



**CENTRAL
HAWKE'S BAY**
DISTRICT COUNCIL



Annual Plan 2023/24

E ora ngātahi ana! Together we Thrive!



Contents

- Kia ora from the Mayor and Council Team** 2
- Annual Plan 2023/2024** 3
- Costs from Cyclone Gabrielle – and beyond** 3
- Rates increase for 2023/24** 4
- Council services** 6
- Group of Activities** 7
- Making sense of the numbers** 8
 - Community Leadership Group..... 10
 - Planning and Regulatory Group..... 11
 - Land Transport Group 12
 - Solid Waste Group..... 13
 - Water Supplies Group..... 14
 - Wastewater Group 15
 - Stormwater Group..... 16
 - Recreation and Community Facilities Group..... 17
 - Financial Information..... 18
 - Prospective Statement of Comprehensive Revenue 19
 - Prospective Statement of Changes in Equity..... 20
 - Prospective Balance Sheet..... 21
 - Prospective Statement of Cash Flows..... 22
 - Prospective Statement of Reserve Movements..... 23
 - Whole of Council..... 24
- Rates** 26
 - 2023/24 Rate Factors..... 48
 - Sample Rating Impacts on Properties 49
 - Te Aute Drainage Scheme 50
 - Approach to Rating 51
- Annual Plan Disclosure Statement** 52



AA ok!

We're pretty stoked to be one of two AA CouncilMARK rated Councils in New Zealand. This independent assessment means we are performing exceptionally well across many areas of Council. To find out more visit the link here <https://www.chbdc.govt.nz/our-council/about/councilmark/>

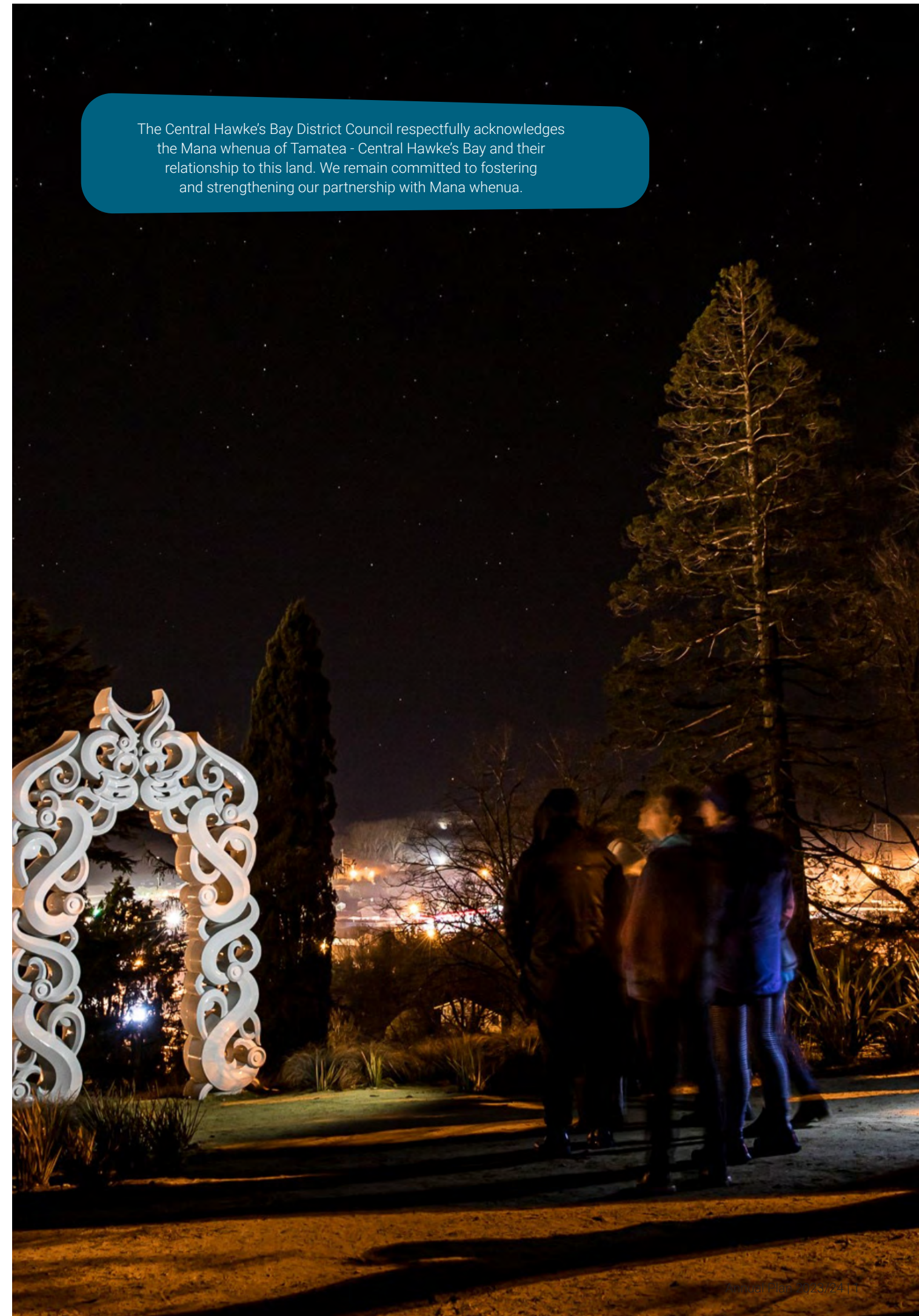


Together we Thrive!

E ora ngātahi ana!

- Proud District**
- Prosperous District**
- Connected Citizens**
- Strong Communities**
- Smart Growth**
- Environmentally Responsible**
- Durable Infrastructure**

The Central Hawke's Bay District Council respectfully acknowledges the Mana whenua of Tamatea - Central Hawke's Bay and their relationship to this land. We remain committed to fostering and strengthening our partnership with Mana whenua.





Kia ora From the Mayor and Council Team

Cyclone Gabrielle has fundamentally changed and shaped the way we have approached our Annual Plan for 2023-24.

However, even before the cyclone swept through Hawke's Bay in mid-February 2023, the country was facing an economic storm. The global and local economy had shifted dramatically, and the rise in inflation, mortgage rates and global markets continues to far exceed projections made for our Long Term Plan 2021-31.

So it was against a backdrop of economic uncertainty, massive cyclone damage, and challenges of ageing infrastructure that we have prepared our Annual Plan 2023-24, the third year of our Long Term Plan.

From the start, we acknowledged that we will not be able to do everything. We are slowing or delaying some major infrastructure projects, halting some recruitment, prioritising core work, and reassessing how we approach our debt levels. After hours of discussion, reassessment and reprioritisation, Council recommended an average districtwide rate increase of 10.88%, an unavoidable increase on the 8.97% we had identified pre-cyclone.

We proceeded to engage on key focus areas of the draft Annual Plan: roading recovery, our resilience infrastructure investment programme, solid waste options, and critical replacement works at Centralines Pool. Thank you to all those who gave their feedback. Overall, responses endorsed Council's recommendations in all four areas, giving us confidence that we're on the right track.

We recognise that we need to take into account the social and economic burden that many ratepayers are experiencing as well as our leadership role and responsibilities to the community. We have assessed the best path to take between financial prudence and risk across all of Council's work, thinking not only of the year ahead but also the longer-term impacts of decisions we make now. Given the magnitude of post-cyclone challenges, further central government funding will be crucial, and we look forward to greater clarity in this area.

We will remain focused on the future and staying the course through the challenges that face us, balancing the wellbeing of our people with necessary planning for the future so that our district will not only recover, but thrive. With our community firmly in mind, we have aimed for an Annual Plan that is as realistic, balanced and affordable as possible.

Head to page 49 of this document to see indicative rates samples for the 2023/24 year.

Annual Plan 2023/2024

Every year Council produces an Annual Plan which outlines major projects for the year and how we will pay for these, including setting new rates.

Recovery from Cyclone Gabrielle has fundamentally changed the way we have approached the 2023-24 Annual Plan. Even before the cyclone, the global and local economy had shifted dramatically since we set our Long Term Plan 2021-31. Council has seen a considerable increase in costs, against a backdrop of districtwide underinvestment.

- Inflation has risen from 2.5 percent to 7.2 percent
- Interest rates have gone from 2.5 percent to over 6.0 percent
- We suffered around \$30 million of significant damage to our roads off the back of the wettest winter on record in 2022.

In February, Cyclone Gabrielle delivered huge challenges on top of those our community was already facing.

It is in a climate of considerable uncertainty and ongoing cyclone recovery that we have prepared our Annual Plan for 2023-24, the third year of our Long Term Plan.

Costs from Cyclone Gabrielle – and beyond

The decision to increase average rates by 10.88 percent has not been taken lightly. We've had to take into account the costs of recovering from the recent cyclone, as well as a recent change in the timeframe for the Three Waters Reform Programme:

- The immediate Council cyclone response cost around \$1.5 million. Not all of this will be recoverable through external funding from the National Emergency Management Agency (NEMA).
- We have ongoing recovery costs for which Council has a legislative responsibility to undertake on behalf of the community. This includes activities such as ongoing community welfare, economic recovery, and infrastructure repair.
- Damage to our roading network is estimated at approximately \$150 million. We have received \$35 million in emergency funding to 30 June 2023 to make the most urgent repairs, but this still leaves a \$115 million bill with no certainty over funding yet.
- Cyclone Gabrielle saw \$1.5 million of damage to our three waters networks (stormwater, wastewater and drinking water). Most of this is recoverable through insurance but not all.
- There is a further \$1 million of damage across our reserves, parks, community buildings and cycle trails.
- In April, the Government announced that the Three Waters Reform Programme would be delayed for up to two years. This delay will mean Council will need to carry Three Waters debt for much longer than originally planned and fund a further two years of the #Big Water Story upgrade programme.



Rates increase for 2023/24

Following consultation with the community on key focus areas of this year's Annual Plan, we have arrived at an average districtwide rate increase of 10.88%. This will ensure we can meet the challenges facing our community while balancing rising costs of living. This will increase an urban ratepayer's annual rates bill by approximately \$340 per annum on average.

In January 2023 (pre-cyclone) Council was ready to release a draft Annual Plan containing an average rates increase of 8.98%. However, due to the cyclone and timing of the Three Waters Reform Programme, we propose a larger 10.88% average increase. This is lower than it could have been due to Council's use of tools such as debt funding, reserve funding, and the slowing of capital projects to soften the potential rates impact.



Risk assessment and mitigation

During the development of this Annual Plan we have aimed to balance an appropriate level of risk and uncertainty with the need to be agile and continue with programmes of work. This does not eliminate risk, of course, and we continue to monitor:

- The impact of economic changes, including the costs of living and debt servicing
- Changes in relevant government funding or policy positions
- Further delays to Three Waters (now Affordable Water Reforms) and hence debt relief
- Further weather events and damage.



Recovery and resilience: our top priorities

Our community has told us over nine Community Conversations and an online survey what their priorities are for local recovery. Relevant and affordable resourcing for these priorities has been included in the Annual Plan.

Roading

- Proactive maintenance
- Making sure the roading network is resilient through winter
- Prioritising critical roading routes
- Taking a whole of road corridor management approach
- Ensuring confident and accountable service delivery.

Urban stormwater management

- Giving clarity on responsibility for stormwater management
- Proactive maintenance
- Assessing the impacts of new development on stormwater
- Whole of catchment reviews of stormwater.

Community wellbeing

- Navigational support for those most affected
- Proactive awareness of community wellbeing needs
- Supporting our rural sector long term
- Continue support for isolated and impacted communities
- Continued leadership in housing.



Council Services



Group of Activities

This section outlines the Financial Impact Statements for each of Council's activities for the 2023/24 year.

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

Recreation and Community Facilities Group



THEATRES, HALLS & MUSEUMS



PROPERTY & BUILDINGS



LIBRARIES



RETIREMENT HOUSING



CEMETERIES



PARKS, RESERVES & SWIMMING POOLS



PUBLIC TOILETS

Community Leadership Group



LEADERSHIP, GOVERNANCE AND CONSULTATION



ECONOMIC & SOCIAL DEVELOPMENT

Water Supplies Group



WATER SUPPLIES

Wastewater Group



WASTEWATER (SEWERAGE)

Land Transport Group



LAND TRANSPORT

Stormwater Group



STORMWATER

Solid Waste Group



SOLID WASTE

The Annual Plan 2023/24 is intended to be read in conjunction with the Long Term Plan 2021 -2031. The full details of the operational and capital programmes are included within the Long Term Plan and the 2023/24 year is Year 3 of the Plan. Any significant variations to the capital programmes are detailed within this section for each Group of Activities.

Making sense of the numbers

The following table outlines the different financial meanings of each row of the funding impact statements through this section of the plan, and how the funds are being treated.

Operational	
Sources of Operating Funding (Revenue)	
General rates, uniform annual general charges, rates penalties	Income from general rates charged on the capital value of all properties within the District, fixed charges across the whole district (UAGC), and penalties for late payment of rates.
Targeted rates	Rates where the benefit or use of a service can be assigned to specific households or communities, such as stormwater or district growth. Includes targeted rates for water supply.
Subsidies and grants for operating purposes	Money received from other organisations that contribute to the operational cost of the service.
Fees and charges	Includes admission charges for Council facilities and regulatory fees e.g. permits, dog registration.
Internal charges and overheads recovered	Money received from other departments of the Council such as overheads and direct costs.
Interest and dividends from investments	Money earned from our savings and investments through interest and dividend payments.
Local authorities fuel tax, fines, infringement fees, and other receipts	Miscellaneous income from other sources generally not of a significant nature e.g. local authority petrol tax.
Total Operating Funding	Total income from the day to day operation of this activity.
Applications of Operating Funding (Expenditure)	
Payments to staff and suppliers	The day to day cost of running this activity e.g. salaries and wages, materials and services.
Finance costs	Interest payments we make on funds borrowed (loans).
Internal charges and overheads applied	Money paid to other departments of the Council such as overheads and direct costs.
Other operating funding applications	Miscellaneous expenses including bad debt expense, rates remissions and loss on disposal of assets.
Total Applications of Operating Funding	Total operating expenditure for this activity
Surplus (Deficit) of Operating Funding	Total revenue less total expenditure.

Capital	
Sources of Capital Funding	
Subsidies and grants for capital expenditure	Money received from other organisations that contribute to the capital cost of the service.
Development and Financial Contributions	Money paid by developers towards providing assets or extending existing assets to cater for increased demand due to growth, e.g. extending sewerage systems.
Increase (decrease) in debt	Borrowing money to pay for new assets, parts of assets or to fund temporary deficits, less loan repayments.
Gross proceeds from the sale of assets	Revenue to be raised from the sale of assets belonging to this activity.
Lump sum contributions	Payments made by an eligible ratepayer for the purposes of contributing to a capital project. However, we do not accept lump sum contributions for targeted rates.
Total Sources of Capital Funding	Total capital funding for this activity.
Applications of Capital Funding	
Capital expenditure	Capital expenditure creating a completely new asset or extending or renewing an existing asset to provide the same or greater service than it currently provides e.g. extending a sewer pipe to increase capacity. The expenditure is split to fund level of service improvements versus population growth and/or renewal works. While a lot of our capital projects contribute to more than one of these drivers, legislation requires us to allocate each project to just one driver in the Funding Impact Statements.
Increase (decrease) in reserves	Transferring money into and from a reserve account held for a special purpose. Includes: transferring development contribution revenue to development contribution reserves; using funds from depreciation reserves, and using funds from operational reserves to provide or to assist with maintaining existing assets or services.
Increase (decrease) of investments	Net movement of investments.
Total Applications of Capital Funding	Total capital expenditure for this activity.
Surplus (Deficit) of Capital Funding	Sources of capital funding less applications of capital funding.
Funding Balance	Net operating funding less net capital funding.

Community Leadership Group

	Annual Plan 2023 \$000	Long Term Plan 2024 \$000	Annual Plan 2024 \$000
Sources of operating funding			
General rates, uniform annual general charges and rates penalties	1,922	1,774	1,980
Targeted rates	-	-	-
Subsidies and Grants for Operating Purposes	35	36	335
Fees, charges	34	26	17
Interest and dividends from investments	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-
Total operating funding	1,992	1,837	2,331
Applications of operating funding			
Payments to staff and suppliers	1,439	1,260	1,708
Finance costs	0	-	-
Other operating funding applications	566	571	607
Total applications of operating funding	2,005	1,831	2,315
Surplus (deficit) of operating funding	(14)	6	16
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Gross proceeds from sale of assets	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	8	-	-
Lump sum contributions	-	-	-
Total sources of capital funding	8	-	-
Applications of capital funding			
Capital expenditure			
to meet additional demand	0	0	0
to improve the level of service	0	21	21
to replace existing assets	0	0	0
Increase (decrease) in reserves	(6)	(15)	(6)
Increase (decrease) of investments	0	0	0
Total applications of capital funding	(6)	6	16
Surplus (deficit) of capital funding	14	(6)	(16)
Funding balance	0	0	(0)

Variations from the Long Term Plan

Variations to expenditure between Year 3 of the Long Term Plan 2021 -2031 and the Annual Plan 2023/24 are listed below:

Activity	Year 3 of LTP \$000	Annual Plan 2024 \$000	Diff \$000	Explanation
Subsidies and Grants - Mayors Taskforce for Jobs	1	225	224	Increased Funding
Staff and Supplier Costs - Mayors Taskforce for Jobs	1	225	224	Increased Funding
Subsidies and Grants - He Ringa Whānau Ora	0	75	75	New Program
Staff and Supplier Costs - He Ringa Whānau Ora	0	75	75	New Program
Staff and Supplier Costs - Mayor & Councillor Salaries	394	483	89	Based on Local Government Determination
Staff and Supplier Costs - Regional Economic Development	0	130	130	New Program partly offset by less local activity

Planning and Regulatory Group

	Annual Plan 2023 \$000	Long Term Plan 2024 \$000	Annual Plan 2024 \$000
Sources of operating funding			
General rates, uniform annual general charges and rates penalties	1,429	1,402	1,682
Targeted rates	-	-	-
Subsidies and Grants for Operating Purposes	-	-	-
Fees, charges	2,308	1,879	2,298
Interest and dividends from investments	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	15	20	15
Total operating funding	3,752	3,300	3,995
Applications of operating funding			
Payments to staff and suppliers	3,830	2,221	3,786
Finance costs	79	90	104
Other operating funding applications	669	666	755
Total applications of operating funding	4,579	2,978	4,646
Surplus (deficit) of operating funding	(826)	322	(651)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Gross proceeds from sale of assets	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	826	55	1,101
Lump sum contributions	-	-	-
Total sources of capital funding	826	55	1,101
Applications of capital funding			
Capital expenditure			
to meet additional demand	0	0	0
to improve the level of service	0	377	450
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	0	377	450
Surplus (deficit) of capital funding	826	(322)	651
Funding balance	0	(0)	0

Variations from the Long Term Plan

Variations to expenditure between Year 3 of the Long Term Plan 2021 -2031 and the Annual Plan 2023/24 are listed below:

Activity	Year 3 of LTP \$000	Annual Plan 2024 \$000	Diff \$000	Explanation
Fees and Charges - Consents	1,299	1,750	451	Increased Building Activity
Staff and Supplier Costs - Consents	1,374	1,888	514	Increased Building Activity + Increased Outsourcing
Staff and Supplier Costs - District Plan	377	900	523	Provision for Possible Appeal Costs
Capital - Improve Levels of Service	377	450	73	Construction of Pound
Increase in Debt	55	1,101	1,046	Funding for Possible District Plan Appeals and Pound Construction

Funding Impact Statement for 2023/2024

Land Transport Group

	Annual Plan 2023 \$000	Long Term Plan 2024 \$000	Annual Plan 2024 \$000
Sources of operating funding			
General rates, uniform annual general charges and rates penalties	7,124	7,135	7,780
Targeted rates	-	-	-
Subsidies and Grants for Operating Purposes	3,121	3,059	3,132
Fees, charges	65	67	67
Interest and dividends from investments	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	171	176	176
Total operating funding	10,481	10,437	11,155
Applications of operating funding			
Payments to staff and suppliers	5,306	5,324	7,638
Finance costs	-	-	-
Other operating funding applications	1,944	2,035	2,289
Total applications of operating funding	7,250	7,358	9,926
Surplus (deficit) of operating funding	3,231	3,079	1,229
Sources of capital funding			
Subsidies and grants for capital expenditure	4,240	4,144	4,144
Gross proceeds from sale of assets	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	1,100
Lump sum contributions	-	-	-
Total sources of capital funding	4,240	4,144	5,244
Applications of capital funding			
Capital expenditure			
to meet additional demand	0	0	0
to improve the level of service	1,256	1,050	1,050
to replace existing assets	6,048	6,007	6,007
Increase (decrease) in reserves	166	166	(584)
Increase (decrease) of investments	0	0	0
Total applications of capital funding	7,471	7,223	6,473
Surplus (deficit) of capital funding	(3,231)	(3,079)	(1,229)
Funding balance	0	(0)	0

Variations from the Long Term Plan

Variations to expenditure between Year 3 of the Long Term Plan 2021 -2031 and the Annual Plan 2023/24 are listed below:

Activity	Year 3 of LTP \$000	Annual Plan 2024 \$000	Diff \$000	Explanation
Staff and Supplier Costs	0	2,200	2,200	Provision for Share of Storm Repairs
Increase in Debt	0	1,100	1,100	Provision for Share of Storm Repairs
Staff and Supplier Costs	85	147	62	Increased Street Cleaning
Increase/(Decrease) in Reserves	166	(584)	(750)	Movement in Bridge Replacement and Catastrophic Reserves

Funding Impact Statement for 2023/2024

Solid Waste Group

	Annual Plan 2023 \$000	Long Term Plan 2024 \$000	Annual Plan 2024 \$000
Sources of operating funding			
General rates, uniform annual general charges and rates penalties	1,281	1,283	1,347
Targeted rates	478	561	609
Subsidies and Grants for Operating Purposes	267	275	750
Fees, charges	2,361	1,731	2,694
Interest and dividends from investments	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-
Total operating funding	4,388	3,851	5,400
Applications of operating funding			
Payments to staff and suppliers	3,515	2,935	4,271
Finance costs	35	31	60
Other operating funding applications	582	605	683
Total applications of operating funding	4,133	3,572	5,014
Surplus (deficit) of operating funding	255	279	385
Sources of capital funding			
Subsidies and grants for capital expenditure	65	-	-
Gross proceeds from sale of assets	-	-	-
Development and financial contributions	10	11	11
Increase (decrease) in debt	(61)	(103)	53
Lump sum contributions	-	-	-
Total sources of capital funding	14	(93)	64
Applications of capital funding			
Capital expenditure			
to meet additional demand	0	0	0
to improve the level of service	189	76	291
to replace existing assets	110	64	64
Increase (decrease) in reserves	(30)	46	95
Increase (decrease) of investments	0	0	0
Total applications of capital funding	269	186	449
Surplus (deficit) of capital funding	(255)	(280)	(385)
Funding balance	0	0	(0)

Variations from the Long Term Plan

Variations to expenditure between Year 3 of the Long Term Plan 2021 -2031 and the Annual Plan 2023/24 are listed below:

Activity	Year 3 of LTP \$000	Annual Plan 2024 \$000	Diff \$000	Explanation
Subsidies and Grants for Operating Purposes	275	750	475	MfE Waste Minimisation Funding
Fees and Charges	1,731	2,694	963	Changes to commercial contracts and higher Carbon Credit Pricing and MfE Waste Minimisation Levy Recoveries
Staff and Supplier Costs	485	955	470	Increased cost of Carbon Credits to be surrendered
Staff and Supplier Costs	233	600	367	Increased cost of MfE Waste Minimisation Levy Payable
Staff and Supplier Costs	724	850	126	Increased Cost of operational contractors - Refuse, Recycling, Transfer Station
Capital - Improve the level of service	76	291	215	Introduction of Weighbridge at Waipukurau Transfer Station

Funding Impact Statement for 2023/2024

Water Supplies Group

	Annual Plan 2023 \$000	Long Term Plan 2024 \$000	Annual Plan 2024 \$000
Sources of operating funding			
General rates, uniform annual general charges and rates penalties	-	-	-
Targeted rates	4,113	4,423	4,503
Subsidies and Grants for Operating Purposes	-	-	-
Fees, charges	5	5	5
Interest and dividends from investments	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-
Total operating funding	4,118	4,428	4,508
Applications of operating funding			
Payments to staff and suppliers	2,309	2,163	2,648
Finance costs	331	591	633
Other operating funding applications	814	872	884
Total applications of operating funding	3,454	3,626	4,166
Surplus (deficit) of operating funding	664	802	342
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Gross proceeds from sale of assets	-	-	-
Development and financial contributions	793	817	817
Increase (decrease) in debt	3,301	8,426	6,764
Lump sum contributions	-	-	-
Total sources of capital funding	4,094	9,243	7,581
Applications of capital funding			
Capital expenditure			
to meet additional demand	167	172	128
to improve the level of service	3,401	4,245	6,143
to replace existing assets	2,863	8,024	2,882
Increase (decrease) in reserves	(1,673)	(2,397)	(1,229)
Increase (decrease) of investments	0	0	0
Total applications of capital funding	4,759	10,044	7,923
Surplus (deficit) of capital funding	(664)	(802)	(342)
Funding balance	0	(0)	0

Variations from the Long Term Plan

Variations to expenditure between Year 3 of the Long Term Plan 2021 -2031 and the Annual Plan 2023/24 are listed below:

Activity	Year 3 of LTP \$000	Annual Plan 2024 \$000	Diff \$000	Explanation
Staff and Supplier Costs	140	190	50	Increased Water Monitoring Requirements
Staff and Supplier Costs	2,016	2,458	442	Increased cost of operational contracts
Capital - Improve the level of service	4,245	6,143	1,898	Changes in Timing and Cost Escalations (Mainly Second Supply and Mains Replacements)
Capital - Replace Existing Assets	8,024	2,882	(5,142)	Changes in Timing (mainly delay the start of the Pukeora Reservoir Replacement) and Cost Escalations

Funding Impact Statement for 2023/2024

Wastewater Group

	Annual Plan 2023 \$000	Long Term Plan 2024 \$000	Annual Plan 2024 \$000
Sources of operating funding			
General rates, uniform annual general charges and rates penalties	-	-	-
Targeted rates	3,172	3,987	3,766
Subsidies and Grants for Operating Purposes	-	-	-
Fees, charges	417	699	775
Interest and dividends from investments	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-
Total operating funding	3,588	4,686	4,541
Applications of operating funding			
Payments to staff and suppliers	1,584	1,561	2,108
Finance costs	498	727	988
Other operating funding applications	814	872	884
Total applications of operating funding	2,896	3,160	3,980
Surplus (deficit) of operating funding	692	1,526	562
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Gross proceeds from sale of assets	-	-	-
Development and financial contributions	1,529	957	957
Increase (decrease) in debt	4,870	6,852	11,765
Lump sum contributions	-	-	-
Total sources of capital funding	6,399	7,809	12,722
Applications of capital funding			
Capital expenditure			
to meet additional demand	1,541	1,587	2,391
to improve the level of service	2,128	2,170	6,266
to replace existing assets	4,437	5,955	6,159
Increase (decrease) in reserves	(1,014)	(377)	(1,533)
Increase (decrease) of investments	0	0	0
Total applications of capital funding	7,091	9,335	13,283
Surplus (deficit) of capital funding	(692)	(1,526)	(562)
Funding balance	0	0	0

Variations from the Long Term Plan

Variations to expenditure between Year 3 of the Long Term Plan 2021 -2031 and the Annual Plan 2023/24 are listed below:

Activity	Year 3 of LTP \$000	Annual Plan 2024 \$000	Diff \$000	Explanation
Staff and Supplier Costs	1,561	2,108	547	Increased cost of operational contracts
Increase in debt	6,852	11,765	4,913	Funding the cost escalations and timing changes listed below under capital
Capital - Meet Additional Demand	1,587	2,391	804	Changes in Timing and Cost Escalations (Mainly carry forward of Winlove to Svenson upgrade project from 2022-23)
Capital - Improve the level of service	2,170	6,266	4,096	Changes in Timing and Cost Escalations (Mainly upgrades to Takapau and Pōrangahau treatment plants)
Capital - Replace Existing Assets	5,955	6,159	204	Cost Escalations

Funding Impact Statement for 2023/2024

Stormwater Group

	Annual Plan 2023 \$000	Long Term Plan 2024 \$000	Annual Plan 2024 \$000
Sources of operating funding			
General rates, uniform annual general charges and rates penalties	104	106	97
Targeted rates	974	985	962
Subsidies and Grants for Operating Purposes	-	-	-
Fees, charges	-	-	-
Interest and dividends from investments	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-
Total operating funding	1,077	1,091	1,059
Applications of operating funding			
Payments to staff and suppliers	486	382	525
Finance costs	62	105	64
Other operating funding applications	320	349	335
Total applications of operating funding	868	836	924
Surplus (deficit) of operating funding	209	255	135
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Gross proceeds from sale of assets	-	-	-
Development and financial contributions	224	230	230
Increase (decrease) in debt	1,233	1,508	1,965
Lump sum contributions	-	-	-
Total sources of capital funding	1,457	1,738	2,196
Applications of capital funding			
Capital expenditure			
to meet additional demand	886	764	1,268
to improve the level of service	309	583	628
to replace existing assets	797	821	875
Increase (decrease) in reserves	(326)	(174)	(441)
Increase (decrease) of investments	0	0	0
Total applications of capital funding	1,666	1,994	2,330
Surplus (deficit) of capital funding	(209)	(255)	(135)
Funding balance	(0)	0	0

Variations from the Long Term Plan

Variations to expenditure between Year 3 of the Long Term Plan 2021 -2031 and the Annual Plan 2023/24 are listed below:

Activity	Year 3 of LTP \$000	Annual Plan 2024 \$000	Diff \$000	Explanation
Staff and Supplier Costs	356	407	51	Increased cost of operational contracts
Staff and Supplier Costs	42	118	76	Increased repair cost post Cyclone for Te Aute Targeted Drainage Scheme
Increase in debt	1,508	1,965	457	Funding the cost escalations listed below under capital
Capital - Meet Additional Demand	764	1,268	504	Cost Escalations & Timings of Projects
Capital - Improve the level of service	583	628	45	Cost Escalations & Timings of Projects
Capital - Replace Existing Assets	821	875	54	Cost Escalations & Timings of Projects

Funding Impact Statement for 2023/2024

Recreation and Community Facilities Group

	Annual Plan 2023 \$000	Long Term Plan 2024 \$000	Annual Plan 2024 \$000
Sources of operating funding			
General rates, uniform annual general charges and rates penalties	4,334	4,700	4,907
Targeted rates	-	-	-
Subsidies and Grants for Operating Purposes	2	2	3
Fees, charges	884	986	887
Interest and dividends from investments	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	62	45	45
Total operating funding	5,283	5,733	5,841
Applications of operating funding			
Payments to staff and suppliers	3,316	3,429	5,156
Finance costs	95	141	106
Other operating funding applications	1,129	1,115	1,202
Total applications of operating funding	4,540	4,685	6,464
Surplus (deficit) of operating funding	742	1,048	(623)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Gross proceeds from sale of assets	-	-	-
Development and financial contributions	178	183	183
Increase (decrease) in debt	684	573	2,325
Lump sum contributions	-	-	-
Total sources of capital funding	861	756	2,508
Applications of capital funding			
Capital expenditure			
to meet additional demand	51	0	50
to improve the level of service	474	656	697
to replace existing assets	921	892	935
Increase (decrease) in reserves	157	255	203
Increase (decrease) of investments	0	0	0
Total applications of capital funding	1,604	1,803	1,885
Surplus (deficit) of capital funding	(742)	(1,048)	623
Funding balance	0	(0)	0

Variations from the Long Term Plan

Variations to expenditure between Year 3 of the Long Term Plan 2021 -2031 and the Annual Plan 2023/24 are listed below:

Activity	Year 3 of LTP \$000	Annual Plan 2024 \$000	Diff \$000	Explanation
Fees and Charges	233	143	(90)	Decrease in revenue targets for Municipal Theatre (offset by lower operating costs)
Staff and Supplier Costs	253	218	(35)	Decrease in Municipal Theatre operating costs
Staff and Supplier Costs	325	1,825	1,500	Capital Contribution to Waipukurau Pool for upgrade
Staff and Supplier Costs	2,875	3,113	238	Cost Escalations
Increase in Debt	569	2,325	1,756	Mainly Capital Contribution to Waipukurau Pool for upgrade



Financial Information

Funding Impact Statement for 2021-2031

Prospective Statement of Comprehensive Revenue

	Annual Report 2022 \$000	Annual Plan 2023 \$000	Long Term Plan 2024 \$000	Annual Plan 2024 \$000
Revenue				
Rates revenue	23,483	24,939	26,374	27,650
Subsidies and grants	29,692	7,730	7,517	9,503
Interest and dividends	101	68	23	79
Fees and Charges	6,284	6,674	5,393	6,992
Development contributions	675	2,133	2,197	2,197
Other revenue	282	274	262	257
Total revenue	60,517	41,818	41,766	46,679
Expenditure				
Personnel costs	7,403	8,641	8,157	10,149
Depreciation and amortisation	12,816	12,543	17,055	15,843
Finance costs	521	847	1,409	2,015
Other operating expenses	25,379	19,402	17,603	25,898
Total operating expenditure	46,119	41,433	44,224	53,905
Net Operating Surplus/(Deficit)	14,398	385	(2,458)	(7,225)
Other (Gains)/Losses				
(Gains)/Losses on Public Debt	0	0	0	0
(Gains)/Losses on Investments	32	0	0	0
Total Other (Gains)/Losses	32	0	0	0
Operating surplus/(deficit) before tax	14,366	385	(2,458)	(7,225)
Income tax expense	0	0	0	0
Net surplus/(deficit) after tax	14,366	385	(2,458)	(7,225)
Other comprehensive income				
Gains/(losses) on the revaluation of property, plant and equipment	73,384	31,347	24,603	24,959
Gains/(Losses) on the Disposal Revalued Property, Plant and Equipment	0	0	0	0
Impairment of Recreation and Community Assets	0	0	0	0
Total other comprehensive Income	73,384	31,347	24,603	24,959
Total comprehensive income for the year	87,750	31,732	22,145	17,734

Prospective Statement of Changes in Equity

	Annual Report 2022 \$000	Annual Plan 2023 \$000	Long Term Plan 2024 \$000	Annual Plan 2024 \$000
Opening Equity Balance	865,884	874,709	942,143	965,026
Total comprehensive income for the year	87,750	31,732	22,144	17,734
Closing Equity Balance	953,634	906,441	964,287	982,761
Components of Equity				
Ratepayers Equity at the beginning of the Year	253,903	237,938	276,805	250,580
Net Surplus/(Deficit) for the Year	14,366	386	(2,459)	(7,225)
Transfers to (from) other reserves	674	131	(170)	(170)
Ratepayers Equity at end of Year	268,943	238,455	274,176	243,185
Special & Other Funds at the beginning of the Year	7,193	7,492	6,856	3,889
Transfers to (from) Special Funds	(675)	(131)	180	180
Special & Other Funds at the end of the Year	6,518	7,361	7,036	4,069
Trust Funds at the beginning of the Year	184	184	152	194
Transfers to (from) Trust Funds	0	0	(10)	(10)
Trust Funds at the end of the Year	184	184	142	184
Revaluation Reserves at the beginning of the Year	604,605	629,094	658,330	710,363
Gains/(Losses) on the Revaluation Property, Plant, and Equipment	73,384	31,347	24,603	24,959
Gains/(Losses) on the Disposal Revalued Property, Plant and Equipment	0	0	0	0
Revaluation Reserves at the end of the Year	677,989	660,441	682,933	735,322
Total Equity at end of Year	953,634	906,441	964,287	982,761

Prospective Balance Sheet

	Annual Report 2022 \$000	Annual Plan 2023 \$000	Long Term Plan 2024 \$000	Annual Plan 2024 \$000
Assets				
Current assets				
Cash and cash equivalents	5,703	2,623	2,527	54
Trade and other receivables	6,088	4,573	5,025	6,187
Prepayments	567	480	296	567
Stock on Hand	29	26	22	29
Current Investments	555	1,152	119	1,606
Total current assets	12,942	8,854	7,989	8,443
Non-current assets				
Investments	1,240	2,827	77	375
Property, plant and equipment and Intangibles	977,581	972,178	1,023,736	1,068,899
Total non-current assets	978,821	975,005	1,023,813	1,069,274
Total assets	991,763	983,859	1,031,802	1,077,717
Liabilities				
Current liabilities				
Trade and other payables	12,762	6,415	7,528	11,863
Employee entitlements	513	386	330	513
Current Public Debt	6,130	10,107	118	3,130
Total current liabilities	19,405	16,908	7,976	15,507
Non-current liabilities				
Non-Current Public Debt	16,000	25,230	55,413	58,928
Provisions for Landfill Closure	2,722	3,547	4,127	2,787
Total non-current liabilities	18,722	28,777	59,540	61,715
Total liabilities	38,127	45,685	67,516	77,222
Equity				
Special & Other Funds	6,519	7,361	7,036	4,069
Trust Funds	184	184	142	184
Revaluation Reserve of Assets	677,990	660,441	682,933	735,322
Ratepayers' Equity	268,943	270,187	274,176	260,919
Total equity	953,636	938,173	964,287	1,000,495
Total Liabilities and Equity	991,763	983,858	1,031,803	1,077,717

Prospective Statement of Cash Flows

	Annual Report 2022 \$000	Annual Plan 2023 \$000	Long Term Plan 2024 \$000	Annual Plan 2024 \$000
Cash flows from operating activities				
Cash was provided from:				
Receipts from rates revenue	23,058	24,969	26,340	26,350
Operating subsidies and grants received	25,574	3,426	3,372	5,359
Fees and charges received	6,232	6,661	5,382	6,589
Interest received	78	68	23	79
Receipts from other revenue	250	274	262	257
Development Contributions	675	2,133	2,197	2,197
Cash was disbursed to:				
Payments to suppliers of Goods and Services	(24,479)	(19,402)	(17,509)	(31,222)
Payments to employees	(7,276)	(8,641)	(8,157)	(10,276)
Interest paid	(456)	(847)	(1,409)	(2,015)
Net cash from operating activities	23,656	8,641	10,501	(2,682)
Cash flows from investing activities				
Cash was provided from:				
Proceeds from capital subsidies and grants received	0	4,304	4,144	4,144
Proceeds from sale of property, plant and equipment	311	26	21	21
Proceeds from investments	15,500	2,127	1,156	1,998
Cash was disbursed to:				
Purchase of investment	(2,963)	0	0	0
Purchase of intangible assets	(218)	0	0	0
Purchase of property, plant and equipment	(35,206)	(26,319)	(33,983)	(30,811)
Net cash from investing activities	(22,576)	(19,862)	(28,663)	(24,649)
Cash flows from financing activities				
Cash was provided from:				
Proceeds from borrowing	2,000	17,221	28,162	34,761
Cash was disbursed to:				
Repayment of borrowings	0	(6,000)	(10,000)	(10,000)
Net cash from financing activities	2,000	11,221	18,162	24,761
Net (decrease)/increase in cash, cash equivalents and bank overdrafts	3,080	0	0	(2,570)
Cash, cash equivalents and bank overdrafts at the beginning of the year	2,623	2,623	2,527	2,623
Cash, cash equivalents and bank overdrafts at the end of the year	5,703	2,623	2,527	53

Prospective Statement of Reserve Movements

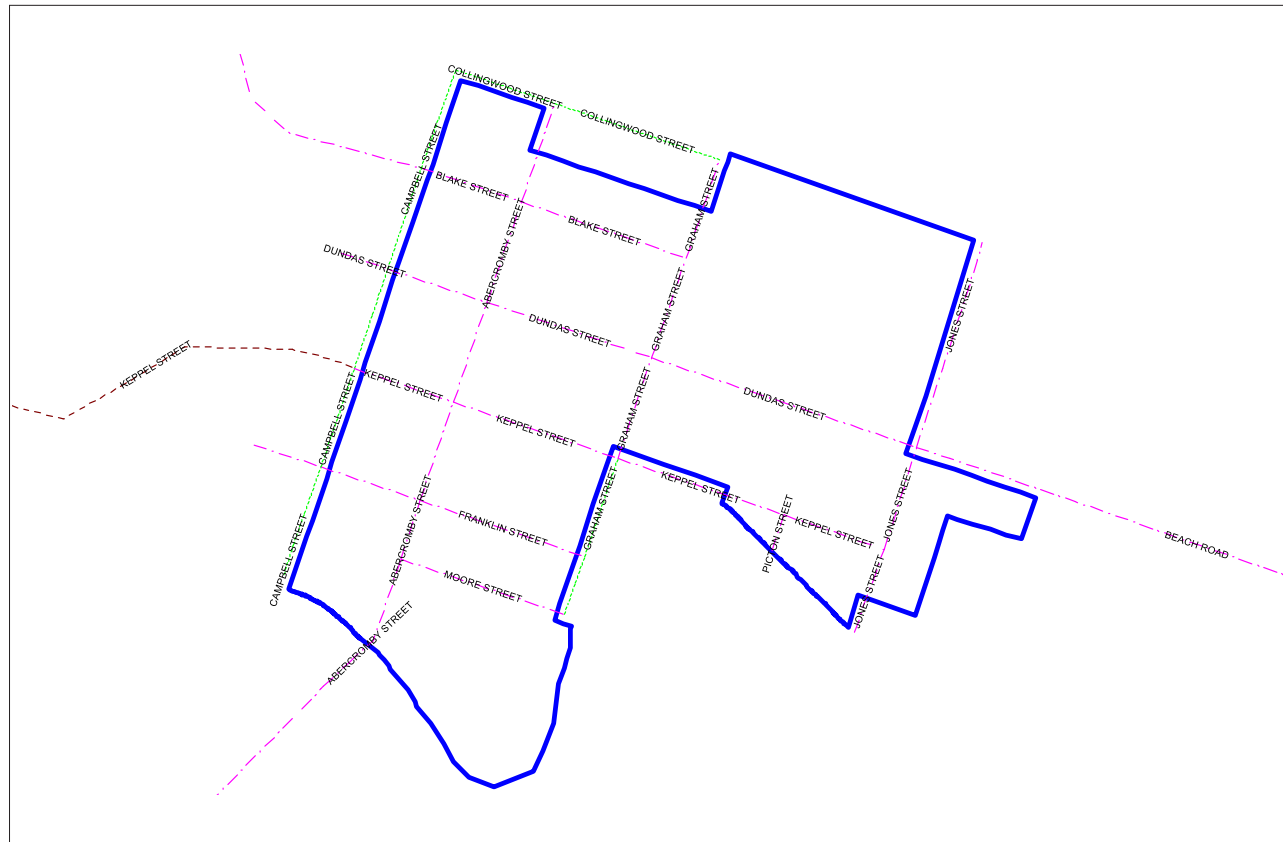
	Annual Report 2022 \$000	Annual Plan 2023 \$000	Long Term Plan 2024 \$000	Annual Plan 2024 \$000
Reserves held for Emergency Purposes				
Opening Balance	3,558	3,558	3,120	743
Transfer to Reserves	191	450	250	400
Transfer from Reserves	(606)	(250)	0	0
Closing Balance	3,143	3,758	3,370	1,143
Reserves held for Asset purchase				
Opening Balance	2,745	3,055	2,742	2,229
Transfer to Reserves	267	200	200	200
Transfer from Reserves	(461)	(520)	(150)	(150)
Closing Balance	2,551	2,735	2,792	2,279
Reserves held for Operational Costs				
Opening Balance	852	543	828	652
Transfer to Reserves	94	388	95	95
Transfer from Reserves	(149)	(100)	(100)	(100)
Closing Balance	797	831	823	647
Reserves held for Other Purposes				
Opening Balance	37	37	50	10
Transfer to Reserves	0	0	0	0
Transfer from Reserves	(9)	0	0	(10)
Closing Balance	28	37	50	0
Total Reserve Funds	6,519	7,361	7,036	4,069

Whole of Council

	Annual Plan 2023 \$000	Long Term Plan 2024 \$000	Annual Plan 2024 \$000
Sources of operating funding			
General rates, uniform annual general charges and rates penalties	16,202	16,700	17,811
Targeted rates	8,736	9,837	9,840
Subsidies and Grants for Operating Purposes	3,601	3,372	5,359
Fees, charges	6,074	5,728	6,742
Interest and dividends from investments	68	27	79
Local authorities fuel tax, fines, infringement fees and other receipts	248	240	486
Total operating funding	34,930	35,905	40,317
Applications of operating funding			
Payments to staff and suppliers	29,699	27,273	38,003
Finance costs	805	1,362	1,982
Other operating funding applications	(1,481)	(880)	(1,956)
Total applications of operating funding	29,022	27,754	38,029
Surplus (deficit) of operating funding	5,908	8,151	2,288
Sources of capital funding			
Subsidies and grants for capital expenditure	4,304	4,144	4,144
Gross proceeds from sale of assets	26	21	21
Development and financial contributions	2,733	2,197	2,197
Increase (decrease) in debt	11,221	18,153	24,761
Lump sum contributions	-	-	-
Total sources of capital funding	18,284	24,516	31,123
Applications of capital funding			
Capital expenditure			
to meet additional demand	2,646	2,523	3,837
to improve the level of service	7,802	9,069	15,597
to replace existing assets	15,871	22,206	17,417
Increase (decrease) in reserves	0	(0)	86
Increase (decrease) of investments	(2,127)	(1,131)	(3,526)
Total applications of capital funding	24,192	32,667	33,412
Surplus (deficit) of capital funding	(5,908)	(8,151)	(2,288)
Funding balance	0	0	0



Pōrangahau 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 rate per cubic metre of water, for users consuming below 40,000 cubic metres
- 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'
- 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'
- For the 2023/24 year these rates will be:

VOLUME OF WATER (CUBIC METRES)	RATE PER CUBIC METRE (INCL GST)
a. Below 40,000	\$2.95
b. Above 40,000, non- industrial	\$2.95
c. Above 40,000, industrial	\$2.95

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:

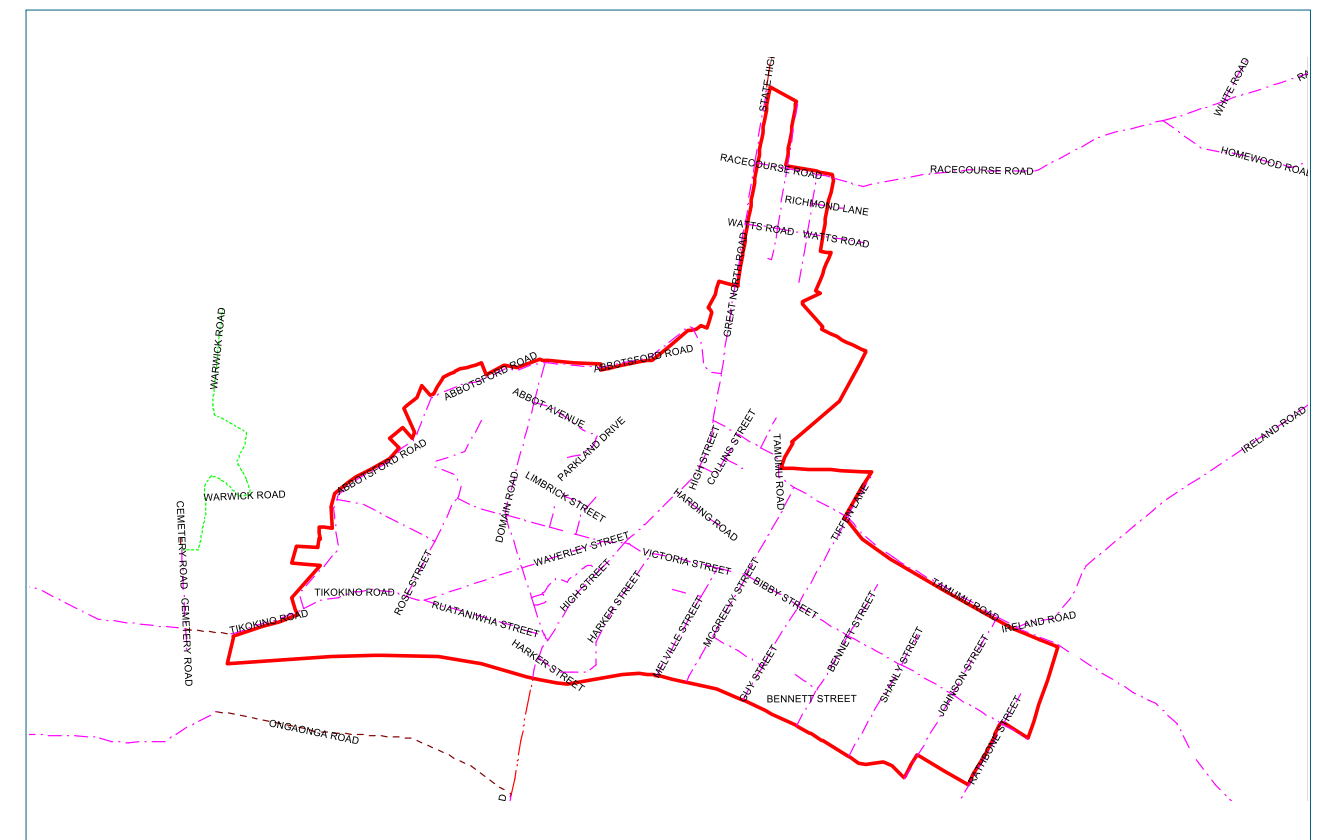
- 'Connected' means the rating unit is connected to a public sewerage system.
- 'Serviceable' means the rating unit is not connected to a public sewerage drain but is within 30 metres of such a drain.
- A rating unit used primarily as a residence for one household is treated as not having more than one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

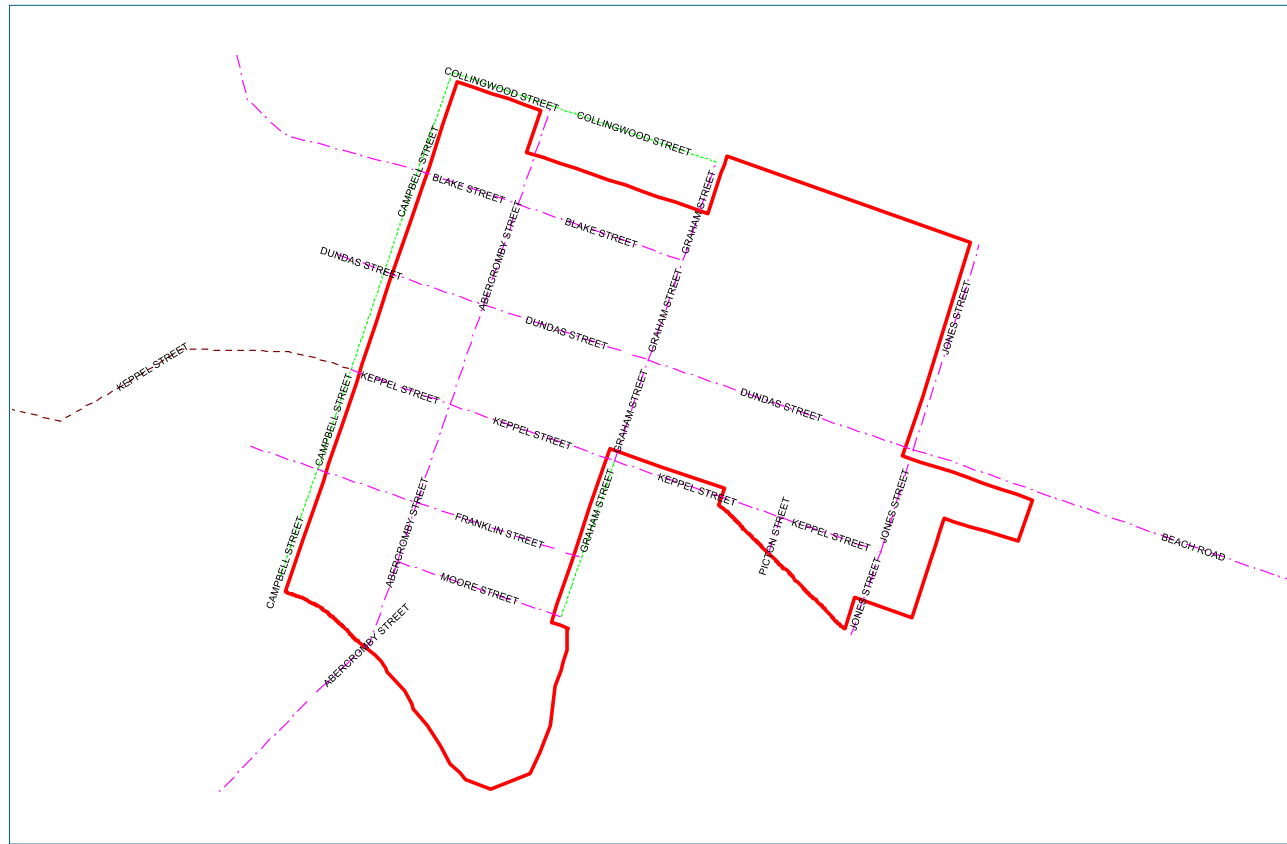
For the 2023/24 year these rates will be:

CHARGE	SEWERAGE RATE (INCL GST)
a. First charge per separately used or inhabited part of a rating unit connected	\$1026.00
b. Additional charge per pan after the first	\$1026.00
c. Serviceable, not connected, per separately used or inhabited part of a rating unit	\$513.00
d. Additional charge per pan after the first – commercial accommodation provider, qualifying club	\$513.00

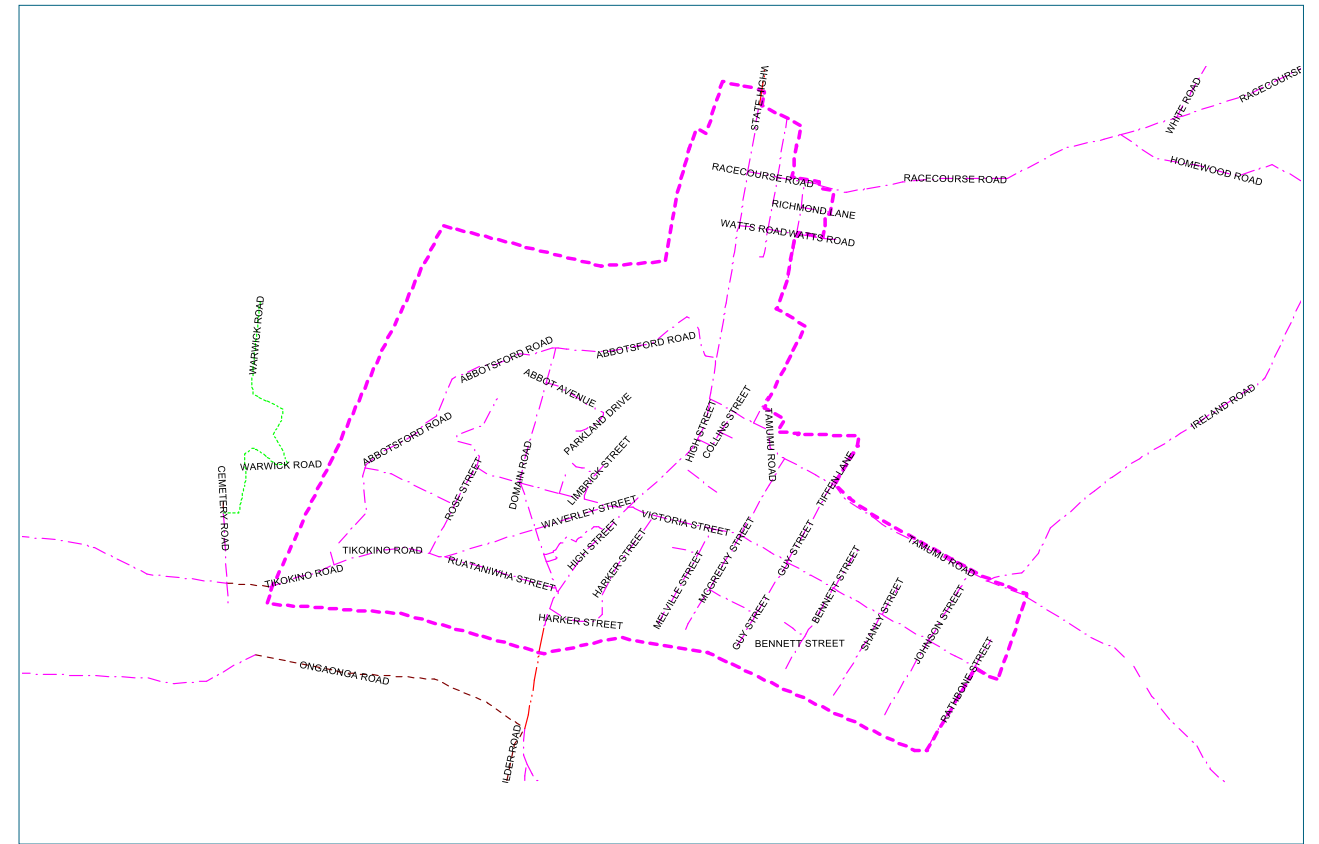
Waipawa Sewer Operation Zone



Pōrangahau Sewer Operation Zone



Waipawa Stormwater 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:

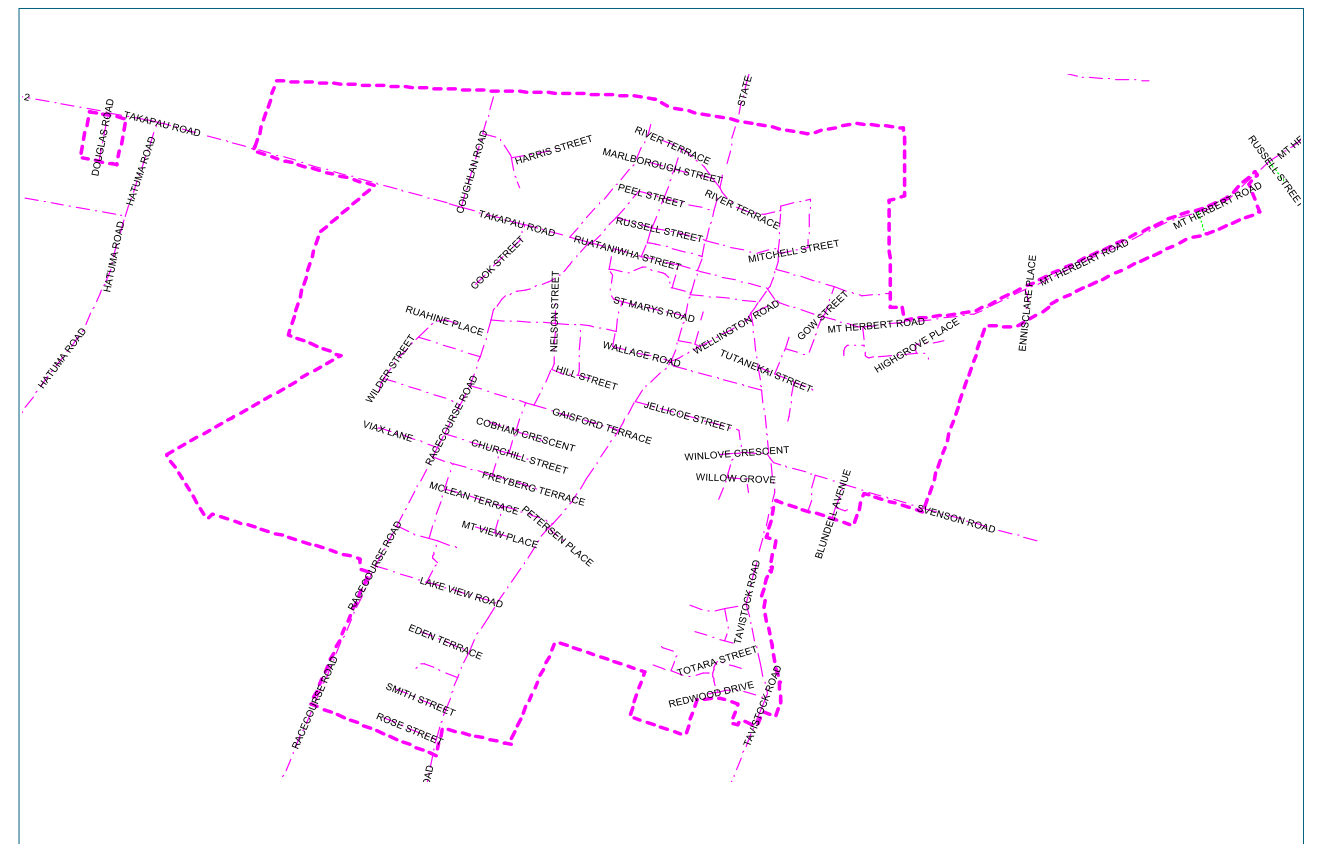
A uniform targeted rate on the capital value of all rateable land in the Waipukurau, Waipawa, Otāne, and Takapau Stormwater Catchment Areas.

For the 2023/24 year this rate will be:

STORMWATER CATCHMENT ZONE	PER DOLLAR OF CAPITAL VALUE
Waipukurau	0.05120 (including GST)
Waipawa	0.05120 (including GST)
Otāne	0.02458 (including GST)
Takapau	0.01843 (including GST)

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

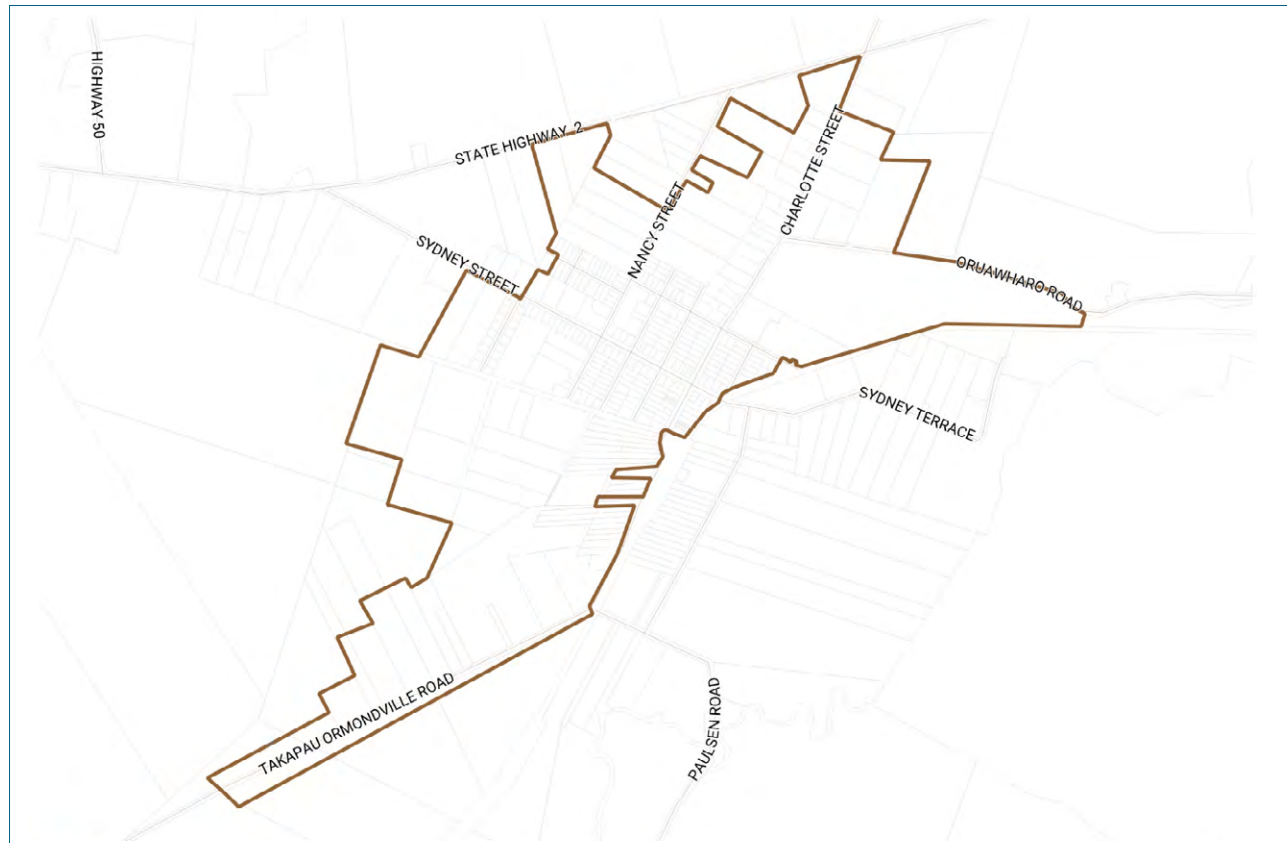
Waipukurau Stormwater Operation Zone



Otāne Stormwater Operation Zone



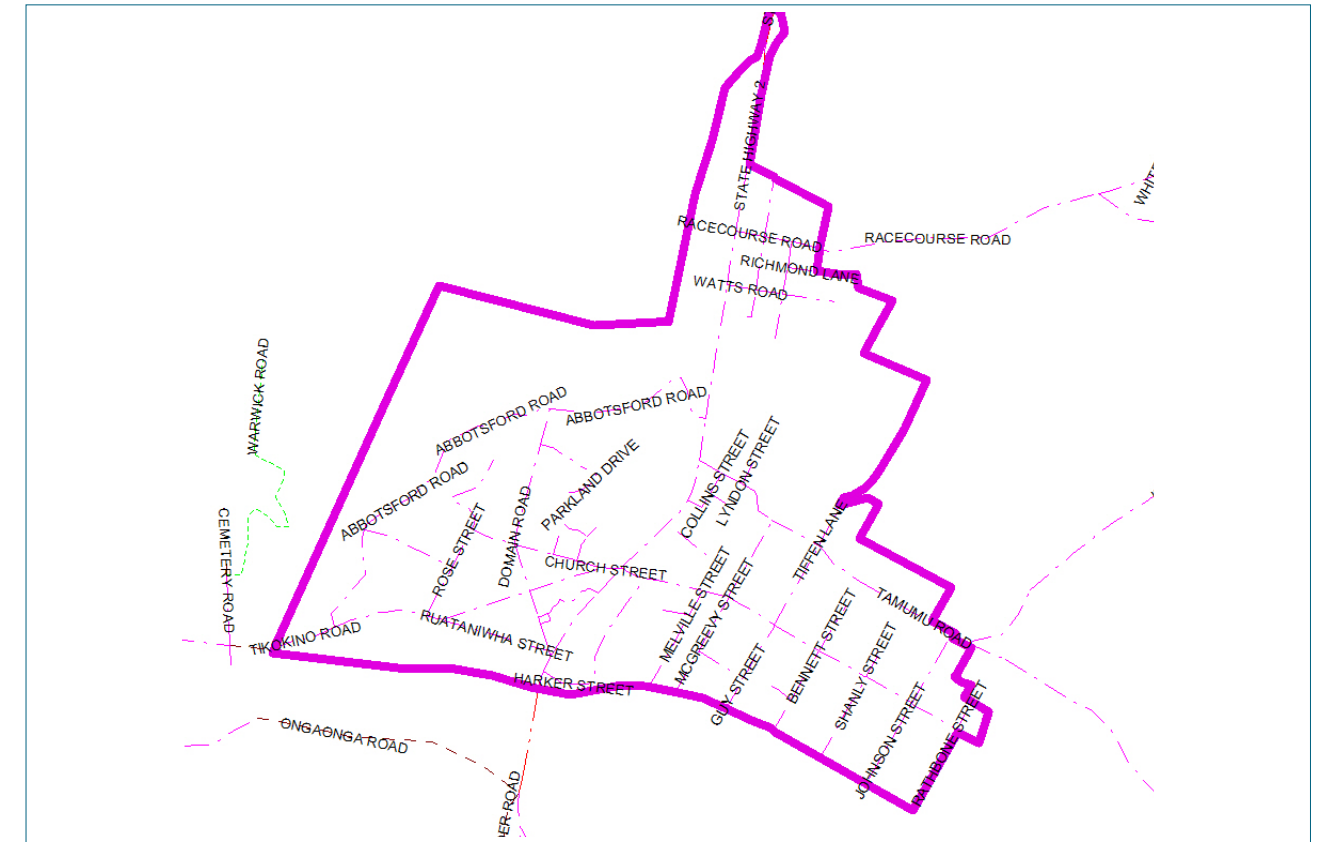
Takapau Operation Zone



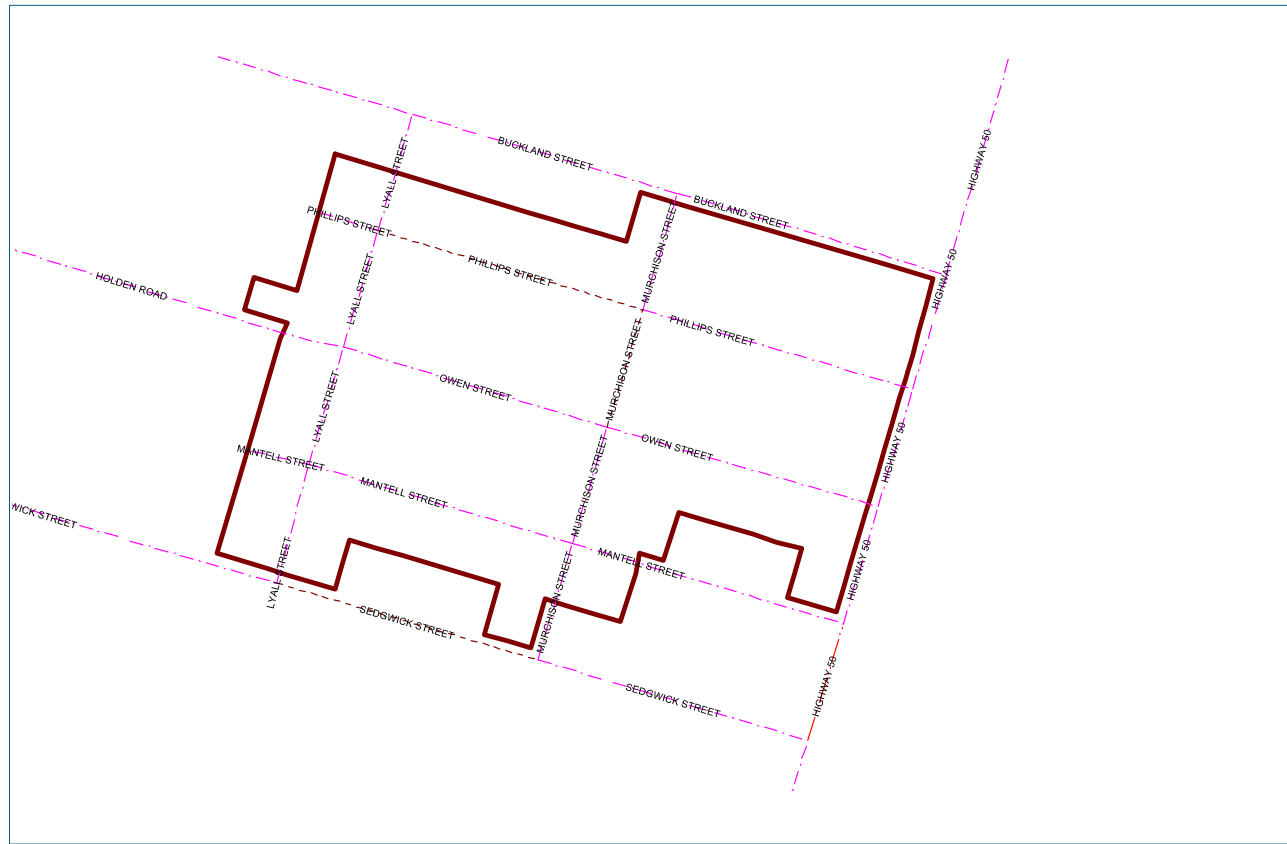
8. Kerbside Recycling Rate

A targeted rate set under section 16 of the Local Government (Rating) Act 2002 for the Council's collection of household recyclables for Waipukurau, Waipawa, Takapau, Otāne, Ongaonga, and Tikokino on each separately used or inhabited part of a rating unit to which the Council provides the service. For the 2023/24 year this rate will be \$138.64 (including GST).

Waipawa Kerbside Recycling Collection Zone



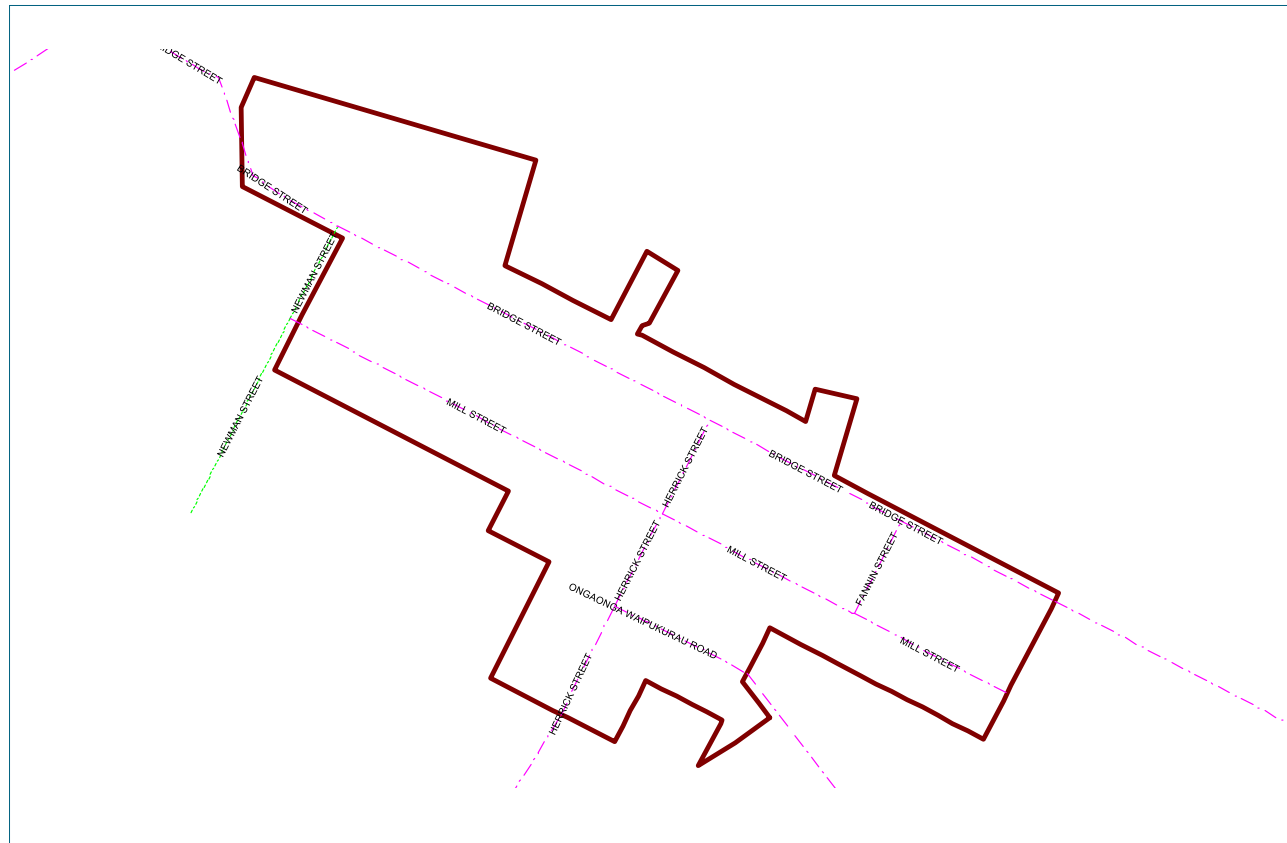
Tikokino Refuse Collection Zone



Pourerere Beach Refuse Collection Zone



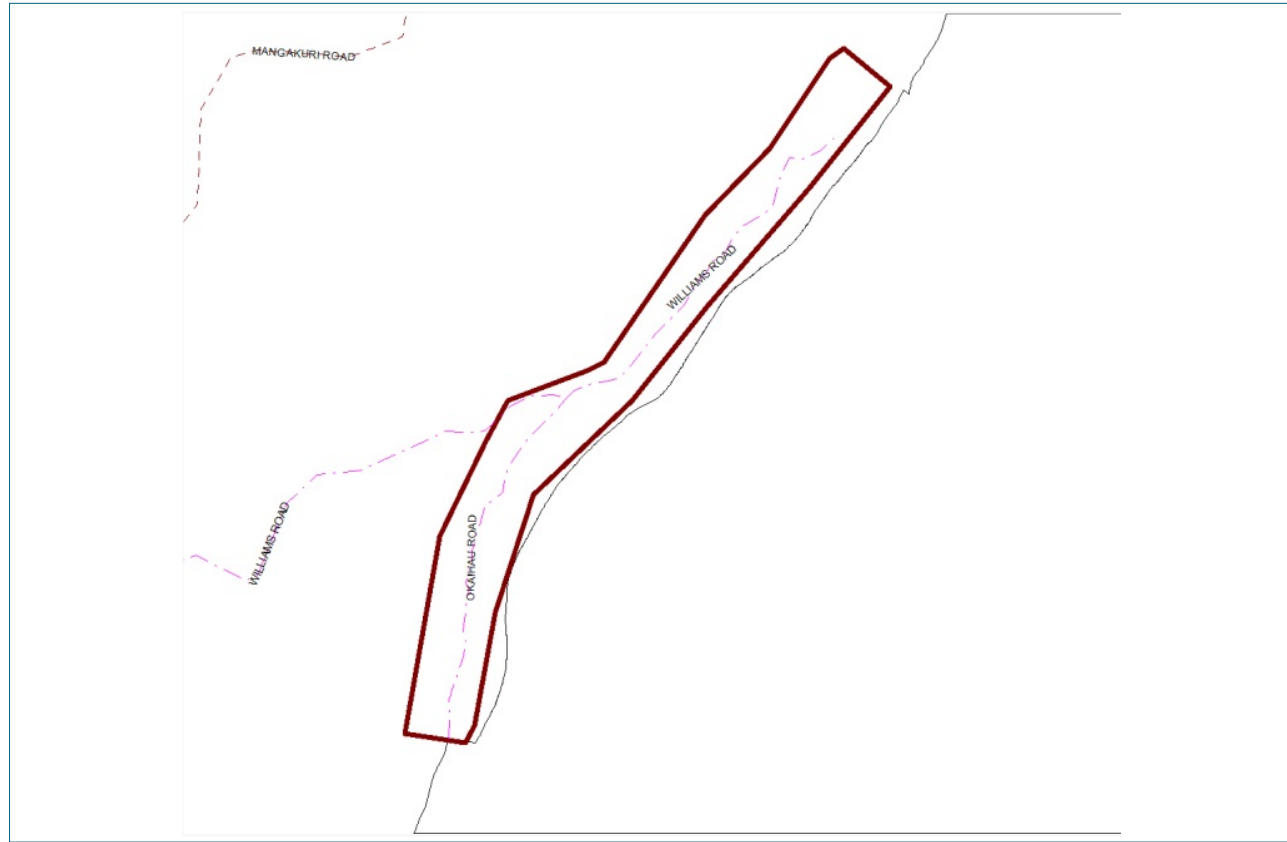
Ongaonga Refuse Collection Zone



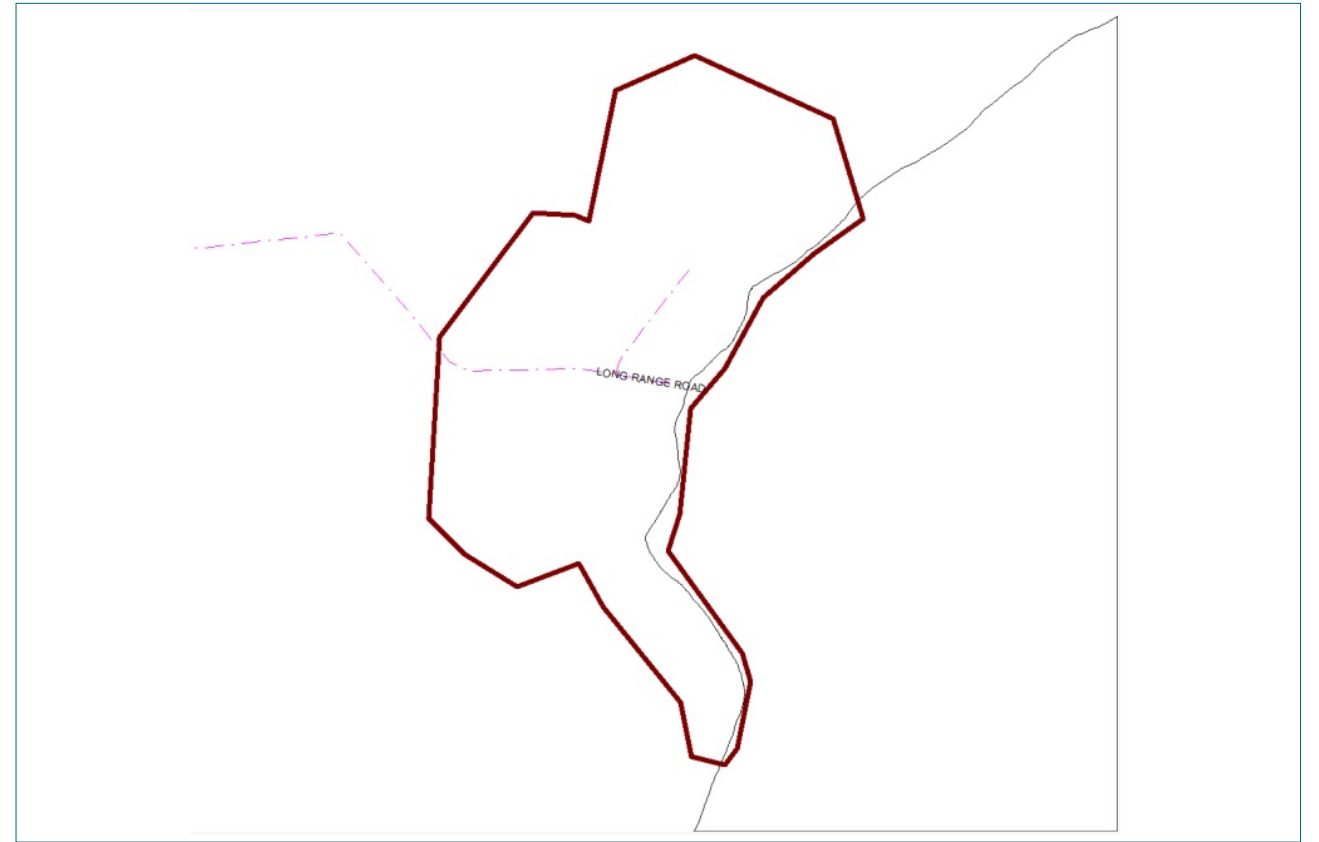
Kairakau Beach Refuse Collection Zone



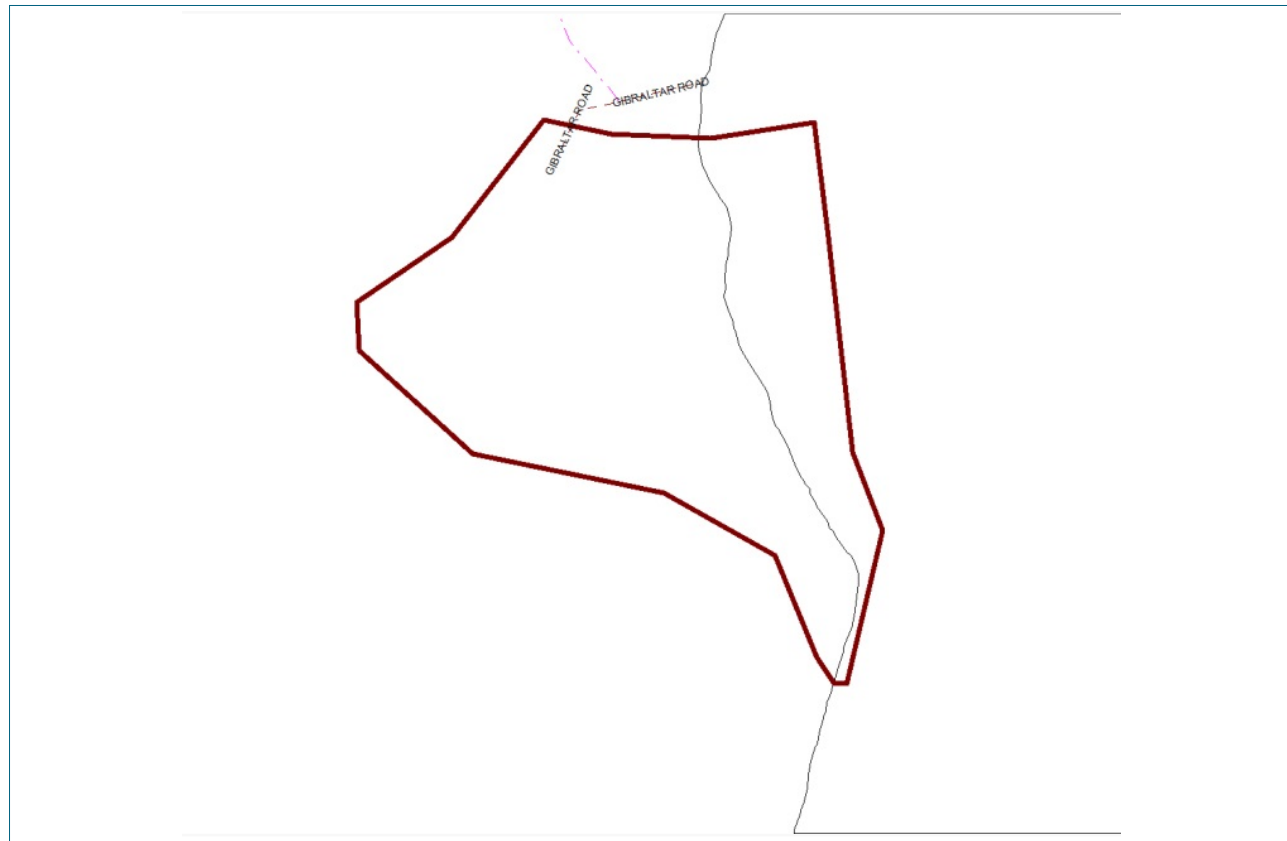
Mangakuri Beach Refuse Collection Zone



Blackhead Beach Refuse Collection Zone



Aramoana 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 2023/24 is \$103,500
- The amount per point is 140.598256 cents including GST.
- The Te Aute drainage scheme area is defined by reference to the classification list establishing the graduated scale.



2023/24 Rate Factors

The table below lists the draft rate factors for the 2023/24 year (1 July 2023 to 30 June 2024) that are proposed to be set by the Central Hawke’s Bay District Council under the Local Government (Rating) Act 2002. The final rating factors will be confirmed at the June 2023 Council meeting.

Description	Land Liable	Differential	Factor of Liability	Factor	Rate Value**	Amount Sought
including GST \$						
District Wide Rates						
General	All rateable property Non CBD Zone	Uniform	Capital Value	8,992,463,310	0.09225	\$8,295,882.96
General	All rateable property CBD Zone	Uniform	Capital Value	88,684,000	0.11993	\$106,358.59
Uniform Annual General Charge	All rateable property	Uniform	Fixed Amount per SUIP*	7,206	431.77	\$3,111,299.70
District Land Transport	All rateable property	Uniform	Land Value	5,915,727,400	0.15125	\$8,947,255.30
Targeted Rates						
Refuse Collection	Service Available	Uniform	Fixed Amount per SUIP *	4,379	35.13	\$153,840.10
Kerbside Recycling Collection	Service Available	Uniform	Fixed Amount per SUIP *	3,940	138.64	\$546,250.00
Water Supply	Connected/Service Available	Connected/Service Available	Fixed Amount per SUIP *	4,442.0	1,011.54	\$4,493,260.45
Sewerage	Connected/Service Available	Connected/Use/ Service Available	Fixed Amount per SUIP *, per Pan	4,221.5	1,026.00	\$4,331,263.40
Stormwater	Waipukurau/Waipawa Catchment Area	Uniform	Capital Value	1,805,800,500	0.05120	\$924,535.05
Stormwater	Otāne Catchment Area	Uniform	Capital Value	237,461,500	0.02458	\$58,356.34
Stormwater	Takapau Catchment Area	Uniform	Capital Value	107,372,500	0.01843	\$19,790.15
Drainage	Te Aute	Classifications	Fixed Amount per point	73,614	1.40598	\$103,500.00
Water by Meter	Extraordinary users	Volume, land use category	Fixed Amount per cubic metre		4.15/2.95	\$684,826.15
Total Sought						31,776,418.20

Sample Rating Impacts on Properties

The table below displays a sample of the draft proposed rating changes for 2023/24 (the final rates will be set at the June 2023 Council meeting). On average, the Council has set a budget that requires a 10.9% rates increase for 2023/24.

This increase reflects the impact inflation, interest rates, and Cyclone Gabrielle is having on Council’s finances.

Urban Residential	Category	Land Value	Capital Value	Actual Total Rates 2022/23	Proposed Targeted Rates 2023/24	Proposed Non-Targeted Rates 2023/24	Proposed Total Rates 2023/24	\$ Change	% Change
Waipukurau	Low	155,000	430,000	3,136	2,431	1,063	3,494	358	11.4%
Waipukurau	Medium	280,000	610,000	3,570	2,524	1,418	3,942	372	10.4%
Waipukurau	Medium	280,000	770,000	3,800	2,605	1,566	4,171	371	9.8%
Waipukurau	High	250,000	980,000	4,061	2,713	1,714	4,427	366	9.0%
Waipukurau	High	360,000	1,180,000	4,502	2,815	2,065	4,880	378	8.4%
Waipawa	Low	165,000	550,000	3,323	2,493	1,189	3,682	359	10.8%
Waipawa	Medium	170,000	530,000	3,301	2,483	1,178	3,661	359	10.9%
Waipawa	High	195,000	680,000	3,552	2,559	1,354	3,913	362	10.2%
Waipawa	High	395,000	1,000,000	4,292	2,723	1,952	4,675	383	8.9%
Townships	Category	Land Value	Capital Value	Actual Total Rates 2022/23	Proposed Targeted Rates 2023/24	Proposed Non-Targeted Rates 2023/24	Proposed Total Rates 2023/24	\$ Change	% Change
Otāne		300,000	630,000	3,383	2,366	1,467	3,833	449	13.3%
Pōrangahau	Low	125,000	365,000	2,685	2,072	958	3,030	345	12.9%
Pōrangahau	High	125,000	740,000	3,012	2,073	1,303	3,376	364	12.1%
Takapau		140,000	480,000	2,980	2,300	1,086	3,386	406	13.6%
Takapau		225,000	610,000	2,360	1,298	1,335	2,633	273	11.6%
Takapau	Lifestyle	590,000	890,000	3,030	1,185	2,145	3,330	300	9.9%
Tikokino		215,000	590,000	1,314	174	1,301	1,475	161	12.2%
Onga Onga		180,000	610,000	1,283	174	1,267	1,441	158	12.3%
Coastal Residential	Category	Land Value	Capital Value	Actual Total Rates 2022/23	Proposed Targeted Rates 2023/24	Proposed Non-Targeted Rates 2023/24	Proposed Total Rates 2023/24	\$ Change	% Change
Blackhead		390,000	690,000	1,537	35	1,658	1,693	157	10.2%
Kairakau		375,000	830,000	2,569	1,047	1,764	2,811	242	9.4%
Mangakuri		680,000	1,270,000	2,447	35	2,632	2,667	220	9.0%
Te Paerahi	Low	330,000	450,000	3,045	2,073	1,346	3,419	373	12.3%
Te Paerahi	Medium	500,000	810,000	3,596	2,073	1,935	4,008	412	11.4%
Rural	Category	Land Value	Capital Value	Actual Total Rates 2022/23	Proposed Targeted Rates 2023/24	Proposed Non-Targeted Rates 2023/24	Proposed Total Rates 2023/24	\$ Change	% Change
District	Lower	360,000	369,000	824	-	885	885	61	7.4%
District	Lower	430,000	1,500,000	3,163	-	3,434	3,434	271	8.6%
District	Medium	650,000	5,250,000	11,358	-	12,232	12,232	875	7.7%
District	Medium	1,220,000	1,284,000	3,184	-	3,462	3,462	278	8.7%
District	High	9,000,000	10,210,000	21,822	-	23,463	23,463	1,641	7.5%
District	High	7,800,000	9,470,000	19,502	-	20,965	20,965	1,463	7.5%
Aramoana	High	5,300,000	6,070,000	13,049	-	14,048	14,048	998	7.6%
Ruataniwha	High	3,380,000	5,600,000	9,542	-	10,710	10,710	1,168	12.2%
Ruahine	High	15,200,000	16,200,000	35,695	-	38,366	38,366	2,671	7.5%
Ruahine	Medium	3,020,000	3,820,000	7,906	-	8,523	8,523	617	7.8%
Commercial/Industrial	Category	Land Value	Capital Value	Actual Total Rates 2022/23	Proposed Targeted Rates 2023/24	Proposed Non-Targeted Rates 2023/24	Proposed Total Rates 2023/24	\$ Change	% Change
Waipukurau	Commercial	330,000	820,000	7,767	6,895	1,914	8,809	1,041	13.4%
Waipawa	Commercial	110,000	146,000	2,691	2,286	773	3,059	369	13.7%
Waipukurau	Industrial	360,000	720,000	4,710	3,606	1,640	5,246	537	11.4%

Te Aute Drainage Scheme

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	\$1,576.10
1092000800	0	32.83	74.69	23.42	3,817	\$5,366.60
1092000900	0	0	0.83	2.15	19	\$26.71
1092001001	77.96	16.65	11.94	17.95	9,361	\$13,161.33
1092001100	78.22	0	15.28	39.73	8,171	\$11,488.22
1092001107	0	0	18.02	68.04	474	\$667.02
1092001200	0	2.88	18.35	18.86	562	\$790.16
1092001201	0	20.25	19.15	12.31	1,944	\$2,733.21
1092001400	0	0	0	14.16	42	\$59.05
1092001600	0	0	0	10.12	30	\$42.18
1092001700	38.74	51.06	36.24	45.12	8,638	\$12,144.81
1092002100	188.81	0	0	23.93	18,953	\$26,647.44
1092002200	84.02	4.14	1.16	6.45	8,770	\$12,330.40
1092002300	41.02	5.2	20.43	22.8	4,893	\$6,879.43
1092002900	0	0	0	0.81	2	\$2.81
1092006100	0	84.44	0	20.77	6,817	\$9,584.53
Total	508.77	228.75	224.24	358.25	73,614	\$103,500.00

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 2021 and is effective from 1 July 2022.

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

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

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

Rating Base

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

Rating Information Database and Rates Records

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

- 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 2022 to 30 June 2023. 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 2023	20 August 2023	21 August 2023
2	1 October 2023	20 November 2023	21 November 2023
3	1 January 2024	20 February 2024	21 February 2024
4	1 April 2024	20 May 2024	21 May 2024

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 2022 to 30 June 2023. 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
All Other Users	Sep-23	20-Oct-23
	Dec-23	20-Jan-23
	Mar-24	20-Apr-24
	Jun-24	20-Jul-24

Penalty Charges (Additional Charges on Unpaid Rates)

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

Pursuant to Section 58(1)(b) of the Local Government (Rating) Act, a further additional charge of 10% will be added on 1 July 2023 to the amount of rates assessed in previous financial years and remaining unpaid as at 30 June 2023 (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 30/06/2023

Number of Rating Units	8,055
Capital Value	9,081,147,310
Land Value	5,915,727,400

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% = 7.0%	\$26,683,716	\$27,650,493	No
Increases	LGCI + 3% = 10.3%	10.3%	10.9%	No
Debt affordability benchmark	Debt must not exceed 5% of total public equity and accumulated funds.	5.0%	6.2%	No
Debt servicing benchmark	Debt servicing costs will not exceed 10% of total revenue.	10.0%	4.3%	Yes
Balanced budget benchmark	Revenue is equal or greater than operation expenses	100%	100%	Yes
Essential services benchmark	Capital Expenditure is equal or greater than depreciation	100%	233%	Yes

CENTRAL HAWKE'S BAY DISTRICT COUNCIL

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



**CENTRAL
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DISTRICT COUNCIL