909
Trust funds	182	172	162	0
Revaluation reserve of assets	589,475	609,480	623,916	624,408
Ratepayers' equity	245,062	244,620	243,713	244,396
Total equity	841,619	861,636	875,537	875,713
Total Liabilities and Equity	856,612	884,777	898,811	906,945

* 1 July 2020 Opening Balance Sheet has been reforecast for the 2020/21 Annual Plan based on 30 June 2019 Actuals

Prospective Statement of Cash Flows

	Annual Report 2019 \$000	Annual Plan 2020 \$000	Long Term Plan 2021 \$000	Annual Plan 2021 \$000
Cash flows from operating activities				
Cash was provided from:				
Receipts from rates revenue	19,783	20,691	21,381	20,510
Subsidies and grants received	10,279	7,721	7,353	7,566
Fees and charges received	2,697	3,217	3,030	3,638
Interest received	213	140	141	92
Receipts from other revenue	762	181	228	265
Development contributions	364	22	22	107
Cash was disbursed to:				
Payments to suppliers of goods and services	(15,021)	(13,986)	(13,643)	(12,136)
Payments to employees	(5,145)	(5,289)	(5,111)	(5,832)
Interest paid	(117)	(558)	(773)	(462)
Net cash from operating activities	13,815	12,139	12,628	13,748
Cash flows from investing activities				
Cash was provided from:				
Proceeds from sale of property, plant and equipment	0	35	35	35
Proceeds from investments	1,268	531	0	0
Cash was disbursed to:				
Purchase of investment	(957)	277	(314)	68
Purchase of intangible assets	(313)	0	0	
Purchase of property, plant and equipment	(12,524)	(22,202)	(13,326)	(15,649)
Net cash from investing activities	(12,526)	(21,359)	(13,605)	(15,547)
Cash flows from financing activities				
Cash was provided from:				
Proceeds from borrowing	1,500	9,905	977	2,404
Cash was disbursed to:				
Repayment of borrowings	(2,184)	(684)	0	0
Net cash from financing activities	(684)	9,221	977	2,404
Net (decrease)/increase in cash, cash equivalents and bank overdrafts	605	0	0	606
Cash, cash equivalents and bank overdrafts at the beginning of the year	3,956	3,956	2,453	3,956
Cash, cash equivalents and bank overdrafts at the end of the year	4,561	3,956	2,453	4,562

Prospective Statement of Reserve Movements

	Annual Report 2019 \$000	Annual Plan 2020 \$000	Long Term Plan 2021 \$000	Annual Plan 2021 \$000
Reserves held for Emergency Purposes				
Opening Balance	3,490	3,238	3,379	3,379
Transfers to Reserves	126	141	(2)	34
Transfer From Reserves	(378)	0	5	(168)
Closing Balance	3,238	3,379	3,382	3,245
Reserves held for Future Asset Purchases				
Opening Balance	2,462	2,901	3,199	3,199
Transfers to Reserves	588	298	328	32
Transfer From Reserves	(149)	0	0	(422)
Closing Balance	2,901	3,199	3,527	2,809
Reserves held for Future Operational Costs				
Opening Balance	839	720	749	749
Transfers to Reserves	99	29	51	66
Transfer From Reserves	(218)	0	0	0
Closing Balance	720	749	800	815
Reserves held for Other Purposes				
Opening Balance	43	41	37	37
Transfers to Reserves	18	0	0	4
Transfer From Reserves	(20)	(4)	0	0
Closing Balance	41	37	37	41
Total Reserve Funds	6,900	7,364	7,746	6,909

* 1 July 2020 Opening Balance Sheet has been reforecast for the 2020/21 Annual Plan based on 30 June 2019 Actuals

Funding Impact Statement

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

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

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

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

The following rating mechanisms are intended to be used in the 2020/21 Annual Plan.

Funding Impact Statement for 2020/21 (Whole of Council)

	Annual Plan 2020 \$000	LTP 2021 \$000	Annual Plan 2021 \$000
Sources of operating funding			
General rates, uniform annual general charges and rates penalties	13,435	13,581	13,950
Targeted rates	7,256	7,800	7,503
Subsidies and Grants for Operating Purposes	2,744	2,690	2,715
Fees, charges	3,216	3,028	4,337
Interest and dividends from investments	140	141	92
Local authorities fuel tax, fines, infringement fees and other receipts	196	194	231
Total operating funding	26,987	27,434	28,828
Applications of operating funding			
Payments to staff and suppliers	19,503	18,930	21,325
Finance costs	558	773	419
Other operating funding applications	(180)	(176)	(180)
Total applications of operating funding	19,881	19,527	21,565
Surplus (deficit) of operating funding	7,105	7,907	7,263
Sources of capital funding			
Subsidies and grants for capital expenditure	4,977	4,663	4,852
Development and financial contributions	22	22	107
Increase (decrease) in debt	9,221	977	2,762
Gross proceeds from sale of assets	35	35	35
Lump sum contributions	0	0	0
Total sources of capital funding	14,254	5,698	7,755
Applications of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	12,664	3,566	5,652
- to replace existing assets	9,538	9,761	9,554
Increase (decrease) in reserves	0	(0)	0
Increase (decrease) of investments	(842)	279	(188)
Total applications of capital funding	21,359	13,605	15,018
Surplus (deficit) of capital funding	(7,105)	(7,907)	(7,263)
Funding balance	(0)	0	0

2020/21 Rates Factors

The table below lists the rate factors for the 2020/21 year (1 July 2020 to 30 June 2021) that are proposed to be set by the Central Hawke's Bay District Council under the Local Government (Rating) Act 2002.

Description	Land Liable	Differential	Factor of Liability	Factor	Rate Value	**	Amount Sought including GST \$
District Wide Rates							
General	All rateable property	Uniform	Capital Value	\$5,684,186,500	\$0.1089000		\$6,187,676.57
Uniform Annual General Charge	All rateable property	Uniform	Fixed Amount per SUIP*	6,689	\$290.53		\$1,943,091.47
District Land Transport	All rateable property	Uniform	Land Value	\$3,603,801,600	\$0.2187100		\$7,881,738.28
Targeted Rates							
Refuse Collection	Service Available	Uniform	Fixed Amount per SUIP *	4,138	\$30.18		\$124,895.87
Kerbside Recycling Collection	Service Available	Uniform	Fixed Amount per SUIP *	3,043	\$99.84		\$303,802.30
Water Supply	Connected/Service Available	Connected/Service Available	Fixed Amount per SUIP *	4,251	\$789.33/\$394.66		\$3,355,426.36
Sewerage	Connected/Service Available	Connected/Use/Service Available	Fixed Amount per SUIP *, per Pan	4,079	\$826.70/\$413.35		\$3,371,679.83
Stormwater	Catchment Area	Uniform	Capital Value	\$969,152,400	\$0.0910500		\$882,451.57
Drainage	Te Aute	Classifications	Fixed Amount per point	73,614	\$0.2343300		\$17,250.00
Water by Meter	Extraordinary users	Volume, land use category	Fixed Amount per cubic metre		\$3.85 / \$2.65		\$573,227
Total Sought							\$24,641,239

Sample Rating Impacts on Properties

Urban Residential	Category	Land Value	Capital Value	Actual Rates 2019/20	Proposed Rates 2020/21
Waipukurau	Low	54,000	185,000	2,502	2,525
Waipukurau	Medium	116,000	330,000	2,907	2,950
Waipukurau	Medium	116,000	455,000	3,142	3,200
Waipukurau	High	104,000	620,000	3,428	3,503
Waipukurau	High	123,000	685,000	3,591	3,675
Waipawa	Low	74,000	295,000	2,752	2,788
Waipawa	Medium	77,000	280,000	2,730	2,765
Waipawa	High	77,000	400,000	2,956	3,005
Waipawa	High	180,000	710,000	3,759	3,850

Townships	Category	Land Value	Capital Value	Actual Rates 2019/20	Proposed Rates 2020/21
Otane		118,000	315,000	2,543	2,538
Porangahau	Low	59,000	121,000	2,209	2,198
Porangahau	High	59,000	360,000	2,467	2,458
Takapau		40,000	180,000	2,233	2,220
Takapau		64,000	345,000	1,528	1,626
Takapau	Lifestyle	370,000	580,000	2,428	2,551
Tikokino		77,000	340,000	829	859
Onga Onga		50,000	315,000	745	773

Coastal Residential	Category	Land Value	Capital Value	Actual Rates 2019/20	Proposed Rates 2020/21
Blackhead		230,000	420,000	1,238	1,281
Kairakau		220,000	520,000	2,047	2,157
Mangakuri		450,000	900,000	2,220	2,285
Te Paerahi	Low	195,000	220,000	2,603	2,603
Te Paerahi	Medium	295,000	495,000	3,111	3,121

Rural	Category	Land Value	Capital Value	Actual Rates 2019/20	Proposed Rates 2020/21
District	Lower	294,000	303,500	948	973
District	Lower	630,000	990,000	2,676	2,746
District	Medium	2,970,000	3,470,000	10,292	10,564
District	Medium	870,000	930,000	3,118	3,206
District	High	6,350,000	7,310,000	21,570	22,136
District	High	6,500,000	8,000,000	22,632	23,215
Aramoana	High	4,240,000	4,880,000	14,494	14,876
Ruataniwha	High	4,000,000	5,000,000	14,117	14,482
Ruahine	High	12,200,000	13,600,000	40,058	41,158
Ruahine	Medium	2,300,000	2,950,000	8,317	8,532

Commerical/Industrial	Category	Land Value	Capital Value	Actual Rates 2019/20	Proposed Rates 2020/21
Waipukurau	Commercial	165,000	600,000	7,147	6,996
Waipawa	Commercial	58,000	87,000	2,326	2,337
Waipukurau	Industrial	245,000	420,000	4,282	4,239

Rates

The following rates are intended to be set and assessed on all property within the District for the 2020/21 year:

District Wide Rates

1. General Rate

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

- Community leadership, including administration, cost of democracy, community voluntary support grants
- All regulatory activities, including district planning, land use and subdivision consent costs, building control, public health, animal control, and compliance
- Solid waste
- Parks and reserves, public toilets, theatres and halls, cemeteries, and miscellaneous property costs

For the 2020/21 year, this rate will be 0.10890 cents per dollar (including GST) based on the rateable capital value of all rateable land within the District.

2. Uniform Annual General Charge

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

- Economic and social development
- A portion of the cost of solid waste
- Libraries and swimming facilities

For the 2020/21 year, this rate will be \$290.53 (including GST).

3. District Land Transport Rate

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

For the 2020/21 year this rate will be 0.21871 cents per dollar (including GST) based on the land value of all rateable land in the district.

Targeted Rates

Separately Used or Inhabited Parts of a Rating Unit

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

A separately used or inhabited part of a rating unit includes any portion inhabited or used by [the owner/a person other than the owner], and who has the right to use or inhabit that portion by virtue of a tenancy, lease, licence, or other agreement.

This definition includes separately used parts, whether or not actually occupied at any time, which are used by the owner for occupation on an occasional or long term basis by someone other than he owner.

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

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

These examples are not considered inclusive of all situations.

4. Water Supply Rates

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

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

The rate is subject to differentials as follows:

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

For this rate:

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

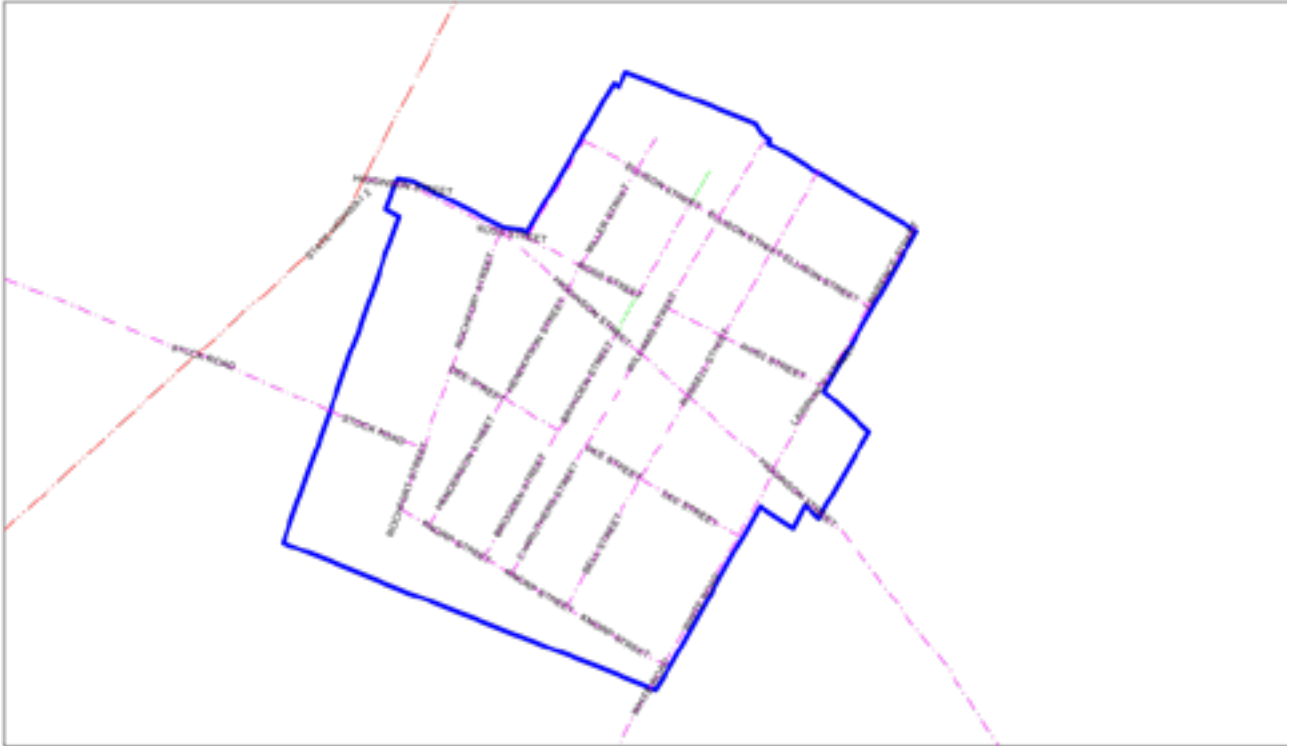
For the 2020/21 year these rates will be:

CHARGE	WATER RATE (INCL GST)
a: Connected	\$789.33
b: Serviceable, but not connected	\$394.66

WAIPAWA WATER SUPPLY ZONE



OTANE WATER SUPPLY ZONE



WAIPUKURAU WATER SUPPLY ZONE



TAKAPAU WATER SUPPLY ZONE



KAIRAKAU WATER SUPPLY ZONE



TE PAERRAHI WATER SUPPLY ZONE



PORANGAHAU WATER SUPPLY ZONE



5. Metered Water Rate

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

The rate is subject to differentials as follows:

- (a) a rate per cubic metre of water, for users consuming below 40,000 cubic metres
- (b) a rate per cubic metre of water, for users above 40,000 cubic metres, and where the land use category in the valuation database is not 'industrial'
- (c) a rate of per cubic metre of water, for users consuming above 40,000 cubic metres, and where the land use category in the valuation database is 'industrial'
- (d) For the 2020/21 year these rates will be:

VOLUME OF WATER (CUBIC METRES)	RATE PER CUBIC METRE (INCL GST)
a Below 40,000	\$2.65
b Above 40,000, non- industrial	\$2.65
c Above 40,000, industrial	\$2.65

6. Sewerage Rates

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

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

The rate is subject to differentials as follows:

- 'Connected' means the rating unit is connected to a public sewerage system.
- 'Serviceable' means the rating unit is not connected to a public sewerage drain but is within 30 metres of such a drain.
- A rating unit used primarily as a residence for one household is treated as not having more than one pan.
- For commercial accommodation providers, each subsequent pan will be rated at 50% of the charge.
- For those Clubs who qualify for a rebate of their General Rates under Council's Community Contribution and Club Rebate Remission Policy, and who are connected to the sewerage network, each subsequent pan will be rated at 50% of the Sewerage Charge.

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

For the 2020/21 year these rates will be:

CHARGE	SEWERAGE RATE (INCL GST)
a First charge per separately used or inhabited part of a rating unit connected	\$826.70
b Additional charge per pan after the first	\$826.70
c Serviceable, not connected, per separately used or inhabited part of a rating unit	\$413.35
d Additional charge per pan after the first – commercial accommodation provider, qualifying club	\$413.35

WAIPAWA SEWER OPERATION ZONE



OTANE SEWER OPERATION ZONE



WAIPUKURAU SEWER OPERATION ZONE



TAKAPAU SEWER OPERATION ZONE



7. Stormwater Rates

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

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

For the 2020/21 year this rate will be 0.09105 cents per dollar (including GST).

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

WAIPAWA STORMWATER OPERATION ZONE



WAIPUKURAU STORMWATER OPERATION ZONE



8. Kerbside Recycling Rate

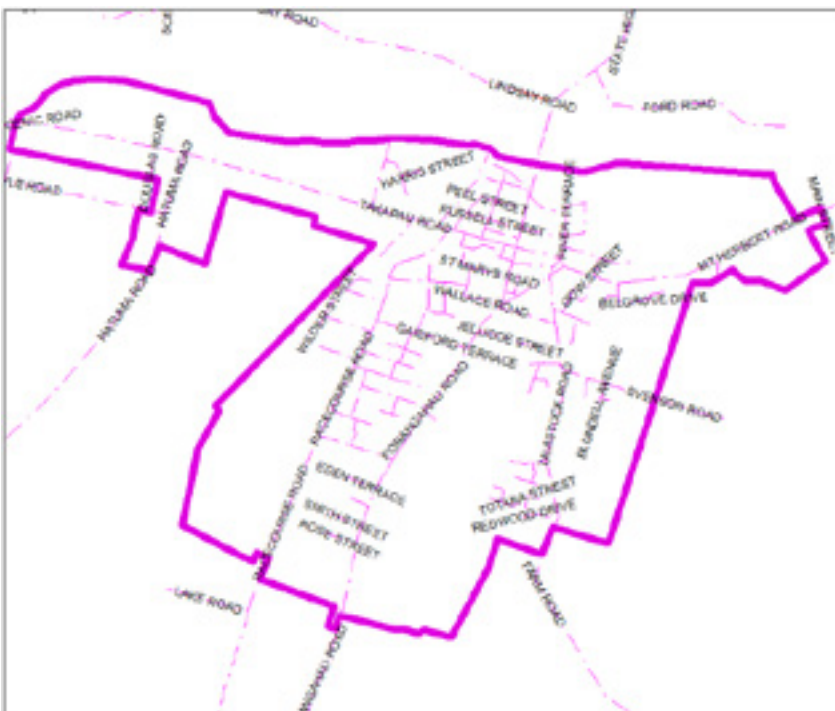
A targeted rate set under section 16 of the Local Government (Rating) Act 2002 for the Council's collection of household recyclables for Waipukurau and Waipawa on each separately used or inhabited part of a rating unit to which the Council provides the service.

For the 2020/21 year this rate will be \$99.84 (including GST).

WAIPAWA KERBSIDE RECYCLING COLLECTION ZONE



WAIPUKURAU KERBSIDE RECYCLING COLLECTION ZONE



9. Refuse Collection Rate

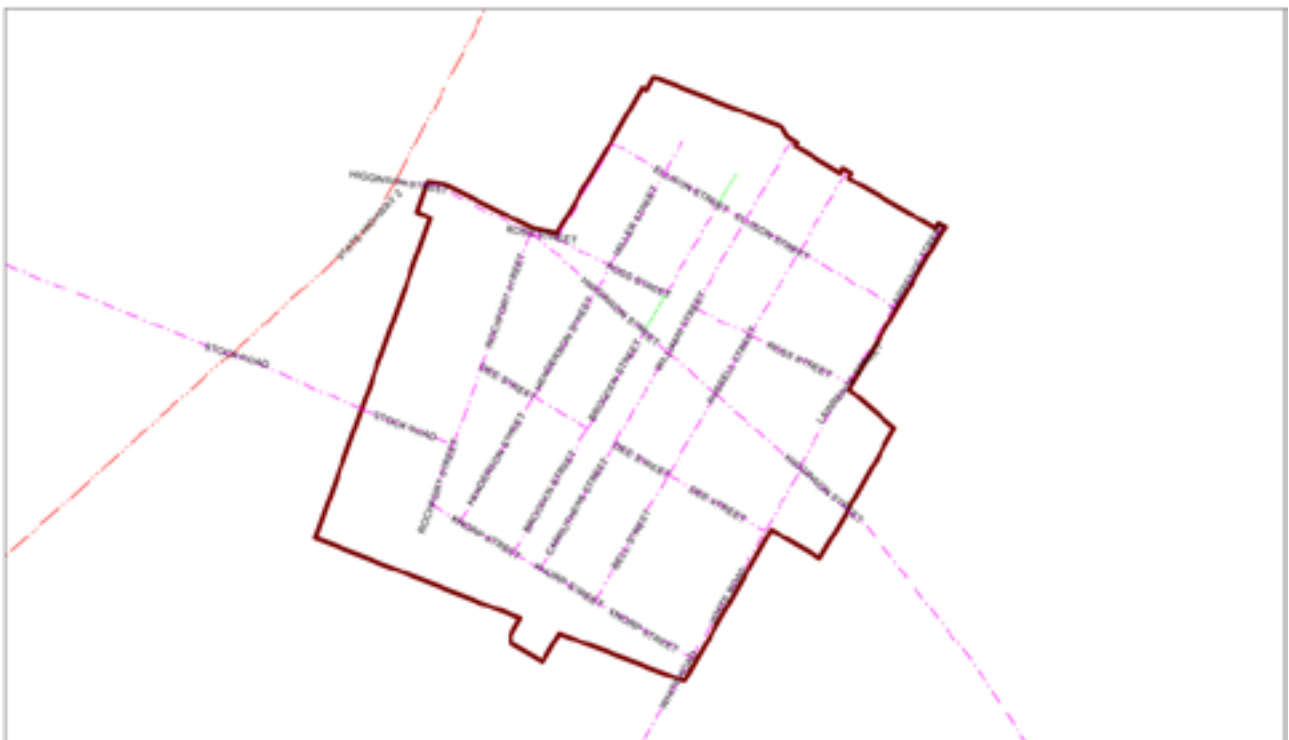
A targeted rate set under section 16 of the Local Government (Rating) Act 2002 for the collection of household and commercial refuse for Otane, Onga Onga, Takapau, Tikokino, Waipukurau, Waipawa, Porangahau, Te Paerahi, Blackhead Beach, Kairakau, Mangakuri, Aramoana and Pouterere Beach on each separately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

For the 2020/21 year this rate will be \$30.18 (including GST).

WAIPAWA REFUSE COLLECTION ZONE



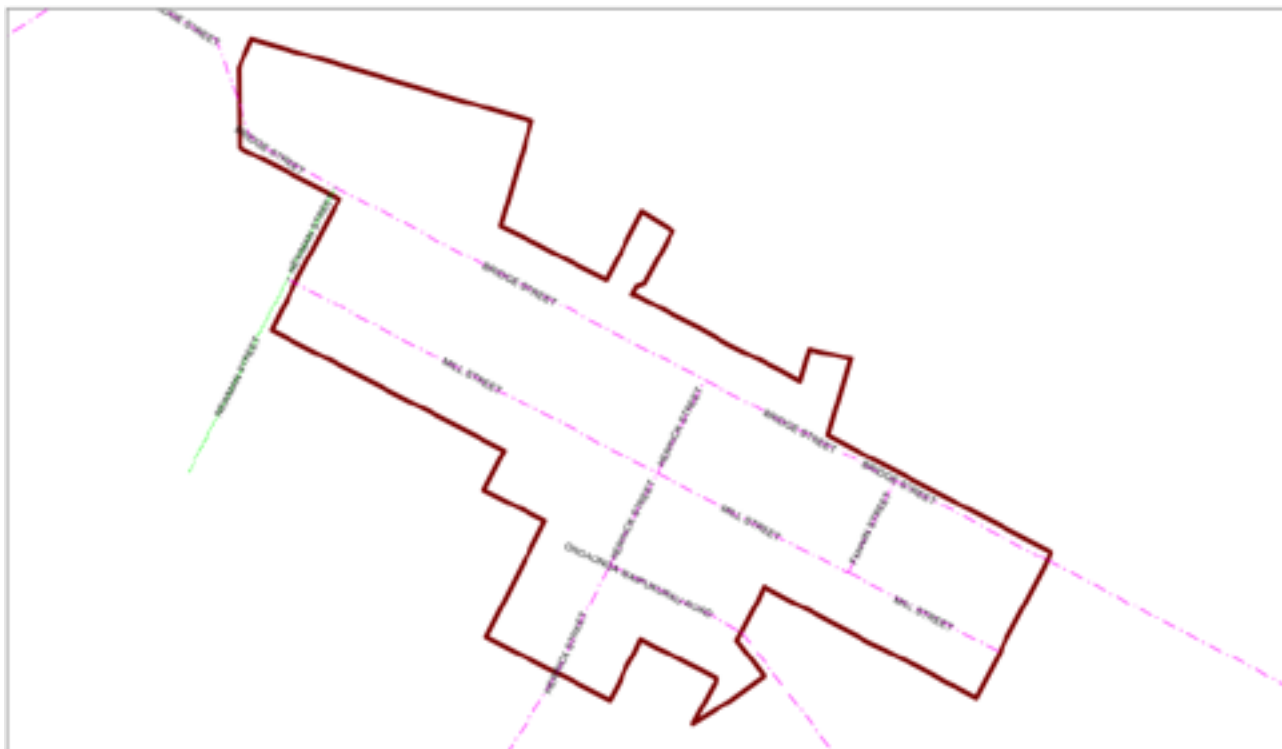
OTANE REFUSE COLLECTION ZONE



TIKOKINO REFUSE COLLECTION ZONE



ONGA ONGA REFUSE COLLECTION ZONE



POURERERE BEACH REFUSE COLLECTION ZONE



KAIRAKAU BEACH REFUSE COLLECTION ZONE



MANGAKURI BEACH REFUSE COLLECTION ZONE



ARAMOANA BEACH REFUSE COLLECTION ZONE



BLACKHEAD BEACH REFUSE COLLECTION ZONE



10. Te Aute Drainage Rate

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

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

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

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

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

- The total amount of funding required for 2020/21 is \$17,250
- The amount per point is 23.43304 cents including GST.

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

Valuation Number	Hectares in each classification				Total Points	Amount
	A (100pts)	B (80pts)	C (15pts)	F (3pts)		
1092000300	0	11.3	8.15	31.63	1,121	\$262.68
1092000800	0	32.83	74.69	23.42	3,817	\$894.44
1092000900	0	0	0.83	2.15	19	\$4.45
1092001001	77.96	16.65	11.94	17.95	9,361	\$2,193.57
1092001100	78.22	0	15.28	39.73	8,171	\$1,914.71
1092001107	0	0	18.02	68.04	474	\$111.17
1092001200	0	2.88	18.35	18.86	562	\$131.69
1092001201	0	20.25	19.15	12.31	1,944	\$455.54
1092001400	0	0	0	14.16	42	\$9.84
1092001600	0	0	0	10.12	30	\$7.03
1092001700	38.74	51.06	36.24	45.12	8,638	\$2,024.15
1092002100	188.81	0	0	23.93	18,953	\$4,441.26
1092002200	84.02	4.14	1.16	6.45	8,770	\$2,055.08
1092002300	41.02	5.2	20.43	22.80	4,893	\$1,146.58
1092002900	0	0	0	0.81	2	\$0.47
1092006100	0	84.44	0	20.77	6,817	\$1,597.43
TOTAL	508.77	228.75	224.24	358.25	73,614	\$17,250.00

Approach to Rating

Rates are set and assessed under the Local Government (Rating) Act 2002 on all rateable rating units on the value of the land and improvements as supplied by Quotable Value New Zealand Limited. The last rating revaluation was carried out in September 2018 and is effective from 1 July 2019.

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

- (a) Spread the incidence of rates as fairly as possible
- (b) Be consistent in charging rates
- (c) Ensure all ratepayers pay their fair share for council services
- (d) Provide the income needed to meet the council's goals.

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

Rating Base

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

Rating Information Database and Rates Records

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

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

Due Dates for Rate Payments

Pursuant to Section 24 of the Local Government (Rating) Act 2002 the following dates are proposed to apply for assessing the amount of each instalment of rates excluding metered water rates for the year 1 July 2020 to 30 June 2021. Each instalment will be assessed in four equal amounts, rounded.

INSTALMENT NUMBER	INSTALMENT START DATE	LAST DAY OF PAYMENT WITHOUT ADDITIONAL CHARGE	PENALTY DATE
1	1 July 2020	20 August 2020	21 August 2020
2	1 October 2020	20 November 2020	21 November 2020
3	1 January 2021	20 February 2021	21 February 2021
4	1 April 2021	20 May 2021	21 May 2021

Due Dates for Metered Water Rates

Pursuant to Section 24 of the Local Government (Rating) Act 2002 the following dates are proposed to apply for assessing the amount of metered water rates for the year 1 July 2020 to 30 June 2021. The assessment is applied to water users after the first 300 cubic metres of water without additional charge has been used as part of the Water Supply Rate.

AREA/USERS	WATER METERS READ DURING	LAST DAY OF PAYMENT
High Users	Monthly	20th month following
Waipukurau/Takapau	Sep-20	20-Oct-20
	Dec-20	20-Jan-21
	Mar-21	20-Apr-21
	Jun-21	20-Jul-21
Waipawa	Aug-20	20-Sep-20
Otane	Nov-20	20-Dec-20
Kairakau	Feb-21	20-Mar-21
Porangahau/Te Paerahi	May-21	20-Jun-21

Penalty Charges (Additional Charges on Unpaid Rates)

Pursuant to Section 58(1)(a) of the Local Government (Rating) Act 2002, an additional charge of 6% will be added on the penalty date above, to all amounts remaining unpaid for each instalment excluding metered water rates.

Pursuant to Section 58(1)(b) of the Local Government (Rating) Act, a further additional charge of 6% will be added on 1 July 2021 to the amount of rates assessed in previous financial years and remaining unpaid as at 30 June 2021 (Section 58(1)(b)) excluding metered water rates.

Payment Options

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

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

Lump Sum Contributions

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

Rating Base Information

For all the rating units in the district, estimated for 30/06/2021

Number of Rating Units	7,627
Capital Value	5,684,186,500
Land Value	3,603,801,600

Annual Plan Disclosure Statement

What is the purpose of this statement?

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

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

BENCHMARK	DESCRIPTION	QUANTIFIED MAXIMUM LIMIT	PLANNED LIMIT	MET
Rates affordability benchmark				
- Income	LTP increase + 1% = 4.97%	\$21,595,000	\$21,453,000	Yes
- Increases	LGCI + 3% = 5.20%	5.2%	3.7%	Yes
Debt affordability benchmark	Debt must not exceed 5% of total public equity and accumulated funds.	5.0%	2.1%	Yes
	Debt is less than \$2000 per head of population	\$2,000	\$1,304	Yes
Debt servicing benchmark	Debt servicing costs will not exceed 10% of total revenue.	10.0%	1.4%	Yes
Balanced budget benchmark	Revenue is equal or greater than operation expenses	100%	97%	No
Essential services benchmark	Capital Expenditure is equal or greater than depreciation	100%	124%	Yes



*Together we Thrive!
E ora ngātahi ana!*

We are bringing
our vision for Central
Hawke's Bay alive to
create a proud and
prosperous district.

CENTRAL HAWKE'S BAY DISTRICT COUNCIL

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**CENTRAL
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DISTRICT COUNCIL