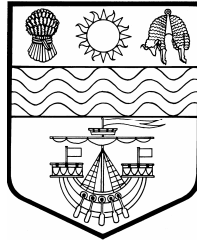


Central Hawke's Bay District Council



2005/2006 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.”

2005/2006 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 second 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 2007/2008 Annual Plan (from 1 July 2007 to 30 June 2008). Keep a look out for it in April 2007. If you want further involvement, stand for Council at the next local government election in October 2007!

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2005/2006 Highlights

Porangahau/Te Parehi Storm Water and Water upgrades

Completion of the Porangahau/Te Parehi Storm Water and Water upgrades. This water supply now meets the Drinking Water Standards as will be required by the amended Public Health Act.

Waipukurau and Waipawa Oxidation desludging

Completion of the desludge of the Waipukurau and Waipawa Oxidation ponds. Discharges from the ponds are now well within the existing consent requirements.

2006/2016 Community Plan

Successful completion and adoption of the 2006/2016 Community Plan.

Representation Review

Completion of the Representation Review — as required under the Electoral Act. Future Councils will consist of 8 elected members and a Mayor — based on a two ward system recognizing the interests of both rural and urban communities.

Economic Advisor

Establishment of an Economic Advisory function for the District. This has led to a number of initiatives including a preliminary study into the creation of a Regional Reserve at Ouepoto — adjacent to the Te Angiangi Marine Reserve, collaboration through Hawke's Bay Inc to formulate a Digital Strategy to ensure future Broadband access for Central Hawke's Bay, and facilitation of a number of fundraising applications including raising \$30,000 each for the Tikokino and Otane Volunteer Fire Brigades.

Developer Contribution Policy and Coastal Strategy

Adoption of a Developer Contribution Policy and early draft of a future Coastal Strategy.

Farm Road Landfill

Acceptance of a Consultant's report on the Farm Road Landfill. The report conclusively demonstrates that it is feasible to increase the tonnages accepted into the Landfill, reduce the overall cost of Solid Waste operations yet retain the existing life of the asset.

Organisational restructure

Finalisation of an internal restructure within Council to separate Technical and Operational Activities. Using in house expertise, early results have included a detailed study of the Waipukurau water supply and improved performance of the Otane Oxidation Pond.

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

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 Waipukurau

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◀ Map of District Council Ward Structure

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

Mayors Report

Your Council and this community has had a successful and positive year. Council has made good progress and by year end had prepared and published the LTCCP, which immediately received an unqualified report (i.e. a big tick) from the Audit department, albeit at vast expense. The result was a tribute to the hard work and dedication of all of the staff and council.

Council has a new structure. Finance and Services, Policy, IT and Human Resources functions have been combined under a Corporate Services Manager. The Community Assets Department has been split into specialised units handling Technical Services, Parks and Reserves, Roading and Utilities. These changes have been largely implemented and are working well. All departments are fully staffed and now that the changes are bedding in, Council and the Community are seeing real benefits, as at last we have the bodies on the ground to cover all the different demands of managing a complex and diverse business.

Lurking behind the good news, as always are darker shadows. We are increasingly over regulated, over governed and over taxed. New Zealand is a wealthy country and few areas are as favoured as we are in Central Hawke's Bay. We generate a great deal of income from our land based industries and have done so for a century and a half.

Unfortunately, that wealth is increasingly dissipated at national level by irrational, unnecessary and wasteful demands. If we were left alone to run our Council as our forefathers were, I have absolutely no doubt that we would be amongst the most prosperous and successful communities on the planet. Unfortunately we are badgered incessantly by the excessive and expensive demands of national politicians and the bureaucratic monsters they create. Twenty five years ago, we managed through practical affordable solutions and common sense. Now we are subject to ridiculous rules that please no one, fix nothing and cost plenty.

For example, the LTCCP has cost us well over \$150,000 in councillor and staff time, in prolonged and often unnecessary consultation and in huge audit fees which the Auditor General himself recognised when he refunded large lumps of audit fees to councils less efficient than ourselves. No one is against the LTCCP. We are purely against paying for a gold plated plan when we can make a perfectly workable one out of a recycled wool fadge.

Our roading network is under funded by some \$1.8m this year alone, which is a very serious concern for a rural economy based on transporting primary products to market. This under funding could be fixed in an instant if we were not required to redirect staff and resources into wasting time and money on non issues like leaky buildings, dog micro chipping, unrealistic water quality guidelines, cultural well being, sustainable water policies, waste management levies and so on ad infinitum.

On a national level, the central government prefers to spend our revenues on tax breaks for movie moguls rather than broadband services to the rural heartland, still the power house of the economy. Wellington obviously rates glitz and glamour ahead of hard graft and grass fed protein.

Until such time as economic reality replaces delusion, your council will struggle. We are doing the best we can with the resources we have and despite all and any set backs we can be proud of what we have achieved. The coming years, as forecast in the plan will be difficult. This past year has given us the structure and the tools to face those challenges with confidence and professionalism.



Tim Gilbertson
Mayor

Chief Executive's Report

The 2005/06 financial year has been dominated by the months of work developing Council's 10 year Community Plan, and a restructure of the organisation to separate operational and technical functions.

The outcome of the Plan showed that Council has a choice between implementing ongoing rate increases or increasing Council debt. The former is unpalatable, the latter means less funding for infrastructure and services as rate funding is channelled into debt service. Clearly neither option is ideal.

This is being tackled at a political level, voicing our concerns through the appropriate channels about Central Government's costs being foisted onto local authorities, or, as is the case with the proposed Waste Minimisation Bill, requiring local authority revenue to be returned to Central Government to fund its bureaucracy.

At an operational level a determined effort is underway to think outside the square and find more creative funding and technical solutions to our infrastructural needs. Early indications are that the required ultrafiltration of the Waipukurau water supply – a Central Government requirement – should cost less than originally estimated. Such news is a boost to staff who have endured daily criticism from some ratepayers. Unfortunately it is easy to complain, but seldom is any constructive advice offered!

In part this may be due to the misconception that Council's inflation rate is the same as the CPI and the current rate rises therefore result from poor management. In reality, the goods and services consumed by a Council are very different to a household's, and more closely relates to the Construction index which has risen 10 % in the last year. Bitumen for example has risen 30% in the last two years.

The viability of "joint ventures" or sharing of services with local businesses and neighbouring Councils is also being explored to see if these could provide some cost benefit and/or better operational security.

In other cases, participation in a wider grouping of Councils will likely hold the answer to our infrastructural needs such as Broadband access and meeting the requirements of the new Building Accreditation legislation. Our close relationship with Hawke's Bay Inc is another such useful partnership.

I would like to thank all elected members and Council staff for their efforts over the past year. We look forward to the challenges of 2006/07.



John Freeman
Chief Executive

Management Structure

