

What is it?

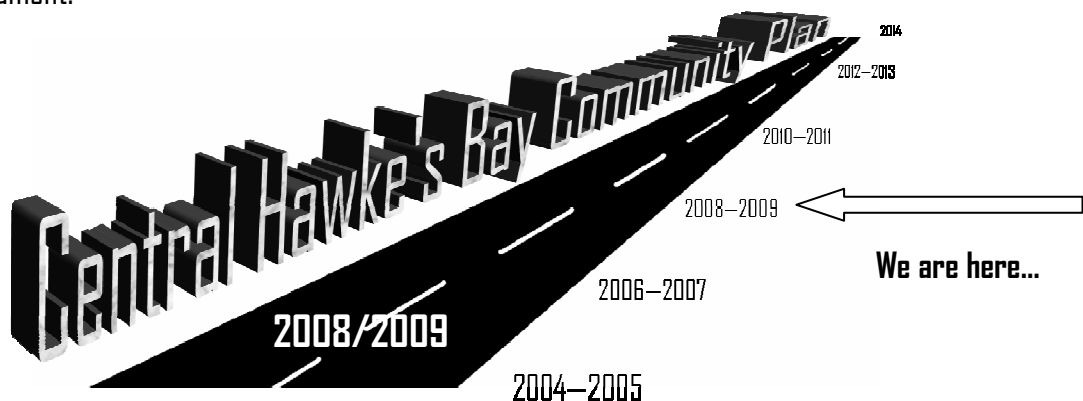
The Annual Plan is Council's Plan for the up-coming year (1 July 2008 to 30 June 2009). The Council publishes an Annual Plan each year, which sets out what the Council plans to spend money on, and how it proposes to fund these projects. The Annual Plan is the Council's contract with ratepayers to provide services for Central Hawke's Bay residents in the coming year. The Annual Plan process provides residents with an opportunity to have a say in where the money should come from and how the money should be spent.

How does it affect you?

You may be interested in any projects that Council has planned for the coming year, how those projects are likely to be funded, and the effect this has on your rates. Council's total rates revenue is up **8.8%** on last year.

How the Annual Plan relates to other documents

The Annual Plan must be read in tandem with the *Central Hawke's Bay Community Plan 2006/2016* (our Long-Term Council Community Plan). The Annual Plan is merely a component of this overarching strategic planning document.



The Long Term Council Community Plan (LTCCP) is our roadmap for the District for the next ten years (in this case from 2006 to 2016). In the LTCCP the community identifies its vision of where it wants to be. The Council's role is to articulate that vision, measure our progress and demonstrate what we are doing to realise that vision.

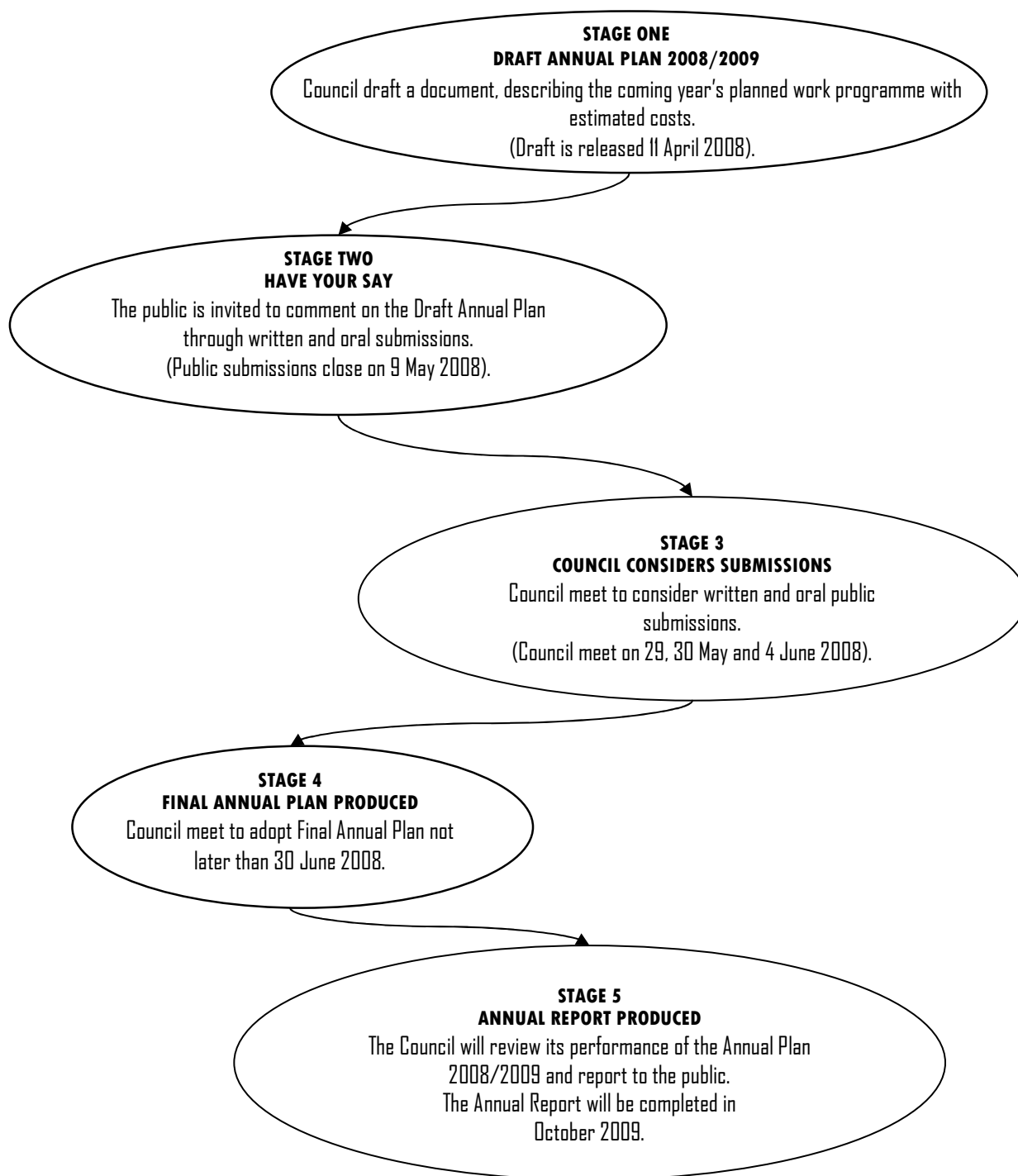
The purpose of the LTCCP is to ensure that Council's services are sustainable and affordable over time. Each year the Annual Plan is prepared based on information contained in the LTCCP, and any other relevant information available. The LTCCP can be viewed on Council's website www.chbdc.govt.nz.

Each year, in November, the Council publishes the *Annual Report* that determines whether or not the Council has achieved what it had proposed in the previous year's Annual Plan and the LTCCP.

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The Annual Plan Process



Message from the Mayor



2008 and our new Council working within a new structure is holding to promises of fiscal prudence as we work on our 2008/2009 Annual Plan. In doing so, our focus and consideration is on the Long Term Council Community Plan under review for 2009/2019.

Working within portfolios, Councillors have a greater understanding of the activities within their portfolios, the budgets aligned to them and how current and future projects are affected by them.

Although we do not appear to have many key issues, looking forward and of great importance are our water and wastewater upgrades. To work towards meeting legislated requirements and achieving consent conditions before their due dates, negotiating and resolving positively some outstanding issues and completing project works are all much of our workload for 2008/2009.

We are all conscious of the affect of the drought and the impact on our community and we continue to seek funding assistance for our retirement housing, roading network and infrastructure costs. Roading as a large portion of our expenditure with increased associated costs of 20% for the cost of Bitumen for example, gives a good indication of the impact this has when setting rates.

Whilst it is tempting to consider the reduction of our levels of service to reduce rates, it is important we do not do so to the detriment and expense of our assets. It is not the intention of Council to delay inevitable and required repairs and maintenance so as these become a burden, often at a greater cost, for future rate takes.

I am grateful for the feedback supplied through the survey undertaken by Council and as a new Mayor your participation in the annual plan.

Your contribution towards this annual plan has provided guidance to us for the future of our community and I am confident the good relationship between Council and staff will bring positive results.

A handwritten signature in cursive script that reads "Trish Giddens". The ink is dark and the signature is written in a fluid, personal style.

Trish Giddens
Mayor

Elected Council Members

MAYOR

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

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Chief Executive's Report



The 2008/2009 Plan is part of the 2006/2016 Community Plan adopted by Council two years ago, and due for review in 2009.

The Community Plan is important as a planning document for Council as it provides a linkage between Levels of Service, Community Outcomes and operational and capital expenditure, and the funding required through user pays, loans and rates.

Each Annual Plan produced annually between the three yearly Community Plan reviews, largely explains any variance between the forecast information in the Community Plan and the information in the Annual Plan.

Since 2006 considerable resource has been applied to updating asset information through CCTV'ing of networks, infiltration studies, flow monitoring and condition assessment to better plan maintenance and upgrades.

This will continue ahead of planned significant water and waste water upgrades to meet legislated water standards and waste water consent requirements.

Unfortunately Council continues to be faced with inflation pressures in excess of the CPI, as well as the costs of central government legislative compliance. In spite of a continual focus on expenditure and efficiencies, it is not possible to absorb cost increases without changes in Levels of Service which are therefore continually under review. Our biggest cost remains Roading, for which we receive a 57% subsidy. In total, infrastructure operations (including Roading) absorb 76% of rate funding.

The rate rise forecast in this Annual Plan is 8.8% - a slight reduction in the 9% rise forecast in the Community Plan.

Last year saw the election of a new Council and Mayor. I look forward to continuing to work with elected members and would like to thank Council and staff for their efforts and the challenges of the review of Community Plan which is currently underway.

A handwritten signature in black ink, appearing to read 'John Freeman', with a long, sweeping tail.

John Freeman
Chief Executive

Management Structure

