

Council Activities and the 2007/2008 Budget

Groups of Activities

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

- | | |
|----------------------------|--|
| 1. Community Leadership | 4. Land Transport |
| 2. Planning and Regulatory | 5. Water Services |
| 3. Solid Waste | 6. Recreation and Community Facilities |

Council Activities

The Local Government Act 2002 requires Council to identify each of our activities and explain how we fund and manage these activities. We have considered what we do and the means we use to do it and have settled on the following 21 separate and discrete activities:

COMMUNITY LEADERSHIP GROUP

1. Leadership, Governance and Consultation
2. Economic Development

PLANNING AND REGULATORY GROUP

3. Landuse Planning and Management
4. Resource and Subdivision Consents
5. Building Control
6. Public Health and Hazardous Substances
7. Animal Control
8. Emergency Management
9. Bylaws, Parking and Litter Control

LAND TRANSPORT GROUP

10. Land Transport

SOLID WASTE GROUP

11. Solid Waste

WATER SERVICES GROUP

12. Water Supplies
13. Wastewater
14. Stormwater

RECREATION AND COMMUNITY FACILITIES GROUP

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

Over the following pages of the Annual Plan you will find each activity's budget for the 2007/2008 year outlined and an explanation of how it has varied from the forecast budget in the Long-Term Council Community Plan as required by the Local Government Act 2002.

Community Leadership and Governance Activity

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

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

UPDATED 2006/2016 ACTIVITY BUDGET

| | 06/07 \$' 000 | 07/08 \$' 000 | 08/09 \$' 000 | 09/10 \$' 000 | 10/11 \$' 000 | 11/12 \$' 000 | 12/13 \$' 000 | 13/14 \$' 000 | 14/15 \$' 000 | 15/16 \$' 000 |
|------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Income | | | | | | | | | | |
| General Rates | 477 | 485 | 478 | 501 | 508 | 517 | 526 | 539 | 542 | 548 |
| Targeted Rates | - | - | - | - | - | - | - | - | - | - |
| Fees and Charges | - | - | - | - | - | - | - | - | - | - |
| Grants Recd | 18 | 21 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 |
| Developer Contributions | - | - | - | - | - | - | - | - | - | - |
| Total Income | 495 | 506 | 496 | 519 | 526 | 535 | 544 | 557 | 560 | 566 |
| Operating Expenditure | | | | | | | | | | |
| Operating Expenditure | 495 | 506 | 496 | 519 | 526 | 535 | 544 | 557 | 560 | 566 |
| Interest | - | - | - | - | - | - | - | - | - | - |
| Total Expenditure | 495 | 506 | 496 | 519 | 526 | 535 | 544 | 557 | 560 | 566 |
| Operating Surplus / deficit | - | - | - | - | - | - | - | - | - | - |
| Capital Expenditure | | | | | | | | | | |
| Renewals | - | - | - | - | - | - | - | - | - | - |
| New Work | - | - | - | - | - | - | - | - | - | - |
| Loan repayments | - | - | - | - | - | - | - | - | - | - |
| Total Capital Expenditure | - | - | - | - | - | - | - | - | - | - |
| Funded By | | | | | | | | | | |
| Loans | - | - | - | - | - | - | - | - | - | - |
| Reserves Developer Contributions | - | - | - | - | - | - | - | - | - | - |
| Depreciation | - | - | - | - | - | - | - | - | - | - |
| Cash from operating | - | - | - | - | - | - | - | - | - | - |
| Total Funding | - | - | - | - | - | - | - | - | - | - |

VARIANCE FROM 2006/2016 LONG-TERM COUNCIL COMMUNITY PLAN

| | 06/07 \$' 000 | 07/08 \$' 000 | 07/08 \$' 000 |
|------------------------------------|------------------|------------------|------------------|
| Income | | | |
| General Rates | 477 | 475 | 485 |
| Targeted Rates | - | - | - |
| Fees and Charges | - | - | - |
| Grants Recd | 18 | 18 | 21 |
| Developer Contributions | - | - | - |
| Total Income | 495 | 493 | 506 |
| Operating Expenditure | | | |
| Operating Expenditure | 495 | 493 | 506 |
| Interest | - | - | - |
| Total Expenditure | 495 | 493 | 506 |
| Operating Surplus / deficit | - | - | - |
| Capital Expenditure | | | |
| Renewals | - | - | - |
| New Work | - | - | - |
| Loan repayments | - | - | - |
| Total Capital Expenditure | - | - | - |
| Funded By | | | |
| Loans | - | - | - |
| Reserves Developer Contributions | - | - | - |
| Depreciation | - | - | - |
| Cash from operating | - | - | - |
| Total Funding | - | - | - |

There has been an increase in budgeted operating costs of \$13,000 in this activity for the 2007/2008 year above that forecast in the LTCCP. This is funded from rates which represents a 2.1% increase.

Although the 2007 triennial Local Body elections will return two fewer elected members, there will be no reduction in cost as the remuneration for elected members is based on a total pool set by the Remuneration Authority.

Economic Development Activity

Economic development with Central Hawke's Bay is undertaken by a number of providers on behalf of this Council. These service providers include:

- CHB Promotions - including the operation of the District's Visitor Information Centre.
- The Hawke's Bay Economic Development Agency – Hawkes Bay Inc.
- The various major regional initiatives within the Hawke's Bay area including Food Hawke's Bay, Wood Hawke's Bay and the recently formed engineering and manufacturing cluster.
- Tourism Hawke's Bay.

Council utilises a part time Economic Development Advisor in a specialist role, and seeks to ensure that all providers work together to achieve a prosperous and thriving economy for the District. Council's rates postponement policy includes provision for a Rates Holiday to assist existing ratepayers to establish businesses which support Council's economic development initiatives.

UPDATED 2006/2016 ACTIVITY BUDGET

| | 06/07 \$' 000 | 07/08 \$' 000 | 08/09 \$' 000 | 09/10 \$' 000 | 10/11 \$' 000 | 11/12 \$' 000 | 12/13 \$' 000 | 13/14 \$' 000 | 14/15 \$' 000 | 15/16 \$' 000 |
|------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Income | | | | | | | | | | |
| General Rates | 126 | 131 | 122 | 124 | 125 | 126 | 127 | 128 | 129 | 130 |
| Targeted Rates | 25 | | 26 | 26 | 26 | 26 | 27 | 27 | 27 | 27 |
| Fees and Charges | | | | | | | | | | |
| Grants Recd | | | | | | | | | | |
| Developer Contributions | | | | | | | | | | |
| Total Income | 151 | 131 | 148 | 150 | 151 | 152 | 154 | 155 | 156 | 157 |
| Operating Expenditure | | | | | | | | | | |
| Operating Expenditure | 151 | 131 | 148 | 150 | 151 | 152 | 154 | 155 | 156 | 157 |
| Interest | | | | | | | | | | |
| Total Expenditure | 151 | 131 | 148 | 150 | 151 | 152 | 154 | 155 | 156 | 157 |
| Operating Surplus / deficit | - | - | - | - | - | - | - | - | - | - |
| Capital Expenditure | | | | | | | | | | |
| Renewals | | | | | | | | | | |
| New Work | | | | | | | | | | |
| Loan repayments | | | | | | | | | | |
| Total Capital Expenditure | - | - | - | - | - | - | - | - | - | - |
| Funded By | | | | | | | | | | |
| Loans | | | | | | | | | | |
| Reserves | | | | | | | | | | |
| Developer Contributions | | | | | | | | | | |
| Depreciation | | | | | | | | | | |
| Cash from operating | | | | | | | | | | |
| Total Funding | - | - | - | - | - | - | - | - | - | - |

VARIANCE FROM 2006/2016 LONG-TERM COUNCIL COMMUNITY PLAN

| | 06/07 \$' 000 | 07/08 \$' 000 | 07/08 \$' 000 |
|------------------------------------|------------------|------------------|------------------|
| Income | | | |
| General Rates | 126 | 122 | 131 |
| Targeted Rates | 25 | 25 | - |
| Fees and Charges | | | - |
| Grants Recd | | | - |
| Developer Contributions | | | - |
| Total Income | 151 | 147 | 131 |
| Operating Expenditure | | | |
| Operating Expenditure | 151 | 147 | 131 |
| Interest | | | - |
| Total Expenditure | 151 | 147 | 131 |
| Operating Surplus / deficit | - | - | - |
| Capital Expenditure | | | |
| Renewals | | | - |
| New Work | | | - |
| Loan repayments | | | - |
| Total Capital Expenditure | - | - | - |
| Funded By | | | |
| Loans | | | - |
| Reserves | | | - |
| Developer Contributions | | | - |
| Depreciation | | | - |
| Cash from operating | | | - |
| Total Funding | - | - | - |

There is a decrease in budgeted operating costs of \$16,000 in this activity for the 2007/2008 year from that forecast in the LTCCP. This is largely due to a decrease in the availability of Council's Economic Development Advisor – some of whose roles have had to be absorbed internally. A further \$10,000 has been provided to assist CHB Promotions who face a significant increase in rental of their premises, and salary costs. Overall this represents an 11% decrease from the rates forecast in the LTCCP.

Landuse Planning and Management Activity

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

The District Plan became operative on 1 May 2003 after extensive consultation with the community. As noted earlier, a structured review of the District Plan will commence in 2007/2008 and will include the outcomes from the Coastal Plan determination.

An external contractor will be used to assist the Regulatory Services Manager and Planner prepare changes to the District Plan.

UPDATED 2006/2016 ACTIVITY BUDGET

| | 06/07 | 07/08 | 08/09 | 09/10 | 10/11 | 11/12 | 12/13 | 13/14 | 14/15 | 15/16 |
|------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 |
| Income | | | | | | | | | | |
| General Rates | 200 | 207 | 141 | 144 | 148 | 151 | 154 | 156 | 159 | 161 |
| Targeted Rates | | | | | | | | | | |
| Fees and Charges | | | | | | | | | | |
| Grants Recd | | | | | | | | | | |
| Developer Contributions | | | | | | | | | | |
| Total Income | 200 | 207 | 141 | 144 | 148 | 151 | 154 | 156 | 159 | 161 |
| Operating Expenditure | | | | | | | | | | |
| Operating Expenditure | 200 | 207 | 141 | 144 | 148 | 151 | 154 | 156 | 159 | 161 |
| Interest | | | | | | | | | | |
| Total Expenditure | 200 | 207 | 141 | 144 | 148 | 151 | 154 | 156 | 159 | 161 |
| Operating Surplus / deficit | - | - | - | - | - | - | - | - | - | - |
| Capital Expenditure | | | | | | | | | | |
| Renewals | | | | | | | | | | |
| New Work | | | | | | | | | | |
| Loan repayments | | | | | | | | | | |
| Total Capital Expenditure | - | - | - | - | - | - | - | - | - | - |
| Funded By | | | | | | | | | | |
| Loans | | | | | | | | | | |
| Reserves Developer Contributions | | | | | | | | | | |
| Depreciation | | | | | | | | | | |
| Cash from operating | | | | | | | | | | |
| Total Funding | - | - | - | - | - | - | - | - | - | - |

VARIANCE FROM 2006/2016 LONG-TERM COUNCIL COMMUNITY PLAN

| | 06/07 | 07/08 | 07/08 |
|------------------------------------|------------|------------|------------|
| | \$' 000 | \$' 000 | \$' 000 |
| Income | | | |
| General Rates | 200 | 207 | 207 |
| Targeted Rates | | | - |
| Fees and Charges | | | - |
| Grants Recd | | | - |
| Developer Contributions | | | - |
| Total Income | 200 | 207 | 207 |
| Operating Expenditure | | | |
| Operating Expenditure | 200 | 207 | 207 |
| Interest | | | - |
| Total Expenditure | 200 | 207 | 207 |
| Operating Surplus / deficit | - | - | - |
| Capital Expenditure | | | |
| Renewals | | | - |
| New Work | | | - |
| Loan repayments | | | - |
| Total Capital Expenditure | - | - | - |
| Funded By | | | |
| Loans | | | - |
| Reserves Developer Contributions | | | - |
| Depreciation | | | - |
| Cash from operating | | | - |
| Total Funding | - | - | - |

There has been no material change to that forecast in the LTCCP.

Resource and Subdivision Consents Activity

Council is required to implement the Resource Management Act 1991. The activity goal is to ensure that development occurs in a manner that complies with the District Plan. The Council usually processes about 120 consents per year although the overall trend over the previous five years indicates a significant increase. One staff member is employed fulltime on this processing work, whilst a second staff member acts to co-ordinate activity across departments.

UPDATED 2006/2016 ACTIVITY BUDGET

| | 06/07 \$' 000 | 07/08 \$' 000 | 08/09 \$' 000 | 09/10 \$' 000 | 10/11 \$' 000 | 11/12 \$' 000 | 12/13 \$' 000 | 13/14 \$' 000 | 14/15 \$' 000 | 15/16 \$' 000 |
|------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Income | | | | | | | | | | |
| General Rates | 54 | 65 | 57 | 58 | 60 | 60 | 61 | 63 | 62 | 64 |
| Targeted Rates | | | | | | | | | | |
| Fees and Charges | 73 | 66 | 77 | 79 | 81 | 83 | 85 | 86 | 88 | 89 |
| Grants Recd | | | | | | | | | | |
| Developer Contributions | | | | | | | | | | |
| Total Income | 127 | 131 | 134 | 137 | 141 | 143 | 146 | 149 | 150 | 153 |
| Operating Expenditure | | | | | | | | | | |
| Operating Expenditure | 127 | 131 | 134 | 137 | 141 | 143 | 146 | 149 | 150 | 153 |
| Interest | | | | | | | | | | |
| Total Expenditure | 127 | 131 | 134 | 137 | 141 | 143 | 146 | 149 | 150 | 153 |
| Operating Surplus / deficit | - | - | - | - | - | - | - | - | - | - |
| Capital Expenditure | | | | | | | | | | |
| Renewals | | | | | | | | | | |
| New Work | | | | | | | | | | |
| Loan repayments | | | | | | | | | | |
| Total Capital Expenditure | - | - | - | - | - | - | - | - | - | - |
| Funded By | | | | | | | | | | |
| Loans | | | | | | | | | | |
| Reserves Developer Contributions | | | | | | | | | | |
| Depreciation | | | | | | | | | | |
| Cash from operating | | | | | | | | | | |
| Total Funding | - | - | - | - | - | - | - | - | - | - |

VARIANCE FROM 2006/2016 LONG-TERM COUNCIL COMMUNITY PLAN

| | 06/07 \$' 000 | 07/08 \$' 000 | 07/08 \$' 000 |
|------------------------------------|------------------|------------------|------------------|
| Income | | | |
| General Rates | 54 | 56 | 65 |
| Targeted Rates | | | - |
| Fees and Charges | 73 | 75 | 66 |
| Grants Recd | | | - |
| Developer Contributions | | | - |
| Total Income | 127 | 131 | 131 |
| Operating Expenditure | | | |
| Operating Expenditure | 127 | 131 | 131 |
| Interest | | | - |
| Total Expenditure | 127 | 131 | 131 |
| Operating Surplus / deficit | - | - | - |
| Capital Expenditure | | | |
| Renewals | | | - |
| New Work | | | - |
| Loan repayments | | | - |
| Total Capital Expenditure | - | - | - |
| Funded By | | | |
| Loans | | | - |
| Reserves Developer Contributions | | | - |
| Depreciation | | | - |
| Cash from operating | | | - |
| Total Funding | - | - | - |

There is an increase in the rates requirement of \$9,000 in this activity in the 2007/2008 year from that forecast in the LTCCP. This results from a more conservative view of consent and subdivision fees than that forecast in the LTCCP.

Building Control Activity

Council is required to implement the Building Act 2004 and other related legislation to ensure that buildings are safe and sanitary and have means of escape from fire. The Council also issues Project Information Memorandums (PIMs) and Land Information Memorandums (LIMs).

The activity goals are to ensure that the Building Act is applied with minimal compliance costs and that nuisance or objectionable effects on human health and safety are minimised.

The Council usually processes between 500 and 600 building consents per year with the trend increasing over time. Two Building Officers are employed fulltime with a Senior Inspector providing additional assistance as required.

During the current year, inspectors will be expected to become accredited under new legislation promulgated following the widely reported "leaky building" issue. This comes at an added cost reflected in increased user charges.

UPDATED 2006/2016 ACTIVITY BUDGET

| | 06/07 | 07/08 | 08/09 | 09/10 | 10/11 | 11/12 | 12/13 | 13/14 | 14/15 | 15/16 |
|------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 |
| Income | | | | | | | | | | |
| General Rates | 22 | - | | | | | | | | |
| Targeted Rates | | | | | | | | | | |
| Fees and Charges | 412 | 415 | 437 | 449 | 461 | 471 | 482 | 491 | 500 | 509 |
| Grants Recd | | | | | | | | | | |
| Developer Contributions | | | | | | | | | | |
| Total Income | 434 | 415 | 437 | 449 | 461 | 471 | 482 | 491 | 500 | 509 |
| Operating Expenditure | | | | | | | | | | |
| Operating Expenditure | 429 | 415 | 434 | 445 | 455 | 464 | 473 | 481 | 487 | 495 |
| Interest | | | | | | | | | | |
| Total Expenditure | 429 | 415 | 434 | 445 | 455 | 464 | 473 | 481 | 487 | 495 |
| Operating Surplus / deficit | 5 | - | 3 | 4 | 6 | 7 | 9 | 10 | 13 | 14 |
| Capital Expenditure | | | | | | | | | | |
| Renewals | 5 | | | | | | | | | |
| New Work | | | | | | | | | | |
| Loan repayments | | | | | | | | | | |
| Total Capital Expenditure | 5 | - | - | - | - | - | - | - | - | - |
| Funded By | | | | | | | | | | |
| Loans | | | | | | | | | | |
| Reserves Developer Contributions | | | | | | | | | | |
| Depreciation | | | | | | | | | | |
| Cash from operating | 5 | | | | | | | | | |
| Total Funding | 5 | - | - | - | - | - | - | - | - | - |

VARIANCE FROM 2006/2016 LONG-TERM COUNCIL COMMUNITY PLAN

| | 06/07 | 07/08 | 07/08 |
|------------------------------------|------------|------------|------------|
| | \$' 000 | \$' 000 | \$' 000 |
| Income | | | |
| General Rates | 22 | 19 | - |
| Targeted Rates | | | |
| Fees and Charges | 412 | 425 | 415 |
| Grants Recd | | | |
| Developer Contributions | | | |
| Total Income | 434 | 444 | 415 |
| Operating Expenditure | | | |
| Operating Expenditure | 429 | 444 | 415 |
| Interest | | | |
| Total Expenditure | 429 | 444 | 415 |
| Operating Surplus / deficit | 5 | - | - |
| Capital Expenditure | | | |
| Renewals | 5 | | |
| New Work | | | |
| Loan repayments | | | |
| Total Capital Expenditure | 5 | - | - |
| Funded By | | | |
| Loans | | | |
| Reserves Developer Contributions | | | |
| Depreciation | | | |
| Cash from operating | 5 | | |
| Total Funding | 5 | - | - |

There is a general reduction in costs than that forecast in the LTCCP with less consent's to be processed than originally forecast. However costs per consent have risen due to a requirement to meet accreditation requirements – and this is reflected in increased building consent fees.

Animal Control Activity

Council is required under the Dog Control Act 1996 to make provision for the control of dogs and the damage they can cause. The main bylaw for this Activity is the Dog Control Bylaw 2005. One Animal Control Officer is employed fulltime on the control and registration of dogs with backup available from other regulatory staff as required. Ranging for control of other stock is undertaken between the Animal Control Officer and the Emergency Management and Bylaws Officer.

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

The activity goal is to ensure that all stock and pet animals do not create undue nuisance or damage to residents or property.

UPDATED 2006/2016 ACTIVITY BUDGET

| | 06/07 | 07/08 | 08/09 | 09/10 | 10/11 | 11/12 | 12/13 | 13/14 | 14/15 | 15/16 |
|------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 |
| Income | | | | | | | | | | |
| General Rates | 4 | 28 | 4 | 34 | 33 | 33 | 33 | 33 | 33 | 33 |
| Targeted Rates | | | | | | | | | | |
| Fees and Charges | 125 | 115 | 133 | 136 | 140 | 143 | 146 | 149 | 151 | 153 |
| Grants Recd | | | | | | | | | | |
| Developer Contributions | | | | | | | | | | |
| Total Income | 129 | 143 | 137 | 170 | 173 | 176 | 179 | 182 | 184 | 186 |
| Operating Expenditure | | | | | | | | | | |
| Operating Expenditure | 126 | 140 | 134 | 167 | 170 | 173 | 175 | 178 | 180 | 182 |
| Interest | | | | | | | | | | |
| Total Expenditure | 126 | 140 | 134 | 167 | 170 | 173 | 175 | 178 | 180 | 182 |
| Operating Surplus / deficit | 3 | 3 | 3 | 3 | 3 | 3 | 4 | 4 | 4 | 4 |
| Capital Expenditure | | | | | | | | | | |
| Renewals | 3 | 7 | 3 | 3 | 3 | 3 | 4 | 4 | 4 | 4 |
| New Work | | | | | | | | | | |
| Loan repayments | | | | | | | | | | |
| Total Capital Expenditure | 3 | 7 | 3 | 3 | 3 | 3 | 4 | 4 | 4 | 4 |
| Funded By | | | | | | | | | | |
| Loans | - | - | - | - | - | - | - | - | - | - |
| Reserves | | | | | | | | | | |
| Developer Contributions | | | | | | | | | | |
| Depreciation | | | | | | | | | | |
| Cash from operating | 3 | 2 | 3 | 3 | 3 | 3 | 4 | 4 | 4 | 4 |
| Ex Reserves | | 5 | | | | | | | | |
| Total Funding | 3 | 7 | 3 | 3 | 3 | 3 | 4 | 4 | 4 | 4 |

VARIANCE FROM 2006/2016 LONG-TERM COUNCIL COMMUNITY PLAN

| | 06/07 | 07/08 | 07/08 |
|------------------------------------|------------|------------|------------|
| | \$' 000 | \$' 000 | \$' 000 |
| Income | | | |
| General Rates | 4 | 4 | 28 |
| Targeted Rates | | | - |
| Fees and Charges | 125 | 129 | 115 |
| Grants Recd | | | - |
| Developer Contributions | | | - |
| Total Income | 129 | 133 | 143 |
| Operating Expenditure | | | |
| Operating Expenditure | 126 | 130 | 140 |
| Interest | | | - |
| Total Expenditure | 126 | 130 | 140 |
| Operating Surplus / deficit | 3 | 3 | 3 |
| Capital Expenditure | | | |
| Renewals | 3 | 3 | 7 |
| New Work | | | - |
| Loan repayments | | | - |
| Total Capital Expenditure | 3 | 3 | 7 |
| Funded By | | | |
| Loans | - | - | - |
| Reserves | | | - |
| Developer Contributions | | | - |
| Depreciation | | | - |
| Cash from operating | 3 | 3 | 2 |
| Total Funding | 3 | 3 | 7 |

There is an increase in rate requirement of \$24,000 in this activity for the 2007/2008 year than that forecast in the LTCCP. This arises from a downward revision of fees from dog registrations, which are now matched to the year of receipt.

There is no allowance for any potential additional operating costs arising from dog microchipping enforcement.

Public Health Activity

Council is required to implement the Health Act 1956, the Food Hygiene Regulations, the Sale of Liquor Act 1989 and other related legislation and to protect community water supply systems.

The activity goals are to ensure that public health and general well-being are protected to the extent that Council can. The Council currently processes about 110 Health Licences and 175 Liquor Licences per year. One Environmental Health Officer is employed fulltime.

The control of Dangerous Goods Licences has now been taken over by the Environmental Risk Management Authority under the Hazardous Substances and New Organisms Act. The Council will continue to provide local support at emergency incidents involving hazardous substances because of our local knowledge, expertise and proximity.

UPDATED 2006/2016 ACTIVITY BUDGET

| | 06/07 | 07/08 | 08/09 | 09/10 | 10/11 | 11/12 | 12/13 | 13/14 | 14/15 | 15/16 |
|------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 |
| Income | | | | | | | | | | |
| General Rates | 37 | 47 | 40 | 40 | 41 | 41 | 42 | 43 | 44 | 43 |
| Targeted Rates | | | | | | | | | | |
| Fees and Charges | 69 | 73 | 73 | 75 | 77 | 79 | 81 | 82 | 83 | 85 |
| Grants Recd | | | | | | | | | | |
| Developer Contributions | | | | | | | | | | |
| Total Income | 106 | 120 | 113 | 115 | 118 | 120 | 123 | 125 | 127 | 128 |
| Operating Expenditure | | | | | | | | | | |
| Operating Expenditure | 106 | 120 | 113 | 115 | 118 | 120 | 123 | 125 | 127 | 128 |
| Interest | | | | | | | | | | |
| Total Expenditure | 106 | 120 | 113 | 115 | 118 | 120 | 123 | 125 | 127 | 128 |
| Operating Surplus / deficit | - | - | - | - | - | - | - | - | - | - |
| Capital Expenditure | | | | | | | | | | |
| Renewals | | | | | | | | | | |
| New Work | | | | | | | | | | |
| Loan repayments | | | | | | | | | | |
| Total Capital Expenditure | - | - | - | - | - | - | - | - | - | - |
| Funded By | | | | | | | | | | |
| Loans | | | | | | | | | | |
| Reserves | | | | | | | | | | |
| Developer Contributions | | | | | | | | | | |
| Depreciation | | | | | | | | | | |
| Cash from operating | | | | | | | | | | |
| Total Funding | - | - | - | - | - | - | - | - | - | - |

VARIANCE FROM 2006/2016 LONG-TERM COUNCIL COMMUNITY PLAN

| | 06/07 | 07/08 | 07/08 |
|------------------------------------|------------|------------|------------|
| | \$' 000 | \$' 000 | \$' 000 |
| Income | | | |
| General Rates | 37 | 38 | 47 |
| Targeted Rates | | | - |
| Fees and Charges | 69 | 71 | 73 |
| Grants Recd | | | - |
| Developer Contributions | | | - |
| Total Income | 106 | 109 | 120 |
| Operating Expenditure | | | |
| Operating Expenditure | 106 | 109 | 120 |
| Interest | | | - |
| Total Expenditure | 106 | 109 | 120 |
| Operating Surplus / deficit | - | - | - |
| Capital Expenditure | | | |
| Renewals | | | - |
| New Work | | | - |
| Loan repayments | | | - |
| Total Capital Expenditure | - | - | - |
| Funded By | | | |
| Loans | | | - |
| Reserves | | | - |
| Developer Contributions | | | - |
| Depreciation | | | - |
| Cash from operating | | | - |
| Total Funding | - | - | - |

Predicted income from liquor licencing fees has been increased in this Plan from that forecast in the LTCCP as a result of Central Government allowing Local Authorities to retain a greater share of charges. There is however an increase in staff training costs, giving a net \$9,000 increase in rate requirement.

Emergency Management Activity

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

The Council has current Civil Defence and Rural Fire Plans and is working with all other Councils in the region on the preparation of a regional Civil Defence Emergency Management (CDEM) Group Plan. One Officer is employed on Emergency Management duties in addition to other regulatory duties.

Civil Defence centres and rural fire forces are established throughout the District.

UPDATED 2006/2016 ACTIVITY BUDGET

| | 06/07 \$' 000 | 07/08 \$' 000 | 08/09 \$' 000 | 09/10 \$' 000 | 10/11 \$' 000 | 11/12 \$' 000 | 12/13 \$' 000 | 13/14 \$' 000 | 14/15 \$' 000 | 15/16 \$' 000 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Income | | | | | | | | | | |
| General Rates | 133 | 142 | 142 | 146 | 150 | 153 | 156 | 160 | 162 | 165 |
| Targeted Rates | | | | | | | | | | |
| Fees and Charges | | | | | | | | | | |
| Grants Recd | 13 | 6 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 |
| Developer Contributions | | | | | | | | | | |
| Total Income | 146 | 148 | 155 | 159 | 163 | 166 | 169 | 173 | 175 | 178 |
| Operating Expenditure | | | | | | | | | | |
| Operating Expenditure | 143 | 145 | 152 | 156 | 160 | 163 | 166 | 170 | 172 | 175 |
| Interest | | | | | | | | | | |
| Total Expenditure | 143 | 145 | 152 | 156 | 160 | 163 | 166 | 170 | 172 | 175 |
| Operating Surplus / deficit | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Capital Expenditure | | | | | | | | | | |
| Renewals | 3 | 3 | 3 | 3 | 3 | 3 | 4 | 4 | 4 | 4 |
| New Work | | | | | | | | | | |
| Loan repayments | | | | | | | | | | |
| Total Capital Expenditure | 3 | 3 | 3 | 3 | 3 | 3 | 4 | 4 | 4 | 4 |
| Funded By | | | | | | | | | | |
| Loans | - | - | - | - | - | - | - | - | - | - |
| Reserves Developer Contributions Depreciation | | | | | | | | | | |
| Cash from operating | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Total Funding | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |

VARIANCE FROM 2006/2016 LONG-TERM COUNCIL COMMUNITY PLAN

| | 06/07 \$' 000 | 07/08 \$' 000 | 07/08 \$' 000 |
|--|------------------|------------------|------------------|
| Income | | | |
| General Rates | 133 | 138 | 142 |
| Targeted Rates | | | - |
| Fees and Charges | | | 0 |
| Grants Recd | 13 | 13 | 6 |
| Developer Contributions | | | - |
| Total Income | 146 | 151 | 148 |
| Operating Expenditure | | | |
| Operating Expenditure | 143 | 148 | 145 |
| Interest | | | - |
| Total Expenditure | 143 | 148 | 145 |
| Operating Surplus / deficit | 3 | 3 | 3 |
| Capital Expenditure | | | |
| Renewals | 3 | 3 | 3 |
| New Work | | | - |
| Loan repayments | | | - |
| Total Capital Expenditure | 3 | 3 | 3 |
| Funded By | | | |
| Loans | - | - | - |
| Reserves Developer Contributions Depreciation | | | - |
| Cash from operating | 3 | 3 | 3 |
| Total Funding | 3 | 3 | 3 |

There is a minor change in rate requirement than that forecast in the LTCCP.

Bylaws, Litter and Parking Control Activity

Council is required to implement all Council Bylaws, the Litter Act 1956, the Traffic Regulations, and other related legislation. The Local Government Act 2002 requires that all Bylaws be revised over the next five years or they will lapse.

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

The Council currently employs two staff members to cover Bylaws, Litter and Parking in conjunction with other duties.

UPDATED 2006/2016 ACTIVITY BUDGET

| | 06/07 | 07/08 | 08/09 | 09/10 | 10/11 | 11/12 | 12/13 | 13/14 | 14/15 | 15/16 |
|------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 |
| Income | | | | | | | | | | |
| General Rates | 24 | 25 | 26 | 26 | 27 | 28 | 29 | 29 | 29 | 30 |
| Targeted Rates | | | | | | | | | | |
| Fees and Charges | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Grants Recd | | | | | | | | | | |
| Developer Contributions | | | | | | | | | | |
| Total Income | 25 | 26 | 27 | 27 | 28 | 29 | 30 | 30 | 30 | 31 |
| Operating Expenditure | | | | | | | | | | |
| Operating Expenditure | 25 | 26 | 27 | 27 | 28 | 29 | 30 | 30 | 30 | 31 |
| Interest | | | | | | | | | | |
| Total Expenditure | 25 | 26 | 27 | 27 | 28 | 29 | 30 | 30 | 30 | 31 |
| Operating Surplus / deficit | - | - | - | - | - | - | - | - | - | - |
| Capital Expenditure | | | | | | | | | | |
| Renewals | | | | | | | | | | |
| New Work | | | | | | | | | | |
| Loan repayments | | | | | | | | | | |
| Total Capital Expenditure | - | - | - | - | - | - | - | - | - | - |
| Funded By | | | | | | | | | | |
| Loans | - | - | - | - | - | - | - | - | - | - |
| Reserves Developer Contributions | | | | | | | | | | |
| Depreciation | | | | | | | | | | |
| Cash from operating | - | - | - | - | - | - | - | - | - | - |
| Total Funding | - | - | - | - | - | - | - | - | - | - |

VARIANCE FROM 2006/2016 LONG-TERM COUNCIL COMMUNITY PLAN

| | 06/07 | 07/08 | 07/08 |
|------------------------------------|-----------|-----------|-----------|
| | \$' 000 | \$' 000 | \$' 000 |
| Income | | | |
| General Rates | 24 | 25 | 25 |
| Targeted Rates | | | - |
| Fees and Charges | 1 | 1 | 1 |
| Grants Recd | | | - |
| Developer Contributions | | | - |
| Total Income | 25 | 26 | 26 |
| Operating Expenditure | | | |
| Operating Expenditure | 25 | 26 | 26 |
| Interest | | | - |
| Total Expenditure | 25 | 26 | 26 |
| Operating Surplus / deficit | - | - | - |
| Capital Expenditure | | | |
| Renewals | | | - |
| New Work | | | - |
| Loan repayments | | | - |
| Total Capital Expenditure | - | - | - |
| Funded By | | | |
| Loans | - | - | - |
| Reserves Developer Contributions | | | - |
| Depreciation | | | - |
| Cash from operating | - | - | - |
| Total Funding | - | - | - |

Land Transport Activity

Council owns and maintains the district roading network. Network maintenance is funded by rates, with a substantial part of the network also receiving financial assistance from Land Transport New Zealand (ex-Transfund) at an assistance rate of 57%. Council staff manage the roading network, with the assistance of consultants engaged through a Network Management Contract. All work is carried out through various physical works contracts. Council manages the land transport activity to provide a road and pedestrian network that allows for the safe, reliable, efficient and effective movement of people, goods, and vehicles.

A comprehensive Activity Management Plan has been written for this Activity. The roading network is maintained on an "in perpetuity" basis, and no significant capital works, such as new roads, are planned. The Council works closely with the New Zealand Police and with the Land Transport New Zealand to ensure the safe design and use of roads. The Safety Management System for our roading network includes a road safety strategy for the district which is implemented via a road safety action plan.

UPDATED 2006/2016 ACTIVITY BUDGET

| | 06/07 | 07/08 | 08/09 | 09/10 | 10/11 | 11/12 | 12/13 | 13/14 | 14/15 | 15/16 |
|------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 |
| Income | | | | | | | | | | |
| General Rates | 4,592 | 4,849 | 4,802 | 5,513 | 5,690 | 5,846 | 6,096 | 6,290 | 6,433 | 6,548 |
| Targeted Rates | 82 | 82 | 82 | 82 | 82 | 73 | 73 | 73 | 73 | 73 |
| Fees and Charges | | 107 | | | | | | | | |
| Grants Recd | 5,143 | 5,414 | 5,481 | 5,670 | 5,894 | 6,069 | 6,251 | 6,385 | 6,551 | 6,668 |
| Developer Contributions | | 43 | | | | | | | | |
| Total Income | 9,817 | 10,495 | 10,365 | 11,265 | 11,666 | 11,988 | 12,420 | 12,748 | 13,057 | 13,289 |
| Operating Expenditure | | | | | | | | | | |
| Operating Expenditure | 10,084 | 10,514 | 10,763 | 11,094 | 11,488 | 11,817 | 12,142 | 12,397 | 12,703 | 12,935 |
| Interest | 43 | 41 | 37 | 43 | 39 | 36 | 141 | 133 | 123 | 113 |
| Total Expenditure | 10,127 | 10,555 | 10,800 | 11,137 | 11,527 | 11,853 | 12,283 | 12,530 | 12,826 | 13,048 |
| Operating Surplus / deficit | (310) | (60) | (435) | 128 | 139 | 135 | 137 | 218 | 231 | 241 |
| Capital Expenditure | | | | | | | | | | |
| Renewals | 5,974 | 5,955 | 6,276 | 6,437 | 6,604 | 6,772 | 6,921 | 7,069 | 7,213 | 7,353 |
| New Work | 222 | 228 | 234 | 618 | 235 | 240 | 5,015 | 251 | 256 | 260 |
| Loan Repayments | | | | | | | | | | |
| Total Capital Expenditure | 6,196 | 6,183 | 6,510 | 7,055 | 6,839 | 7,012 | 11,936 | 7,320 | 7,469 | 7,613 |
| Funded By | | | | | | | | | | |
| Loans | | | | 128 | | | 1,573 | | | |
| Reserves Developer Contributions | | 43 | | | | | | | | |
| Depreciation | 5,974 | 5,955 | 6,276 | 6,437 | 6,604 | 6,772 | 6,921 | 7,069 | 7,213 | 7,353 |
| Grants | 138 | 139 | 145 | 415 | 153 | 156 | 3,427 | 163 | 166 | 169 |
| Cash from operating | 84 | 46 | 89 | 75 | 82 | 84 | 15 | 88 | 90 | 91 |
| Total Funding | 6,196 | 6,183 | 6,510 | 7,055 | 6,839 | 7,012 | 11,936 | 7,320 | 7,469 | 7,613 |

Land Transport Activity continued

VARIANCE FROM 2006/2016 LONG-TERM COUNCIL COMMUNITY PLAN

| | 06/07 | 07/08 | 07/08 |
|------------------------------------|---------------|----------------|---------------|
| | \$ '000 | \$ '000 | \$ '000 |
| Income | | | |
| General Rates | 4,592 | 4,059 | 4,849 |
| Targeted Rates | 82 | 82 | 82 |
| Fees and Charges | | | 107 |
| Grants Recd | 5,143 | 5,292 | 5,414 |
| Developer Contributions | | | 43 |
| Total Income | 9,817 | 9,433 | 10,495 |
| Operating Expenditure | | | |
| Operating Expenditure | 10,084 | 10,395 | 10,514 |
| Interest | 43 | 41 | 41 |
| Total Expenditure | 10,127 | 10,436 | 10,555 |
| Operating Surplus / deficit | (310) | (1,003) | (60) |
| Capital Expenditure | | | |
| Renewals | 5,974 | 6,117 | 5,955 |
| New Work | 222 | 228 | 228 |
| Loan Repayments | | | - |
| Total Capital Expenditure | 6,196 | 6,345 | 6,183 |
| Funded By | | | |
| Loans | | | - |
| Reserves Developer Contributions | | | 43 |
| Depreciation | 5,974 | 6,117 | 5,955 |
| Grants | 138 | 142 | 139 |
| Cash from operating | 84 | 86 | 46 |
| Total Funding | 6,196 | 6,345 | 6,183 |

The main variance from the LTCCP is the change in Land Transport works funding categories which has resulted in budget changes in some of the old works categories. The new categories are designed to split up the expenditure in operational, renewal and capital works. However, the overall budget is in line with the LTCCP.

The other key change is the annual depreciation charge which has increased by 6.5%.

Council is therefore underfunding depreciation by \$801,000.

At present a backlog of maintenance work exists due to the cost of required maintenance exceeding the funding available through rates. We therefore expect the road network will deteriorate over time. Council approached Land Transport NZ for one-off financial assistance to fund this deferred maintenance, which was declined.

Council is also aware of the need to -

- expand the mowing envelope to include high mowing of vegetation (impeding vision and hindering trucks and high vehicles) as this is at a stage where more proactive intervention is necessary.
- maintain the required standard of roads with existing funding available.
- provide roading on a case by case to encourage growth and help out businesses (new or existing).
- advocate with Transit for improvement in State Highway network maintenance.
- advocate for increased traffic policing hours on rural roads.
- advocate with Transit and other stakeholders to eliminate safety issues on Central Hawke's Bay roads.
- complete the Risk Management Plan.
- review the Activity Management Plan.
- develop a District Roading Programme.
- review the roading bylaws.

Solid Waste Activity

Council has adopted a policy target of zero waste going to the landfill by 2015. A new system for solid waste (refuse) collection and disposal services was introduced in the 2003/2004 year. These services include:

- Litter Collection
- Refuse Collection
- Kerbside Recycling (Waipawa and Waipukurau only)
- Recycling Centres
- Transfer Stations
- Greenwaste
- Jack Trash Bins
- Landfill
- Increased Education and Enforcement

UPDATED 2006/2016 ACTIVITY BUDGET

| | 06/07 | 07/08 | 08/09 | 09/10 | 10/11 | 11/12 | 12/13 | 13/14 | 14/15 | 15/16 |
|------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 |
| Income | | | | | | | | | | |
| General Rates | | | | | | | | | | |
| Targeted Rates | 1,303 | 1,395 | 1,317 | 1,298 | 1,297 | 1,279 | 1,279 | 1,265 | 1,257 | 1,246 |
| Fees and Charges | 454 | 477 | 546 | 592 | 638 | 684 | 730 | 776 | 822 | 868 |
| Grants Recd | | | | | | | | | | |
| Developer Contributions | | | | | | | | | | |
| Total Income | 1,757 | 1,872 | 1,863 | 1,890 | 1,935 | 1,963 | 2,009 | 2,041 | 2,079 | 2,114 |
| Operating Expenditure | | | | | | | | | | |
| Operating Expenditure | 1,507 | 1,562 | 1,581 | 1,608 | 1,652 | 1,680 | 1,726 | 1,758 | 1,785 | 1,820 |
| Interest | 121 | 119 | 123 | 112 | 100 | 87 | 75 | 61 | 62 | 45 |
| Total Expenditure | 1,628 | 1,681 | 1,704 | 1,720 | 1,752 | 1,767 | 1,801 | 1,819 | 1,847 | 1,865 |
| Operating Surplus / deficit | 129 | 191 | 159 | 170 | 183 | 196 | 208 | 222 | 232 | 249 |
| Capital Expenditure | | | | | | | | | | |
| Renewals | 44 | 123 | 26 | 28 | 36 | 25 | 41 | 33 | 47 | 42 |
| New Work | 66 | 89 | 259 | 1 | 1 | 1 | 1 | 1 | 265 | 1 |
| Loan Repayments | | | | | | | | | | |
| Total Capital Expenditure | 110 | 212 | 285 | 29 | 37 | 26 | 42 | 34 | 312 | 43 |
| Funded By | | | | | | | | | | |
| Loans | 66 | 89 | 259 | 1 | 1 | 1 | 1 | 1 | 265 | 1 |
| Reserves | | | | | | | | | | |
| Developer Contributions | | | | | | | | | | |
| Depreciation | 44 | 73 | 26 | 28 | 36 | 25 | 41 | 33 | 47 | 42 |
| Cash from operating | | 50 | | | | | | | | |
| Total Funding | 110 | 212 | 285 | 29 | 37 | 26 | 42 | 34 | 312 | 43 |

VARIANCE FROM 2006/2016 LONG-TERM COUNCIL COMMUNITY PLAN

| | 06/07 | 07/08 | 07/08* |
|------------------------------------|--------------|--------------|--------------|
| | \$' 000 | \$' 000 | \$' 000 |
| Income | | | |
| General Rates | | | - |
| Targeted Rates | 1,174 | 1,291 | 1,395 |
| Fees and Charges | 454 | 500 | 477 |
| Grants Recd | | | - |
| Developer Contributions | | | - |
| Total Income | 1,628 | 1,791 | 1,872 |
| Operating Expenditure | | | |
| Operating Expenditure | 1,507 | 1,538 | 1,562 |
| Interest | 121 | 114 | 119 |
| Total Expenditure | 1,628 | 1,652 | 1,681 |
| Operating Surplus / deficit | - | 139 | 191 |
| Capital Expenditure | | | |
| Renewals | 44 | 73 | 123 |
| New Work | 66 | 28 | 89 |
| Loan Repayments | | | - |
| Total Capital Expenditure | 110 | 101 | 212 |
| Funded By | | | |
| Loans | 66 | 28 | 89 |
| Reserves | | | - |
| Developer Contributions | | | - |
| Depreciation | 44 | 73 | 73 |
| Cash from operating | | | 50 |
| Total Funding | 110 | 101 | 212 |

The rate requirement for Solid Waste operations has increased by \$104,000 (8%). This results from allowance for compliance cost increases relating to closed landfills.

Following a decision to better utilise the remaining life of the Landfill by accepting waste from outside the district, planning has begun on implementing this strategy – and changes will be implemented during 2007/2008. It is anticipated that the capital costs incurred will not have a rating impact in the current year – but will in future reduce the unit cost to Council of disposing of its waste.

Water Supplies Activity

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

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

The quality of water supplied meets the New Zealand Drinking Water Standards 2000 at Takapau and Te Paerahi – Porangahau. Other supplies meet some of the requirements for coliform levels in the water, but not other requirements. Government has passed legislation making compliance with the Standard mandatory. This will require installation of new treatment plants at some sites. Comprehensive Activity Management Plans have been compiled for all water supplies, and assessments of water supplies were completed at the end of the 2004/2005 year, and these are being updated as required.

UPDATED 2006/2016 ACTIVITY BUDGET

| | 06/07 | 07/08 | 08/09 | 09/10 | 10/11 | 11/12 | 12/13 | 13/14 | 14/15 | 15/16 |
|------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 |
| Income | | | | | | | | | | |
| General Rates - Debt Repayment | | | | 64 | 355 | 397 | 150 | 462 | 898 | 1148 |
| Targeted Rates | 1,203 | 1,490 | 1,961 | 2,044 | 2,134 | 2,528 | 2,681 | 2,550 | 2,582 | 2,652 |
| Fees and Charges | 95 | 178 | 104 | 108 | 112 | 115 | 119 | 122 | 125 | 129 |
| Grants Recd | | | | | | | | | | |
| Developer Contributions | 65 | 24 | 72 | 78 | 88 | 102 | 122 | 150 | 192 | 255 |
| Total Income | 1,363 | 1,692 | 2,137 | 2,294 | 2,689 | 3,142 | 3,072 | 3,284 | 3,797 | 4,184 |
| Operating Expenditure | | | | | | | | | | |
| Operating Expenditure | 1,401 | 1,671 | 1,711 | 1,805 | 1,864 | 1,905 | 1,995 | 2,052 | 2,086 | 2,161 |
| Interest | 85 | 260 | 273 | 262 | 278 | 279 | 283 | 326 | 306 | 282 |
| Total Expenditure | 1,486 | 1,931 | 1,984 | 2,067 | 2,142 | 2,184 | 2,278 | 2,378 | 2,392 | 2,443 |
| Operating Surplus / deficit | (123) | (239) | 153 | 227 | 547 | 958 | 794 | 906 | 1,405 | 1,741 |
| Capital Expenditure | | | | | | | | | | |
| Renewals | 227 | 389 | 326 | 340 | 372 | 620 | 764 | 409 | 289 | 353 |
| New Work | 275 | 2,037 | 1,200 | 35 | 518 | 331 | 90 | 1,031 | 97 | 14 |
| Loan Repayments | | | | | | | | | | |
| Total Capital Expenditure | 502 | 2,426 | 1,526 | 375 | 890 | 951 | 854 | 1,440 | 386 | 367 |
| Funded By | | | | | | | | | | |
| Loans | 211 | 2,013 | 1,128 | - | 387 | 229 | - | 849 | - | - |
| Reserves Developer Contribu | 65 | 24 | 72 | 35 | 131 | 102 | 90 | 182 | 96 | 14 |
| Depreciation | 227 | 389 | 326 | 340 | 372 | 447 | 487 | 409 | 290 | 353 |
| Cash from operating | | | | | | 173 | 277 | | | |
| Total Funding | 503 | 2,426 | 1,526 | 375 | 890 | 951 | 854 | 1,440 | 386 | 367 |

Water Supplies Activity continued

VARIANCE FROM 2006/2016 LONG-TERM COUNCIL COMMUNITY PLAN

| | 06/07 | 07/08 | 07/08 |
|------------------------------------|--------------|--------------|--------------|
| | \$' 000 | \$' 000 | \$' 000 |
| Income | | | |
| General Rates - Debt Repayment | | | - |
| Targeted Rates | 1,203 | 1,773 | 1,490 |
| Fees and Charges | 95 | 99 | 178 |
| Grants Recd | | | - |
| Developer Contributions | 65 | 67 | 24 |
| Total Income | 1,363 | 1,939 | 1,692 |
| Operating Expenditure | | | |
| Operating Expenditure | 1,401 | 1,638 | 1,671 |
| Interest | 85 | 198 | 260 |
| Total Expenditure | 1,486 | 1,836 | 1,931 |
| Operating Surplus / deficit | (123) | 103 | (239) |
| Capital Expenditure | | | |
| Renewals | 227 | 290 | 389 |
| New Work | 275 | 1,670 | 2,037 |
| Loan Repayments | | | - |
| Total Capital Expenditure | 502 | 1,960 | 2,426 |
| Funded By | | | |
| Loans | 211 | 1,603 | 2,013 |
| Reserves Developer Contribu | 65 | 67 | 24 |
| Depreciation | 227 | 290 | 389 |
| Cash from operating | | | - |
| Total Funding | 503 | 1,960 | 2,426 |

There is a reduction in rate requirement for this activity – largely resulting from an increase in user pays.

The major variations from the LTCCP are:

- The supply main into Otane is being replaced, and this will provide a significant increase in the volume of water available within the township. However the original water reticulation in Otane is old and in poor condition, with corroded pipes and reduced cross sections. This causes low volume or pressure in the summer to many properties. \$100,000 has been added to the Annual Plan for the replacement of old pipes with new and larger pipes to improve the supply to affected properties.
- The State Highway 2 water main connecting to Otane requires modification with the construction of the new intersection this year. \$132,000 has been allowed for this upgrade, with the balance funded by Transit.
- It was planned to improve the water reticulation and construct a new treatment plant at Kairakau in 2008/2009. The improvements to the reticulation are being brought forward to address the lack of supply to the Te Apiti Road end of the township including the new subdivision, and to provide fire fighting capacity within the township. The water treatment upgrade is still planned for 2008/2009.
- Work started in 2006 on having new production bores drilled and duplicate pumping systems installed in Waipukurau and Waipawa to provide greater certainty of supply in the event of a pump or bore failure. The next stage is to install new treatment plants to meet the new drinking water standards, and to assess the suitability of alternative water sources for Waipukurau. The government has just introduced a technical assistance programme (TAPS) and capital assistance programme (CAPS) which can provide government funding to help improve water supplies. Council deems it prudent to delay the proposed work until an application for financial assistance has been assessed. Therefore the funding for improvements to these water supplies has been reprogrammed to include the application and assessment. Financial assistance has not been included in the Annual Plan since the funding is not certain, but any financial assistance received will reduce the cost to Council of the improvements.

Wastewater Activity

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

A resource consent for the discharge of treated effluent until 2018 is held for the Takapau treatment system. Consents – subject to Council meeting a number of strict conditions, have now been issued for Otane, Waipukurau and Waipawa. New consents for Porangahau/Te Paerahi are awaited, although funds have been provided for estimated upgrades believed to be required in Porangahau.

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

UPDATED 2006/2016 ACTIVITY BUDGET

| | 06/07 | 07/08 | 08/09 | 09/10 | 10/11 | 11/12 | 12/13 | 13/14 | 14/15 | 15/16 |
|------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 |
| Income | | | | | | | | | | |
| General Rates - Debt Repayment | | | | 129 | 720 | 806 | 305 | 938 | 1,822 | 2,331 |
| Targeted Rates | 1,028 | 1,150 | 1,919 | 2,105 | 2,248 | 2,923 | 3,930 | 4,033 | 3,475 | 3,491 |
| Fees and Charges | 125 | 131 | 135 | 142 | 148 | 155 | 162 | 169 | 177 | 184 |
| Grants Recd | | | | | | | | | | |
| Developer Contributions | 109 | 42 | 119 | 124 | 128 | 133 | 137 | 141 | 144 | 148 |
| Total Income | 1,262 | 1,323 | 2,173 | 2,500 | 3,244 | 4,017 | 4,534 | 5,281 | 5,618 | 6,154 |
| Operating Expenditure | | | | | | | | | | |
| Operating Expenditure | 1,384 | 1,300 | 1,591 | 1,715 | 1,753 | 1,798 | 2,069 | 2,117 | 2,138 | 2,228 |
| Interest | 155 | 186 | 184 | 208 | 254 | 306 | 852 | 868 | 812 | 761 |
| Total Expenditure | 1,539 | 1,486 | 1,775 | 1,923 | 2,007 | 2,104 | 2,921 | 2,985 | 2,950 | 2,989 |
| Operating Surplus / deficit | (277) | (163) | 398 | 577 | 1,237 | 1,913 | 1,613 | 2,296 | 2,668 | 3,165 |
| Capital Expenditure | | | | | | | | | | |
| Renewals | 443 | 413 | 437 | 234 | 247 | 1,173 | 513 | 349 | 201 | 572 |
| New Work | 261 | 678 | 516 | 747 | 1,127 | 1,282 | 8,282 | 1,157 | 14 | 96 |
| Loan Repayments | | | | | | | | | | |
| Total Capital Expenditure | 704 | 1,091 | 953 | 981 | 1,374 | 2,455 | 8,795 | 1,506 | 215 | 668 |
| Funded By | | | | | | | | | | |
| Loans | 152 | 636 | 397 | 623 | 999 | 1,150 | 8,146 | 1,017 | - | - |
| Reserves Developer Contributor | 109 | 42 | 119 | 124 | 127 | 134 | 137 | 141 | 14 | 96 |
| Depreciation | 443 | 413 | 437 | 234 | 247 | 710 | 512 | 348 | 201 | 572 |
| Cash from operating | | | | | | 463 | | | | |
| Total Funding | 704 | 1,091 | 953 | 981 | 1,373 | 2,457 | 8,795 | 1,506 | 215 | 668 |

Wastewater Activity continued

VARIANCE FROM 2006/2016 LONG-TERM COUNCIL COMMUNITY PLAN

| | 06/07 | 07/08 | 07/08 |
|------------------------------------|--------------|--------------|--------------|
| | \$' 000 | \$' 000 | \$' 000 |
| Income | | | |
| Gen Rates - Debt Repayment | | | - |
| Targeted Rates | 1,028 | 1,817 | 1,150 |
| Fees and Charges | 125 | 131 | 131 |
| Grants Recd | | | - |
| Developer Contributions | 109 | 114 | 42 |
| Total Income | 1,262 | 2,062 | 1,323 |
| Operating Expenditure | | | |
| Operating Expenditure | 1,384 | 1,530 | 1,300 |
| Interest | 155 | 172 | 186 |
| Total Expenditure | 1,539 | 1,702 | 1,486 |
| Operating Surplus / deficit | (277) | 360 | (163) |
| Capital Expenditure | | | |
| Renewals | 443 | 184 | 413 |
| New Work | 261 | 552 | 678 |
| Loan Repayments | | | - |
| Total Capital Expenditure | 704 | 736 | 1,091 |
| Funded By | | | |
| Loans | 152 | 438 | 636 |
| Reserves Developer Contributor | 109 | 114 | 42 |
| Depreciation | 443 | 184 | 413 |
| Cash from operating | | | - |
| Total Funding | 704 | 736 | 1,091 |

There is a reduction in the overall rate requirement for 2007/2008. This has arisen from a downward revision of the depreciation charge on the network following the triennial revaluation. (Although Council does not set aside funds into depreciation reserves, we do match renewal expenditure to depreciation and therefore depreciation does have a "cash" effect).

The long standing problem of stormwater infiltration into sewers has been emphasised with the fining of Council by the Regional Council for exceeding allowable flows from the oxidation ponds. The extra stormwater flows cause sewage overflows and increased pumping and treatment costs. To address this problem extra work is being carried out to inspect properties for illegal connections, inspection of the sewerage system, and replacement of old leaking pipes and manholes.

Improvements to wastewater treatment will continue to be investigated at Otane, Waipukurau and Waipawa.

When the resource consent renewals for Porangahau and Te Paerahi wastewater treatment plants are granted, improvement works will likely require to be carried out.

Stormwater Activity

Two main stormwater areas have been set up – Waipawa and Waipukurau. Stormwater issues in the rest of the District are usually treated as roading related issues or as private property issues. Additionally the Te Aute Drainage Scheme manages drainage for a large area of farmland.

The catchments in Waipawa consist of open watercourses and piped reticulation. They drain into the Waipawa River through either Coronation Park or the Bush Drain, or to the north to the Papanui Stream. The main areas that suffer from flooding are in Waverley Street, Watts Street, and in the Bush Drain area. The catchments in Waipukurau consist of open watercourses and piped reticulation. They drain into the Tuki Tuki River through a number of systems including the Pah Flat Stream, or to the south and east to the Mangatarata Stream system. Flooding is not a major problem, except in excessive rainfall events. The reticulation in Otane, Tikokino, OngaOnga, Takapau, Porangahau, Te Paerahi, and beach settlements consist of open drains with some piped sections, generally being roading drainage. A major project to pipe drains in Porangahau was completed in 2004/2005.

UPDATED 2006/2016 ACTIVITY BUDGET

| | 06/07 | 07/08 | 08/09 | 09/10 | 10/11 | 11/12 | 12/13 | 13/14 | 14/15 | 15/16 |
|------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 |
| Income | | | | | | | | | | |
| General Rates | | | | | | | | | | |
| Targeted Rates | 427 | 411 | 581 | 647 | 659 | 692 | 714 | 639 | 653 | 682 |
| Fees and Charges | | | | | | | | | | |
| Grants Recd | | | | | | | | | | |
| Developer Contributions | | - | | | | | | | | |
| Total Income | 427 | 411 | 581 | 647 | 659 | 692 | 714 | 639 | 653 | 682 |
| Operating Expenditure | | | | | | | | | | |
| Operating Expenditure | 355 | 308 | 384 | 419 | 434 | 448 | 463 | 470 | 476 | 499 |
| Interest | 62 | 33 | 84 | 96 | 91 | 94 | 93 | 90 | 88 | 85 |
| Total Expenditure | 417 | 341 | 468 | 515 | 525 | 542 | 556 | 560 | 564 | 584 |
| Operating Surplus / deficit | 85 | 70 | 113 | 132 | 134 | 150 | 158 | 79 | 89 | 98 |
| Capital Expenditure | | | | | | | | | | |
| Renewals | 10 | 130 | 11 | 11 | 12 | 12 | 12 | 13 | 13 | 13 |
| New Work | 85 | | 215 | 270 | 60 | 169 | 62 | 65 | 65 | 67 |
| Loan Repayments | | | | | | | | | | |
| Total Capital Expenditure | 95 | 130 | 226 | 281 | 72 | 181 | 74 | 78 | 78 | 80 |
| Funded By | | | | | | | | | | |
| Loans | 85 | | 215 | 270 | 60 | 169 | 62 | 65 | 65 | 67 |
| Reserves | | | | | | | | | | |
| Developer Contributions | | | | | | | | | | |
| Depreciation | 10 | 129 | 11 | 11 | 12 | 12 | 12 | 13 | 13 | 13 |
| Cash from operating | | 1 | | | | | | | | |
| Total Funding | 95 | 130 | 226 | 281 | 72 | 181 | 74 | 78 | 78 | 80 |

Stormwater Activity continued

VARIANCE FROM 2006/2016 LONG-TERM COUNCIL COMMUNITY PLAN

| | 06/07 \$' 000 | 07/08 \$' 000 | 07/08 \$' 000 |
|------------------------------------|------------------|------------------|------------------|
| Income | | | |
| General Rates | | | - |
| Targeted Rates | 427 | 546 | 411 |
| Fees and Charges | | | - |
| Grants Recd | | | - |
| Developer Contributions | | | - |
| Total Income | 427 | 546 | 411 |
| Operating Expenditure | | | |
| Operating Expenditure | 355 | 372 | 308 |
| Interest | 62 | 76 | 33 |
| Total Expenditure | 417 | 448 | 341 |
| Operating Surplus / deficit | 85 | 98 | 70 |
| Capital Expenditure | | | |
| Renewals | 10 | 10 | 130 |
| New Work | 85 | 183 | - |
| Loan Repayments | | | - |
| Total Capital Expenditure | 95 | 193 | 130 |
| Funded By | | | |
| Loans | 85 | 183 | - |
| Reserves | | | - |
| Developer Contributions | | | - |
| Depreciation | 10 | 10 | 129 |
| Cash from operating | | | 1 |
| Total Funding | 95 | 193 | 130 |

The reduction in the rate requirement for the Stormwater activity results from a revision of operational contract costs and adjustment to the depreciation charge forecast in the LTCCP.

Flooding problems that have become evident in the last year as well as some known flooding problems have prompted additional funding to be included in the Annual Plan to be able to address problems as they arise rather than wait another year for the planning cycle to be completed. This will improve the service provided by Council to ratepayers.

Parks, Reserves and Swimming Pools Activity

Council provides parks, reserves, swimming pools and camping grounds for the leisure use of the community. The Parks, Reserves and Pools Activity is managed by Council staff, with operations and maintenance of facilities carried out by:

- Parks and Reserves and Waipawa Swimming pool – a contractor employed through a Facilities Management Contract.
- Westpac Trust Heated Swimming Pool – CHB Community Trust
- Camping Grounds – lessees of each camping ground

Council also provide financial assistance to:

- Hawke's Bay Regional Council's Coastcare initiative.
- Purerere Landcare initiative.
- Forest and Bird for some maintenance of Lindsay Bush Reserve.
- Forest Gate Domain Committee for mowing.
- Takapau Rec Ground Committee for mowing.
- Sport Hawke's Bay for sporting and leisure promotion.

UPDATED 2006/2016 ACTIVITY BUDGET

| | 06/07 \$' 000 | 07/08 \$' 000 | 08/09 \$' 000 | 09/10 \$' 000 | 10/11 \$' 000 | 11/12 \$' 000 | 12/13 \$' 000 | 13/14 \$' 000 | 14/15 \$' 000 | 15/16 \$' 000 |
|------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Income | | | | | | | | | | |
| General Rates | 734 | 819 | 870 | 872 | 889 | 905 | 996 | 944 | 957 | 976 |
| Targeted Rates | | | | | | | | | | |
| Fees and Charges | 15 | 16 | 16 | 16 | 16 | 17 | 17 | 17 | 18 | 18 |
| Grants Recd | | | | | | | | | | |
| Developer Contributions | | 8 | | | | | | | | |
| Total Income | 749 | 843 | 886 | 888 | 905 | 922 | 1,013 | 961 | 975 | 994 |
| Operating Expenditure | | | | | | | | | | |
| Operating Expenditure | 725 | 834 | 857 | 873 | 895 | 910 | 932 | 948 | 961 | 979 |
| Interest | 3 | - | 5 | 6 | 6 | 6 | 8 | 8 | 8 | 8 |
| Total Expenditure | 728 | 834 | 862 | 879 | 901 | 916 | 940 | 956 | 969 | 987 |
| Operating Surplus / deficit | 21 | 9 | 24 | 9 | 4 | 6 | 73 | 5 | 6 | 7 |
| Capital Expenditure | | | | | | | | | | |
| Renewals | 39 | 29 | 42 | 28 | 23 | 17 | 92 | 21 | 12 | 12 |
| New Work | 41 | 8 | 22 | 17 | 6 | 12 | 6 | 6 | 6 | 6 |
| Loan Repayments | | | | | | | | | | |
| Total Capital Expenditure | 80 | 37 | 64 | 45 | 29 | 29 | 98 | 27 | 18 | 18 |
| Funded By | | | | | | | | | | |
| Loans | 41 | - | 22 | 17 | 6 | 12 | 6 | 6 | 6 | 6 |
| Reserves | | 8 | | | | | | | | |
| Developer Contributions | | | | | | | | | | |
| Depreciation | 21 | 29 | 22 | 23 | 23 | 17 | 24 | 21 | 12 | 12 |
| Cash from operating | 18 | - | 20 | 5 | | | 68 | | | |
| Total Funding | 80 | 37 | 64 | 45 | 29 | 29 | 98 | 27 | 18 | 18 |

VARIANCE FROM 2006/2016 LONG-TERM COUNCIL COMMUNITY PLAN

| | 06/07 \$' 000 | 07/08 \$' 000 | 07/08 \$' 000 |
|------------------------------------|------------------|------------------|------------------|
| Income | | | |
| General Rates | 734 | 827 | 819 |
| Targeted Rates | | | - |
| Fees and Charges | 15 | 15 | 16 |
| Grants Recd | | | - |
| Developer Contributions | | | 8 |
| Total Income | 749 | 842 | 843 |
| Operating Expenditure | | | |
| Operating Expenditure | 725 | 835 | 834 |
| Interest | 3 | 4 | - |
| Total Expenditure | 728 | 839 | 834 |
| Operating Surplus / deficit | 21 | 3 | 9 |
| Capital Expenditure | | | |
| Renewals | 39 | 20 | 29 |
| New Work | 41 | 11 | 8 |
| Loan Repayments | | | - |
| Total Capital Expenditure | 80 | 31 | 37 |
| Funded By | | | |
| Loans | 41 | 11 | - |
| Reserves | | | 8 |
| Developer Contributions | | | |
| Depreciation | 21 | 20 | 29 |
| Cash from operating | 18 | | - |
| Total Funding | 80 | 31 | 37 |

There is \$8,000 reduction in funding required from rates from that forecast in the LTCCP. This includes a revision to the expenditure required which now includes an additional \$80,000 to fund the increased energy costs of the Heated Pool and a contingency towards the Waipawa Pool. There is also renewal work required for various district reserves. These have been partly offset by a reduction in the expected facilities management contract costs.

Public Toilets Activity

Council is required by community expectation to provide public conveniences for the use of the public within the district. Council provides and maintains 24 public conveniences. Council's Facilities Management contractor maintains the majority of the public conveniences, to a good standard. Other public conveniences are maintained by Council staff or other community groups. Facilities are maintained on a regular basis as required. A refurbishment programme is now in place with the objective of upgrading five toilets each year.

UPDATED 2006/2016 ACTIVITY BUDGET

| | 06/07 | 07/08 | 08/09 | 09/10 | 10/11 | 11/12 | 12/13 | 13/14 | 14/15 | 15/16 |
|------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 |
| Income | | | | | | | | | | |
| General Rates | 165 | 174 | 166 | 175 | 167 | 173 | 182 | 185 | 191 | 203 |
| Targeted Rates | | | | | | | | | | |
| Fees and Charges | | | | | | | | | | |
| Grants Recd | | | | | | | | | | |
| Developer Contributions | | | | | | | | | | |
| Total Income | 165 | 174 | 166 | 175 | 167 | 173 | 182 | 185 | 191 | 203 |
| Operating Expenditure | | | | | | | | | | |
| Operating Expenditure | 122 | 133 | 129 | 131 | 134 | 137 | 140 | 143 | 144 | 147 |
| Interest | 3 | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Total Expenditure | 125 | 134 | 131 | 133 | 136 | 139 | 142 | 145 | 146 | 149 |
| Operating Surplus / deficit | 40 | 40 | 35 | 42 | 31 | 34 | 40 | 40 | 45 | 54 |
| Capital Expenditure | | | | | | | | | | |
| Renewals | 35 | 36 | 29 | 43 | 33 | 36 | 42 | 42 | 47 | 56 |
| New Work | 31 | - | | | | | | | | |
| Loan Repayments | | | | | | | | | | |
| Total Capital Expenditure | 66 | 36 | 29 | 43 | 33 | 36 | 42 | 42 | 47 | 56 |
| Funded By | | | | | | | | | | |
| Loans | 31 | | - | - | - | - | - | - | - | - |
| Reserves | | | | | | | | | | |
| Developer Contributions | | | | | | | | | | |
| Depreciation | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Cash from operating | 32 | 33 | 26 | 40 | 30 | 33 | 39 | 39 | 44 | 53 |
| Total Funding | 66 | 36 | 29 | 43 | 33 | 36 | 42 | 42 | 47 | 56 |

VARIANCE FROM 2006/2016 LONG-TERM COUNCIL COMMUNITY PLAN

| | 06/07 | 07/08 | 07/08 |
|------------------------------------|------------|------------|------------|
| | \$' 000 | \$' 000 | \$' 000 |
| Income | | | |
| General Rates | 165 | 168 | 174 |
| Targeted Rates | | | - |
| Fees and Charges | | | - |
| Grants Recd | | | - |
| Developer Contributions | | | - |
| Total Income | 165 | 168 | 174 |
| Operating Expenditure | | | |
| Operating Expenditure | 122 | 125 | 133 |
| Interest | 3 | 3 | 1 |
| Total Expenditure | 125 | 128 | 134 |
| Operating Surplus / deficit | 40 | 40 | 40 |
| Capital Expenditure | | | |
| Renewals | 35 | 35 | 36 |
| New Work | 31 | - | - |
| Loan Repayments | | | - |
| Total Capital Expenditure | 66 | 35 | 36 |
| Funded By | | | |
| Loans | 31 | - | - |
| Reserves | | | |
| Developer Contributions | | | - |
| Depreciation | 3 | 3 | 3 |
| Cash from operating | 32 | 32 | 33 |
| Total Funding | 66 | 35 | 36 |

There is an additional \$6,000 (3%) rating requirement from that forecast in the LTCCP.

The Waipukurau Portaloos destroyed in 2006, was the subject of an insurance claim and has since been replaced.

Retirement Housing Activity

Council provides rental accommodation for older persons. Council owns 48 flats. The flats are managed on a self-funding basis with rental income covering all costs.

The Retirement Housing Activity runs smoothly. Requests about the flats are received and actioned by Council staff. Council staff manage the maintenance and refurbishment of the flats. Council's Facilities Management contractor maintains the grounds to a generally good standard.

UPDATED 2006/2016 ACTIVITY BUDGET

| | 06/07 \$' 000 | 07/08 \$' 000 | 08/09 \$' 000 | 09/10 \$' 000 | 10/11 \$' 000 | 11/12 \$' 000 | 12/13 \$' 000 | 13/14 \$' 000 | 14/15 \$' 000 | 15/16 \$' 000 |
|------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Income | | | | | | | | | | |
| General Rates | 8 | - | 20 | 20 | 22 | 17 | 20 | 21 | 22 | 25 |
| Targeted Rates | | | | | | | | | | |
| Fees and Charges | 160 | 179 | 170 | 175 | 179 | 184 | 188 | 192 | 196 | 199 |
| Grants Recd | | | | | | | | | | |
| Developer Contributions | | | | | | | | | | |
| Total Income | 168 | 179 | 190 | 195 | 201 | 201 | 208 | 213 | 218 | 224 |
| Operating Expenditure | | | | | | | | | | |
| Operating Expenditure | 161 | 135 | 179 | 182 | 186 | 189 | 193 | 196 | 199 | 202 |
| Interest | 3 | 1 | 5 | 6 | 6 | 7 | 9 | 10 | 11 | 11 |
| Total Expenditure | 164 | 136 | 184 | 188 | 192 | 196 | 202 | 206 | 210 | 213 |
| Operating Surplus / deficit | 4 | 43 | 6 | 7 | 9 | 5 | 6 | 7 | 8 | 11 |
| Capital Expenditure | | | | | | | | | | |
| Renewals | 21 | 43 | 22 | 22 | 23 | 24 | 24 | 24 | 25 | 25 |
| New Work | 17 | 18 | 18 | 19 | 19 | 20 | 20 | 20 | 21 | 21 |
| Loan Repayments | | | | | | | | | | |
| Total Capital Expenditure | 38 | 61 | 40 | 41 | 42 | 44 | 44 | 44 | 46 | 46 |
| Funded By | | | | | | | | | | |
| Loans | 17 | | 18 | 19 | 19 | 20 | 20 | 20 | 21 | 21 |
| Reserves | | | | | | | | | | |
| Developer Contributions | | | | | | | | | | |
| Depreciation | 21 | 22 | 22 | 22 | 23 | 24 | 24 | 24 | 25 | 25 |
| Cash from operating | | 39 | | | | | | | | |
| Total Funding | 38 | 61 | 40 | 41 | 42 | 44 | 44 | 44 | 46 | 46 |

VARIANCE FROM 2006/2016 LONG-TERM COUNCIL COMMUNITY PLAN

| | 06/07 \$' 000 | 07/08 \$' 000 | 07/08 \$' 000 |
|------------------------------------|------------------|------------------|------------------|
| Income | | | |
| General Rates | 8 | 18 | - |
| Targeted Rates | | | - |
| Fees and Charges | 160 | 165 | 179 |
| Grants Recd | | | - |
| Developer Contributions | | | - |
| Total Income | 168 | 183 | 179 |
| Operating Expenditure | | | |
| Operating Expenditure | 161 | 174 | 135 |
| Interest | 3 | 4 | 1 |
| Total Expenditure | 164 | 178 | 136 |
| Operating Surplus / deficit | 4 | 5 | 43 |
| Capital Expenditure | | | |
| Renewals | 21 | 21 | 43 |
| New Work | 17 | 18 | 18 |
| Loan Repayments | | | - |
| Total Capital Expenditure | 38 | 39 | 61 |
| Funded By | | | |
| Loans | 17 | 18 | - |
| Reserves | | | - |
| Developer Contributions | | | - |
| Depreciation | 21 | 21 | 22 |
| Cash from operating | | | 39 |
| Total Funding | 38 | 39 | 61 |

Fees have been adjusted to a level which meets operational (including refurbishment) costs – which is consistent with Council's funding policy. However there is a backlog of maintenance required to upgrade and modernise Council's Retirement Housing stock and Council is seeking assistance from Housing New Zealand to help fund this.

Libraries Activity

Council provides library services through library buildings at Waipukurau and Waipawa. Services provided include books, audio tapes and videos for information and loan, access to the internet, access to other libraries resources throughout New Zealand, and photocopying. Programmes are also run to encourage and assist the acquisition and spread of knowledge and culture and stimulate artistic, intellectual and imaginative activity.

Council owns the Waipukurau Library building and leases the Waipawa Library building. Council staff run both libraries, and funding is derived from rates, rental of books, tapes and videos, grants from various sources, and fund raising organised by library staff.

UPDATED 2006/2016 ACTIVITY BUDGET

| | 06/07 | 07/08 | 08/09 | 09/10 | 10/11 | 11/12 | 12/13 | 13/14 | 14/15 | 15/16 |
|------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 |
| Income | | | | | | | | | | |
| General Rates | 309 | 392 | 325 | 332 | 344 | 352 | 366 | 379 | 395 | 416 |
| Targeted Rates | | | | | | | | | | |
| Fees and Charges | 31 | 35 | 33 | 34 | 34 | 35 | 36 | 37 | 38 | 38 |
| Grants Recd | 6 | 5 | 6 | 6 | 6 | 7 | 7 | 7 | 7 | 7 |
| Developer Contributions | | | | | | | | | | |
| Total Income | 346 | 432 | 364 | 372 | 384 | 394 | 409 | 423 | 440 | 461 |
| Operating Expenditure | | | | | | | | | | |
| Operating Expenditure | 346 | 373 | 364 | 372 | 384 | 394 | 409 | 423 | 440 | 461 |
| Interest | | | | | | | | | | |
| Total Expenditure | 346 | 373 | 364 | 372 | 384 | 394 | 409 | 423 | 440 | 461 |
| Operating Surplus / deficit | - | 59 | - | - | - | - | - | - | - | - |
| Capital Expenditure | | | | | | | | | | |
| Renewals | 10 | 75 | 11 | 11 | 11 | 12 | 12 | 12 | 12 | 13 |
| New Work | | | | | | | | | | |
| Loan Repayments | | | | | | | | | | |
| Total Capital Expenditure | 10 | 75 | 11 | 11 | 11 | 12 | 12 | 12 | 12 | 13 |
| Funded By | | | | | | | | | | |
| Loans | - | - | - | - | - | - | - | - | - | - |
| Reserves | | | | | | | | | | |
| Developer Contributions | | | | | | | | | | |
| Depreciation | 10 | 16 | 11 | 11 | 11 | 12 | 12 | 12 | 12 | 13 |
| Cash from operating | | 59 | | | | | | | | |
| Total Funding | 10 | 75 | 11 | 11 | 11 | 12 | 12 | 12 | 12 | 13 |

VARIANCE FROM 2006/2016 LONG-TERM COUNCIL COMMUNITY PLAN

| | 06/07 | 07/08 | 07/08 |
|------------------------------------|------------|------------|------------|
| | \$' 000 | \$' 000 | \$' 000 |
| Income | | | |
| General Rates | 309 | 316 | 392 |
| Targeted Rates | | | - |
| Fees and Charges | 31 | 32 | 35 |
| Grants Recd | 6 | 6 | 5 |
| Developer Contributions | | | - |
| Total Income | 346 | 354 | 432 |
| Operating Expenditure | | | |
| Operating Expenditure | 346 | 354 | 373 |
| Interest | | | - |
| Total Expenditure | 346 | 354 | 373 |
| Operating Surplus / deficit | - | - | 59 |
| Capital Expenditure | | | |
| Renewals | 10 | 10 | 75 |
| New Work | | | - |
| Loan Repayments | | | - |
| Total Capital Expenditure | 10 | 10 | 75 |
| Funded By | | | |
| Loans | - | - | - |
| Reserves | | | |
| Developer Contributions | | | - |
| Depreciation | 10 | 10 | 16 |
| Cash from operating | | | 59 |
| Total Funding | 10 | 10 | 75 |

Library service costs have increased 25% against the LTCCP forecasts. A benchmarking of our libraries has been made against library services offered by similar sized districts. Our library services compare very favourably – with the exception of issues – where Central Hawke's Bay libraries exceed other districts reflecting the community demand for our library services.

Theatre and Halls Activity

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

Halls managed directly by Council: Waipawa Town Hall and the Porangahau Hall.

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

Community Halls managed by Hall Committees: Otane, Tikokino, Argyll, OngaOnga, Takapau, Otawahao, Elsthorpe, Wallingford and the Waipukurau Memorial Hall.

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

UPDATED 2006/2016 ACTIVITY BUDGET

| | 06/07 | 07/08 | 08/09 | 09/10 | 10/11 | 11/12 | 12/13 | 13/14 | 14/15 | 15/16 |
|------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 |
| Income | | | | | | | | | | |
| General Rates | 394 | 434 | 445 | 407 | 424 | 480 | 500 | 452 | 462 | 473 |
| Targeted Rates | | | | | | | | | | |
| Fees and Charges | 9 | 4 | 10 | 10 | 10 | 10 | 11 | 11 | 11 | 11 |
| Grants Recd | | | | | | | | | | |
| Developer Contributions | | | | | | | | | | |
| Total Income | 403 | 438 | 455 | 417 | 434 | 490 | 511 | 463 | 473 | 484 |
| Operating Expenditure | | | | | | | | | | |
| Operating Expenditure | 381 | 368 | 390 | 397 | 407 | 414 | 424 | 431 | 437 | 445 |
| Interest | 6 | 1 | 9 | 10 | 14 | 15 | 18 | 19 | 20 | 21 |
| Total Expenditure | 387 | 369 | 399 | 407 | 421 | 429 | 442 | 450 | 457 | 466 |
| Operating Surplus / deficit | 16 | 69 | 56 | 10 | 13 | 61 | 69 | 13 | 16 | 18 |
| Capital Expenditure | | | | | | | | | | |
| Renewals | 89 | 140 | 130 | 83 | 80 | 139 | 148 | 84 | 85 | 93 |
| New Work | 61 | | 27 | 28 | 57 | 29 | 29 | 30 | 30 | 31 |
| Loan Repayments | | | | | | | | | | |
| Total Capital Expenditure | 150 | 140 | 157 | 111 | 137 | 168 | 177 | 114 | 115 | 124 |
| Funded By | | | | | | | | | | |
| Loans | 61 | | 27 | 28 | 57 | 29 | 29 | 30 | 30 | 31 |
| Reserves | | | | | | | | | | |
| Developer Contributions | | | | | | | | | | |
| Depreciation | 78 | 74 | 82 | 83 | 80 | 88 | 90 | 84 | 85 | 93 |
| Cash from operating | 11 | 66 | 48 | | | 51 | 58 | | | |
| Total Funding | 150 | 140 | 157 | 111 | 137 | 168 | 177 | 114 | 115 | 124 |

VARIANCE FROM 2006/2016 LONG-TERM COUNCIL COMMUNITY PLAN

| | 06/07 | 07/08 | 07/08 |
|------------------------------------|------------|------------|------------|
| | \$' 000 | \$' 000 | \$' 000 |
| Income | | | |
| General Rates | 394 | 395 | 434 |
| Targeted Rates | | | - |
| Fees and Charges | 9 | 9 | 4 |
| Grants Recd | | | - |
| Developer Contributions | | | - |
| Total Income | 403 | 404 | 438 |
| Operating Expenditure | | | |
| Operating Expenditure | 381 | 390 | 368 |
| Interest | 6 | 7 | 1 |
| Total Expenditure | 387 | 397 | 369 |
| Operating Surplus / deficit | 16 | 7 | 69 |
| Capital Expenditure | | | |
| Renewals | 89 | 73 | 140 |
| New Work | 61 | 26 | - |
| Loan Repayments | | | - |
| Total Capital Expenditure | 150 | 99 | 140 |
| Funded By | | | |
| Loans | 61 | 26 | - |
| Reserves | | | |
| Developer Contributions | | | |
| Depreciation | 78 | 73 | 74 |
| Cash from operating | 11 | | 66 |
| Total Funding | 150 | 99 | 140 |

There is an increase of \$39,000 (10%) against the LTCCP forecast rate requirement. The increase reflects the increased maintenance costs of community halls, the CHB Settlers Museum and Waipawa Town Hall. For this reason district halls were separately considered in the Annual Plan for either disposal or to source outside funding to assist on going maintenance or upgrading.

Council received submissions from the community and has decided to review the ongoing use of two halls and will divest itself of a further two to community groups.

Cemeteries Activity

Council is required by community expectation and by the Health Act 1956 to provide burial and memorial facilities for the district's communities. Council provides and maintains ten operational cemeteries and four closed cemeteries. Requests for use of the cemeteries are received and actioned by council staff. Council's Facilities Management contractor actions those requests as necessary, and maintains the cemeteries to a generally good standard. The district is running out of cemetery space at a number of cemeteries, and provision needs to be made to create more cemetery space.

UPDATED 2006/2016 ACTIVITY BUDGET

| | 06/07 | 07/08 | 08/09 | 09/10 | 10/11 | 11/12 | 12/13 | 13/14 | 14/15 | 15/16 |
|------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 | \$' 000 |
| Income | | | | | | | | | | |
| General Rates | 136 | 129 | 181 | 182 | 188 | 192 | 203 | 206 | 209 | 215 |
| Targeted Rates | | | | | | | | | | |
| Fees and Charges | 27 | 27 | 29 | 30 | 31 | 31 | 32 | 32 | 33 | 34 |
| Grants Recd | | | | | | | | | | |
| Developer Contributions | | | | | | | | | | |
| Total Income | 163 | 156 | 210 | 212 | 219 | 223 | 235 | 238 | 242 | 249 |
| Operating Expenditure | | | | | | | | | | |
| Operating Expenditure | 135 | 126 | 176 | 179 | 184 | 187 | 192 | 195 | 198 | 201 |
| Interest | 12 | 16 | 18 | 19 | 19 | 20 | 22 | 22 | 22 | 22 |
| Total Expenditure | 147 | 142 | 194 | 198 | 203 | 207 | 214 | 217 | 220 | 223 |
| Operating Surplus / deficit | 16 | 14 | 16 | 14 | 16 | 16 | 21 | 21 | 22 | 26 |
| Capital Expenditure | | | | | | | | | | |
| Renewals | 9 | 8 | 6 | 3 | 3 | 2 | 7 | 5 | 4 | 6 |
| New Work | 173 | 199 | 59 | 16 | 16 | 17 | 17 | 17 | 18 | 18 |
| Loan Repayments | | | | | | | | | | |
| Total Capital Expenditure | 182 | 207 | 65 | 19 | 19 | 19 | 24 | 22 | 22 | 24 |
| Funded By | | | | | | | | | | |
| Loans | 173 | 199 | 59 | 16 | 16 | 17 | 17 | 17 | 18 | 18 |
| Reserves Developer Contributions | | | | | | | | | | |
| Depreciation | | | | | | | | | | |
| Cash from operating | 9 | 8 | 6 | 3 | 3 | 2 | 7 | 5 | 4 | 6 |
| Total Funding | 182 | 207 | 65 | 19 | 19 | 19 | 24 | 22 | 22 | 24 |

VARIANCE FROM 2006/2016 LONG-TERM COUNCIL COMMUNITY PLAN

| | 06/07 | 07/08 | 07/08 |
|------------------------------------|------------|------------|------------|
| | \$' 000 | \$' 000 | \$' 000 |
| Income | | | |
| General Rates | 136 | 167 | 129 |
| Targeted Rates | | | - |
| Fees and Charges | 27 | 28 | 27 |
| Grants Recd | | | - |
| Developer Contributions | | | - |
| Total Income | 163 | 195 | 156 |
| Operating Expenditure | | | |
| Operating Expenditure | 135 | 171 | 126 |
| Interest | 12 | 14 | 16 |
| Total Expenditure | 147 | 185 | 142 |
| Operating Surplus / deficit | 16 | 10 | 14 |
| Capital Expenditure | | | |
| Renewals | 9 | 2 | 8 |
| New Work | 173 | 26 | 199 |
| Loan Repayments | | | - |
| Total Capital Expenditure | 182 | 28 | 207 |
| Funded By | | | |
| Loans | 173 | 26 | 199 |
| Reserves Developer Contributions | | | - |
| Depreciation | | | - |
| Cash from operating | 9 | 2 | 8 |
| Total Funding | 182 | 28 | 207 |

Rate requirements have been able to be decreased by 23% against the LTCCP expectations through a reduction in interest costs associated with delays in cemetery land acquisitions. In 2007/08 Council will acquire land to extend the Waipawa Cemetery as a District Cemetery, no further berms will be added at the Otane Cemetery. The life of the Waipukurau Cemetery has been extended in the short term following a ground radar search.

Property and Buildings Activity

The Properties and Buildings Activity provides and manages a number of properties used in the delivery of services to the community. Council owns a number of properties and buildings that are used to provide services to the public, but that do not fit into a specific Activity grouping. These are owned for historic, cultural or administrative reasons. These properties are:

- War memorials at OngaOnga, Takapau, Otane, Waipawa and Waipukurau
- CHB Settlers Museum and Onga Onga Museum
- Administration Building in Waipawa
- CHB Community Rooms in Hunter Park Waipukurau
- Takapau Plunket Rooms
- Otane Library Building
- Miscellaneous sections

UPDATED 2006/2016 ACTIVITY BUDGET

| | 06/07 \$' 000 | 07/08 \$' 000 | 08/09 \$' 000 | 09/10 \$' 000 | 10/11 \$' 000 | 11/12 \$' 000 | 12/13 \$' 000 | 13/14 \$' 000 | 14/15 \$' 000 | 15/16 \$' 000 |
|------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Income | | | | | | | | | | |
| General Rates | 234 | 321 | 212 | 201 | 200 | 228 | 279 | 260 | 256 | 236 |
| Targeted Rates | | | | | | | | | | |
| Fees and Charges | 3 | 3 | 3 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Grants Recd | | | | | | | | | | |
| Developer Contributions | | | | | | | | | | |
| Total Income | 237 | 324 | 215 | 205 | 204 | 232 | 283 | 264 | 260 | 240 |
| Operating Expenditure | | | | | | | | | | |
| Operating Expenditure | 164 | 227 | 173 | 176 | 180 | 184 | 188 | 191 | 194 | 197 |
| Interest | | | | | | | | | | |
| Total Expenditure | 164 | 227 | 173 | 176 | 180 | 184 | 188 | 191 | 194 | 197 |
| Operating Surplus / deficit | 73 | 97 | 42 | 29 | 24 | 48 | 95 | 73 | 66 | 43 |
| Capital Expenditure | | | | | | | | | | |
| Renewals | 82 | 105 | 52 | 34 | 35 | 59 | 107 | 85 | 78 | 55 |
| New Work | | | | | | | | | | |
| Loan Repayments | | | | | | | | | | |
| Total Capital Expenditure | 82 | 105 | 52 | 34 | 35 | 59 | 107 | 85 | 78 | 55 |
| Funded By | | | | | | | | | | |
| Loans | - | - | - | - | - | - | - | - | - | - |
| Reserves | | | | | | | | | | |
| Developer Contributions | | | | | | | | | | |
| Depreciation | 9 | 8 | 10 | 10 | 11 | 11 | 12 | 12 | 12 | 12 |
| Cash from operating | 73 | 97 | 42 | 24 | 24 | 48 | 95 | 73 | 66 | 43 |
| Total Funding | 82 | 105 | 52 | 34 | 35 | 59 | 107 | 85 | 78 | 55 |

VARIANCE FROM 2006/2016 LONG-TERM COUNCIL COMMUNITY PLAN

| | 06/07 \$' 000 | 07/08 \$' 000 | 07/08 \$' 000 |
|------------------------------------|------------------|------------------|------------------|
| Income | | | |
| General Rates | 234 | 197 | 321 |
| Targeted Rates | | | - |
| Fees and Charges | 3 | 3 | 3 |
| Grants Recd | | | - |
| Developer Contributions | | | - |
| Total Income | 237 | 200 | 324 |
| Operating Expenditure | | | |
| Operating Expenditure | 164 | 168 | 227 |
| Interest | | | - |
| Total Expenditure | 164 | 168 | 227 |
| Operating Surplus / deficit | 73 | 32 | 97 |
| Capital Expenditure | | | |
| Renewals | 82 | 42 | 105 |
| New Work | | | - |
| Loan Repayments | | | - |
| Total Capital Expenditure | 82 | 42 | 105 |
| Funded By | | | |
| Loans | - | - | - |
| Reserves | | | |
| Developer Contributions | | | |
| Depreciation | 9 | 10 | 8 |
| Cash from operating | 73 | 32 | 97 |
| Total Funding | 82 | 42 | 105 |

There is a significant \$124,000 (60%) increase in rate requirements against that earlier included in the LTCCP. The Plan has allowed for additional maintenance reviews to be completed to assess the future maintenance requirements of Council owned property, and a one off cost to reroof the Council chamber.