

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 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

	Annual Plan 07/08 \$ '000	Annual Plan 08/09 \$ '000	LTCCP 08/09 \$ '000	LTCCP 09/10 \$ '000	LTCCP 10/11 \$ '000	LTCCP 11/12 \$ '000	LTCCP 12/13 \$ '000	LTCCP 13/14 \$ '000	LTCCP 14/15 \$ '000	LTCCP 15/16 \$ '000
Income										
General Rates	4849	5,377	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	114								
Grants Recd	5414	6,177	5,481	5,670	5,894	6,069	6,251	6,385	6,551	6,668
Developer Contributions	43	145								
Total Income	10495	11,895	10,365	11,265	11,666	11,988	12,420	12,748	13,057	13,289
Operating Expenditure										
Operating Expenditure	10514	11,334	10,763	11,094	11,488	11,817	12,142	12,397	12,703	12,935
Interest	41	37	37	43	39	36	141	133	123	113
Total Expenditure	10555	11,371	10,800	11,137	11,527	11,853	12,283	12,530	12,826	13,048
Operating Surplus / deficit	-60	524	(435)	128	139	135	137	218	231	241
Capital Expenditure										
Renewals	5955	6,671	6,276	6,437	6,604	6,772	6,921	7,069	7,213	7,353
New Work	228	679	234	618	235	240	5,015	251	256	260
Loan Repayments										
Total Capital Expenditure	6183	7,350	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	145								
Depreciation	5955	6,671	6,276	6,437	6,604	6,772	6,921	7,069	7,213	7,353
Grants	139	462	145	415	153	156	3,427	163	166	169
Cash from operating	46	72	89	75	82	84	15	88	90	91
Total Funding	6,183	7,350	6,510	7,055	6,839	7,012	11,936	7,320	7,469	7,613

VARIANCE FROM 2006/2016 LONG-TERM COUNCIL COMMUNITY PLAN

	LTCCP 07/08 \$ '000	LTCCP 08/09 \$ '000	Revised 08/09 \$ '000
Income			
General Rates	4,059	4,802	5,377
Targeted Rates	82	82	82
Fees and Charges			114
Grants Recd	5,292	5,481	6,177
Developer Contributions			145
Total Income	9,433	10,365	11,895
Operating Expenditure			
Operating Expenditure	10,395	10,763	11,334
Interest	41	37	37
Total Expenditure	10,436	10,800	11,371
Operating Surplus / deficit	(1,003)	(435)	524
Capital Expenditure			
Renewals	6,117	6,276	6,671
New Work	228	234	679
Loan Repayments			
Total Capital Expenditure	6,345	6,510	7,350
Funded By			
Loans			
Reserves Developer Contributions			145
Depreciation	6,117	6,276	6,671
Grants	142	462	462
Cash from operating	86	89	72
Total Funding	6,345	6,510	7,350

The forecast LTCCP rate requirement was reduced by the full underfunding of \$569k projected in the LTCCP – therefore the actual increase in rate funding is less than 1%.

Planned expenditure is 5% higher than forecast.

Unfortunately the significant inflation increases in roading inputs (the bitumen price index increase from December 2006 to December 2007 was 20%) has not lead to an increase in the physical work carried out.

Council is currently underfunding the depreciation of the Roading network by \$935k.

Land Transport New Zealand have indicated no change to the funding formula in the current year.

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

UPDATED 2006/2016 ACTIVITY BUDGET

	Annual Plan 07/08 \$' 000	Annual Plan 08/09 \$' 000	LTCCP 08/09 \$' 000	LTCCP 09/10 \$' 000	LTCCP 10/11 \$' 000	LTCCP 11/12 \$' 000	LTCCP 12/13 \$' 000	LTCCP 13/14 \$' 000	LTCCP 14/15 \$' 000	LTCCP 15/16 \$' 000
Income										
General Rates										
Targeted Rates	1395	1,699	1,317	1,298	1,297	1,279	1,279	1,265	1,257	1,246
Fees and Charges	477	495	546	592	638	684	730	776	822	868
Grants Recd										
Developer Contributions										
Total Income	1872	2194	1,863	1,890	1,935	1,963	2,009	2,041	2,079	2,114
Operating Expenditure										
Operating Expenditure	1562	1,925	1,581	1,608	1,652	1,680	1,726	1,758	1,785	1,820
Interest	119	117	123	112	100	87	75	61	62	45
Total Expenditure	1681	2042	1,704	1,720	1,752	1,767	1,801	1,819	1,847	1,865
Operating Surplus / deficit	191	152	159	170	183	196	208	222	232	249
Capital Expenditure										
Renewals	123	70	26	28	36	25	41	33	47	42
New Work	89	285	259	1	1	1	1	1	265	1
Loan Repayments										
Total Capital Expenditure	212	355	285	29	37	26	42	34	312	43
Funded By										
Loans	89	285	259	1	1	1	1	1	265	1
Reserves										
Developer Contributions	0									
Depreciation	73	70	26	28	36	25	41	33	47	42
Cash from operating	50									
Total Funding	212	355	285	29	37	26	42	34	312	43

VARIANCE FROM 2006/2016 LONG-TERM COUNCIL COMMUNITY PLAN

	LTCCP 07/08 \$' 000	LTCCP 08/09 \$' 000	Revised 08/09 \$' 000
Income			
General Rates			-
Targeted Rates	1,291	1,317	1,699
Fees and Charges	500	546	495
Grants Recd			-
Developer Contributions			-
Total Income	1,791	1,863	2,194
Operating Expenditure			
Operating Expenditure	1,538	1,581	1,925
Interest	114	123	117
Total Expenditure	1,652	1,704	2,042
Operating Surplus / deficit	139	159	152
Capital Expenditure			
Renewals	73	26	70
New Work	28	259	285
Loan Repayments			-
Total Capital Expenditure	101	285	355
Funded By			
Loans	28	259	285
Reserves			
Developer Contributions			-
Depreciation	73	26	70
Cash from operating			-
Total Funding	101	285	355

The rate requirement for Solid Waste operations has increased by \$382,000 (29%).

These increases result primarily from anticipated increased contract costs and provision for projected waste minimisation levies. These costs are largely unavoidable under the current levels of service and operations.

Council is therefore currently reviewing its solid waste activity and will take into account information received from the recent survey when reviewing the 2009/2019 Community Plan.

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, Purerere and Kairakau. Water is also supplied to the Purerere Camping Ground and Purerere toilet block.

The quality of water supplied fully meets the New Zealand Drinking Water Standards 2005 at Takapau and Te Paerahi – Porangahau. Other supplies meet most of the requirements, but not all protozoa identification 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

	Annual Plan 07/08	Annual Plan 08/09	LTCCP 08/09	LTCCP 09/10	LTCCP 10/11	LTCCP 11/12	LTCCP 12/13	LTCCP 13/14	LTCCP 14/15	LTCCP 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	1490	1,612	1,961	2,044	2,134	2,528	2,681	2,550	2,582	2,652
Fees and Charges	178	198	104	108	112	115	119	122	125	129
Grants Recd										
Developer Contributions	24		72	78	88	102	122	150	192	255
Total Income	1692	1810	2,137	2,294	2,689	3,142	3,072	3,284	3,797	4,184
Operating Expenditure										
Operating Expenditure	1671	1,775	1,711	1,805	1,864	1,905	1,995	2,052	2,086	2,161
Interest	260	187	273	262	278	279	283	326	306	282
Total Expenditure	1931	1,962	1,984	2,067	2,142	2,184	2,278	2,378	2,392	2,443
Operating Surplus / deficit	-239	-152	153	227	547	958	794	906	1,405	1,741
Capital Expenditure										
Renewals	389	386	326	340	372	620	764	409	289	353
New Work	2037	1,313	1,200	35	518	331	90	1,031	97	14
Loan Repayments										
Total Capital Expenditure	2426	1699	1,526	375	890	951	854	1,440	386	367
Funded By										
Loans	2013	1,296	1,128	-	387	229	-	849	-	-
Reserves Developer Contribu	24	17	72	35	131	102	90	182	96	14
Depreciation	389	386	326	340	372	447	487	409	290	353
Cash from operating						173	277			
Total Funding	2,426	1,699	1,526	375	890	951	854	1,440	386	367

VARIANCE FROM 2006/2016 LONG-TERM COUNCIL COMMUNITY PLAN

	LTCCP 07/08	LTCCP 08/09	Revised 08/09
	\$' 000	\$' 000	\$' 000
Income			
General Rates - Debt Repayment			-
Targeted Rates	1,773	1,961	1,612
Fees and Charges	99	104	198
Grants Recd			-
Developer Contributions	67	72	-
Total Income	1,939	2,137	1,810
Operating Expenditure			
Operating Expenditure	1,638	1,711	1,775
Interest	198	273	187
Total Expenditure	1,836	1,984	1,962
Operating Surplus / deficit	103	153	(152)
Capital Expenditure			
Renewals	290	326	386
New Work	1,670	1,200	1,313
Loan Repayments			-
Total Capital Expenditure	1,960	1,526	1,699
Funded By			
Loans	1,603	1,128	1,296
Reserves Developer Contribu	67	72	17
Depreciation	290	326	386
Cash from operating			-
Total Funding	1,960	1,526	1,699

There is a reduction in rate requirement for this activity from the LTCCP forecast – although this results from recognising part of the deficit funding in the plan.

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 which are subject to Council meeting a number of strict conditions, have now been issued for Otane, Waipukurau and Waipawa. Renewal of consents for Porangahau/Te Paerahi is awaited.

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

UPDATED 2006/2016 ACTIVITY BUDGET

	Annual Plan 07/08	Annual Plan 08/09	LTCCP 08/09	LTCCP 09/10	LTCCP 10/11	LTCCP 11/12	LTCCP 12/13	LTCCP 13/14	LTCCP 14/15	LTCCP 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	1150	1,269	1,919	2,105	2,248	2,923	3,930	4,033	3,475	3,491
Fees and Charges	131	137	135	142	148	155	162	169	177	184
Grants Recd										
Developer Contributions	42		119	124	128	133	137	141	144	148
Total Income	1323	1406	2,173	2,500	3,244	4,017	4,534	5,281	5,618	6,154
Operating Expenditure										
Operating Expenditure	1300	1,245	1,591	1,715	1,753	1,798	2,069	2,117	2,138	2,228
Interest	186	170	184	208	254	306	852	868	812	761
Total Expenditure	1486	1415	1,775	1,923	2,007	2,104	2,921	2,985	2,950	2,989
Operating Surplus / deficit	-163	-10	398	577	1,237	1,913	1,613	2,296	2,668	3,165
Capital Expenditure										
Renewals	413	528	437	234	247	1,173	513	349	201	572
New Work	678	447	516	747	1,127	1,282	8,282	1,157	14	96
Loan Repayments										
Total Capital Expenditure	1091	975	953	981	1,374	2,455	8,795	1,506	215	668
Funded By										
Loans	636	414	397	623	999	1,150	8,146	1,017	-	-
Reserves										
Developer Contributor	42	33	119	124	127	134	137	141	14	96
Depreciation	413	500	437	234	247	710	512	348	201	572
Cash from operating		28				463				
Total Funding	1,091	975	953	981	1,373	2,457	8,795	1,506	215	668

VARIANCE FROM 2006/2016 LONG-TERM COUNCIL COMMUNITY PLAN

	LTCCP 07/08	LTCCP 08/09	Revised 08/09
	\$' 000	\$' 000	\$' 000
Income			
Gen Rates - Debt Repayment			-
Targeted Rates	1,817	1,919	1,269
Fees and Charges	131	135	137
Grants Recd			-
Developer Contributions	114	119	-
Total Income	2,062	2,173	1,406
Operating Expenditure			
Operating Expenditure	1,530	1,591	1,245
Interest	172	184	170
Total Expenditure	1,702	1,775	1,415
Operating Surplus / deficit	360	398	(10)
Capital Expenditure			
Renewals	184	437	528
New Work	552	516	447
Loan Repayments			-
Total Capital Expenditure	736	953	975
Funded By			
Loans	438	397	414
Reserves			
Developer Contributor	114	119	33
Depreciation	184	437	500
Cash from operating			28
Total Funding	736	953	975

There is a reduction in rate requirement for this activity from the LTCCP forecast - although this results from recognising part of the deficit funding in the Plan.

Stormwater Activity

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

	Annual Plan 07/08	Annual Plan 08/09	LTCCP 08/09	LTCCP 09/10	LTCCP 10/11	LTCCP 11/12	LTCCP 12/13	LTCCP 13/14	LTCCP 14/15	LTCCP 15/16
	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000
Income										
General Rates										
Targeted Rates	411	512	581	647	659	692	714	639	653	682
Fees and Charges										
Grants Recd										
Developer Contributions	0									
Total Income	411	512	581	647	659	692	714	639	653	682
Operating Expenditure										
Operating Expenditure	308	371	384	419	434	448	463	470	476	499
Interest	32.533	29	84	96	91	94	93	90	88	85
Total Expenditure	340.533	400	468	515	525	542	556	560	564	584
Operating Surplus / deficit	70.467	112	113	132	134	150	158	79	89	98
Capital Expenditure										
Renewals	130	175	11	11	12	12	12	13	13	13
New Work		230	215	270	60	169	62	65	65	67
Loan Repayments										
Total Capital Expenditure	130	405	226	281	72	181	74	78	78	80
Funded By										
Loans		227	215	270	60	169	62	65	65	67
Reserves		3								
Developer Contributions										
Depreciation	129	138	11	11	12	12	12	13	13	13
Cash from operating	0.565	36								
Total Funding	130	404	226	281	72	181	74	78	78	80

VARIANCE FROM 2006/2016 LONG-TERM COUNCIL COMMUNITY PLAN

	LTCCP 07/08	LTCCP 08/09	Revised 08/09
	\$' 000	\$' 000	\$' 000
Income			
General Rates			-
Targeted Rates	546	581	512
Fees and Charges			-
Grants Recd			-
Developer Contributions			-
Total Income	546	581	512
Operating Expenditure			
Operating Expenditure	372	384	371
Interest	76	84	29
Total Expenditure	448	468	400
Operating Surplus / deficit	98	113	112
Capital Expenditure			
Renewals	10	11	175
New Work	183	215	230
Loan Repayments			-
Total Capital Expenditure	193	226	405
Funded By			
Loans	183	215	227
Reserves			3
Developer Contributions			
Depreciation	10	11	138
Cash from operating			36
Total Funding	193	226	404

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.