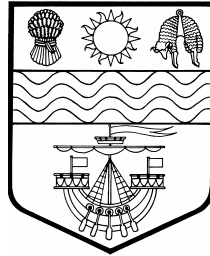


# Central Hawke's Bay District Council



## 2004/2005 Annual Report

### **Our mission statement:**

*"The Central Hawke's Bay District Council will be accountable to its citizens for the good management of the public assets of the District and provide open local government at minimum economic cost, with the least possible intervention in the private lives of residents."*

**Cover photographs courtesy of Vivienne Haldane and Merryn Jones**

## **2004/2005 Annual Report**

Every year the Council produces a document (The Annual Report), which records whether or not the Council has done what it said it would do in the Annual Plan.

This Annual Report relates to the first year of the 2004 - 2014 Long-Term Council Community Plan (from 1 July 2004 to 30 June 2014).

### **How Does it Affect You?**

The Annual Report records how money from ratepayers, financial institutions and other governmental agencies was spent. It provides information on projects that were completed, delayed, postponed or abandoned.

### **Get Involved!**

If you want to have a say on what projects Council undertakes and how Council spends its money, then you can make a submission to the Long-Term Community Plan or Annual Plan. The next opportunity will be the 2006/2016 Long Term Council Community Plan (from 1 July 2006 to 30 June 2016) which is issued every three years.

Keep a look out for it in April 2006. If you want further involvement, stand for Council at the next local government elections due October 2007!

# Contents

---

Contents.....	3
2004/05 Highlights.....	4
Elected Council Members.....	5
Mayors Report.....	6
Chief Executive's Report.....	7
Management Structure.....	8
Achievement of Community Outcomes.....	9
Achievement of Council Functions.....	16
Council Assets.....	44
Statement of Maori Contribution to Decision-Making.....	46
Statement of Compliance and Responsibility.....	47
Statement of Accounting Policies.....	48
Statement of Financial Performance.....	55
Statement of Movements in Equity.....	56
Statement of Financial Position.....	57
Statement of Cash Flows.....	58
Notes to Financial Statements.....	59
Audit Report.....	72
Glossary.....	75

## 2004/05 Highlights

### Waipukurau Service Centre amalgamation

Council reviewed its options for the Waipukurau Service Centre and decided to co-locate it with the Waipukurau Library in Kitchener Street. The Waipukurau Library Service Centre which opened in July 2004 now provides a higher level of service to Waipukurau citizens by virtue of extended opening hours.

### Waipawa Main Street Upgrade

The redevelopment of the Waipawa main street was completed in December 2004.

### Waipawa Pool re-opening

The outdoor pool at Waipawa was re-opened after the completion of extensive repair work in November 2004. New showers and toilets followed in order to meet higher facility standards.

### Organisational Efficiency Review

One of the first priorities for the year was the Council-commissioned review of the organisation. The review concluded that it was difficult for small units of local government to exist in the current environment. The chief recommendation was that Council needed to improve management controls and consider sharing services with neighbouring local authorities.

### Beach Camping

A step forward in the management of 'freedom camping' at Central Hawke's Bay beaches was made with the establishment of the Pouterere Beach Committee to manage camping and dune protection at this popular visitor destination.

### Sewerage Treatment

Council began work on improving the level of sewerage treatment at the municipal sewerage plants with desludging operations using geo-bag technology to dry out the sludge dredged from the bottom of the ponds.

### Reserve Management Plans

Work on producing Reserve Management Plans for development of these important public assets continued with the release of the Hunter Memorial Park Management Plan. In addition, work began as outlined in the Ouepoto Domain and Whangaehu Historic Reserve Management Plans adopted in the previous year, including the provision of toilet facilities.

### Civil Defence response

The District continued to be hit by heavy rainfall events which caused widespread flooding during August and October 2004. Civil Defence volunteers, Council staff, engineering consultants, contractors, community groups and government agencies coordinated a successful response and contributed to ongoing recovery efforts.

# Elected Council Members

## MAYOR

**Tim Gilbertson**  
704 River Road  
RD 2, Otane

Phone: 857 8975  
tim.gilbertson@chbdc.govt.nz

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

## ARAMOANA WARD

**Rod Hansen**  
Blackhead Beach, Long Range Road,  
RD 4, Waipukurau

Phone: 857 7866  
Fax: 857 7861  
rodhansen@xtra.co.nz

## RUAHINE WARD

**David Tennent**  
State Highway 2  
Takapau

Phone/Fax: 855 8154  
pahiwi@xtra.co.nz

## RUATANIWHA WARD

**Trish Giddens**  
30B Gaisford Terrace  
Waipukurau

Phone/fax: 858 6557  
pgiddens@xtra.co.nz

**Mark Williams**  
Black Dog Cottage, 209 Williams Rd,  
RD 14, Havelock North

Phone: 858 4947  
Fax: 858 4940  
black.dog@xtra.co.nz

**Sally Butler**  
'Glenalvon', 492 State Highway 50,  
RD 3, Waipawa

Phone: 856 5840  
Fax: 856 5551  
tiko@xtra.co.nz

**Terry Kingston**  
1 Bibby Street  
Waipawa

Phone: 857 8392  
Fax: 857 8923  
kingstons@actrix.co.nz

**Maitland Manning**  
'Homewood', 145 Elsthorpe Road,  
RD 2, Otane

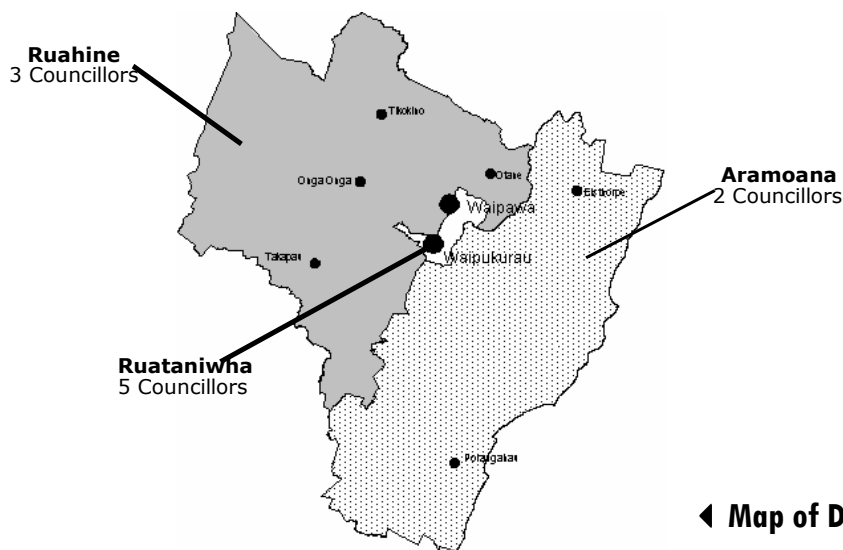
Phone: 856 8511  
Fax: 856 8581  
maithelen@xtra.co.nz

**Michael Mullins**  
5 Wallace Road  
Waipukurau

Phone: 858 7264  
Fax: 858 7263  
gilmike@xtra.co.nz

**Michael Waite**  
43-45 Great North Road  
Waipawa

Phone: 857 8040  
Fax: 857 8121  
michaelwaite@mckaymackie.co.nz



◀ Map of District Council Ward Structure

**Russell Chant**  
'Braeburn'  
143 Tavistock Road  
Waipukurau

Phone: 858 8008  
chantfamily@hotmail.com

For more information about the Council structure please refer to our Local Governance Statement, available from the Council on request or at our website: [www.chbdc.govt.nz](http://www.chbdc.govt.nz)

## Mayors Report

---

2004/05 has been a year of steady progress in the district. The major set back for the Council was major flood damage from the previous year, and a further flood in October. A major effort by our staff and contractors saw the repairs effected over the course of the year and the community's assets are all back in good shape.

The highlight of the year was the completion of the upgrade to the eastern side of the Waipawa main street and now both townships in Central Hawke's Bay are looking great. Apart from the floods, CHB continues to benefit from a very strong economy, based on excellent climatic conditions and high commodity prices. Council has, as usual, put a lot of time, effort and money into keeping your assets in good shape as well as making improvements where possible either directly as in seal extension, new water supplies, and new footpaths, or indirectly by continuing to fund community initiatives like the new stadium and CHB Information Centre.

Financially, Council is in good shape, as this report indicates. But we do have a problem with road funding. We have an excellent network and continue to improve it, but the cost of maintaining it in such good condition is running away with us. We are addressing this by requesting increased funding from central government and are optimistic that our needs will be met. Of course, if we didn't have to spend so much money on what we consider to be irrelevancies, we could probably cope. For example, our audit costs are huge and are predicted to rise to almost \$100,000 next year. That is one per cent of the rate take just to have someone count the spoons every twelve months.

The continual imposition of extra costs by central government is our main concern and will be the downfall of our council in the long run. Council is happy to pay for and administer sensible helpful and practical policies, but some of the imposts are seriously wacky. For example, Council will soon have to administer the expensive and unnecessary micro chipping of all dogs despite the fact that not one of the 2000 odd farm dogs on the farms of CHB has ever harmed a living soul in their lives.

This is especially galling when your Council is well aware that we face the major expense in the years ahead of actioning the newly acquired resource consents for new sewage systems in the townships. We will need every cent we have to fund these projects. It is becoming apparent that over the next few years the beach settlements and townships will all have to have comprehensive water and waste disposal systems. This is a good thing both from the health and environmental protection angles and will also help to make our communities safe, and desirable places in which to live. It is doubly important therefore that we be allowed to paddle our own waka, and not be subjected to expensive and whimsical policy decisions from central government that threaten our financial viability.

Once again your Councillors and all our staff have striven mightily on your behalf to maintain and improve Central Hawke's Bay / Tamatea so that it remains a haven of peace and beauty in a tempestuous and uncertain world.



**Tim Gilbertson**  
Mayor

## Chief Executive's Report

---

The 2004/05 year has seen significant increases in activity with improvements to infrastructure and ongoing remedial Rooding works arising from the 2004 extreme rainfall events.

The surplus in excess of \$3m is a reflection of the Rooding activities — with an increase in central government funding for the resultant \$4m of additional costs capitalised to our Rooding asset.

A transfer of funds in excess of \$900,000 will be made to Reserves to provide for future debt repayment.

An increased dividend of \$180,000 from Council's investment in Infracon Limited reflects the increased remedial Rooding work undertaken by the company following the 2004 flood damage. In spite of this 50% increase, there is a concern over the low level of return on Council's investment. This is being discussed with the majority shareholder — TDC Holdings Limited.

It will be noted that borrowings have increased — mainly to fund the desludging and ancillary work at the Waipawa and Waipukurau Oxidation ponds — as required under our Resource Consents. There has also been significant Stormwater and Water reticulation work undertaken at Porangahau.

It is clear that the increasing burden imposed on local government by central government, and the funding requirements to maintain our infrastructure, are unsustainable from increased Rating revenues alone.

The focus on the year ahead will therefore be to ensure that we receive our share of available central government funding for the benefit of our infrastructure. Currently several initiatives are underway in conjunction with an updating of Asset Management Plans, as part of the Long Term Council Community Plan 2006/2016. Council's plan will be consulted with the community in early 2006.

At present a review is being undertaken of Council's structure to optimise service delivery and operations. It is also hoped that a part time Economic Development officer can be appointed to help facilitate the growth of Central Hawke's Bay, through exploring wider relationships with Hawke's Bay Inc and similar entities, as well as in conjunction with local initiatives.

Council have also re-established a committee to consider the Solid Waste operations — including our Landfill.

There have been significant changes made to Council's financial management reporting systems. These will allow our operations to be run on more business like lines and with increased transparency in reporting.

I would like to thank all elected members and staff of Council for all their hard work and commitment working for and on behalf of this community during the past year. This has been very rewarding and challenging; we have collectively achieved some great successes and worked well as a team.



**John Freeman**  
**Chief Executive**

# Management Structure

