

Together we thrive!



Long Term Plan 2018-28

Central Hawke's Bay District Council

Our vision for Central Hawke's Bay is a proud and prosperous district made up of strong communities and connected people who respect and protect our environment and celebrate our beautiful part of New Zealand.

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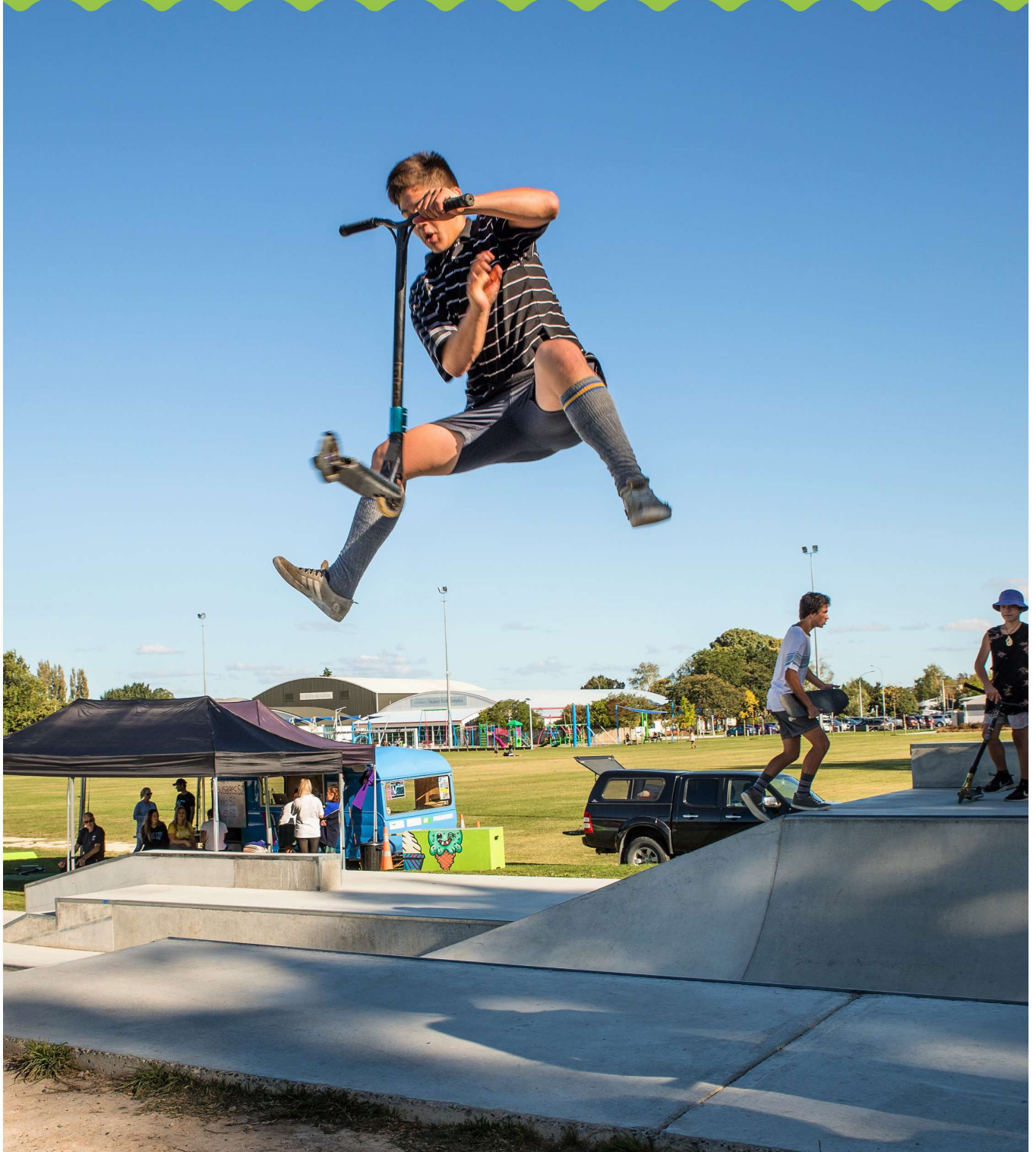
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ISSN 2253-2919 (print)

ISSN 2253-2927 (online)

Introduction and Overview



From the Mayor and Chief Executive

We are very excited to bring you the Long Term Plan for 2018 to 2028.

We embarked on this journey in November 2016 and have travelled a long way since then. We started with Project *Thrive* where we talked to over 270 people and got 3500+ items of feedback. After doing some thinking and planning following Project *Thrive*, we came back out to the community in November 2017 with the [#bigwaterstory](#) expo to check in and see if we were on the right track. After a lot more work we talked to you during the Long Term Plan formal consultation. So this Long Term Plan is the culmination of over 18 months of work.

We would like to thank all those involved in putting the Long Term Plan together.

The Council Officers who have spent many hours working on the plans, the capital programmes, the activities and what they deliver. And we can't forget the

Elected Members who spent a lot of time reading information, attending workshops, giving their guidance and attending meetings with the community.

And we can't forget our community. From Project *Thrive*, [#bigwaterstory](#) expo and the LTP Consultation, you have been willing to give us your feedback and get involved in the process. Without your input, this Long Term Plan wouldn't be the community led document that is important for Council to be able to deliver, not only those services we are required to do, but also the services that are important to making Central Hawke's Bay the thriving, prosperous community that we know it can be.

Now the hard work begins – the work to deliver on the Long Term Plan, a bold and ambitious work programme that sets out to ensure as a community we have got the basics right while creating an environment for social and economic growth.

Together we will thrive!



Alex Walker
Mayor



Monique Davidson
Chief Executive

The Journey So Far – Kia Ora from your Council

After the last election in 2016, the clear message from the people of Central Hawke's Bay was that a new approach to delivering value for our community was required.

With this in mind, we started the conversation for this Long Term Plan early so that we could get a good picture of what was the most important for us to do differently.

In March 2017 we launched the initiative we called Project *Thrive*. We asked what you loved about our district and your home, what a thriving Central Hawke's Bay would look like, and what was holding us back from that.

We spoke with over 270 people and gathered 3,500+ pieces of feedback from across the community which was consolidated into consistent themes and potential initiatives we could pursue. The full report of this work is available on the Council website.

Together we Thrive - Our Mission -

Our vision for Central Hawke's Bay is a proud and prosperous district made up of strong communities and connected people who respect and protect our environment and celebrate our beautiful part of New Zealand.

From this feedback we have been able to create a very clear picture of the future, how council should fit into that picture, and what actions we can take to support progress in Central Hawke's Bay. They are now described as our mission, purpose and objectives respectively and you will see them pop up in council facilities and documents over the next few months.

Why we do what we do - Our Purpose -

It's our goal to create an environment that supports a thriving Central Hawke's Bay district, by providing efficient and appropriate infrastructure, services and regulatory functions.



The outcomes we want to achieve - Our Objectives -



- A proud district.
- A prosperous district.
- Strong communities.
- Connected citizens.
- Smart growth.
- Environmentally responsible.
- Durable infrastructure.

The objectives have been incorporated in the 'community outcomes' expected from council that are part of this LTP. The objectives have also been incorporated into other key work programmes such as the review of the District Plan, strategies and policies of council.

The work in Project *Thrive* distilled a number of initiatives that the Council has considered as part of the LTP development process. In the LTP, you will see where the most significant of these initiatives have been developed into key initiatives. We don't have the space here to cover all of the great ideas and actions that came out of *Thrive*, but have included many into our planning and operations.

One of the strongest messages we got during *Thrive* was the importance of water to the future of our District. This, combined with strong signals for economic, business and population growth from both our urban and rural residents, has driven the review of our investment in our Three-Waters infrastructure over the next 30 years.

This was the main theme of the [#bigwaterstory](#) expos and engagement in November 2017 – a chance for us to check-in with the community to see that we had heard you properly and were on the right track. The feedback was very supportive of where we were heading so the capital programme was included in the Consultation Document for consideration.

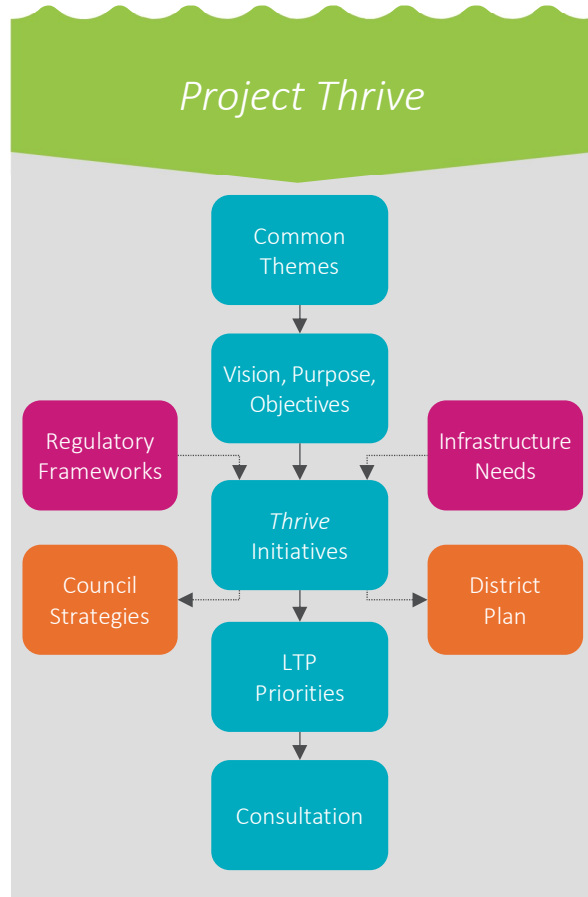
While developing the capital program for this LTP, we continue to deal with the issue of breaching resource consent requirements at the Waipukurau and Waipawa Wastewater Treatment Plants. There is more investigation work to do to find a viable solution for these issues. This is highlighted in detail on page 13.

We as a Council are using the term ‘**smart growth**’ in our objectives as we balance the pride and sense-of-community we have across the district, alongside the signals for more business, residential and rural investment.

While we firmly believe that [#bigwaterstory](#) is the main priority for our Council, other transformational initiatives to build pride, prosperity and environmental protection will come from a focus on Town Centre and Community Plans. These can be thought of as ‘**road-maps**’ so that community and council are both clear about identity, priorities and future plans and can provide directions for when activity is happening in those respective communities – whether council or other groups. There are many parts to our district – each with individual identities that our communities want to protect and nurture.

So we are asking you to get involved and give us feedback. We really need to hear from you so that we can plan for a future that includes all of our community and provide you with all the services you need to be able to thrive now and in the future.

THE PROCESS SO FAR



FROM YOUR COUNCIL





Our vision for Central Hawke's Bay is a proud and prosperous district made up of strong communities and connected people who respect and protect our environment and celebrate our beautiful part of New Zealand.

Together we thrive!

Our Strategic Direction for Central Hawke's Bay

What we know - Our DNA -



WORKING TOGETHER

Central Hawke's Bay will be stronger when we work together. Partnerships and collaboration are at the core of everything we do.



CUSTOMER EXCELLENCE

The communities we serve are our customers. They are at the heart of our decisions, interactions and communication. We'll engage with our customers to deliver value and exceed expectations.



THINKING SMARTER

We need to think smarter and better in everything we do. With a culture of innovation and continuous improvement we will add value to our communities.

What we stand for - Our Values -



Our values capture who we are and what matters most to us. They are the attitudes we embrace as individuals, teams and as a whole organisation. We are all personally responsible for acting with these in mind.

- T** TRUST - We create trust by acting with integrity.
- H** HONESTY - We do what is right even when no one is looking.
- R** RESPECT - We have respect for each other, our community and our stakeholders.
- I** INNOVATION - We find smarter ways to do things to produce improved and sustainable results.
- V** VALUING PEOPLE - We are one team, supporting each other to succeed.
- E** EXCELLENCE - We deliver exceptional results.

What we're most proud of - Our Greatest Asset -

People are our greatest asset. At Central Hawke's Bay District Council we are committed to providing a safe and great place to work that values diversity and inclusion, and develops skilled people who can lead our community to thrive.



Why we do what we do - Our Purpose -

It's our goal to create an environment that supports a thriving Central Hawke's Bay district, by providing efficient and appropriate infrastructure, services and regulatory functions.



The outcomes we want to achieve - Our Objectives -



- A proud district.
- A prosperous district.
- Strong communities.
- Connected citizens.
- Smart growth.
- Environmentally responsible.
- Durable infrastructure.

How we'll reach our outcomes - Our Focus -



- Promoting smart growth.
- Attracting and enabling business success.
- Strengthening our district and community identity.
- Protecting and promoting our unique landscape.
- Planning for tomorrow to future-proof Central Hawke's Bay.

What is the Long Term Plan?

The Long Term Plan is more than something the Council does because it has to.

The Long Term Plan is the way the Council can let the community know what it plans to do for the next 10 years when it comes to expenditure and infrastructure investment. It also outlines that infrastructure investment over the next 30 years. It's how we let you know what work is going to be done, what services will be provided, what the rate impact is going to be and how much we will have to borrow to achieve the outcomes the Council wants to deliver.

The LTP is important because effectively it represents our commitment to the community about how we will spend the funds we have to make our communities better. These funds come from you – through rates – and also from other sources, such as fees for certain services, investment returns and government grants or subsidies. We need to make sure we are spending these funds prudently.

While the Council might represent a single organisation, what the Council does is broken down into what are called activities.

For each of these activities, such as Water Supply, Roding, Building Control, or Parks and Reserves, we need to plan both for what we currently provide and how we will provide these services in the future.

What each activity provides can be affected by many things. For example, law changes can alter the rules a Council must follow in providing a service. They can also require Council to provide something to a certain standard to protect people's health and wellbeing (e.g. drinking water standards). Communities may want certain standards of service that they do not currently receive.

How our district economy is changing or growing may mean we have to provide services in new, faster or different ways. Changes in population numbers or how our population is made up may also impact on the services the Council provides way into the future.

The law requires Councils to prepare a 30 year Infrastructure Strategy (IS). For a community, this is the framework that reassures us that we are maintaining and investing in our infrastructure in the most appropriate way to ensure our children and grandchildren will have a community in which to thrive for the future.

At a minimum, the Infrastructure Strategy covers the big stuff provided by the Council – the roads and footpaths you drive and walk on; how sewage is collected, treated and managed; the systems delivering clean, fresh water to your tap; and the stormwater systems that handle rainfall and runoff from our roads and towns. These systems and facilities are critical to running modern communities and need to be well planned for and managed. The IS outlines major issues for these areas over the next 30 years (e.g. such as how we will replace ageing infrastructure) and how the Council plans to deal with them.

Your elected representatives have used your feedback from Project Thrive to work through all the key activities, infrastructure needs and future initiatives and then consulted with the community on the plan. It is a culmination of more than 15 months of listening, learning, investigating, discussing and prioritising to try and deliver the outcomes required to meet your expectations and for our community to thrive.



“Working with the Council was critical in getting the skate park built. A really key part of the process was submitting to the Long Term Plan on the redevelopment of Russell Park. It made sure our youth voice was heard.”

TAMA BUCKNELL, EPIC MINISTRIES

Strategic Overview

Introduction

The Long Term Plan is a key document in how we communicate with the community about what we plan to deliver over the next 10 to 30 years that the plan covers.

However there are a number of other plans, strategies and documents that Council is working on that help drive delivery of services and how Council goes about delivering those services. Below is a diagram of how the Long Term Plan fits into the Strategic Framework that the Council is developing. The Long Term Plan includes the documents highlighted in blue.



need to develop a strategic vision and direction for the Central Hawke's Bay.

The proposed Vision and High Level Strategy needed to reflect the Council's aspiration to see the community thrive and to include an overarching community-based vision. So Project Thrive was born.

We spoke with over 270 people and gathered 3,500+ pieces of feedback from across the community which was consolidated into consistent themes and potential initiatives we could pursue. These themes have become the Community Outcomes for the Long Term Plan and encapsulate the strategic intent of the Council. When looking at the services we deliver and the initiatives we embark on, the Community Outcomes help Council decide if it will prioritise a particular project or initiative over others.

As part of the evaluation of the initiatives included in the Project Thrive report, Council reviewed the potential impact they would have on being transformational for our District. The main initiatives that formed the basis of the Long Term Plan came directly from feedback during Project Thrive; [#bigwaterstory](#) and Town Centre and Community Plans.

Following on from this Council is developing a number of strategies and plans that will become either part of the way Council will deliver its services or help deliver the Community Outcomes included in the Long Term Plan. These strategies and plans, although not a formal part of the Long Term Plan document, are a key component to Council's overall strategic framework and Council is looking to strengthen those strategies that we already have and develop strategies for the gaps in the framework.

Project Thrive in action

As part of getting ready for the development of the Long Term Plan 2018-28, Council discussed the

Below are a number of the strategies Council identified for development as an outcome of Project Thrive.

Environmental Strategy

Council is working on the development of an Environmental Strategy that will help Council with the way it will deliver its services in the future and help to identify further initiatives that may form part of Council's services. This is in recognition of how important the natural environment is to the community. The strategy will allow us to work collaboratively across the region on positively improving our environmental footprint, alongside our community partners.

Economic Development Strategy

During the 2018/19 year, Council will be developing a Council Economic Development Strategy that will help to give clarity to the community of the role Council will play in Economic Development. It will also identify the actions that will assist Council to deliver on the levels of service included as part of the Long Term Plan in the Economic and Social Development activity.

Community Well-being Strategy

Council adopted the Community Well-being Strategy in December 2017 and has developed four action plans as part of the delivery of the strategy. The implementation of the action plans form part of the measures for the levels of service for the Economic and Social Development Activity.

Over the next three years, Council will continue to review the Strategic Framework and will be coming to the community for input.

External Funding

A key focus for Council is accessing external funding to assist with the affordability of capital projects that are included within the Long Term Plan. Both the Mayor and Chief Executive have started conversation with a number of agencies and possible funding partners including Central Government and these continue. Accessing funding from opportunities such as the Provincial Growth Fund announced by the Labour Government will form part of the Strategic programme during the course of the Long Term Plan.

Community outcomes

Part of Council's responsibility is to meet the purpose of Local Government. Section 10 of the Local Government Act states the purpose of Local Government is:

- To enable democratic local decision making and action by, and on behalf of communities; and
- To meet the current and future needs of communities for good-quality local infrastructure, local public services and performance of regulatory functions in a way that is most cost effective for households and businesses.

The Council has developed Community Outcomes that match the main themes from the feedback we received during Project Thrive as, not only do they meet the above purpose, they are the key outcomes that will make us a thriving district.



Māori Contribution to Decision-Making

As a Council, we recognise the special position of Tangata Whenua within this District and the important role Māori have to play in Council's decision-making processes.

Schedule 10 of the Local Government Act (LGA) 2002 requires Council to include in its Long Term Plan (LTP) any steps that it intends to take, having considered ways in which it might foster the development of Māori capacity to contribute to the decision making processes of the Council over the next 10 years.

The LGA (Parts 2 and 6) provides principles and requirements for local authorities that are intended to facilitate participation by Māori in their decision making processes. In accordance with section 81 of the LGA the Council must:

1. Establish and maintain processes to provide opportunities for Māori to contribute to the decision making processes of the local authority;
2. Consider ways in which it may foster the development of Māori capacity to contribute to the decision making processes of the local authority; and
3. Provide relevant information to Māori for the purposes of (1) and (2) above. Through its decision making processes Council recognises the principles of the Treaty of Waitangi and kaitiakitanga.

Māori see people and the environment as closely interrelated and share with Council a strong interest in maintaining and protecting the environment as well as developing the economic future of the area. The Council is committed over the period covered by this LTP and beyond to continuing the process of consultation and engagement with local Māori.

Māori Representation

The purpose of the Māori representation is to provide advice and guidance to Council.

This is a valued relationship. Council continues to develop a much stronger relationship with Te Taiwhenua O Tamatea, who represent all 9 marae in Central Hawke's Bay.

Te Taiwhenua o Tamatea have appointed their Chair, Professor Roger Maaka as their representative at every scheduled ordinary, special, and extraordinary meeting of full Council. This representative does not vote.

Council is continuing to work closely with Te Taiwhenua o Tamatea to develop a partnership accord. This partnership accord is currently in draft form and is with marae in Central Hawke's Bay for feedback.

Māori Wards

The Local Electoral Act 2001 gives Council the ability to establish separate wards for Māori electors. Council is required to review its representation arrangements at least once every six years. This review must include deciding whether or not to have separate wards for electors on the Māori roll.

The formula to establish the number of Māori seats is governed by population. Based on the population of this district it may be possible that one Māori seat could be established.

Council conducted a representation review in 2017 and resolved that "Council does not establish Māori ward/s as provided for in the Local Electoral Act 2001, at this time."

The Next 10 Years

Waipukurau and Waipawa Wastewater Treatment Plants

While developing the capital program for this LTP, we continue to deal with the issue of breaching resource consent requirements at the Waipukurau and Waipawa Wastewater Treatment Plants.

The resource consents for the Waipukurau and Waipawa were renewed as required in 2008. This required the treatment plants to be upgraded and between 2009 and 2012 over 20 options were considered. After a decision by Council, the Wastewater treatment plants were upgraded in 2013 & 2014 for \$6.34m. Since then we have made additional investment of \$2.39m to improve the performance of the treatment plants. Despite these actions, the treatment plants continued to breach consent requirements for Ammonia and E.coli. In March 2017, Council was prosecuted for breaching E.Coli limits at Waipawa. This has resulted in a court enforced review of the treatment plant.

At the same time, Council were experiencing significant complaints regarding odour at Waipukurau Treatment Plant and continued Ammonia exceedances. As a result an additional independent review was commissioned with the resulting report released publicly in November 2017.

While we are no longer breaching E.coli consent conditions at Waipawa, the removal of Ammonia is still an issue at both plants. Ammoniacal nitrogen has an effect that plant growth in the river is accelerated.

There is more detailed investigation work to do to find a viable solution for these issues which will include community and expert input. Two options highlighted in the Report include activated sludge treatment or discharge to land. The estimated costs for these options range between \$11.9m and \$36m. While investigation allowances and minor improvements are budgeted in the proposed capital program of \$2.1m, we understand that more significant investment will be needed and will require formal consultation with the community once the viable options have been identified and funding options determined.

Reviews of what work is required, how much it will cost, how it will be prioritised and how it could be funded will be carried out during 2018 and 2019. A Project Terms of Reference was adopted by Council on 5 April as the beginning of the investigation. This is likely to result in

an amendment to this Long Term Plan sometime over the next 1 to 2 years.

The Key Initiatives

This LTP is about building for the future and creating the environment for a thriving district.

We have challenges with our current infrastructure that we need to address so that the district is able to sustain its current residents, businesses and farms as well as provide for smart growth opportunities. Hand-in-hand with this is the crucial objective that we have set, as informed by our community, that we need durable, fit-for-purpose infrastructure and council services. The main initiatives included in the Plan formed part of the Consultation with the community.

1. The Big Water Story – our three waters infrastructure
2. Upgrade of the Waipawa Memorial Centennial Baths
3. Developing Town and Community-specific Plans

We also consulted with the community on two other initiatives.

Funding of the Water and Wastewater activities was kept at status quo with 100% of the rates funding being assessed on those connected to the network. It was agreed however that a Rates Review would be undertaken by Council once the outcome of the Wastewater project was known.

Emergency Management Funding will be funded centrally from a Hawke's Bay Regional Council rate, allowing for a centralised funding model to support the operational model put in place in the last year.

The other key initiative already underway is the:

4. District Plan Review

1. The Big Water Story – How we are making sure our three waters infrastructure is fit for the future.

As part of Project Thrive, the importance of water to our community was one of the loudest messages. This, combined with a vision for growth and prosperity, environmental responsibilities, as well as strong and durable infrastructure is how [#bigwaterstory](#) began.

We are already experiencing significant growth in Central Hawke's Bay and we are expecting as many as 1025 new households in the next 30 years. Of those households, 535 are expected in the next 10 years. To build our network so that we can support this growth, we need to carry out improvements to the existing water networks. We are expecting that this will take at least 10 years to do, and will then give us opportunities to grow our network to attract new industry and employment to the District.

To be able to deliver on all of these the Council has developed a programme of upgrades and improvements so we can ensure that the drinking water, wastewater and stormwater infrastructure is able to meet the current and future needs of the community.

WE HAVE SOME WORK TO DO SO THAT WE:

- Can upgrade infrastructure so that it will last longer and we can maintain the service you have always relied on
- Meet the changing legislative and compliance requirements
- Build resilience in our waters infrastructure by having second supplies, firefighting capacity and right sized reticulation systems
- Take on the learnings from the Havelock North water inquiry
- Ensure we are providing for smart growth in the District including the rapidly growing number of new homes being built in our residential areas and forecast over the next 10 years
- Can supply those who are connected to Drinking Water with a safe, clean and reliable drinking water source in particular those smaller communities
- Deal with wastewater and stormwater so we are having the least impact on our rivers as possible
- Ensure we do not burden future generations with ageing infrastructure



“Having good infrastructure is really important for my business. For us to deliver our services we rely on Council having the infrastructure to support us”

SIMON KEIR

So what additional investment do we need over the next 30 years?*

Drinking Water

		YEARS 1-10 \$000S	YEARS 11-20 \$000S	YEARS 21-30 \$000S
Waipukurau	Second Supply	5,716		
	New Main from Pukeora		4,952	
	New Industrial Area		1,419	
	Build Resilience	3,981		
Waipawa	Build Resilience	4,125		
Otane	Alternative Supply	2,701		
Takapau, Porangahau, Kairakau & Pourerere	Treatment Upgrades	2,303		
Network Wide	Extension for Growth	374	2,759	1,790
Total		19,200	9,130	1,790

Waste Water

		YEARS 1-10 \$000S	YEARS 11-20 \$000S	YEARS 21-30 \$000S
Waipukurau	Treatment Improvements	1,060		
	New Industrial Area and Current Reticulation		4,915	
	Build Resilience	487		
Waipawa	Main Trunk Renewal	1,770		
	Treatment Improvements	1,060		
	Build Resilience	128	266	
Takapau	Treatment Upgrade	831		
Otane	Treatment Upgrade	845		
Porangahau/ Te Paerahi	Treatment Upgrade	1,849		
Network Wide	Extension for Growth		2,571	3,018
Total		8,031	7,752	3,018

Stormwater

		YEARS 1-10 \$000S	YEARS 11-20 \$000S	YEARS 21-30 \$000S
Waipukurau	CBD Improvements	698		
	Build Resilience		4,152	
Waipawa	Build Resilience		2,039	
Network Wide	Build Resilience	310		
	Extension for Growth			8,153
Total		1,008	6,191	8,153

*The figures included in these tables include both rate funded and loan funded expenditure. **Normal renewal expenditure is not included.** Build resilience in our waters infrastructure by having second supplies, firefighting capacity and right sized reticulation systems. To meet our desired outcomes for a thriving Central Hawke's Bay, the Council must provide infrastructure based on the estimated growth of the district, the need to build resilience and ensure the infrastructure is fit for the future. This proposed work-programme will provide for this as well as maintaining the current level of service for existing connections.

2. Upgrade the Waipawa and District Centennial Memorial Baths

fundraising by the Central Hawke's Bay community.

The baths has an outdoor non-heated 33m pool that is open in the summer months. The paddling pool is not operational. In late 2017, we discovered significant age related defects and cracks and concrete and plaster works when the old paint work was taken off for repainting. The cost to fix this was an additional \$100,000 to what was already budgeted. We have also known that the pool filter could break at any time. In the last LTP it was agreed that if the filter broke down funding from the community would be required as there was no budget allocated. The filter would cost approximately \$250,000 to replace and bring it up to NZ standards.

Due to the poor condition of the Waipawa and District Centennial Memorial Baths it was unable to be opened for the 2017/2018 summer period.

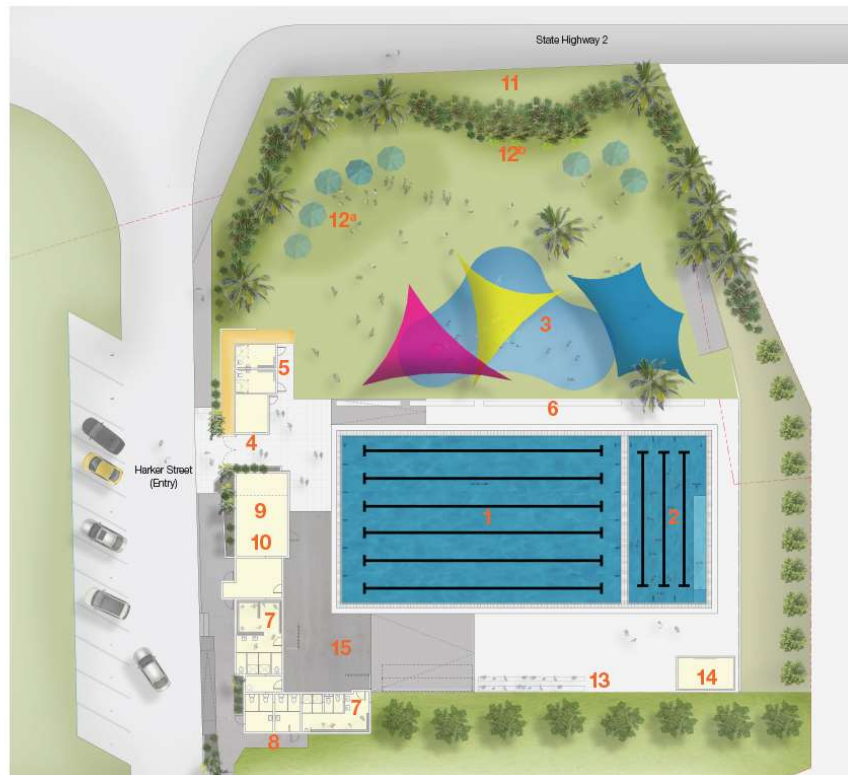
Prior to the discovery Council had started investigation work on the development of the Waipawa Baths with the view to go out to the community as a separate consultation with a number of possible options. Due to the pool not being open for the 2017/18 year and this being a reduction in the level of service to our community, we made a commitment at the public meeting held at the pool in December 2017 that this would be included in the consultation for the LTP.

This is a significant asset for the whole district and we want to ensure it is a facility for everyone to enjoy.

As an outdoor pool, it provides recreational, social and wellbeing benefits for us to enjoy and it would be a great asset for the future residents of Central Hawke's Bay to enjoy.

A PROPOSED DESIGN USED TO ESTIMATE COST OF A FULL UPGRADE

- 1 New Myrtha Renovation System to Main Pool:
 - 25 x 15m 6 Lanes, 1.4-1.0m deep
 - Overflow channels to both sides
 - New delivery and return reticulation behind renovation panel
- 2 New Learners Pool:
 - 15 x 7m, 0.7-0.9m deep
 - Vinyl lined + ramp access
 - Overflow at ends
 - Softwalk Floor
- 3 New Wet Deck (150m²) including Water Toys and Sun Shade
- 4 New Entry Kiosk and Accessible Ramp
- 5 New Accessible / Family Change (2No.)
- 6 New Under Bench Pool Covers
- 7 Upgraded Male/Female Toilets and Showers
- 8 Upgrade Madge Hunters Park Toilets
- 9 New F&T to Main Pool, Learner Pool and Wet Deck, plus extension to Plant Room
- 10 New Solar Heat Pump
- 11 New Visual / Acoustic Screen
- 12^a New BBQ's, Seating and Landscaping for enhanced privacy and aesthetics
- 12^b New Planting and Landscaping
- 13 New Spectator Seating
- 14 New Pool Store for inflatables and fixtures
- 15 New raised surrounds to enhance accessibility



Council agreed to upgrade the Waipawa and District Centennial Memorials Baths by doing a staged project. A staged approach to the completion of the pool allows time for the community to do the fundraising for the completion of the project. The current pool will be replaced by a 25m lap pool and a 7m Learn to Swim pool. This will be completed in the first year of the LTP at a cost of \$900k with Council loan funding \$650k. The \$250k remaining will need to be fundraised via sponsorship and from the wider community. This has been underwritten by the Council from reserves to ensure the project is completed for the 2018/19 summer. Council will be seeking significant community partnership to ensure a successful project.

Community Partnership

There are a number of good examples of community partnerships with Council which has resulted in exciting projects. Some successful projects are:

- AW Parsons Pool
- CHB Municipal Theatre
- Russell Park Skate Park
- Tukituki River Trails

Council will be looking at creating a strong community partnership to drive the development of the Baths.

3. Planning for the future for our Towns and Communities

While talking to you about the future of the district, we had a lot of feedback about how proud you are of our district and that encouraging new residents and business shouldn't be at the cost of our identity.

It was also clear that how Council interacts with the different communities could be improved – allowing for more proactive relationships. For example, this could be how Council connected community web or social media activity into their district promotion, or how we make sure that community assets like parks, public toilets or footpaths were developed in a way that was consistent with the identity and priorities of the individual communities.

This is also part of a set of values brought into council by your elected members – better communication, a focus on 'customer service', transparency and process. This has been pivotal to us using the term smart growth in our strategy – not just growth for growth's sake.

It's important to you that we have vibrant and bustling towns and communities who can show their identity while being part of the wider Central Hawke's Bay.

You confirmed this to us throughout Project Thrive and your elected members believe that this community planning approach allows council and community to work together in a far more constructive way.

This will happen by developing Town Centre Plans and Community Plans that bring together the way we want to develop the different parts of our communities and have a plan for that development.

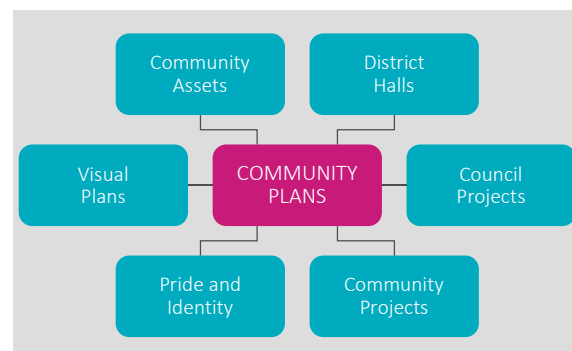
provide a long term vision and recommends actions that need to be taken to achieve that vision.

Community plans help identify the key components that make that community unique and how this will be maintained.

So as part of the development of the Long Term Plan, invigorating and developing pride in our district, and providing for a 'team' approach for district development (with council, community and other partners where appropriate) we have included this in our Long Term Plan.

Work with communities on these plans would begin in 2018/19. From the second year of the Long Term Plan a budget of \$50,000 per year has been included to further develop and implement the Town and Community Centre Plans. This will be staged over a number of years and also allows for revision of the plans once they have been developed.

We will be looking for keen community participation from groups and individuals.



4. District Plan Review

The District Plan is an important document that provides for change, development and use of the environment in our district, while protecting and safeguarding it for future generations.

The District Plan is prepared by Council and controls the land use and subdivision of land in the district through zoning. The District Plan addresses resource management issues in the District and sets out how the Council will manage the environment. District Plans also contain objectives, policies and rules that Council will use to manage the use of land in its area. Rules in the Plan control what people can do in the environment and cover things such as noise and the location and height of buildings.

In 2012, a review of the Operative District Plan commenced. A District Plan Working Party (DPWP) was set up by Council. The DPWP agreed to base the review on three broad geographical areas – Rural Zone, Coastal (defined as the Coastal Margin Zone) and Urban Centres. This approach is being used to develop the draft Plan.

The Council had clear direction during the election and then again during Project Thrive that the District Plan was no longer appropriate for the district. So in June 2017, Council agreed to fast track the review of the District Plan and approved additional funding to enable the preparation of a draft Plan by the end of 2018. The DPWP are on track to deliver the draft plan and this, along with the LTP, are the key documents



Audit Opinion



To the reader:

INDEPENDENT AUDITOR'S REPORT ON CENTRAL HAWKE'S BAY DISTRICT COUNCIL'S 2018/2028 LONG-TERM PLAN

I am the Auditor-General's appointed auditor for Central Hawke's Bay District Council (the Council). Section 94 of the Local Government Act 2002 (the Act) requires an audit report on the Council's long-term plan (the plan). Section 259C of the Act requires a report on disclosures made under certain regulations. We have carried out this work using the staff and resources of Ernst and Young. We completed our report on 31 May 2018.

Opinion

In our opinion:

- the plan provides a reasonable basis for:
 - long-term, integrated decision-making and coordination of the Council's resources; and
 - accountability of the Council to the community;
- the information and assumptions underlying the forecast information in the plan are reasonable; and
- the disclosures on pages 204 to 207 represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations) and accurately reflect the information drawn from the plan.

This opinion does not provide assurance that the forecasts in the plan will be achieved, because events do not always occur as expected and variations may be material. Nor does it guarantee the accuracy of the information in the plan.

Uncertainty due to the resource consent breach for the wastewater treatment plants

Without modifying our opinion, we draw your attention to the disclosure on page 14, about the resource consent breach for the Waipukurau and Waipawa wastewater treatment plants. More investigative work is required to find a viable solution before remedial work can be carried out that will meet resource consent requirements. The cost of this work is uncertain and could be significant. These costs will be in addition to those included in the financial forecasts in the plan. As a result, the Council expects to carry out formal consultation with the community once viable options have been identified and funding options determined.

Basis of opinion

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. In meeting the requirements of this standard, we took into account particular elements of the Auditor-General's Auditing Standards and the International Standard on Assurance Engagements 3400: *The Examination of Prospective Financial Information* that were consistent with those requirements.

We assessed the evidence the Council has to support the information and disclosures in the plan and the application of its policies and strategies to the forecast information in the plan. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the plan.

Our procedures included assessing whether:

- the Council's financial strategy, and the associated financial policies, support prudent financial management by the Council;

-
- the Council's infrastructure strategy identifies the significant infrastructure issues that the Council is likely to face over the next 30 years;
 - the information in the plan is based on materially complete and reliable information;
 - the Council's key plans and policies are reflected consistently and appropriately in the development of the forecast information;
 - the assumptions set out within the plan are based on the best information currently available to the Council and provide a reasonable and supportable basis for the preparation of the forecast information;
 - the forecast financial information has been properly prepared on the basis of the underlying information and the assumptions adopted, and complies with generally accepted accounting practice in New Zealand;
 - the rationale for the Council's activities is clearly presented and agreed levels of service are reflected throughout the plan;
 - the levels of service and performance measures are reasonable estimates and reflect the main aspects of the Council's intended service delivery and performance; and
 - the relationship between the levels of service, performance measures and forecast financial information has been adequately explained within the plan.

We did not evaluate the security and controls over the electronic publication of the plan.

Responsibilities of the council and auditor

The Council is responsible for:

- meeting all legal requirements affecting its procedures, decisions, consultation, disclosures and other actions relating to the preparation of the plan;
- presenting forecast financial information in accordance with generally accepted accounting practice in New Zealand; and
- having systems and processes in place to enable the preparation of a plan that is free from material misstatement.

We are responsible for expressing an independent opinion on the plan and the disclosures required by the Regulations, as required by sections 94 and 259C of the Act. I do not express an opinion on the merits of the plan's policy content.

Independence

In carrying out our work, we complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 (Revised); and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended).

Other than our work in carrying out legally required external audits, we have no relationship with or interests in the Council.



David Borrie

Ernst and Young

On behalf of the Auditor-General

Wellington, New Zealand

Financial Strategy



Financial Strategy

Summary

The purpose of the Financial Strategy is to provide prudent financial management by providing a guide for the Council to consider when evaluating proposals for funding and expenditure.

The theme of the Financial Strategy supporting the Long-Term Plan 2018-28 (LTP) is 'Building for a Smart Future'. As part of Project Thrive the community gave a strong indication that while affordability of rates is a key issue, it is important for Council to balance affordability with creating a thriving district. The Council has listened to this feedback and has reviewed what the district needs to promote a prosperous district, enable smart growth and deliver durable infrastructure. This means the Council has the challenge of maintaining services levels while ensuring affordability and managing the growth projected for the district. Council also continues to contribute to the community enjoying the great Central Hawke's Bay lifestyle by delivering valued services.

There have been a number of challenges facing the Council when developing the Financial Strategy. During Thrive, the community told Council that it needs to be committed to making sustainable investment in durable infrastructure for drinking water, wastewater and stormwater. The [#bigwaterstory](#) was discussed with the community in November 2017 and has been included in the LTP based on this feedback. While developing this capital program Council is dealing with the issue of breaching resource consent requirements at the Waipukurau and Waipawa Wastewater Treatment Plants. There is more investigation work to do to find a viable solution for these issues and although investigation allowances have been made in the capital program, Council understands that more investment will be needed and will require another consultation with the community once the viable options have been identified.

There has been a focus on developing a sustainable capital program, inclusion of initiatives from Project Thrive, continued review of value of service delivery and maintaining services based on the feedback from Thrive.

Introduction

The financial strategy outlines how Council will fund its activities, the major issues relating to its ability to achieve what is presented in the Long Term Plan (LTP) and the impact this will have on services, debt and rate levels over the period of the plan.

The Strategy is used as a guide for the Council to consider proposals for funding and expenditure and is the cornerstone for Council to manage its affairs in a prudent and sustainable manner.

The Financial Strategy is based on the new Council's Mission Statement: Our vision for Central Hawke's Bay is a proud and prosperous district made up of strong communities and connected people who respect and protect our environment and celebrate our beautiful part of New Zealand.

During Project Thrive, Council heard from the community that it is important for Council to balance affordability with creating a thriving district. To 'Build for a Smart Future', the Council needs to create the right environment for the community to thrive. The District Plan is an important document that provides for change, development and use of the environment in our district, while protecting and safeguarding it for future generations. Council has committed to having the draft District Plan out for consultation by the end of 2018. This, along with the Long Term Plan, will help Council set the right environment that supports a thriving Central Hawke's Bay.

Alongside the District Plan, Council needs to provide durable infrastructure. During Thrive, the community told Council that it needs to be committed to making sustainable investment in durable infrastructure for drinking water, wastewater and stormwater. The [#bigwaterstory](#) was discussed with the community in November and has been included in the LTP based on this feedback.

Growth

Based on the development of the significant assumptions for the LTP, the district population is expected to grow by 360 people over the next 10 years however household numbers are expected to increase by 535. This is reflected on the number of people per household dropping from 2.46 people per household to 2.30 people per household. During this time the percentage of people over 65 increases from 20% to 26%

YEAR	TOTAL POPULATION	NUMBER OF HOUSEHOLDS	MEDIAN AGE (YEARS)	65+
2018	13,840	5,625	44.2	20%
2028	14,200	6,160	46.4	26%

Therefore Council has recognised:

- the desire to balance rate rises to keep rates affordable while building for smart growth
- that costs of service delivery and maintaining services are continually reviewed to ensure services are delivering value to the community
- the growth in public debt is principally to fund water, wastewater and stormwater upgrades
- the benefit to the wider community of durable water and wastewater infrastructure and takes this into account in the Revenue and Financing Policy
- and the application of a user pays principle may mean above average increases in targeted rates.

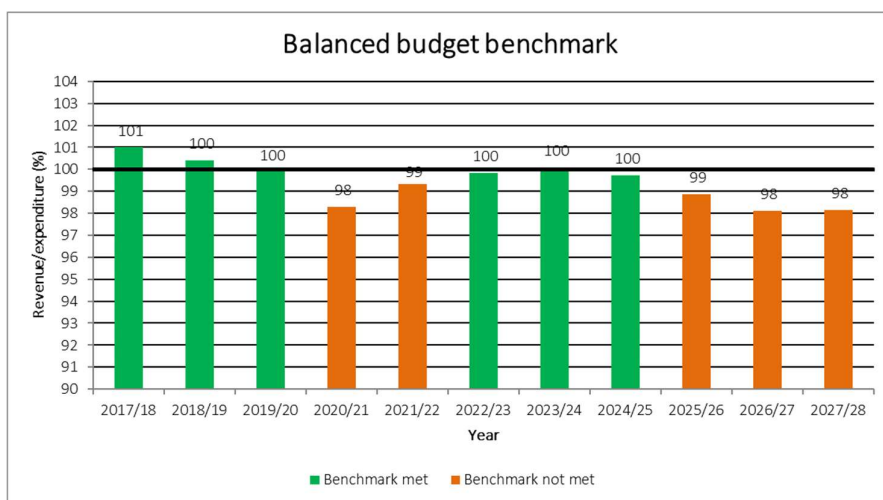
The use of land is expected to remain the same with the main use of land being sheep and beef farming, vegetable and grain crops and pipfruit outside of the main urban areas.

Balancing the Budget

CHBDC has a view that each year of the LTP will have a balanced budget. In other words total revenue will match or exceed total expenditure. However it is important that Council lives within its means while it keeps the rates affordable for our community.

The Council does not fully fund depreciation, but funds renewals which are based on individual Activity Asset Management Plans or separate consultant reports and also funds the repayment of debt associated with new capital projects. Council considers the level of asset renewals projected in the LTP is adequate to maintain the integrity of Council's core infrastructure.

Therefore the Council Revenue is below Council Accounting Expenditure for the LTP as the Expenditure includes Depreciation which is higher than Renewals and Debt Repayment. This however does not constitute a funding deficit.



Council also rates for some items, such as election expenses, in every year even though expenditures largely will occur in the year of an election. This enables the smoothing of rates to avoid one off jumps in rates. Funds are held in reserves for the purpose for which they were raised, until they are required.

It is also important that Council maintains adequate levels of reserves to meet natural and other disasters which might befall the District. Nearly \$1m of these funds were used to meet Council's share of the cost of reinstatement of the roading network following the April 2011 storms which affected coastal areas. Council increased the Catastrophic Events Fund over the last three years to over \$2m to be able to meet the requirement of replacing significant roading assets in the event of a catastrophic natural event. This increase is required to meet the drop in NZTA funding levels for emergency work from 90% to 80% of any one event and was funded from Land Transport Rates.

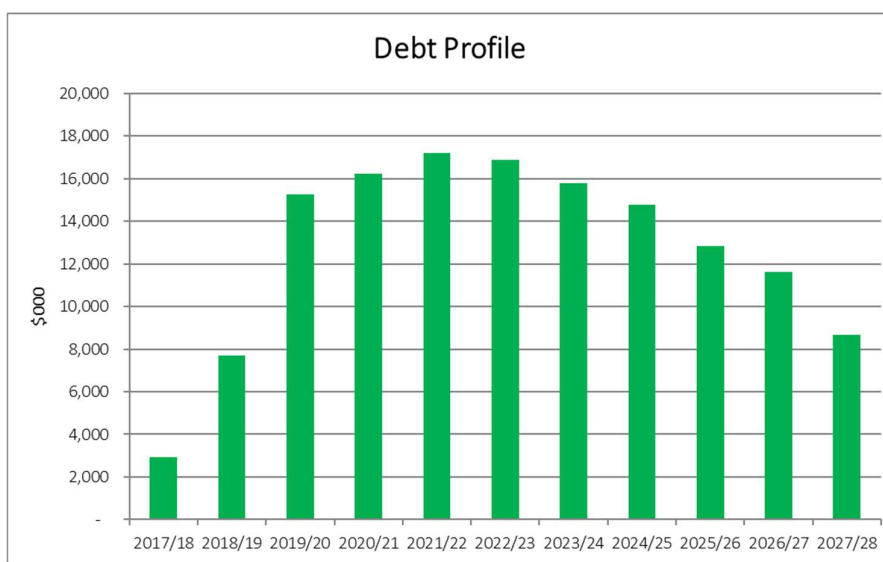
Debt

Council borrows for capital projects and the District Plan review but does not borrow for operating expenses.

Borrowing and security are included in Council's Liability Management Policy. Council gives security over special rates as its preferred method of providing security.

Council's current debt profile sees modest debt of \$7.7m forecast at June 2019 and rising to a maximum of \$17.2m in 2021/22. While debt is within our debt limits, Council is mindful of the communities' ability to pay back any new debt that it may incur through new capital projects and that more investment will be needed for the issues with the Waipawa and Waipukurau Wastewater treatment. During the course of the LTP, Council projects to incur \$15.16m of new debt and repay \$9.28m.

The following graph shows the debt projection for the next 10 years.



The key drivers for this change in debt are:

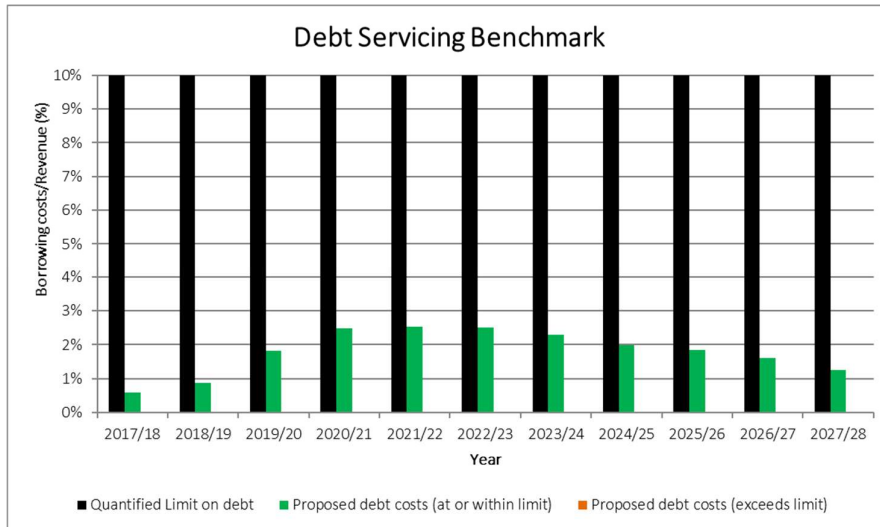
- Upgrades to the Waipawa and Waipukurau water supply for resilience
- Second water supply to Waipukurau in 2018 to 2020
- An alternative water supply to Otane in 2018 to 2020
- Consent and upgrades to wastewater in Otane, Takapau and Porangahau and Te Paerahi
- Consent and upgrades to water supply in Otane, Porangahau and Te Paerahi, Kairakau and Pourerere.

To ensure that Debt Servicing is affordable for our communities the Council has set the following limit:

Debt Servicing Costs

Debt servicing costs will not exceed 10% of total revenue.

The following graph shows that Debt Servicing Costs remain well within the above limit.

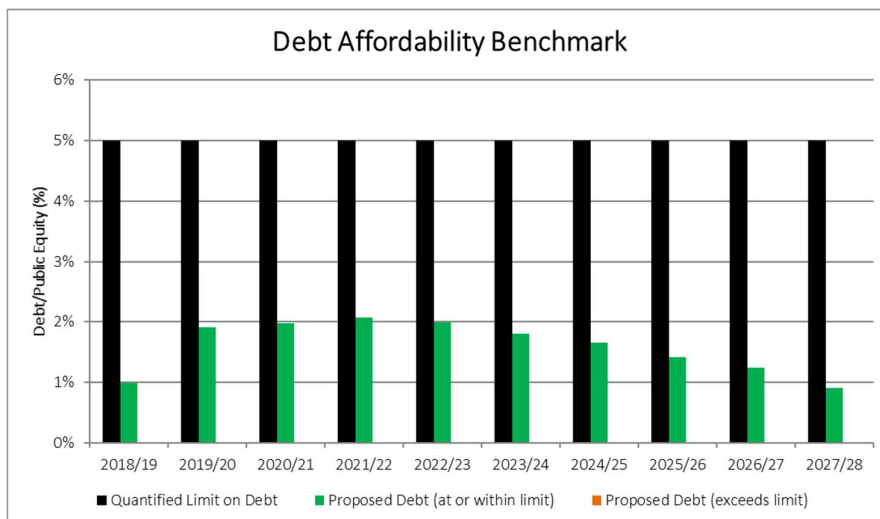


To ensure that Debt is affordable for our current and future ratepayers the Council has set the following limit:

Debt Affordability

Debt must not exceed 5% of total public equity and accumulated funds.

The following graph shows that Debt Affordability remain well within the above limit.



Investments

Investments are governed by Council's Investment Policy.

It may be appropriate to have limited investment in equity when Council wishes to invest for strategic, economic development or social reasons. The income expectation for each equity investment will be assessed as part of the acquisition process. Currently Council holds equity shares in Civic Financial Services Ltd and HB LASS Ltd. These shares are held for strategic reason and there is no expectation of income from these investments.

Council's primary objective when investing in property investments is to only own property that is necessary to achieve its strategic objectives as stated in the LTP or deemed to be a core Council function. All rented or leased properties will be at an acceptable commercial rate of return so as to minimise the rating input, except where Council has identified a level of subsidy that is appropriate.

Council has prudently established reserves for special purposes, and holds these reserves in low risk conservative financial investments. These include funds set aside to fund future capital, operating costs and for emergency purposes.

Council's primary objective when investing in financial investments is the protection of its investment, but generally Council aims to achieve a return equal to the 90 day bill rate.

These returns are credited to each reserve based on the opening balance of the reserve for the financial period.

Development Contributions

Council will endeavour to charge up to 7.5% of the growth related portion of new capital projects to those who create the demand.

Other Income

Council has limited ability to generate income other than through rates and is therefore very dependent on this source of income. Council's ability to therefore shelter the ratepayer from the impacts of increased expenditure by finding new ways of generating income are limited. Council is investigating other sources of revenue to assist with affordability for our rate payers. Council will also be reviewing the Development Contributions policy once the draft District Plan is notified.

The level of income from grants is low, and generally funds received are administered and dispensed by Council in terms of the conditions attached to the particular grant.

However Council receives significant subsidy (60%) from the New Zealand Transport Agency towards the upkeep of Council's roading infrastructure.

This level of subsidy determines the level of rate funding required each year and the ability of Council to maintain its roading asset.

Other Significant Items

Critical factors which impact on this Financial Strategy include:

NZTA Funding

The level of funding received from the New Zealand Transport Agency to subsidise maintenance and renewal of our roading network is a significant amount of the revenue for the Council. Council applies to NZTA on a three yearly basis for funding and the funding for the 2018-21 period is expected to be approved in May 2018. The Council has assessed the risk of alterations to the funding as low based on previous history of successful funding approval and an increase matching NZTA expectations.

\$'000S	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
NZTA Subsidy	6,870	7,053	7,234	7,883	8,072	8,265	8,471	8,691	8,926	9,175

Legislation

The impact of Central Government legislative changes, particularly where these affect water and sewerage supply.

Rates

A formal rating review was conducted in 2005 and rating policies have been reassessed for each Activity and are contained in the Revenue and Financing Policy. The Revenue and Financing Policy was consulted on as part of the Long Term Plan with only minor changes being made.

The main change proposed in the review of the Revenue and Financing Policy was a change to the funding of Water and Wastewater Activities. A district wide rate for Water and Wastewater had been proposed of 5% of the funding requirements of both Activities. This was not adopted, however it was agreed by Council that a Rating Review would be conducted in Year 2 of the Long Term Plan to assess how the benefits of each activity are spread across the district and the overall impact on affordability of the Rating policies.

The majority of rates are collected on a uniform (as opposed to a differential) basis, using land value as an appropriate basis for land transport costs and capital value when it is considered wealth to be an appropriate basis for targeting a rate. Uniform annual charging is used when the benefit is considered to be shared equally by all ratepayers.

Council measures the inflationary pressures that it faces through the Local Government Cost Index which projects that the basket of goods and services that the local government sector typically expects to consume will have higher inflationary pressures than that of the typical consumer. For this reason the projected rate increases are expected to be higher than CPI.

The impact of increased borrowing on targeted rates will mean that these increases may not be uniform across all ratepayers.

However, with:

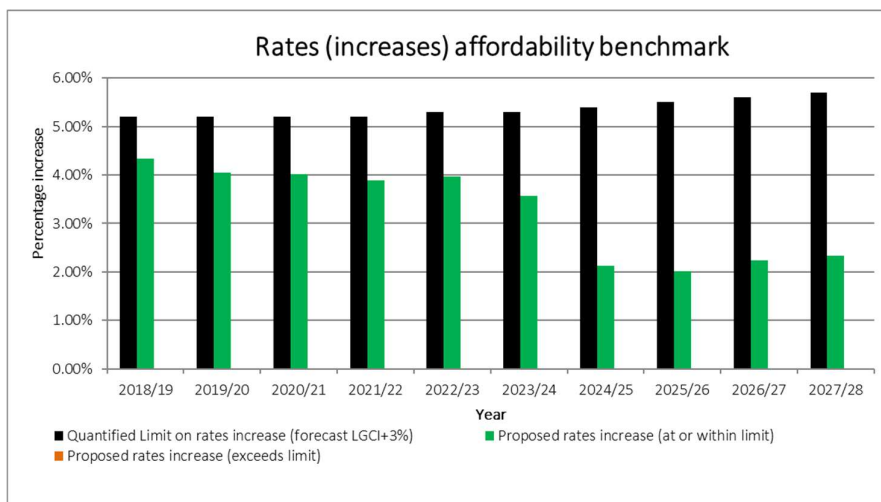
- Largely maintaining existing levels of service
- Developing capital management programme based on the feedback from the community
- Reviewing operating costs.

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	AVERAGE
TOTAL %	4.34	4.04	4.01	3.89	3.98	3.57	2.13	2.02	2.23	2.33	3.25
NON TARGETED %	2.62	2.68	2.66	3.74	3.49	3.03	1.40	2.95	2.51	2.57	2.76
TARGETED %	7.92	6.74	6.58	4.18	4.87	4.54	3.42	0.41	1.75	1.90	4.23
LGCI	2.00	2.20	2.20	2.20	2.30	2.30	2.40	2.50	2.60	2.70	2.34

Council has set the following limits on rates:

Rates Percentage Increases

Rates Increases to existing ratepayers will not exceed the projected Local Government Cost Index plus 3%:

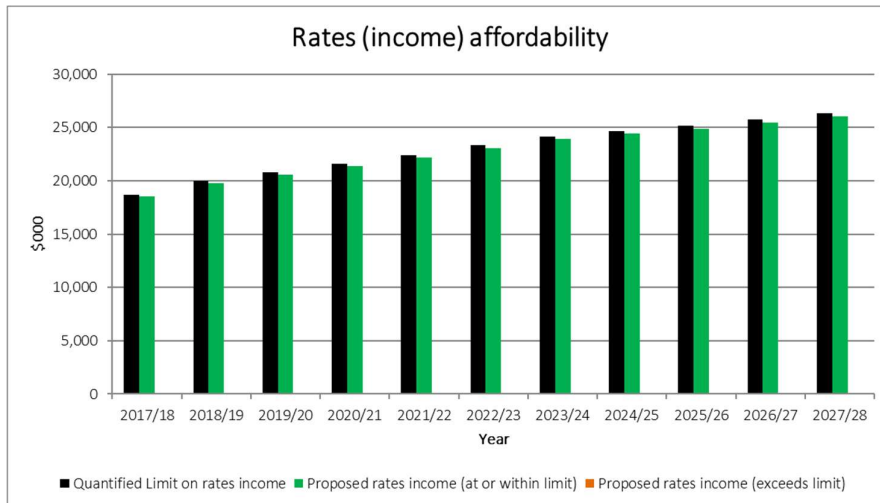


The additional 3% over LGCI provided in the rates increases limit is included to cover costs relating to natural disasters, new initiatives, additional responsibilities or higher standards imposed by central government, or increases to the levels of services approved by Council. The limits set for rates increases are the upper limit and Council will work hard to maintain increases to levels below these limits.

These limits apply to the average rate increases. Increases for individual properties are dependent on a range of factors (such as property valuation, and connections to Council water and sewer systems).

Total Rates

Total rates to existing ratepayers will not exceed the LTP projected total rates plus 1%:



The additional 1% provided in the total rates is included to cover costs relating to natural disasters, additional responsibilities or higher standards imposed by central government. These items are outside of the Council's control and are outside of the Council's ability to budget. The limits set for rates increases are the upper limit and Council will work hard to maintain increases to levels below these limits.

Capital Expenditure Planned for the District

Including inflation

Total

Activity	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	Total
Land Transport	7,809	8,013	8,299	9,064	9,281	9,504	9,742	9,995	10,265	10,552	92,523
Solid Waste	277	95	97	99	101	104	2,090	109	235	115	3,321
Water Supplies	4,592	7,123	1,088	1,746	1,451	1,314	1,348	1,045	1,446	744	21,898
Wastewater	1,607	3,168	2,168	1,945	755	601	675	723	743	732	13,117
Stormwater	676	304	226	231	237	242	249	255	262	269	2,951
Parks, Reserves and Pools	1,209	176	159	277	122	295	127	190	134	201	2,891
Public Toilets	96	104	123	38	39	40	41	42	43	44	609
Retirement Housing	36	36	37	38	39	40	41	42	43	44	396
Libraries	150	102	104	106	109	111	114	117	120	123	1,155
Theatres, Halls and Museums	132	291	319	141	256	148	151	155	159	163	1,915
Cemeteries	29	29	136	30	31	32	33	33	34	35	423
Property and Buildings	77	79	81	83	85	86	89	91	93	96	859

To Improve Levels Of Service (\$000s)

Activity	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	Total
Land Transport	300	300	300	381	391	400	410	421	432	444	3,779
Parks, Reserves and Pools	900	52	0	54	0	57	0	60	0	63	1,186
Public Toilets	60	68	0	0	0	0	0	0	0	0	128

Meeting additional demand (\$000s)

Activity	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	Total
Water Supplies	0	0	0	0	0	0	0	0	374	0	374

Existing Levels Of Service (\$000s)

Activity	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	Total
Land Transport	7,509	7,713	7,999	8,682	8,891	9,104	9,332	9,574	9,833	10,108	88,745
Solid Waste	277	95	97	99	101	104	2,090	109	235	115	3,321
Water Supplies	4,592	7,123	1,088	1,746	1,451	1,314	1,348	1,045	1,072	744	21,524
Wastewater	1,607	3,168	2,168	1,945	755	601	675	723	743	732	13,117
Stormwater	676	304	226	231	237	242	249	255	262	269	2,951
Parks, Reserves and Pools	309	124	159	222	122	238	127	131	134	138	1,704
Public Toilets	36	36	123	38	39	40	41	42	43	44	481
Retirement Housing	36	36	37	38	39	40	41	42	43	44	396
Libraries	150	102	104	106	109	111	114	117	120	123	1,155
Theatres, Halls and Museums	132	291	319	141	256	148	151	155	159	163	1,915
Cemeteries	29	29	136	30	31	32	33	33	34	35	423
Property and Buildings	77	79	81	83	85	86	89	91	93	96	859

Infrastructure Strategy



Infrastructure Strategy

Introduction

This strategy sets out the Central Hawke's Bay District Councils strategic direction for water supply, wastewater, stormwater and land transport infrastructure assets over the next 30 years.

Infrastructure plays an important part in our everyday lives, providing a platform for healthy, thriving communities and allowing our business community to deliver goods and services to customers. 'Infrastructure' refers to the fixed, long-lived structures that facilitate the production of goods and services and underpin many aspects of quality of life¹.

The Central Hawke's Bay District covers an area of 3,260 square kilometres; taking in the area from Pukehou in the north, to Takapau and Whangaehu in the south, and from the western Ruahine ranges to the eastern coast.

There are two main towns in Central Hawke's Bay – Waipukurau and Waipawa, with a number of smaller townships including Otane, Takapau, Tikokino, Porangahau and Onga Onga, as well as several beach townships including Kairakau, Pourerere, Blackhead, Te Paerahi. The dispersed nature of these settlements means that much of our networked infrastructure must be provided separately to different communities.

Purpose of the Infrastructure Strategy

This is Central Hawke's Bay District Councils second infrastructure strategy prepared to meet the requirements of section 101B of the Local Government Act 2002 (LGA). Section 101B took effect on 8 August 2014 and requires Councils to prepare an infrastructure strategy that identifies:

- Significant infrastructure issues facing the Central Hawke's Bay District over the next 30 years
- The principal options for managing these issues and the implications of these options.

The Act also requires Council to consider and set out in this strategy how, in managing its infrastructure assets:

- It will respond to growth or decline in demand;
- It will manage the renewal or replacement of existing assets over their lifetime;
- Planned increases or decreases in levels of service will be allowed for;
- Public health and environmental outcomes will be maintained or improved; and
- Natural hazard risks will be addressed in terms of infrastructure resilience and financial planning.

Scope of the Infrastructure Strategy

Section 101B of the LGA requires Council's infrastructure strategy to cover infrastructure assets used to provide services by or on behalf of Council in relation to the following activities:

- Water supply
- Sewage and the treatment and disposal of sewage (wastewater)
- Stormwater drainage
- Roads and footpaths
- Flood protection and control works.

This strategy does not cover:

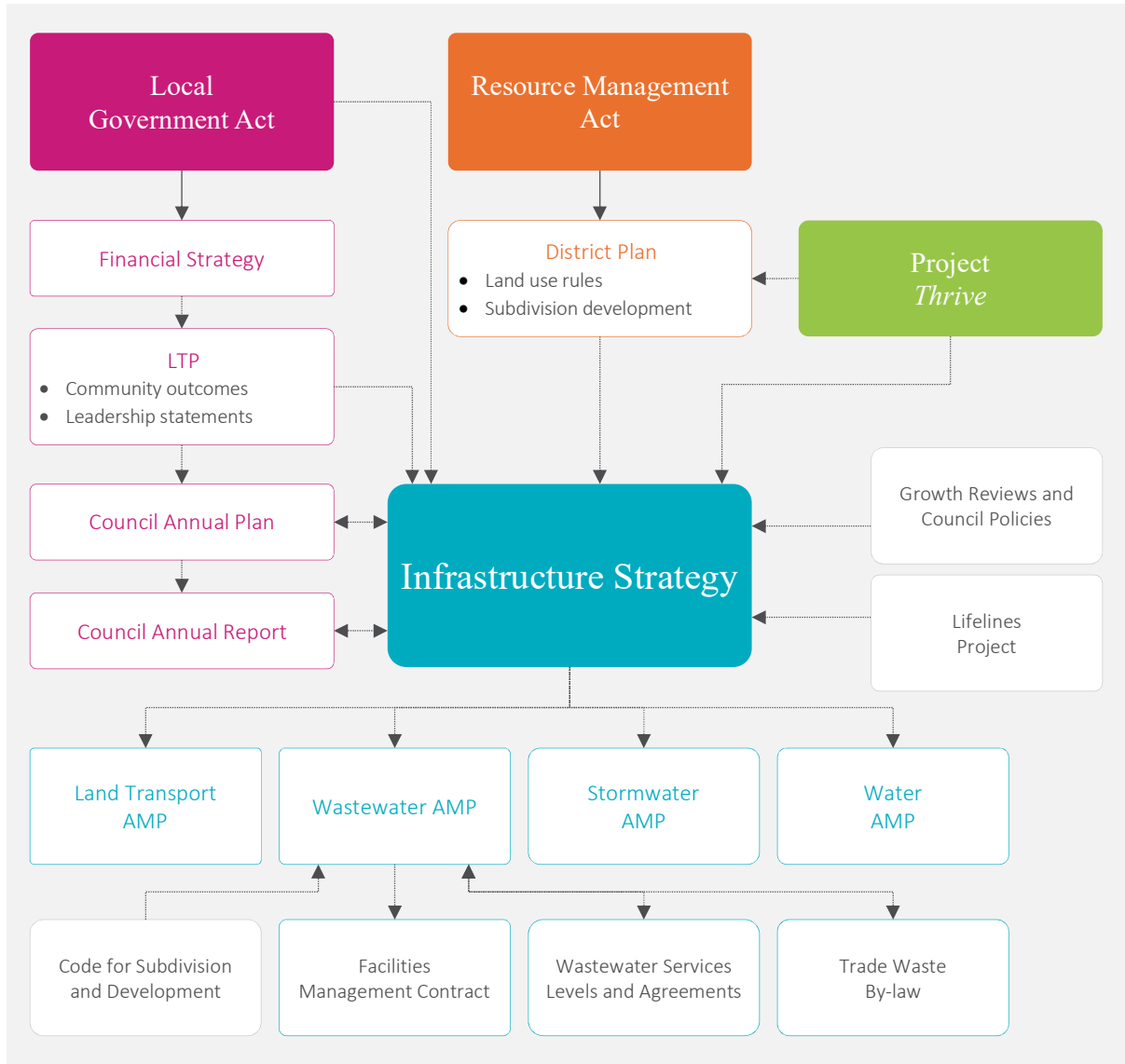
- State highways as planning for, providing and managing state highways is the responsibility of the New Zealand Transport Agency
- Flood protection and control assets as these are the responsibility of the Hawke's Bay Regional Council.

¹ National Infrastructure Plan, 2011, <http://www.infrastructure.govt.nz/plan/2011>

Relationship of Infrastructure Strategy to Other Plans

This strategy provides the link between a number of important Council documents such as the District Plan, Council's Financial Strategy, Wastewater, Stormwater, Water and Land Transport Activity Management Plans and the funding of these through the Long Term Plan (LTP).

The diagram below shows the relationship between the infrastructure strategy with other Council Plans and Policies interlinking with this document.



Based on the strategic direction set out in this document it is expected that Council will develop a schedule of intended capital works for the next 30 years. Council will prioritise these projects based on funding available and the needs of the community. The projects identified will be discussed in more detail in the respective Activity Management Plans.

Central Hawke's Bay District Council Infrastructure Strategy

Infrastructure is a big ticket item and the cost of maintaining and developing our assets needs to be affordable for current and future ratepayers. Affordably and sustainably, managing networked infrastructure like roads, water supply, wastewater and stormwater with low levels of growth while standards and service level expectations continue remain the same over the period of this document. Developing this strategy assists Council to look at what is likely to be required over the next 30 years; balancing the current ratepayer's ability to pay and future ratepayers having well maintained and functioning infrastructure.

Our approach to ensuring that we manage existing infrastructure assets efficiently and effectively and invest in new infrastructure assets wisely will be based on the following approach:

Managing our existing assets efficiently and effectively

This approach enables us to achieve best value for the investment we have already made in existing assets. Many of our assets have long lives and we need to take a long-term view. Managing our assets over their full life requires us to take an integrated long-term approach based on good underlying data about our assets and to:

- Optimise the way in which we operate, maintain, renew or replace our assets.
- Ensure our infrastructure meets the needs of current and future generations in an affordable way.
- Ensure that future generations are not disadvantaged by decisions made by Council in the short term.
- Ensure that risks to service levels and public safety are acceptable.

Retain existing supply network boundaries verse extending the boundaries

Projections suggest that growth in residential housing in our district will be halfway between the medium to high for the period up to 2028 and high from 2028 to 2048. However, based on previous trends we expect that we will continue to experience life style residential development on the fringe of existing urban areas but outside of our existing reticulated water network. This type of development can result in pressure on Council to extend existing networks. However, we need to ensure that our water supply networks remain affordable and sustainable for current and future generations. To ensure the continued affordability of our water supply networks council is currently consulting with the community to grow the networks to allow expansion into the rural residential zones as identified by the proposed District Plan. Therefore our approach to the growth pressure is:

- To encourage utilisation of existing infrastructure where existing capacity allows.
- Allow connections inside our current boundaries as of right.
- Only allow connection to extend existing networks beyond our existing supply boundaries where they meet specified criteria as proposed in the amended Water By-law.
- Upgraded the existing networks to meet the legislative requirements for firefighting as well as growth with the view of providing extension to the network beyond current boundaries when they are adopted in the new District Plan.
- Not provide for new reticulation beyond the urban areas until the reticulation inside the boundaries has been upgraded and the District Plan as confirmed the new service areas.

We are currently reviewing our District Growth Strategy and District Plan and these approaches will be reviewed.

Right-size our infrastructure

Given that our population is projected to increase over the next 30 years so we will be experiencing a growth in dwellings between medium to high and coupled with the recent findings in modelling highlighting lack of firefighting/supply capacity to meet legislative needs in the Waipukurau, Waipawa and Otane networks. Council has planned significant upgrades to these networks over the coming years. This work also include new treatment plant work to improve water quality in line with the new drinking water standards and provisional findings from the enquiry in to the Havelock North water issues as well as meeting higher resource consent conditions for wastewater and stormwater. Where practical council will utilise demand management tools to support this approach to ensure that our assets are not placed under too much stress during peak periods or in years where our climatic conditions place constraints on our ability to meet demand for services (e.g. manage demand for water in years when we have very dry summers, stormwater retention devices for new dwellings) until the upgrades can be completed.

Continue to deliver existing service levels

Increasing service levels can increase the cost of operating and maintaining our assets. Our population is ageing and over the next 30 years we will have more residents with fixed incomes who may be less able to absorb the costs of increased service levels. Assumptions is that while the number of houses is expected to increase over the next 30 years levels of service will remain the same over the period of this document.

Central Hawke's Bay District – Te Takiwā o Tamatea

Our District – Physical Context

Our district covers an area of 3,324 square kilometres. It covers the area from Pukehou in the north, to Whangaeu and Takapau in the south, and from the western Ruahine ranges to the eastern coast.

The District extends from high hill country bordered by the Ruahine Ranges through gently rolling plains into rugged coastal farmland. Much of the area is highly modified for pasture and cropping, with remnants of forest and scrub.

Sheltered by the Ruahine ranges, Central Hawke's Bay enjoys a dry, sunny and temperate climate. The District averages around 2,200 sunshine hours and an average rainfall of around 900 millimetres.

The district has a number of outstanding natural features and landscapes, with the mountain, river and beaches as key features. At the heart of this is the concentration of versatile and highly productive soils and land.

The District has three main river systems: the Tukituki, Waipawa and Porangahau Rivers. There is a major groundwater system under the Ruataniwha Plains. It comprises a shallow unconfined aquifer, with several deeper confined aquifers.

Natural Hazards and Climate Change

Our district is subject to a number of natural hazards such as earthquakes, coastal inundation and erosion, tsunami and landslides and these can result in disruption to services and damage to our infrastructure. This can lead to unforeseen and often high costs to repair infrastructure and restore services.

These hazards impact on our networks in different ways. For example, where our infrastructure networks are near the coast they may be subject to coastal erosion, coastal inundation, tsunami and landslips. Our urban infrastructure networks are more likely to be impacted by earthquakes and flooding.

Climate change is likely to have an impact on the Central Hawke's Bay over the coming years, with changes to wind and weather patterns, sea level rises, increased flood risk and frequency of extreme weather events predicted². Climate change is not expected to create new natural hazards in our District but it may change the intensity and frequency of natural hazards. In Central Hawke's Bay, increasing levels and intensity of rainfall may cause localised flooding issues, placing pressure on our stormwater drainage systems and wastewater systems (for example, if stormwater infiltrates our wastewater network). This could impact negatively on our natural environment, our water quality and increase public health risks. Sea level rise could be a major issue for our coastal settlements and roading network that runs along the foreshore. Council has a statutory requirement to consider sea level rise under the RMA and new District Plan where rule and process will be set after consultation with the public and other governing bodies.

Changing Environmental Standards and Legal Obligations

The National Policy Statement for Freshwater Management (NPS-FM) will require the Council to meet high levels of treatment for the disposal of waste from our pond discharges. This has certainly been the case with the increase in consent condition for the Waipukurau and Waipawa discharge consents. As a result of this Council envisages consent conditions are likely to more prescriptive for Takapau, Porangahau and Te Paerahi similar to the more prescriptive approach the HBRC have taken with the Otane consent.

Also from the hearing over the Havelock North water crisis council has experienced more attention from the regional council and the district health board on how we manage and run our drinking water supplies. This has not only impacted on capital works projects such as new UV water treatment but has added cost on the operational side of council water supply systems. In the short term council is envisaging further operation cost increases as the legal process over the water issue progress.

Similar to wastewater the regional council consents have increased cost both in capital and operation works to manage our stormwater discharges. In the short term this will impact on operational cost but in the long term additional work is envisaged improving the quality of stormwater discharges in to the receiving catchments such as the Tuki Tuki River.

² <http://www.mfe.govt.nz/climate-change/climate-change-resources/guidance-local-government/>

The District



Our People

Household Growth

Understanding the characteristics of our current households (households are used instead of population as it directly links to service demand) and how these are likely to change over the next 30 years is critical for the effective management of our infrastructure. Different demographic groups have different needs and preferences for services. Our people live in dispersed settlements across the district and each of these settlements is likely to change in different ways over the life of this strategy and this may influence how, when and where we provide infrastructure across our district in the future.

The Central Hawke's Bay District has a population of around 13,720 with approximately 5,560 households in the District (2017 Census update by Sean Bevin). Based on past trends, medium to high projections suggest that our district will experience a growth of households around 9.5% in total across the district for the next 10 years from 2018, with a growth of around 9.0% over the following 20 years to 2048. By 2048, projections number of households is suggest around 6,700 across the district.

Projections suggest that over the next 30 years, the household increase in all of our townships will follow a similar trend.

Demographic Change

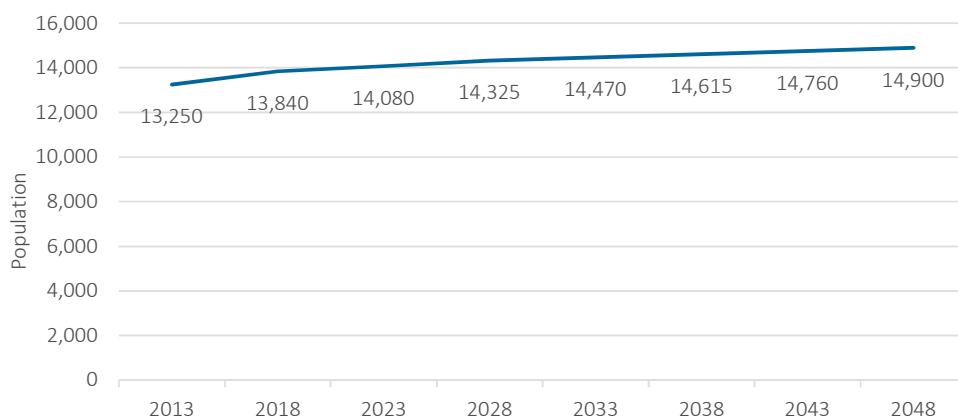
Like many parts of New Zealand, our population is ageing. In 2018 around 20% of our population is over the age of 65 and the median age of our population is 42 years of age. By 2048, around 33% of our population is expected to be over the age of 65 and the median age of our population will be over 50 years of age. This means that an increasing proportion of our residents will be reliant on fixed incomes and will be less able to absorb increased costs of service.

Our Settlements

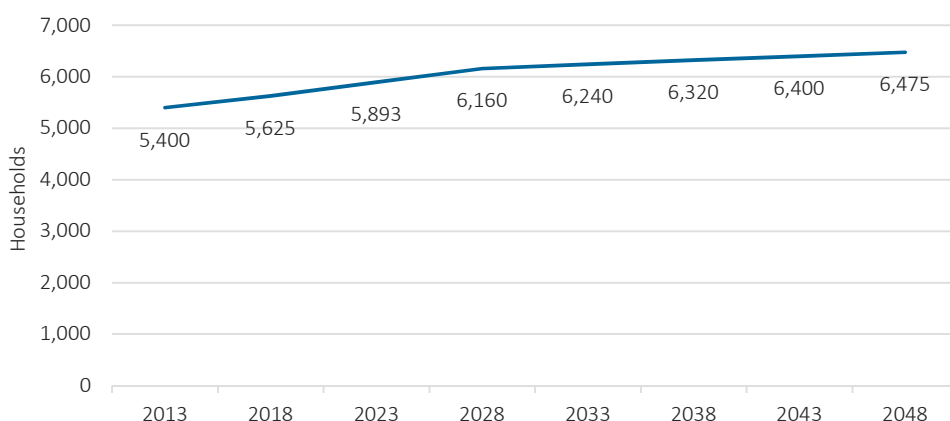
There are two main towns in Central Hawke's Bay – Waipukurau and Waipawa - with a number of smaller rural townships including Otane, Takapau, Tikokino, Porangahau, Te Paerahi Beach and Onga Onga. In addition there are several beach townships including Kairakau, Pourerere, Blackhead and Te Paerahi.

Approximately 55% of the District’s population lives in the urban areas. The main towns of Waipukurau and Waipawa house 5,080 and 2,510 residents respectively. Of the rural townships the villages of Takapau and Otane have the highest populations with approximately 500 – 650 people in each settlement.

CENTRAL HAWKE’S BAY DISTRICT POPULATION GROWTH 2013-2048



CENTRAL HAWKE’S BAY DISTRICT HOUSEHOLD GROWTH 2013-2048



Changing Preferences and Future Residential Growth

Based on past residential growth trends we are likely to continue to experiencing a mixture of life style residential development on the fringes of our existing urban areas and more intense development within our town boundaries.

We are currently reviewing our Urban Growth Strategy and our initial work indicates that there is sufficient land available for infill development in the towns of Waipukurau, Waipawa and Otane to meet the anticipated housing growth.

Infill housing and urban intensification have the potential to increase pressure on existing infrastructure. Larger houses generally have larger garages and hard standing areas as well. In general these new developments have fewer permeable surfaces, which results in higher stormwater flows.

Improved standards of living and increased use of water-consuming appliances and garden watering devices have coincided with a customer expectation of a right to a continuous water supply and the right to dispose of all wastewater created.

Most houses now being built are larger than the average dwelling was 20 years ago and often contain multiple bathroom and toilet facilities. Despite a reduction in the number of household occupants, water demand is still expected to increase over time because of higher water use per capita.

Our Economy

The district’s ‘bread and butter’ is still sheep and beef farming, vegetable and grain crops, pip-fruit, with more recent increases in dairy farming. Non-traditional industries are being explored and finding some success including top quality vineyards. However, over the next 30 years our economic profile is not expected to change significantly.

Overview of our Infrastructure Assets

Land Transport

Our land transport networks are managed directly by Council with assistance from Consultants, with operations and maintenance activities contracted to a third party. Council is responsible for allowing movement of people within our communities on local roads and footpaths. New Zealand Transport Agency is responsible for managing the state highways that run through our District and connect our communities regionally.

ASSET GROUP	ASSET TYPE	QUANTITY	UNITS
Pavements	Pavements	1,264	km
	Sealed Roads	863	km
	Unsealed	401	km
	Urban Roads	72.9	km
	Rural	1191.1	km
Pavement Drainage	Drainage Asset	8,852	No
	Surface Water Channels	1,756	km
Bridges & Guard Rails	Bridges & Large Culverts	264	No
	Guard Rails	7,419	m
Retaining Structures	Retaining Walls	299	No
	Stock Underpass	3	No
Carriageway Lighting	Lighting Poles	310	No
	Lighting Brackets	879	No
	Lights	881	No
Traffic Facilitates	Marking – Linear	1,079	km
	Marking – Symbols	1,878	No
	Signs	5,098	No
	Railings	6,816	m
	Footpath	68.4	km

Water Supply

Council owns and operates seven treated water supply schemes that supply water to domestic, commercial and industrial properties in each of these schemes. Many of these networks were originally installed in the early 1900s. There is also a small water supply scheme at Pourerere for two connections only including the camping ground and public toilets.

	CONNECTIONS NUMBER	PIPES METRES	VALVES NUMBER	HYDRANTS NUMBER	PUMP STATIONS NUMBER	RESERVOIRS NUMBER
Waipukurau	2,173	77,859	342	322	1	3
Waipawa	981	52,295	115	190	2	3
Otane	273	18,488	72	36		2
Takapau	272	16,406	44	51	1	13
Porangahau	110	10,138	37	22		3
Te Paerahi	133	6,349	46	17	1	15
Kairakau	84	3,312	9	2	3	5
Pourerere	5	6,120				4
Total	4,031	190,966	665	640	8	48

Wastewater

Council collects, treats and disposes of wastewater at six treatment plants at Otane, Waipawa, Waipukurau, Takapau, Porangahau, and Te Paerahi. The oldest parts of our wastewater networks were installed in the early 1900s in Waipukurau and Waipawa. In all our networks, wastewater treatment currently occurs primarily in oxidation ponds.

	CONNECTIONS NUMBER	PIPES METRES	MANHOLES NUMBER	LAMPHOLES NUMBER	PUMP STATIONS NUMBER	TREATMENT PLANTS NUMBER
Waipukurau	1,948	54,867	577		5	1
Waipawa	858	30,037	248	12	2	1
Otane	252	9,832	83		0	1
Takapau	199	8,449	55		1	1
Porangahau	105	4,030	33		1	1
Te Paerahi	126	4,847	26		2	1
Total	3,488	112,061	1,022	12	11	6

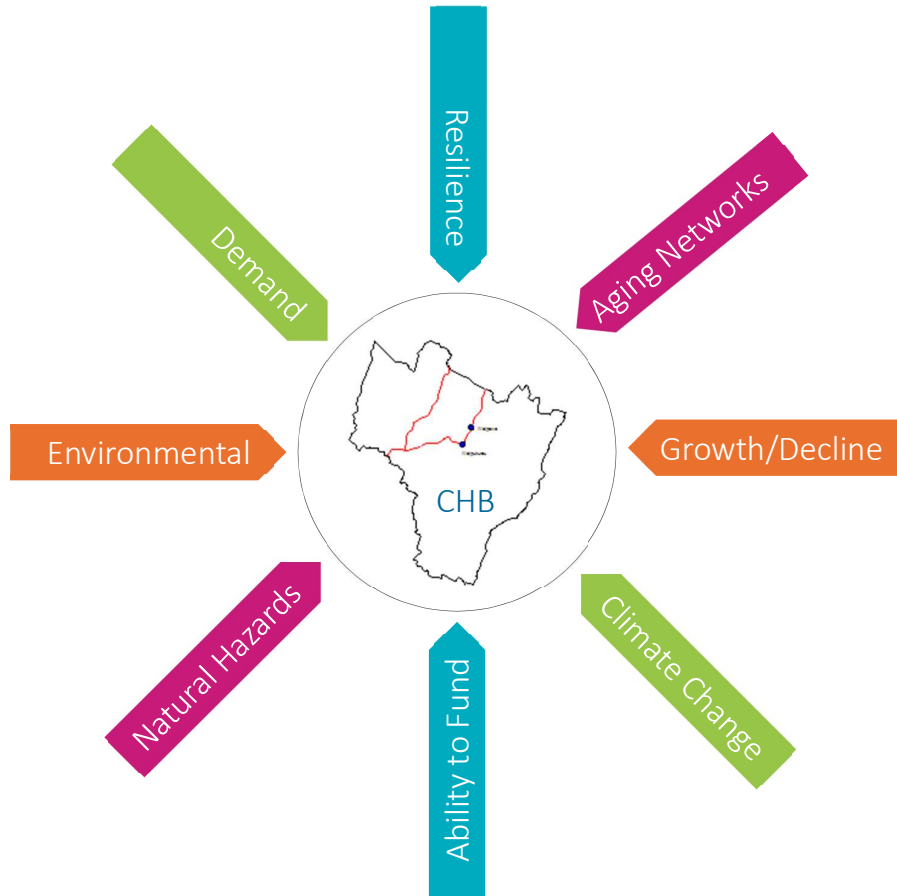
Stormwater

Council collects and disposes of stormwater in the built up areas of Central Hawke's Bay District. The stormwater network consists of two separate systems servicing the two main towns of Waipawa and Waipukurau. There are also six smaller networks providing varying levels of coverage for the townships of Otane, Takapau, Porangahau, Te Paerahi, Kairakau, and Blackhead Beach.

	INLET/OUTLET STRUCTURES NUMBER	GRAVITY MAINS METRES	MANHOLES NUMBER	OPEN DRAINS METRES
Waipukurau	130	25,997	406	10,404
Waipawa	120	10,718	142	4,417
Otane	3	184.9	0	136
Takapau	2	58.14	1	802
Porangahau	8	2,217	69	291
Te Paerahi	1	325.63	0	0
Kairakau	3	379.92	5	496
Blackhead	1	135.88	1	0
Total	268	40,017	624	16,546

Significant Infrastructure Issues

The figure below outlines (but is not limited to) a number of significant issues that could impact on the Central Hawke's Bay District.



The following tables set out the significant issues for each type of infrastructure; land transport, water supply, wastewater, and stormwater. A short high level discussion on the implications of the issues and Councils suggested response is included against each issue.

Where the scenario translates into physical projects Council endeavours to follow the basic risk analysis approach outlined in Australian/New Zealand Standard AS/NZ 4360. These are covered in more detail in the Activity Management Plans for the respective infrastructure areas.

Transport

Significant Infrastructure Issues		Principle Options for Managing the Issues	Implications
NETWORK RESILIENCE	Council has a number of roads that are located on unstable land that is prone to landslides or land movement in wet conditions and this can result in damage to roads.	<p>Our key action is to ensure that road drainage is adequate and well maintained so that we avoid the wet conditions which increase the likelihood of landslides or land movement for roads which we know are on unstable land.</p> <p>We also take a proactive approach to managing and maintain our roads, particularly with the roads on known unstable land.</p> <p>If roads are damaged but do not need to be completely closed we may need to put restrictions in place to ensure the safety of road users, for example, reducing sections of road to one lane or putting speed reductions in place.</p>	<p>There is a risk of affected communities being inaccessible, or facing long detours, by road after a significant storm or rain event that results in landslides or land movement.</p> <p>The repair and clean up needed to reinstate roads could place considerable strain on our financial resources.</p>
	Our District is located in a region with high earthquake risk. This may cause major disruption to the roading network due to loss of bridges or as a result of significant damage to roads.	<p>Council manages earthquake risk in a number of ways; we:</p> <ul style="list-style-type: none"> • Develop and put in place and test Emergency Response Plans as well as working with our neighbouring Councils for resources • Maintain a catastrophic events reserve fund to mitigate the financial impacts of natural disasters and in the event of our network being damaged we would use this fund to undertake a prioritised program of repairs • Ensure that our road drainage is adequate and proactively manage and maintain road drainage to protect the integrity of our roads. 	<p>Natural disaster will impact our communities as they may be cut off in the event or face long detours until access can be restored or damages to roads repaired.</p> <p>Significant damage to our roads following an earthquake may make restoring other critical assets or services difficult and this may pose health and safety risks.</p> <p>Changes in the way in which the New Zealand Transport Agency funds disaster repairs may impact on our ability to fund the repair work associated with disaster events.</p>
DEMAND MANAGEMENT	<p>Usage of our road network by industry can impact on the volume of traffic on our roads and heavy vehicles can accelerate the deterioration of our roads. We anticipate additional demand on our road network due to:</p> <ul style="list-style-type: none"> • Logging trucks within our District are projected to increase as a number of forestry blocks in our District are ready to be harvested. They currently do not cause significant damage to our road network but this may change with the forecast increase in forest harvesting • Logging trucks crossing our District on four local roads from Tararua District to the Napier Port. We understand that these truck movements are important for the national economy but they do have an impact on our local roads as well as road safety issues for our community • The possibility of oil exploration off the coast of our District which could result in additional heavy traffic, although this with the sharp reduction in global oil prices is unlikely in the short to medium term. 	<p>Our main responses include:</p> <ul style="list-style-type: none"> • We will continue to work with the logging industry to understand their forest harvesting in the short to medium term and any likely potential damage to our local roads. We will then allow for the maintenance and renewal activities to be scheduled to maximise the efficiency for the log haulers and minimise the damage to the road network • We have prepared a business case for enhanced targeted funding assistance rate to mitigate the impact of the logging trucks crossing our District due to the economic importance nationally. We will continue with our proactive discussions with NTZA for a favourable outcome • We will continue to monitor any new oil exploration sites within our District and any increase in the number of heavy vehicles on minor road. It seems unlikely that there will be further sites in the short to medium term. 	<p>The implications for all three demand changes have the potential to damage our road network. This may result in the impacted roads requiring earlier intervention for renewals or in the worst case complete reconstruction which is costly and disruptive to our community.</p>

Transport

Significant Infrastructure Issues		Principle Options for Managing the Issues	Implications
With the increase in demand for more affordable section there is a pressure on our rural towns like Tikokino to develop the paper roads to service existing land parcels		Develop a policy at a strategic level on how Council will manage and fund the development increasing pressure to construct new roading assets on existing paper roads.	This will have an impact on the funding of the Land Transport group with little or no ability to recover some of the cost by way of tools like development levies.
CHANGING STANDARDS	NZTA and LGNZ have implemented the One Network Road Classification (ONRC) system so that road users will have consistent customer levels of service across the country. Like other Road Controlling Authorities, we are still in the process of fully understanding the implications on our District.	Our main responses include:	Although the impacts of the ONRC are not fully understood at this time it is likely that there will be some changes to levels of service on the network that NZTA are prepared to subsidise. This might mean that some parts of our road network, particularly where there is low volume of vehicles, may have reduced service levels – for example, roads may be rougher than they are now.
	<p>The proposed new road classification will be based on a roads main function. This may result in lower customer levels of service in the future (for example, road roughness) for some of our extensive road network.</p> <p>The Ministry of Transport is steadily increasing the amount of weight allowed to be carried on all networks. This includes initiatives such as 50 Max (50 tonnes); HPMV (62 tonnes) and 46 tonnes as of right which have the potential to increase the deterioration rate on our bridge network</p>	<ul style="list-style-type: none"> • We will work collaboratively with NZTA recognising that this process is still subject to refinement. The refinement will consist of adding more reporting requirements and specifications • As the ONRC is now in place we will work with NZTA to better understand the impacts and minimize the effects where possible. We will start to analyse at a high level to understand the impact across our network in terms of customer levels of service • Ensure that the only routes that the council approves for 50 Max and HPMV are routes that do not have bridges on them • Screen all of the bridges in the district to determine which bridges cannot carry 46 tonnes and restrict those bridges that are under strength • Undertake an investigation as to the remaining life of the individual bridges and begin to create a fund for bridge replacement which would allow through re-construction and ability to carry heavier weights. 	<p>At this stage we have not quantified this and any subsequent financial impact.</p> <ul style="list-style-type: none"> • A catastrophic failure of one or more of our bridges thus restricting access to some areas and increasing travel times through the use of detours • A faster deterioration of our bridges which the district may not be able to fund thus increasing travel times through detours and potentially isolating communities for long periods of time.

Water Supply

Significant Infrastructure Issues		Principle Options for Managing the Issues	Implications
INFRASTRUCTURE AGE AND CONDITION	Some parts of our water network are ageing in particular in townships like Waipawa and Waipukurau, and over the next 30 years will reach the end of their asset life and will need renewal to maintain the existing levels of service. To compound this modelling has shown deficiency with the ability of the network to provide adequate firefighting response.	Our key actions will be to increase the focus on asset management activities such as investigations, data gathering, break analysis, renewal candidate assessments, field verification, and improved asset records and information about asset condition. We will continue to work across Council to align renewal of different types of infrastructure, for example, to align water supply renewals with our land transport's Area Wide Treatment Plan, when we replace infrastructure. This has the cost benefit of sharing the re-instatement work with other parts of Council as well as reducing disruption to our community.	As our assets age, they are more likely to fail which will result in service interruptions. These unplanned water outages will become increasingly unacceptable for our residents and businesses. There may also be increased operational costs with responding to the breakages as well as major leakages.
INCREASING STANDARDS: ENVIRONMENTAL	The Hawke's Bay Regional Council (HBRC) Plan change 6 is now operative which is imposing high environmental standards for the Tukituki catchment, for example around the amount of water that we are allowed to take. It also plans to set new water quality and allocation limits for groundwater from rivers, and increase the minimum river flows. This may have the effect of reducing the quantities of water that can be extracted for town supplies, particularly reducing the peak flow rates. This may result in water restrictions for longer periods in the summer periods and constrains our ability to service additional wet industries in our main town Waipukurau.	Council's main response to reduce flows and the consequential restriction on water takes is to impose water restrictions and bans on irrigation and other non-potable water uses. With the high minimum flow rates likely to be imposed under Plan Change 6, Council is looking at other options for supplying water to the towns. We will continue to monitor our water demand as well as undertaking more detailed growth analysis to understand growth patterns better.	Plan Change 6 also has put constraints on flows in the river networks. This increase the level for minimum flows which will impact on our ability to extract from the rivers and may result in more or longer extraction restrictions. Plan Change 6 may constrain our ability to cater for additional wet industries in Waipukurau as well as residential growth in our four main townships. This may impact our District's prosperity in the long term.
INCREASING STANDARDS: PUBLIC HEALTH	Our water supply schemes currently comply with Drinking Water Standards (DWS) 2002 but do not comply with the DWS 2005 (revised 2008). The Pourerere water supply scheme which supplies the Pourerere camping ground and Pourerere toilet block does not currently comply with the Drinking Water Standards (DWS) 2000.	Over the next ten years we are planning to undertake a programme of works to improve service levels with the aim of meeting the DWS 2005 (revised 2008). The work programme includes: <ul style="list-style-type: none">• The Waipukurau water supply schemes are being upgraded over the next two years with new UV treatment units.• We are planning to undertake a prioritised programme of improvements for the Takapau, Porangahau, Kairakau and Pourerere water treatment schemes.	The DWS 2005 (revised 2008) were put in place to improve the quality of drinking water and public health. If we do not undertake this programme of work our communities will not benefit from improved quality of drinking water or enhanced public health. Increase requirements imposed on Council from the Havelock North Water Inquiry will add additional operational cost and in some networks capital costs

Water Supply

Significant Infrastructure Issues	Principle Options for Managing the Issues	Implications
<p>NETWORK GROWTH BEYOND EXISTING SUPPLY BOUNDARIES</p>	<p>Projections suggest residential growth in our district will be halfway between the medium to high for the period up to 2028 and high from 2028 to 2048. However, based on previous trends we expect that we will continue to experience life style residential development on the fringe of existing urban areas but outside of our existing reticulated water supply network. This type of development can result in pressure on Council to extend existing networks so that these developments can connect to town water supply.</p> <p>We also expect to continue to see more intense development within our existing towns. This type of development can place pressure on the capacity of our existing water supply networks.</p> <p>However, we need to ensure that our water supply networks remain affordable and sustainable for current and future generations.</p> <p>To ensure the continued affordability of our water supply networks our current approach is:</p> <ul style="list-style-type: none"> • To encourage utilisation of existing infrastructure where existing capacity allows • Not to extend existing networks beyond our existing supply boundaries (e.g. not allow houses or developments which are outside our existing supply network boundaries to connect to the network) • Not provide for new services in areas which are currently un-serviced. <p>We are currently reviewing our District Growth Strategy and District Plan and these approaches will be reviewed.</p>	<p>Extending our reticulated water supply system could have major cost implications and we already have limited funds.</p> <p>The cost of the extension could be covered by targeted rating schemes, but these would need to be financially sustainable for current and future ratepayers.</p> <p>Extending our water supply networks would increase demand for water and may mean we need additional water sources to meet demand.</p>
<p>NETWORK RESILIENCE</p>	<p>Some of our water supply schemes are serviced by a single supply main pipeline in the road corridor. This means that these water supply schemes are vulnerable to:</p> <ul style="list-style-type: none"> • Damage resulting from the work undertaken in the road corridor • Asset failure • The impact of natural hazard events. <p>In particular, our largest town Waipukurau has a single supply pipeline so is vulnerable.</p> <p>Our key actions include:</p> <ul style="list-style-type: none"> • Regular maintenance, renewal and replacement of our water supply assets to ensure that they continue to deliver services and provide the foundation for a prosperous economy and healthy, thriving communities across the District • We provide tanker supplies to our smaller townships as part of emergency response processes. When assets for our larger towns fail they are rapidly repaired by our maintenance facility contractor • We are taking resilience into account in our discussions about how we develop and replace or infrastructure especial with Waipukurau and Otane • An additional management options for the conservation of the water resource that Council will need to consider is the use of on-site storage tank attached to new or existing dwellings. 	<p>There is a risk of communities being without water services which are an essential service for drinking water as well as providing firefighting capability. This may result in health and safety risks if there are major water outages.</p>

Water Supply

	Significant Infrastructure Issues	Principle Options for Managing the Issues	Implications
NATURAL HAZARDS: SEISMIC	<p>The impact of infrastructure failure due to natural hazards has been highlighted by the Canterbury earthquakes. Our water supply networks are the most vulnerable of all our infrastructural assets to seismic risk.</p> <p>In the towns of Waipukurau and to a lesser extent Waipawa, there are a number of points where the infrastructure crosses known fault lines.</p>	<p>We manage the risk of earthquakes in a number of ways:</p> <ul style="list-style-type: none"> • We check and action any leaks that may arise after earthquake activity as part of our emergency response plans • We use flexible water pipelines so that there is less likelihood of failure • We ensure that our water reservoirs are able to cope with seismic risk • We have set up a catastrophic events fund to mitigate the financial impacts of natural disasters. 	<p>In the event of a natural disaster our communities may be without water services for a significant period. This may result in health and safety risks with limited or no drinking water as well as firefighting capability.</p>
NATURAL HAZARDS: COASTAL IMPACTS	<p>Council owns two reticulated systems that service coastal settlements. They may be impacted with water inundation as they are located on low lying land.</p> <p>Climate change could increase the risk of this, with these communities subject to coastal inundation from rising sea levels.</p>	<p>The impact of water inundation on our regional coastline is currently being modelled by Hawke's Bay Regional Council. We will collaborate with the Regional Council on the findings of this study and practical options if any for our District for these two coastal communities.</p> <p>We will also manage the impact of natural hazards by:</p> <ul style="list-style-type: none"> • Monitoring and assessing the risk of coastal hazards on our existing water supply assets • Work with our communities to ensure that they are prepared for and able to manage in the event of a natural disaster. This approach is supported by our Civil Defence and Emergency Management Group who assist with building resilient, prepared communities. 	<p>Council could be faced with considerable costs if water supply infrastructure needed to be relocated or abandoned. A worst case scenario is that these two coastal communities would need to be relocated as the most affordable and pragmatic solution.</p>
SECURITY OF SUPPLY	<p>Increases in long dry periods will put significant pressure on our already stretched summer water supplies. This pressure is already causing restrictions to be enforced during the summer periods.</p>	<p>Our key actions include:</p> <ul style="list-style-type: none"> • Sound leakage management practices are in place to ensure water is not wasted unnecessarily • We will continue with our smart operations to ensure pump stations are not running excessively and that our reservoirs are not draining below safe levels • We will continue to monitor our resource consents and apply for resource consents for enhanced or extended water take in a timely manner as demands change. 	<p>Water restrictions in the summer period will continue and may lengthen in duration or we may need to put tougher restrictions in place.</p> <p>It will be difficult to attract development to our District without ample water supply and this may affect our long term prosperity.</p>

Wastewater

Significant Infrastructure Issues	Principle Options for Managing the Issues	Implications
<p>INFRASTRUCTURE AGE AND CONDITION</p>	<p>Some parts of our wastewater network are ageing, in particular in townships like Waipawa and Waipukurau. Over the next 30 years some of our wastewater assets will reach the end of their useful life and will need to be renewed or upgraded.</p> <p>Council is actively looking at new ways to deliver the wastewater service to the community, including the methods of treatment, improved pipe laying and lining technology.</p> <p>Take a proactive planned approach to maintaining and renewing our assets to minimise reactive renewals.</p> <p>The use of technology to extend the life of infrastructure. For example, Council is currently undertaking a programme of work using technology such as relining pipes to extend the life of our wastewater infrastructure.</p>	<p>As our assets age they are more likely to be subject to service interruptions or to fail and this may impact on levels of service and on the resilience of our wastewater networks.</p> <p>Assets which are ageing or in poor condition are more likely to have a negative impact on the quality of our environment and on public health.</p> <p>There are significant periods in the near future when large portions of our networks will require replacing or upgrading to maintain current service levels. The cost of this work could be beyond Councils ability to fund projects depending on the timing required by the AMPs.</p>
<p>INCREASING STANDARDS: ENVIRONMENTAL</p>	<p>The Hawke's Bay Regional Council (HBRC) Plan change 6 is now operative which is imposing high environmental standards for the Tukituki catchment, for example around the amount of water that we are allowed to take and around discharging to water and land.</p> <p>Council is currently undertaking upgrades at the Waipukurau and Waipawa treatment facilities so these networks should meet new standards. However, some of our other wastewater networks may need to be upgraded in the future to meet new environmental standards.</p>	<p>Upgrading wastewater networks to meet new environmental standards imposed by new resource consents will be costly.</p>

Wastewater

Significant Infrastructure Issues	Principle Options for Managing the Issues	Implications
<p>INCREASING STANDARDS: ENVIRONMENTAL</p>	<p>Over the next 30 years a number of resource consents relating to our wastewater networks will need to be renewed. Our smaller wastewater schemes are currently meeting consent conditions but in the future, consent conditions may set higher standards or the conditions for new resource consents may not be met given the age, conditions or design of our existing infrastructure. In the next few years we will be required to apply for consent renewals for:</p> <ul style="list-style-type: none"> • Otane Treatment pond consent has been granted with conditions in September 2017 and now expires in May 2042 • Takapau Treatment pond consent expires in May 2018 • Porangahau Town Treatment pond consent is due for renewal in May 2021 • Te Paerahi Treatment pond consent expires in May 2021 and we know that there is some local objection to the continuing land based discharge approach. 	<p>The HBRCs proposed changes to environmental standards for the Tukituki catchment (Plan Change 6) could dramatically affect the conditions set for new resource consents for wastewater schemes in this catchment; making it more costly to treat wastewater.</p> <p>Some level of uncertainty exists around whether consent conditions will change and on what impact this will have on our wastewater supply networks. This means that it is difficult to determine the best option for renewing or upgrading treatment schemes to meet higher standards. Upgrading our wastewater networks to meet new standards could have significant cost implications for the community.</p> <p>Until consents are finalised we will not know what level of funding is required although we have included indicative amounts in the Long-term-Plan for those consents which will need to be renewed in the next ten years.</p> <p>With Takapau consent not being issued prior to consultation on the LTP. Disposal methods are still to be investigated and approved by HBRC so only a rough estimate has been included in the Wastewater AMP.</p>
<p>STORMWATER INFLOW AND INFILTRATION</p>	<p>During wet weather events stormwater can enter or infiltrate our wastewater networks, increasing the volume of water that needs to be treated.</p> <p>Some of our wastewater networks are more prone to infiltration because:</p> <ul style="list-style-type: none"> • Of the age or condition of our assets • The design of some of our networks means that stormwater infiltration is more common irrespective of asset age and condition. <p>Climate change could result in increases in the frequency or intensity of wet weather events and this could mean that stormwater infiltration becomes more of an issue.</p>	<p>If our wastewater networks are placed under pressure due to stormwater inflow and infiltration this may impact on:</p> <ul style="list-style-type: none"> • Our ability to maintain service levels • The condition and sustainability of our network, resulting in unplanned service interruptions and increased maintenance and renewals cost. <p>Improving our network to address stormwater infiltration could be costly, particularly where addressing infiltration requires re-routing or redesigning our networks. This could place an unreasonable financial burden on our rating base.</p>

Wastewater

Significant Infrastructure Issues		Principle Options for Managing the Issues	Implications
NETWORK GROWTH	<p>Projections suggest residential growth in our district will be halfway between the medium to high for the period up to 2028 and high from 2028 to 2048. However, based on previous trends we expect that we will continue to experience life style residential development on the fringe of existing urban areas but outside of our existing reticulated wastewater network. This type of development can result in pressure on Council to extend existing networks so that these developments can connect to town wastewater networks.</p> <p>We also expect to continue to see more intense development within our existing towns. This type of development can place pressure on the capacity of our existing wastewater networks.</p> <p>However, we need to ensure that our wastewater supply networks remain affordable and sustainable for current and future generations.</p>	<p>To ensure the continued affordability of our water supply networks our current approach is:</p> <ul style="list-style-type: none"> • To encourage utilisation of existing infrastructure where existing capacity allows • Not to extend existing networks beyond our existing supply boundaries (e.g. not allow houses or developments which are outside our existing supply network boundaries to connect to the network) • Not provide for new services in areas which are currently un-served. <p>We are currently reviewing our District Growth Strategy and District Plan and these approaches will be reviewed.</p>	<p>Extending our reticulated wastewater system could have major cost implications and we already have limited funds.</p> <p>The cost of the extension could be covered by targeted rating schemes.</p> <p>Extending our wastewater networks would increase demand for water and may mean we need additional water sources to meet demand.</p>
	<p>Modelling of the Waipukurau network suggests that we have some networks constraints or bottlenecks and that these may need to be addressed to maintain existing levels of service.</p>	<p>To maintain the existing service levels these constraints of bottlenecks will need to be addressed.</p>	<p>Provided we take a proactive and planned approach to addressing these constraints or bottlenecks, Council is of the view that this issue will have very little impact on the users.</p>

Wastewater

Significant Infrastructure Issues	Principle Options for Managing the Issues	Implications
<p>NATURAL HAZARDS</p> <p>In the towns of Waipukurau and to a lesser extent Waipawa, some of our wastewater infrastructure crosses known earthquake fault lines, so could be damaged in the event of an earthquake.</p> <p>Our district is also prone to flooding, particularly in the event of storms or heavy rainfall and this could result in damage to our infrastructure assets.</p>	<p>To manage the impact of natural hazards on our assets we:</p> <ul style="list-style-type: none"> • Monitor and assess the risk of natural hazards on our existing assets • Where new infrastructure is planned the potential risk of natural hazards, such as earthquakes and flooding is considered when determining location and design • Work with our communities to ensure that they are prepared for and able to manage during service interruptions. This approach is supported by our Civil Defence and Emergency Management Group who assist with building resilient, prepared communities. <p>In the event of an earthquake, Council monitors and responds to damage to the network.</p> <p>Most parts of our District that are particularly prone to flooding are protected from the impact of flooding by stop banks. Council has adopted a practise of fixing the problem should an event occur.</p> <p>In addition, Council:</p> <ul style="list-style-type: none"> • Has ensured that its insurances are adequate to ensure Council has adequate cover over all infrastructure assets • Maintains a catastrophe reserve fund which can be used to undertake a prioritised program of repairs. 	<p>In the event of a minor earthquake it can take some time before damage to our networks is identified.</p> <p>The impact of a major event such as seen in Christchurch which has unforeseen damage the only course open to Council is to ensure that we have the correct level of insurance to fund the repairs.</p>
<p>CLIMATE CHANGE</p> <p>Climate change could have an impact on some of our wastewater networks. For example, in the future our District could experience more intense periods of storm activity, resulting in:</p> <ul style="list-style-type: none"> • Large volumes of stormwater entering our networks which may be unable to treat the resulting volume of wastewater • Our wastewater assets being damaged, for example by flooding. <p>In the future rising sea levels could impact on the coastal township networks especial the township of Te Paerahi.</p>	<p>To manage the impact of natural hazards on our assets we monitor and assess the risk that climate change poses to our existing assets.</p> <p>Where new infrastructure is planned the potential risk from climate change, e.g. rising sea levels, or increased flooding, is considered when determining location and design. For example if there is an increased risk of flooding in some parts of our district we could ensure that new critical structures, such as control cabinets, are in locations where the risk of flooding is low or above expected flood levels.</p> <p>In terms of these events flooding the underground network, Council is reducing the points of entry and thus reducing the impact on the normal flows.</p>	<p>Some options for mitigating the impact of climate change, such as raising critical assets like control cabinets would be relatively affordable. However, it may sometimes be costly to minimise the impacts of climate change on our assets.</p> <p>If our wastewater networks are subject to more intense or frequent storm events it could result in our networks being unable to treat the volume of wastewater and this could result in discharges to our natural environment. If this occurred:</p> <ul style="list-style-type: none"> • Council could breach the discharge limits set allowed under our resource consents • It could have a negative impact on our natural environment and water quality • It could have a negative impact on public health.

Stormwater

Significant Infrastructure Issues		Principle Options for Managing the Issues	Implications
CAPACITY CONSTRAINTS	<p>The South West area of Waipukurau drains to Lake Hatuma and can silt up at times creating a constraint for the single outlet. This may cause flooding upstream including onto the Racecourse and a constraint for future development in this catchment.</p>	<p>The principle method of resolving this issue is to manage future development by:</p> <ul style="list-style-type: none"> Encouraging water sensitive design so that stormwater from new imperviousness areas are released slowly through natural assets to reduce the volume and velocity of stormwater runoff Ensuring that new developments do not make the effect any worse than pre development state through use of retention tanks or similar devices. 	<p>If our stormwater network in Waipukurau cannot drain sufficiently and in a timely manner to Lake Hatuma this may impact on: Council could breach the discharge limits set allowed under our resource consents</p> <ul style="list-style-type: none"> Our ability to maintain flood protection service levels for the Racecourse and this may have an economic impact for their business Future development may be stopped or reduced due to the capacity constraints It may be uneconomic for future development to implement the mitigation measures to pre development state for effective stormwater management. <p>Further modelling to find alternative designs to reduce the impact of surface flooding in these areas.</p>
	<p>Also we currently have minimum floor height restrictions in a small area of Waipukurau due to limitations on the stormwater network and low lying land.</p>		
STORMWATER INFLOW AND INFILTRATION	<p>As noted in the section on wastewater, during wet weather events stormwater can enter or infiltrate our wastewater networks, increasing the volume of water that needs to be treated. Climate change could result in increases in the frequency or intensity of wet weather events and this could mean that stormwater infiltration becomes more of an issue.</p> <p>For further detail see the section on the impact of stormwater infiltration on our wastewater networks.</p>	<p>The principle method of resolving this issue is to reduce infiltration. This reduces the volume of wastewater for treatment and maintains capacity in the networks to cater for small increases in demand.</p> <p>Council currently undertakes ongoing monitoring of stormwater infiltration and where major issues are found, a prioritised program of pipe replacement or re-lining is implemented.</p> <p>For further detail see the section on the impact of stormwater infiltration on our wastewater networks.</p>	<p>Improving our network to address stormwater infiltration could be costly, particularly where addressing infiltration requires re routing or redesigning our networks. This could place an unreasonable financial burden on our rating base.</p> <p>For further detail see the section on the impact of stormwater infiltration on our wastewater networks.</p>
INCREASING STANDARDS: ENVIRONMENTAL	<p>The Hawke's Bay Regional Council (HBRC) Plan change 6 is now operative which is imposing high environmental standards for the Tukituki catchment, for example around the amount/quality of water that we are allowed to discharge.</p>	<p>Council is currently undertaking upgrades at the Waipukurau and Waipawa treatment facilities so these networks should meet new standards. However, some of our other wastewater networks may need to be upgraded in the future to meet new environmental standards.</p>	<p>Upgrading wastewater networks to meet new environmental standards imposed by new resource consents will be costly.</p>

Infrastructure Investment Programme

Our most likely scenario is to deliver to current day standards while remaining affordable for our community.

To achieve this scenario over the next 30 years we will focus on:

- Ongoing maintenance and renewals programmes to meet current service levels
- Minor road safety improvements
- A small number of growth related water supply and wastewater projects in our larger townships
- Investment to meet standards and consent conditions where necessary.

Total Expenditure

This strategy covers assets used to provide water supply, wastewater, stormwater drainage, and land transport. Council currently owns assets, for the purpose of delivering these activities, estimated at over \$751m. These range from pipes under the ground to reservoirs and roads.

The following table shows total expected capital and operational expenditure for each infrastructure asset class over the 30 year period between 2018 and 2048.

INFRASTRUCTURE ACTIVITY	OPERATIONAL EXPENDITURE	CAPITAL EXPENDITURE
Land transport	\$205m	\$369m
Water supply	\$63m	\$52m
Wastewater	\$65m	\$44m
Stormwater and drainage	\$10m	\$23m
Total	\$343m	\$488m

Over the next 30 years we expect that:

- Given future growth estimates indicate medium to high growth related infrastructure planned mainly for water supply and wastewater infrastructure assets in urban areas. This expenditure relates to water supply infrastructure mainly based in Waipukurau and Waipawa but does include treatment upgrades to other supplies.
- Operational expenditure, including the costs of labour, depreciation, materials and maintenance accounts for the majority of expenditure for all four infrastructure asset groups.
- Our expenditure on renewals, across all infrastructure categories is variable over the 30 year period. We know that we have ageing water supply and wastewater in the older settlements of Waipawa and Waipukurau and these will be the focus of our programme of works.
- Our expenditure on maintaining service levels will see us focusing on a programme of upgrades to our water supply schemes to meet the Drinking Water Standards 2005 (revised 2008) and meeting higher standard required for consent conditions at a number of our wastewater treatment plants.
- We have an ongoing programme to address high priority road safety issues.
- We expect that NZTA funding assistance will continue at existing subsidy levels.

Further detail about our expected operational and capital expenditure for transport, water supply, wastewater and stormwater is set out in following sections.

The following figure shows expected capital expenditure across the four types of infrastructure assets for the period from 2018 to 2048 by expenditure category.

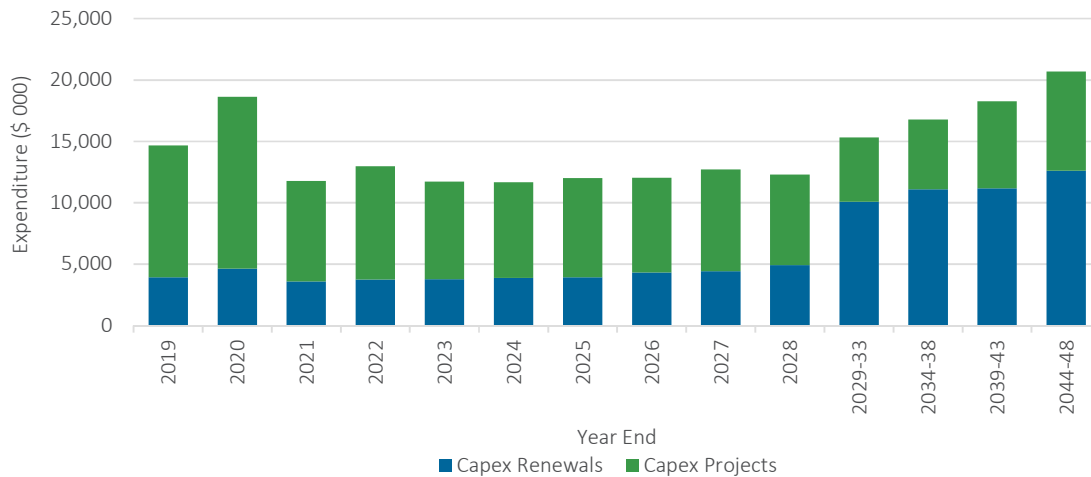


Figure 1: Summary of 30 year total expenditure
Source: 2018 LTP budget (as at 1st November 2017) (2028-2048 5 year averages) (excluding any remediating work required by the HBRC)

Significant Decisions about Capital Expenditure

The following table shows the likely timing and estimated cost of significant capital projects. Note that there are currently no significant stormwater capital projects until there is better understanding of the network performance. This will be addressed with detailed modelling planned for Waipukurau in the next three years.

WASTEWATER PROJECT	DESCRIPTION	TIMING	ESTIMATED COST (INFLATED)
Wastewater: Program of wastewater treatment plant upgrades			
Most Likely Scenario	Programme of upgrades to meet the higher standards for consent requirements at Otane, Takapau, Porangahau, and Te Paerahi wastewater treatment plants.	2018 to 2023	\$3.6m
Wastewater: Waipawa trunk main renewal			
Most Likely Scenario	Replacement of the trunk gravity main through the lower part of Waipawa required due to its age and importance as a critical asset for this town.	2019 to 2020	\$1.7m
Wastewater: Waipukurau & Waipawa treatment Improvements			
	Upgrade treatment	2020/2021	\$2.1m
Wastewater: Waipukurau reticulation improvements			
	Upgrade to reticulations improvements and removal of bottlenecks	2025 to 2027	\$0.4m
Wastewater: Waipawa reticulation improvements			
	Upgrade to reticulations improvements and removal of bottlenecks	2028 to 2030	\$0.4m
Wastewater: Reticulation increase for growth			
	Up-size and additional mains to meet growth demands	2030 to 2045	\$5.6m
Wastewater industrial servicing			
Most Likely Scenario	Wastewater project to enable growth for the industrial area of Waipukurau with additional wastewater infrastructure.	2030/32	\$3.4m
Wastewater industrial servicing			
Most Likely Scenario	Wastewater project to enable growth for the industrial area of Waipukurau with a new main from this area to the wastewater treatment plant.	2029/2030	\$1.5m

WATER PROJECT	DESCRIPTION	TIMING	ESTIMATED COST (INFLATED)
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Waipukurau Water Supply: Second Supply			
Most Likely Scenario	A project to construction a second supply to Waipukurau including new pump station, treatment plant and reservoir to provided security of supply and increased demand.	2019/20	\$5.7m
Water Supply: Alternative supply to Otane			
Most Likely Scenario	Project for larger trunk main for an alternative supply for Otane to improve security.	2019/20	\$2.7m
Waipukurau Water Supply: Increase/Improve reticulation			
Most Likely Scenario	Project to provide additional flows around Waipukurau to meet demand and firefighting demands.	2019 to 2025	\$3.9m over 7 year period
Waipawa Water Supply: Increase/Improve reticulation			
Most Likely Scenario	Project to provide additional flows around Waipukurau to meet demand and firefighting demands.	2020 to 2027	\$4.12m
Takapau Water Supply: Treatment Upgrade and improvements			
Most Likely Scenario	A project to upgrade improves to the treatment plant at Takapau to meet demand from NZDWS.	2019	\$0.77m
Porangahau Water Supply: Treatment Upgrade and improvements			
Most Likely Scenario	A project to upgrade improves to the treatment plant at Porangahau to meet demand from NZDWS.	2020	\$0.82m
Kairakau Water Supply: Treatment Upgrade and improvements			
Most Likely Scenario	A project to upgrade improves to the treatment plant at Kairakau to meet demand from NZDWS.	2022	\$0.55m
Pourerere Water Supply: Treatment Upgrade and improvements			
Most Likely Scenario	A project to upgrade improves to the treatment plant at Pourerere to meet NZDWS.	2022	\$0.17m
District Water Supply: Increase/Improve reticulation			
Most Likely Scenario	Project to provide additional flows around Other water supply systems to meet demand and firefighting demands.	2018 to 2048	\$4.923m
Waipukurau Water Supply: New main			
Most Likely Scenario	A project to provide new main from the existing reservoir into town. Project to enable the resilience of Waipukurau network.	2037 and 2038	\$4.9m
Waipukurau Water Supply: Takapau Road Industrial area Reticulation			
Most Likely Scenario	A project to provide reticulation to service water supply to the Waipukurau industrial area that may be developed in the future.	2032	\$1.4m

STORMWATER PROJECT	DESCRIPTION	TIMING	ESTIMATED COST (INFLATED)
Waipukurau Stormwater: CBD upgrades			
Most Likely Scenario	A project to upgrade the stormwater reticulation in the CBD area to reduce flooding issues.	2019	\$0.6m
Waipukurau Stormwater: Upgrades to the network			
Most Likely Scenario	Project is to upgrade the stormwater network in Waipukurau to meet future demands.	2031 to 2036	\$4.1m
Waipawa Stormwater: Upgrades to the network			
Most Likely Scenario	Project is to upgrade the stormwater network in Waipawa to meet future demands.	2033 to 2038	\$2.0m
District wide Stormwater: Upgrades to the network			
Most Likely Scenario	Project is to upgrade the stormwater network across the district to ensure resilience in the networks	2018 to 2028	\$0.31m
District wide Stormwater: Upgrades to the network			
Most Likely Scenario	Project is to upgrade the stormwater network in District wide to meet future demands.	2040 to 2048	\$8.2m
LAND TRANSPORT PROJECT			
Transport: Renewals programme			
Most Likely Scenario	Programme of ongoing roading renewals including emergency works, resilience improvements, metalling unsealed roads, resurfacing and rehabilitation of sealed roads. It is also for the timely replacement of the other road assets including drainage, structures, footpaths and traffic services as they age and fail.	2018 to 2048	\$357m over 30 year period
Transport: Minor improvements programme			
Most Likely Scenario	Programme of minor transport improvements to resolve safety issues on an annual basis.	2018 to 2048	\$14m over 30 year period
Transport: Bridge Renewals Investigation programme			
Most Likely Scenario	Investigation into all bridges to identify the condition and life span of all the bridges with in the CHB roading network. Thus enabling a forward works/ replacement program to be designed.	2018 to 2021	\$0.2m over 3 year period
Transport: Bridge Renewals programme			
Most Likely Scenario	Based on the forward works programme look at replacement of bridges in the roading network.	2022 to 2048	\$2.2m

Water Supply Infrastructure Expenditure

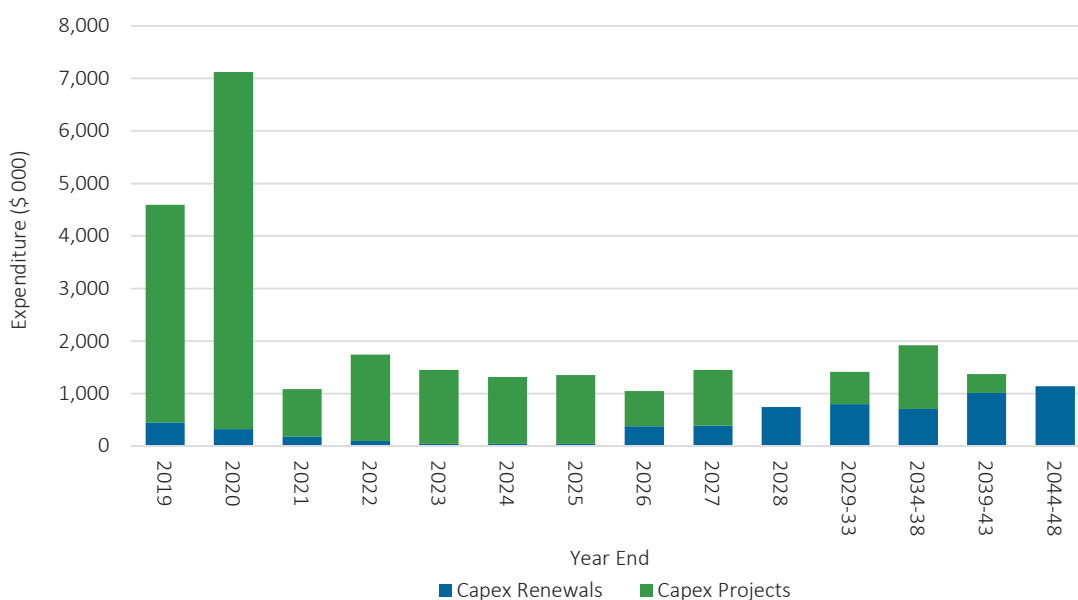
The water supply networks are managed directly by Council with operations and maintenance activities contracted to a third party. Council owns and is responsible for managing seven public water supply networks at Otane, Waipawa, Waipukurau, Takapau, Porangahau, Te Paerahi, and Kairakau. We also have a small scheme which supplies water to the Pourerere Camping Ground and Pourerere toilet block. Council is upgrading the water supplies to meet the Drinking Water Standards 2005 (revised 2008) and developing Water Safety Plan to mitigate public health risks.

Council's water supply assets are valued at around \$58m (total replacement cost as at 30 June 2017). Council's water supply networks include six treatment plants that distribute water through 190 km of pipeline, 48 reservoirs and 8 pump stations.

Over the next 30 years we expect that:

- Operational expenditure including the labour costs, renewals, materials and maintenance accounts for most of the water supply expenditure at about 73 percent.
- Expenditure on renewals relates to the replacement of infrastructure mainly in the older townships of Waipawa and Waipukurau.
- Expenditure on maintaining service levels in the first 10 years relates to installing second water supply for Waipukurau and improving the reticulation. The pump station works includes new pumping configuration to provide greater range of flow rates. This is planned to be undertaken in 2017/18.
- Further expenditure on maintaining service levels is planned in 2026/27 with water treatment at Takapau, Porangahau, Kairakau and Pourerere townships. The Takapau, Porangahau, Kairakau improvements are required to meet the 2008 Drinking Water Standards 2005 (revised 2008) at the pump station. The Pourerere costs are required for an automated chlorine injection system (as currently manual). We have budgeted around \$2.6m to provide an alternative supply for the Otane Township with a new main into town in 2019/20 to improve the service to user and allow for the additional water users.
- We intend to install reticulation for the Waipawa township to provide additional flows to meet demand initially in 2027/43 (estimated at \$3.2m in total).
- Most of the growth related water supply infrastructure is planned for Waipukurau estimated at \$13.6m in total with the works programme starting in 2019/20. A significant project is to provide a second supply for the District's largest township including treatment plant and pumping station and additional reservoir. The new reticulation will provide additional flows for the town to meet demand in particular for enabling industrial development.

FIGURE 2: SUMMARY OF 30 YEAR WATER SUPPLY EXPENDITURE



Source: 2018 LTP budget (as at 18 October 2017) (2028-2048 5 year averages)

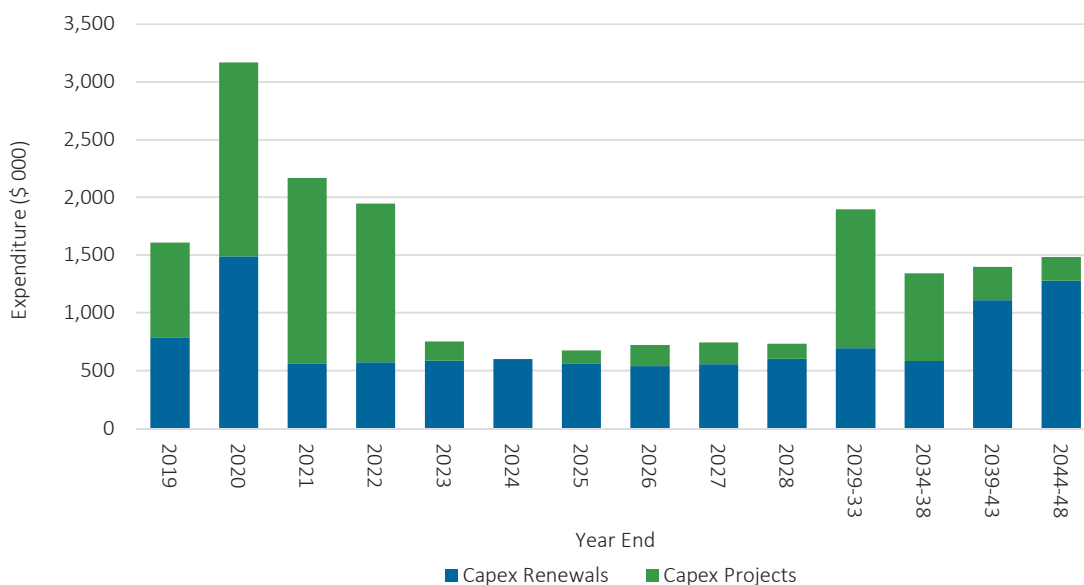
Wastewater Infrastructure Expenditure

Council collects, treats, disposes of wastewater at six treatment plants. Each area serviced with a wastewater network has a treatment facility. Council's wastewater assets are valued at around \$80m (total replacement cost as at 30 June 2017). Council's wastewater networks include 112 kilometres of pipeline, around 1022 manholes and 11 pump stations.

Over the next 30 years we expect that:

- Operational expenditure including the labour costs, renewals, materials and maintenance accounts for most of the wastewater expenditure at about 77 percent.
- Expenditure on renewals relates to the replacement of infrastructure mainly in the older townships of Waipawa and Waipukurau. There are also resource consent renewals for Otane, Porangahau, Te Paerahi and Takapau in the first 5 years. Specific renewal projects in the first 6 years are the improvement to treatment upgrades and Waipawa trunk main renewal (estimated at \$3.4m).
- Expenditure on maintaining service levels is planned in the first 10 years and relates to meeting the higher standards for consent requirements estimated at \$7.7m in total. It is expected that upgrading of the treatment process will be required as part of the new consents to remove phosphorus and nitrogen at Otane, Takapau, Porangahau, and Te Paerahi wastewater treatment plants.
- We are budgeting around \$5.6m in Waipukurau to improve capacity for servicing the industrial area, improving capacity in the existing network, providing a new main from the industrial area to the treatment plant, and to service the rural area of Racecourse Rd as it becomes subdivided.

FIGURE 3: SUMMARY OF 30 YEAR WASTEWATER EXPENDITURE



Source: 2018 LTP budget (as at 18 October 2017) (2028-2048 5 year averages) (excluding any remediating work required by the HBRC)

While developing this capital program for this LTP, we are dealing with the issue of breaching resource consent requirements at the Waipukurau and Waipawa Wastewater Treatment Plants. There is more investigation work to do to find a viable solution for these issues and although investigation allowances and minor improvements have been made in the capital program of \$2.1m, we understand that more investment will be needed and will require another consultation with the community once the viable options have been identified. This is likely to result in an amended Long Term Plan.

Stormwater Infrastructure Expenditure

The stormwater networks are managed directly by Council with operations and maintenance activities contracted to a third party. Council's stormwater assets are valued at around \$27m (total replacement cost as at 30 June 2017). Council's stormwater networks include 40 km of pipeline, 624 manholes, 268 inlets and outlets, and 16km of open drains.

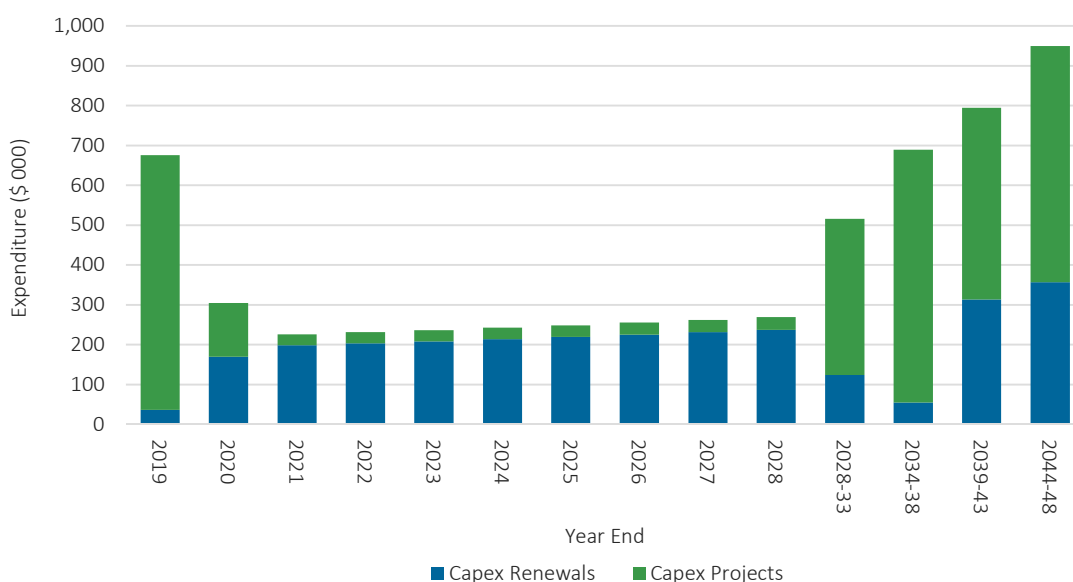
The catchments in Waipawa consist of around 25 kilometres of open watercourses and piped reticulation. They drain into the Waipawa River or to the north to the Papanui Stream. The catchments in Waipukurau consist of around 36 kilometres of open watercourses and piped reticulation. They drain into the Tukituki River through a number of systems including the Pah Flat Stream, or to the south and east to the Mangatarata Stream system, while the south west drains into Lake Hatuma.

Council also manages some minor reticulation in Otane, Takapau, Porangahau, Te Paerahi, Pourerere beach and Blackhead beach settlement consist of open drains with some piped sections, generally being roading drainage.

Over the next 30 years we expect that:

- Operational expenditure including the labour costs, renewals, materials and maintenance accounts for most of the stormwater expenditure at about 69 percent.
- Expenditure on renewals relates to the replacement of infrastructure mainly in the two main townships of Waipawa and Waipukurau.
- Our focus in the next few years will be completing a detailed model of Waipukurau to better understand the stormwater network performance. This will assist us with developing new works for stormwater where appropriate.

FIGURE 4: SUMMARY OF 30 YEAR STORMWATER EXPENDITURE



Source: 2018 LTP budget (as at 18 October 2017) (2028-2048 5 year averages)

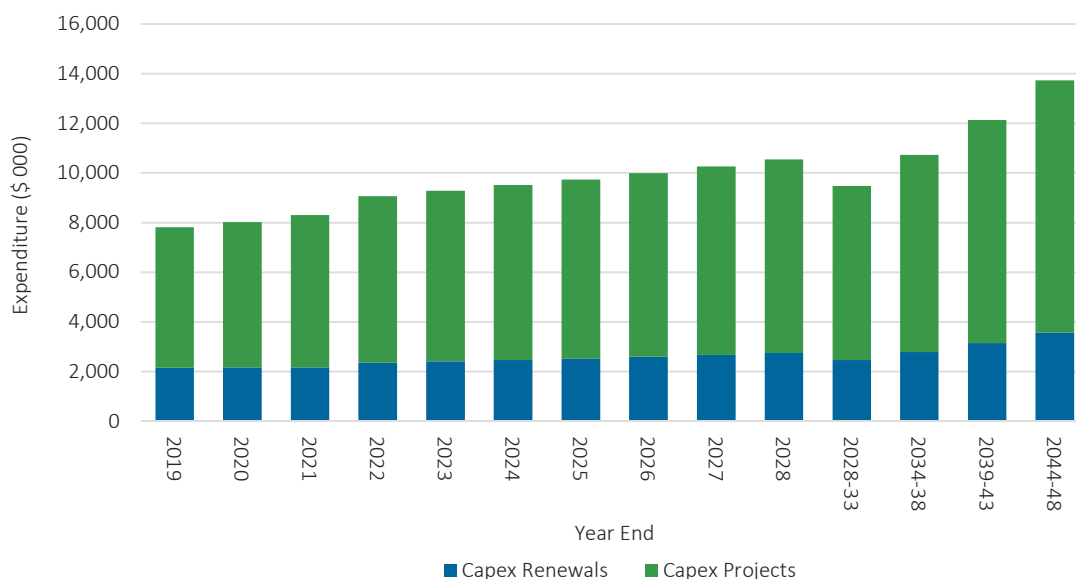
Transport and Footpaths Infrastructure Expenditure

Council's land transport network consists of 862 kilometres of sealed and 402 kilometres of unsealed roads, 265 bridges, 7,907 culverts, and 68 kilometres of footpaths. To ensure road safety Council has a large number of signs, street lights and lane marking to aid the road user to safely navigate their way around the district. Council's transport assets are valued at around \$670m (total replacement cost as at 30 June 2017 excluding land under roads).

Over the next 30 years we expect that:

- Operational expenditure including the labour costs, renewals, materials and maintenance accounts for most of the transport expenditure at about 60 percent.
- There will be no significant vested assets expected for the next 30 years from developers.
- Expenditure on service level improvements is for minor improvements to resolve safety issues and is constant over the 30 year period (estimated at around \$14m in total).
- Expenditure on renewals relates to emergency works, resilience improvements, metalling unsealed roads, resurfacing and rehabilitation of sealed roads. It is also for the timely replacement of the other road asset classes including drainage, structures, footpaths and traffic services as they age and fail. About one third of the transport expenditure is for renewals and estimated at around \$357m in total for the 30 year period.
- Council is currently inspecting all bridges at a cost of \$150,000 over the next 3 years to development a replacement/renewal program.

FIGURE 5: SUMMARY OF 30 YEAR TRANSPORT EXPENDITURE



Source: 2018 LTP budget (as at 18 October 2017) (2028-2048 5 year averages)

Key Assumptions

This section describes some of the assumptions or limitations made when developing the Infrastructural Strategy. It is hoped this will give the user some insight in the discussions made in the plan and how they should be interrupted and the limitations of the decisions.

The following are the key assumptions have been when preparing this Strategy:

- Council will continue to be involved with the infrastructure discussed in the document.
- The demand (or decline) for these infrastructure elements are based on the work done in the Central Hawke's Bay District Long-Term Planning – Demographic and Economic Growth Directions 2018 – 2048 Growth Environment and Outlook document that has been prepared for Council.
- We expect that NZTA funding assistance will continue at existing subsidy levels.
- Depreciation will be raised and used to fund replacement of deficient infrastructure.
- The forecasts are based on the best available knowledge of asset condition and performance, and on the levels of service that are being delivered. More detailed evaluation of asset renewal requirements will be undertaken by the use of predictive deterioration modelling during the periodic review of this Infrastructure Strategy.
- Predicted areas of development are based on the best available knowledge at the time of writing this document. It will be subject to changes through the review of the development Urban Growth Strategy and as part of the District Plan Review.
- Funding for capital improvements will be limited by decisions as to the level of funding permitted under the financial strategy.
- It is expected that some funding will be available through the Development Levy Policy for new infrastructure listed in the Capital Work Projects.
- The dollar values shown in this Document are June 2018 dollars and have been adjusted to include inflation in accordance with the guidelines provided by the Society of Local Government Managers; set out in the *BERL Forecasts of Price Level Change Adjustors – 2018 Update*.
- All capital costs are rough order of cost estimates that will need to be further researched and refined.
- The knowledge of the practitioners directly providing this plan, both on a day-to-day basis and historically, has been relied upon. These practitioners include staff in Council's Community Infrastructure and Development and Financial Services Departments, as well as staff from the Community Facilities and Infrastructure Management Contractor.
- Inspection and condition rating of some of the key assets is continually being updated to form a better overall picture of the infrastructure, particularly in buried assets.
- It has been assumed that climate change will happen at a gradual rate over the next 100 years.
- In regards to the potential for any business development of an industrial/processing nature, the assumed responses do not allow for a medium to large scale wet industry.
- There is a key risk with the market place is reaching capacity in the following areas industry experts, personnel resources, consultancy capacity, and contracting capacity that will impact on the Council ability to deliver the proposed projects both on time and within budgets.
- Remediating work on the wastewater ponds at Waipukurau and Waipawa as part of the requirements from the HBRC have not been included in this document as investigation work is still ongoing at the time of writing.
- With the fact that the Land Transport Activities is clearly identified because it mostly above ground we have a high level of confidence about the accuracy of the data used to produce the forward projections outlined in this document.
- Council has done a considerable amount of work surveying CCTV inspections contractor feedback etc. on the 3 water networks, so bearing in mind that the major of these assets are buried, we believe that the data currently held in the databases can be considered reliable.

Council Services



How the Council Service Contribute to the Community Outcomes

The table below sets out how each Council activity contributes to the Community Outcomes.

ACTIVITY	 PROUD DISTRICT HE ROHE POHO KERERŪ	 PROSPEROUS DISTRICT HE ROHE TONUI	 STRONG COMMUNITIES HE HAPORI KAHA	 CONNECTED CITIZENS HE KIRIRABAU WHAI HONONGA	 SMART GROWTH HE TIPU ATAMAI	 ENVIRONMENTALLY RESPONSIBLE HE WHAKAARO NUI KI TE TAIAO	 DURABLE INFRASTRUCTURE HE HANGANGA MAUROA
Leadership, Governance and Consultation	✓	✓	✓	✓	✓	✓	✓
Economic and Social Development	✓	✓	✓	✓	✓		
District Planning	✓	✓			✓	✓	✓
Land Use and Subdivision Consents	✓	✓			✓	✓	
Building Control	✓	✓	✓		✓		
Public Health	✓	✓	✓		✓		
Animal Control	✓	✓	✓		✓		
Compliance & Monitoring	✓	✓	✓		✓		
Land Transport	✓	✓	✓	✓	✓	✓	✓
Solid Waste	✓	✓	✓	✓	✓	✓	✓
Water Supplies	✓	✓	✓	✓	✓	✓	✓
Wastewater	✓	✓	✓	✓	✓	✓	✓
Storm Water	✓	✓	✓	✓	✓	✓	✓
Parks, Reserves and Swimming Pools	✓		✓	✓		✓	
Public Toilets	✓		✓	✓		✓	
Retirement Housing	✓		✓	✓			
Libraries	✓		✓	✓			
Theatres, Halls and Museums	✓		✓	✓			
Cemeteries	✓		✓	✓		✓	
Property and Buildings	✓		✓	✓			

Groups of Activities

The Central Hawke's Bay District Council's activities fall into the following eight groups which cover twenty separate activities:

Community Leadership Group



Leadership, Governance and Consultation



Economic and Social Development

Land Transport Group



Land Transport

Planning and Regulatory Group



District Planning



Building Control



Animal Control



Land Use and Subdivision Consents



Public Health



Compliance and Monitoring

Solid Waste Group



Solid Waste

Stormwater Group



Stormwater

Water Supplies Group



Water Supplies

Wastewater (Sewerage) Group



Wastewater (Sewerage)

Recreation and Community Facilities Group



Parks, Reserves and Swimming Pools



Retirement Housing



Theatre, Halls and Museums



Property and Buildings



Public Toilets



Libraries



Cemeteries

Community Leadership Group



Leadership, Governance and Consultation

What does this activity involve?

This Group of Activities comprises of how Council meets its responsibilities to represent the Community, as well as to provide leadership for the Community and to involve it in decision-making.

The Council is elected every three years by those eligible to vote in the District. The Council is made up of a Mayor (elected at large) and eight Councillors (representing two Wards).

The core functions of the Leadership, Governance and Consultation Activity are:

- Setting the policy direction of Council.
- Monitoring the performance of Council.
- Representing the interests of the District (on election all members must make a declaration that they will perform their duties faithfully and impartially, and according to their best skill and judgment in the best interests of the District).
- Wherever and whenever possible, facilitating solutions to local needs/issues.
- Employing the Chief Executive (under the Local Government Act 2002, the local authority employs the Chief Executive who in turn employs all other staff on its behalf).

These core functions are achieved by:

- Holding regular meetings, which are open to the public
- Preparing the key policy and planning documents
- Consulting the public on major decisions
- Providing Council representation on a wide range of community groups
- Holding civic functions, including citizenship ceremonies
- Advocating the District's interests to agencies at Regional and National levels
- Keeping abreast of issues, legislation, and best practice
- Balancing the books.

Why are we involved?

This activity contributes to all outcomes through advocacy for Central Hawke's Bay District to outside organisations, such as Central Government and Local Government NZ.

It provides open and transparent decision making through meetings, plans, reports and other consultation.

Community Outcomes that this activity contributes to



PROUD DISTRICT
HE ROHE POHO KERERŪ



CONNECTED CITIZENS
HE KIRIRARAU WHAI HONONGA



DURABLE INFRASTRUCTURE
HE HANGANGA MAUROA



PROSPEROUS DISTRICT
HE ROHE TŌNUI



SMART GROWTH
HE TIPU ATAMAI



STRONG COMMUNITIES
HE HAPORI KAHA



ENVIRONMENTALLY RESPONSIBLE
HE WHAKAARO NUI KI TE TAIĀO

What are the key issues that will affect this activity in the next ten years?

A key challenge faced by Council is how to make Local Government more relevant for our residents and ratepayers as well as how to encourage positive and active engagement in Council's decision making processes.

Another challenge is the impact that future changes in legislation could have on the Council and its responsibilities and functions.

What impact will changes in demand have on this activity?

The Local Government Act 2002 and other Central Government legislation has placed a requirement for local authorities to manage community assets, resources and activities for the present and future generations of CHB. This requires local authorities to consider the longer term and plan much more strategically to ensure the sustainability of the District's infrastructure and services. Other legislation, such as the mandatory requirement to adopt New Zealand Drinking Water Standards, the Waste Minimisation Bill, the Building Act and requirements under the Resource Management Act, place further demands on this Council's resources.

Does this activity have any significant negative effects on community wellbeing?

While decisions are made for the benefit of the wider community, these could potentially negatively affect specific groups of people.

How will we deliver this activity in the next ten years?

Performance measures intended to be reported in the Annual Report. The following performance targets have been set by Council to meaningfully assess the achievement of levels of service.

Leadership, Governance and Consultation

WHAT CUSTOMERS WANT/CUSTOMER VALUE	CUSTOMER LEVELS OF SERVICE	PERFORMANCE MEASURE	BASELINE	YEAR 1 TARGET (2018/19)	YEAR 2 TARGET (2019/20)	YEAR 3 TARGET (2020/21)	YEAR 4-10 TARGET (2019/20)	PERFORMANCE MEASURE REPORTING
A Council that listens to its community, responds efficiently and effectively, communicates well and has a can do customer services attitude.	Responsive	The percentage of people who consider that Council has responded well or very well to community needs and issues.	New	50%	65%	75%	85%	Independent Community Views Survey
	Compliant	The percentage of formal consultation which follows legislative and policy requirements.	New	100%	100%	100%	100%	Exception reporting provided to Council on a quarterly basis.
	Responsive	Every time consultation occurs more than 4 engagement methods are used.	New	>4	>4	>4	>4	Exception reporting provided to Council on a quarterly basis.
	Compliant	The percentage of Council and committee agendas made available to the public four working days before the meeting.	New	100%	100%	100%	100%	Exception reporting provided to Council on a quarterly basis.
	Informative	The percentage of people who consider that Council has communicated well on Council business.	New	70%	75%	80%	85%	Independent Community Views Survey
	Inclusive	Council meets formally with Taiwhenua o Tamatea at least 4 times a year.	New	4	4	4	4	4 Formal meeting minutes to be reported to Council.
	Compliant	Documents audited receive an unmodified audit opinion.	100%	100%	100%	100%	100%	Audit opinion letters.



Economic and Social Development

What does this activity involve?

This activity provides for the Community's social and economic wellbeing including providing Community support, providing funding and support to Community groups, providing visitor information, and encouraging economic development within this District.

Council's primary role is to advocate, facilitate and coordinate on behalf of the community to enable economic and social wellbeing enhancement.

A key contributor will be the implementation of the Regional Economic and Social Strategy 'Matariki – Hawke's Bay Regional Economic Development Strategy and Action Plan' which was formally adopted by Council in September 2016.

This is supported by a local Community Wellbeing Strategy and Youth, Positive Ageing, Safer CHB and Disability Action Plans, which were adopted by Council at the beginning of 2018.

Over the next 12 months, Council will be working to implement this new strategy and action plans, as well as develop an Economic Development Strategy that supports regional and local transformation.

Council will also participate in supporting Safe Communities, Economic Development, Youth Development and Positive Ageing through collaboration and implementation of strategies.

Council is supported by the Community Reference Leadership Group, Safer CHB Coalition, Youth Council, Positive Ageing Network and Disability Reference Group to assist in providing feedback on progress and implementation of projects.

The purpose of this Activity is to facilitate economic growth and improved social and economic wellbeing in the District through the support and implementation of strategies targeting increased investment, job growth, skill growth, income growth and an enhanced prosperity for people living in District.

Central Hawke's Bay is poised for smart growth and has the opportunity to considerably advance its economic wellbeing and prosperity over the next 10 years through the implementation of these strategic initiatives.

Why are we involved?

Social Development, advocacy, facilitation and coordination through the implementation of the Community Wellbeing Strategy and associated action plans.

Economic Development advocacy, support and facilitation across the following service areas:

- Business sector growth and performance
- Sustainable natural resource utilisation
- Infrastructure and policy development/implementation
- Workforce skill development, training and education
- Central Hawke's Bay as a proud and prosperous place to live and visit.

Community Outcomes that this activity contributes to



What are the key issues that will affect this activity in the next ten years?

A challenge facing Council for this Activity is the change in demand and Community expectations. This challenge will be met by ensuring that the services provided through community engagement will be developed to ensure that they are meeting the needs of their target audience as well as the wider Community and to ensure that they are flexible enough to cope with these changing demands and expectations.

Another challenge is the need to stay connected to Central Government's Strategic Policies and Direction for providing for community engagement while maintaining a focus on the needs of our local Communities. This is particularly important given central government's desire to be focussed on the regions. Central Hawke's Bay needs to ensure its voice is heard in the regional context.

A challenge faced by the Council in relation to economic development is realising the District's economic potential over the coming 10 years. This will require quality leadership and decision making with an appropriate level of strategic and operational resourcing. The Council needs the support of businesses and the wider Community to help facilitate economic development in this District.

What impact will changes in demand have on this activity?

Change is the new constant, and while it may influence priorities and particular projects of interest, what will remain is Council's role to lead effective advocacy, facilitation and coordination across the economic and social development portfolios.

Does this activity have any significant negative effects on community wellbeing?

There are no known significant negative effects surrounding Council's planned Economic and Social Development Activity.

How will we deliver this activity in the next ten years?

Performance measures intended to be reported in the Annual Report. The following performance targets have been set by Council to meaningfully assess the achievement of levels of service.

Economic and Social Development

WHAT CUSTOMERS WANT/CUSTOMER VALUE	CUSTOMER LEVELS OF SERVICE	PERFORMANCE MEASURE	BASELINE	YEAR 1 TARGET (2018/19)	YEAR 2 TARGET (2019/20)	YEAR 3 TARGET (2020/21)	YEAR 4-10 TARGET (2019/20)	PERFORMANCE MEASURE REPORTING
To have a strong Council voice that advocates and leads change in economic and social issues and opportunities for the District.	Participates	Council actively participates in regional collaborative initiatives around economic and social development	New	Yes	Yes	Yes	Yes	Progress provided to Council on a quarterly basis.
	Leads	Council develops and implements a Community Wellbeing and Economic Development Strategy.	New	Yes	Yes	Yes	Yes	Progress provided to Council on a quarterly basis.
	Inclusive	The percentage of the Youth Action Plan that is implemented and achieved.	New	40%	60%	80%	100%	Progress provided to Council on a quarterly basis.
	Inclusive	The percentage of the Safer CHB Action Plan that is implemented and achieved.	New	40%	60%	80%	100%	Progress provided to Council on a quarterly basis.
	Inclusive	The percentage of the Older Persons Action Plan that is implemented and achieved.	New	40%	60%	80%	100%	Progress provided to Council on a quarterly basis.
	Inclusive	The percentage of the Disability Action Plan that is implemented and achieved.	New	40%	60%	80%	100%	Progress provided to Council on a quarterly basis.
	Effectiveness	The annual visitor spends increases by \$1m annually.	\$32m	+\$1m	+\$1m	+\$1m	+\$1m	Progress provided to Council on a quarterly basis.

Economic and Social Development

WHAT CUSTOMERS WANT/CUSTOMER VALUE	CUSTOMER LEVELS OF SERVICE	PERFORMANCE MEASURE	BASELINE	YEAR 1 TARGET (2018/19)	YEAR 2 TARGET (2019/20)	YEAR 3 TARGET (2020/21)	YEAR 4-10 TARGET (2019/20)	PERFORMANCE MEASURE REPORTING
	Accessibility	The number of participants in events financially supported by Council.	New	1000	2000	3000	4000	Progress provided to Council on a quarterly basis.
	Effectiveness	Support the creation of net new jobs within the District	New	50	50	50	50	Progress provided to Council on a quarterly basis.
	Quality	The percentage of the community satisfied with the Economic and Social Development activity of Council.	New	70%	80%	95%	95%	Independent Community Views Survey

Funding impact statement for 2018/28 – Community Leadership Group

This section outlines significant operating or capital programmes or projects planned for the next ten years.

	ANNUAL PLAN 2018 \$000	YEAR 1 2019 \$000	YEAR 2 2020 \$000	YEAR 3 2021 \$000	YEAR 4 2022 \$000	YEAR 5 2023 \$000	YEAR 6 2024 \$000	YEAR 7 2025 \$000	YEAR 8 2026 \$000	YEAR 9 2027 \$000	YEAR 10 2028 \$000
Sources of operating funding											
General rates, uniform annual general charges and rates penalties	889	1,157	1,229	1,251	1,279	1,308	1,342	1,374	1,408	1,445	1,484
Targeted rates	26	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	25	46	47	48	49	50	51	53	54	55	57
Fees, charges	0	0	0	0	0	0	0	0	0	0	0
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0	0
Total operating funding	940	1,204	1,276	1,299	1,328	1,359	1,393	1,427	1,462	1,500	1,541
Applications of operating funding											
Payments to staff and suppliers	703	938	1,010	1,032	1,054	1,078	1,103	1,129	1,157	1,186	1,218
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Other operating funding applications	252	281	281	282	289	295	306	313	321	329	338
Total applications of operating funding	955	1,219	1,292	1,315	1,343	1,374	1,408	1,442	1,477	1,515	1,556
Surplus (deficit) of operating funding	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	0	0	0	0	0	0	0	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	0	0	0	0	0	0	0	0	0	0	0
Applications of capital funding											
Capital expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total application of capital funding	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)
Surplus (deficit) of capital funding	15	15	15	15	15	15	15	15	15	15	15
Funding balance	0	0	0	0	0	0	0	0	0	0	0

Renewal and Capital Works Programme

There is no renewal or capital work programmed for this activity over the next 10 years.

Planning and Regulatory Group



District Planning

What does this activity involve?

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

Council committed to a full review of the District Plan commencing in 2011 to comply with the Resource Management Act (RMA) requirements to review the Plan every 10 years.

Unresolved appeals relating to the proposed Ruataniwha Water Storage Scheme, and impacts of Tukituki Plan Change 6, meant a delay in progress on the District Plan review and a reset of priorities.

The Council have highlighted this as a priority and have now fast tracked the review for the completion of an initial draft District Plan by the end of 2018. Once the full review of the District Plan is completed, it will need to be implemented, and monitored to ensure it is working effectively and updated as new issues arise.

Why are we involved?

Central Hawke's Bay District Council has a statutory responsibility to undertake certain functions through the RMA. One of Council's functions is to prepare a District Plan providing controls for land use and subdivision.

Community Outcomes that this activity contributes to



PROUD DISTRICT
HE ROHE POHO KERERŪ



SMART GROWTH
HE TIPU ATAMAI



DURABLE INFRASTRUCTURE
HE HANGANGA MAUROA



PROSPEROUS DISTRICT
HE ROHE TŌNUI



ENVIRONMENTALLY RESPONSIBLE
HE WHAKAARO NUI KI TE TAIAO

What are the key issues that will affect this activity in the next ten years?

- External issues e.g. climate change
- Legislative changes including National Policy Statements / Environmental Standards
- The outcome of a full review of the Operative District Plan
- Increasing demands on the natural and physical resources and related servicing due to projected population growth.

What impact will changes in demand have on this activity?

The District Plan review process begun in 2011 after it was notified in 2003. During this period many significant changes occurred, e.g. climate change, as well as national and regional plans that will influence the development of a revised plan.

These changes will be reflected in the revised District Plan. Consultation with the community of Central Hawke's Bay will ensure that the plan's performance standards and rules reflect the level of protection of the environment the ratepayers wish to achieve.

Does this activity have any significant negative effects on community wellbeing?

The objectives and policies of the District Plan are a reflection of the balance that the Central Hawke's Bay community wishes to achieve between use and development of natural and physical resources, whilst providing for social and economic growth.

How will we deliver this activity in the next ten years?

Performance measures intended to be reported in the Annual Report. The following performance targets have been set by Council to meaningfully assess the achievement of levels of service.

District Planning

WHAT CUSTOMERS WANT/CUSTOMER VALUE	CUSTOMER LEVELS OF SERVICE	PERFORMANCE MEASURE	BASELINE	YEAR 1 TARGET (2018/19)	YEAR 2 TARGET (2019/20)	YEAR 3 TARGET (2020/21)	YEAR 4-10 TARGET (2019/20)	PERFORMANCE MEASURE REPORTING
The District Plan is kept up to date and relevant to the needs of our community – helping us to maintain a well-designed and sustainable district	Effectiveness	Review of the District Plan is completed within timeframes	Review of the District Plan	Draft District Plan Notified	District Plan Operational	Rolling Review of Operational District Plan	Rolling Review of Operational District Plan	Project plan monitoring



Land Use and Subdivision Consents

What does this activity involve?

The District Plan establishes specific rules around subdivision and land use activities. When applications for subdivision and land use activities are received, they are assessed against the requirements of the District Plan. This will determine the appropriate conditions to apply to the application.

Council processes resource consent applications and monitors conditions of consent.

Why are we involved?

Council is required under statute to provide a regulatory function that includes provision and administration of the District Plan under the Resource Management Act 1991.

This activity ensures that facilitation of growth and development is managed in a sustainable way.

Community Outcomes that this activity contributes to



What are the key issues that will affect this activity in the next ten years?

- Legislative changes including National Policy Statements / Environmental Standards
- The outcome of a full review of the District Plan and adoption of a revised Plan
- Increased growth and localised pockets of high growth in the district
- Shortages of, and competition for, qualified staff
- External issues e.g. fossil fuel strategies, climate change.

What impact will changes in demand have on this activity?

- Changes in the District Plan may place significant extra workload on Council requiring changes to practice
- Demand for this activity is very dependent on the local (agricultural based) economy, as well as national and international economic changes
- The district is experiencing growth at increased rates. Expectations are that this increased rate of growth will continue putting additional pressure on resources and processes.

Does this activity have any significant negative effects on community wellbeing?

The objectives and policies of the District Plan are a reflection of the balance that the Central Hawke's Bay community wishes to achieve between use and development of natural and physical resources, whilst providing for social and economic growth.

How will we deliver this activity in the next ten years?

Performance measures intended to be reported in the Annual Report. The following performance targets have been set by Council to meaningfully assess the achievement of levels of service.

Land Use and Subdivision Consents

WHAT CUSTOMERS WANT/CUSTOMER VALUE	CUSTOMER LEVELS OF SERVICE	PERFORMANCE MEASURE	BASELINE	YEAR 1 TARGET (2018/19)	YEAR 2 TARGET (2019/20)	YEAR 3 TARGET (2020/21)	YEAR 4-10 TARGET (2019/20)	PERFORMANCE MEASURE REPORTING
The land use and subdivision consent process is compliant, efficient and user friendly	Timeliness	The percentage of resource consents (non-notified) processed within 20 working days (the statutory timeframe)	100%	100%	100%	100%	100%	Resource Consent Database
	Customer Service	The percentage of customers satisfied with the land use and subdivision consent services provided	90%	90%	90%	90%	90%	Internally delivered survey of consents customers from the previous 12 months



Building Control

What does this activity involve?

Building Control is responsible for administering and enforcing the Building Act 2004 (and related legislation). This includes:

- Processing applications for building consents
- Monitoring compliance through inspections and the issue of Code Compliance Certificates
- Enforcing the provisions of the Building Act 2004 and associated regulations
- Processing Land Information Memoranda.

While 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, changes to the Act have required Council to follow an accreditation process. Over time, the level of performance of a Building Consent Authority to retain accreditation is being increased, therefore higher levels of quality control and documentation is required, incurring additional costs. This process is subject to audit to ensure that due process is followed. All Building Officers are required to be accredited under the Act.

Why are we involved?

This activity promotes the safety of people living and working in buildings and homes and provides information on request to applicants who intend carry out a building project.

Community Outcomes that this activity contributes to



What are the key issues that will affect this activity in the next ten years?

- Changing demand for building control services
- An increasing 'duty of care' being placed on Councils in fulfilling their regulatory function
- The introduction of quality control measures will absorb additional staff time
- Enforcement of the Building Act is a function of Council not the Building Consent Authority.

What impact will changes in demand have on this activity?

- Already the accreditation and other changes to the Building Act 2004 have placed significant extra requirements on Council requiring changes to policy and practice. This is expected to be ongoing.
- Demand for building services is very dependent on the local (agricultural based) economy, as well as national and international economic changes.
- The district is experiencing growth at increased rates. Expectations are that this increased rate of growth will continue putting additional pressure on resources and processes.

Does this activity have any significant negative effects on community wellbeing?

There are no significant negative effects arising from the Building Control Activity.

How will we deliver this activity in the next ten years?

Performance measures intended to be reported in the Annual Report. The following performance targets have been set by Council to meaningfully assess the achievement of levels of service.

Building Control

WHAT CUSTOMERS WANT/ CUSTOMER VALUE	CUSTOMER LEVELS OF SERVICE	PERFORMANCE MEASURE	BASELINE	YEAR 1 TARGET (2018/19)	YEAR 2 TARGET (2019/20)	YEAR 3 TARGET (2020/21)	YEAR 4-10 TARGET (2019/20)	PERFORMANCE MEASURE REPORTING
The building consent process is compliant, efficient and user friendly	Timeliness	The percentage of building consents processed within 20 working days (the statutory timeframe)	100%	100%	100%	100%	100%	Building Consents Database
	Safety	The maintenance of building consent authority accreditation status	Achieved	Achieved	Achieved	Achieved	Achieved	Annual internal audit plus a two yearly external audit
	Customer Service	The percentage of customers satisfied with the building consent services provided	90%	90%	90%	90%	90%	Internally delivered survey of building control customers from the previous 12 months



Public Health

What does this activity involve?

The Public Health Activity covers the following services:

- Environmental Health – this administers the requirements of statutes and health regulations that cover subjects such as safe food, safe water, disease containment, environmental nuisance, public accommodation and private housing
- Liquor Licensing – the licensing and monitoring of premises under the provisions of the Sale and Supply of Alcohol Act 2012
- Hazardous substances – the control of hazardous substances is now the responsibility of the Environmental Risk Management Authority (ERMA) but Council will continue to provide local support at emergency incidents involving hazardous substances because of our local knowledge, expertise and proximity
- Monitoring and response regarding the Gambling Act 2003 and Prostitution Reform Act 2003
- Noise control responsibilities.

Why are we involved?

This activity promotes safe food, liquor outlets and regulates exposure to other environmental hazards such as noise.

Community Outcomes that this activity contributes to



What are the key issues that will affect this activity in the next ten years?

- Legislative change
- Future changes to Council Bylaws.

What impact will changes in demand have on this activity?

Key drivers of future demand:

- Changes following the review of Sale and Supply of Liquor Act and relevant Food legislation will affect the demand for public health services as new legislative requirements are implemented and enforced
- Central Hawke's Bay economic growth projections have provided some cause for optimism in regard to future growth. This includes increased population growth and localised pockets of high growth in the district. It is expected that there will be a corresponding change in demand for restaurant and similar establishments
- Increasing public health issues arising from social problems; such as noise, liquor, and gambling issues rather than the physical environment. Council has a restrictive sinking lid Gambling Policy in place and therefore is not anticipated that there will be any growth in gambling venues.

Does this activity have any significant negative effects on community wellbeing?

Public Health practices and decisions may have a significant negative effect at various times on local social, economic, environmental and cultural wellbeing of the community. Examples are noise abatement and temporary water quality issues.

How will we deliver this activity in the next ten years?

Performance measures intended to be reported in the Annual Report. The following performance targets have been set by Council to meaningfully assess the achievement of levels of service.

Public Health

WHAT CUSTOMERS WANT/CUSTOMER VALUE	CUSTOMER LEVELS OF SERVICE	PERFORMANCE MEASURE	BASELINE	YEAR 1 TARGET (2018/19)	YEAR 2 TARGET (2019/20)	YEAR 3 TARGET (2020/21)	YEAR 4-10 TARGET (2019/20) PERFORMANCE MEASURE REPORTING
The public health process is compliant, efficient and user friendly	Health and safety	The percentage of food and other premises inspected at least once a year	100%	100%	100%	100%	100% Property Database
	Health and safety	Where premises do not meet minimum standards, a corrective plan is put in place to help them within 10 working days	New	100%	100%	100%	100% Property Database
	Responsiveness	Complaints received are responded to within 3 working days	100%	100%	100%	100%	100% Per the Request for Service system
	Customer Service	The percentage of customers satisfied with the public health services delivered	New	95%	95%	95%	95% Internally delivered survey of public health customers from the previous 12 months



Animal Control

What does this activity involve?

Council is involved in Animal Control for both dog control and stock control. This is a requirement of the Dog Control Act 1996 and Council's Dog Control Bylaw and Livestock Movements and Animals in Public Places Bylaw.

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, Waipukurau. The SPCA staff service the pound on a cost recovery basis.

Why are we involved?

Council is required under statute to provide a regulatory function of Animal Control.

This activity ensures that:

- Dog owners are held responsible for their pets and do not cause a nuisance to people and property
- The welfare of animals is protected
- The public/owners are given an opportunity to become more educated on dog behaviour
- General maintenance of public safety in relation to the keeping of animals within the District
- Roadside grazing and wandering stock are controlled to avoid risks to public safety.

Community Outcomes that this activity contributes to



What are the key issues that will affect this activity in the next ten years?

- The new Animal Welfare regulations, which come into force from 1 October 2018, will add an additional dimension to our service and our relationship with central government (i.e. Ministry for Primary Industries) on animal-related matters.
- The increasing scope of this activity will likely mean additional training requirements for animal control staff.
- It is not anticipated that there will be any substantial changes to the Dog Control Act that would cause any significant effects on the current animal control operations.
- The control of stock on roads after hours and grazing of roadsides during drought conditions.

What impact will changes in demand have on this activity?

Central Hawke's Bay economic growth projection has provided some cause for optimism in regard to future growth. This includes increased population growth and localised pockets of high growth in the district. It is expected that there will be an associated increase in the number of dogs in the District.

Does this activity have any significant negative effects on community wellbeing?

There are no significant negative effects arising from the Animal Control Activity.

How will we deliver this activity in the next ten years?

Performance measures intended to be reported in the Annual Report. The following performance targets have been set by Council to meaningfully assess the achievement of levels of service.

Animal Control

WHAT CUSTOMERS WANT/CUSTOMER VALUE	CUSTOMER LEVELS OF SERVICE	PERFORMANCE MEASURE	BASELINE	YEAR 1 TARGET (2018/19)	YEAR 2 TARGET (2019/20)	YEAR 3 TARGET (2020/21)	YEAR 4-10 TARGET (2019/20)	PERFORMANCE MEASURE REPORTING
Excellent customer service is provided to our customers and the animal control activity minimises nuisance and makes our community a safer place to live	Compliance	The percentage of known dogs registered	>95%	>95%	>95%	>95%	>95%	Per the Dog Registration System
	Safety	Percentage of serious dog incidences responded to within 2 hours	100%	100%	100%	100%	100%	Per the Request for Service system
	Safety	Response to all stock complaints and requests within 24 hours	100%	100%	100%	100%	100%	Per the Request for Service system
	Customer Service	The percentage of users satisfied with the Animal Control service provided	New	90%	90%	90%	90%	Independent Community Views Survey



Compliance and Monitoring

What does this activity involve?

Compliance and Monitoring primarily involves the monitoring of resource consent conditions, responding to noise complaints and bylaw breaches, and carrying out territorial authority responsibilities as defined in legislation such as the inspection of swimming pool fences, earthquake prone buildings, and processing of Land Information Memoranda (LIMS), Compliance Schedules and Building Warrants of Fitness.

Why are we involved?

Council has a broad variety of responsibilities under New Zealand legislation, as well as our own bylaws, that we need to monitor on a regular basis to ensure compliance. Our compliance and monitoring activity is (our tool) for the enforcement of these areas.

This activity ensures that:

- Resource consent conditions are monitored for compliance
- We abide by our legislative requirements for the processing of Land Information Memoranda (LIMS), Compliance Schedules and Building Warrants of Fitness
- Bylaws that are put in place to protect public safety, the environment, and other areas, are monitored for compliance and enforced as required.

Community Outcomes that this activity contributes to



What are the key issues that will affect this activity in the next ten years?

- The Building (Earthquake-prone Buildings) Amendment Act 2016 will need to be implemented. This legislation gives building owners 7.5 years to have their building strengthened or demolished, once identified as being earthquake prone. This will involve closely working with the community over this period, in line with Town Centre and Community planning, any relevant heritage considerations, and the updated District Plan.
- It is expected that there are areas in our bylaws that will need updating because of central government priorities, particularly freedom camping.

What impact will changes in demand have on this activity?

- Central government influences a large portion of this activity heavily. As such, demand will fluctuate in certain areas of this activity as appropriate.
- The district is experiencing growth at increased rates. Expectations are that this increased rate of growth will continue putting additional pressure on resources and processes to monitor compliance with relevant legislation and Council bylaws.

Does this activity have any significant negative effects on community wellbeing?

There are no significant negative effects arising from these activities.

How will we deliver this activity in the next ten years?

Performance measures intended to be reported in the Annual Report. The following performance targets have been set by Council to meaningfully assess the achievement of levels of service.

Compliance and Monitoring

WHAT CUSTOMERS WANT/CUSTOMER VALUE	CUSTOMER LEVELS OF SERVICE	PERFORMANCE MEASURE	BASELINE	YEAR 1 TARGET (2018/19)	YEAR 2 TARGET (2019/20)	YEAR 3 TARGET (2020/21)	YEAR 4-10 TARGET (2019/20) PERFORMANCE MEASURE REPORTING
The compliance and monitoring process of is compliant, efficient and user friendly	Safety	Owners, or their agents, advised that their BWOF has lapsed within one month of expiry	90%	95%	95%	100%	100% Property Database
	Efficiency	All of PIMs, LIMs, and CCCs issued within the statutory timeframe	100%	100%	100%	100%	100% Property Database
	Timeliness	Respond to complaints about non-compliance with bylaws within 3 days	New	100%	100%	100%	100% Per Request For Service System
	Compliance	The percentage of resource consents monitored within two years of being issued	New	100%	100%	100%	100% Property Database
	Customer Service	The percentage of users satisfied with the Compliance and Monitoring service provided	New	90%	90%	90%	90% Independent Community Views Survey

Funding impact statement for 2018/28 – Planning and Regulatory Group

This section outlines significant operating and capital programmes, actions and projects planned for the next ten years.

	ANNUAL PLAN	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Sources of operating funding											
General rates, uniform annual general charges and rates penalties	1,172	721	785	807	847	863	885	901	920	942	968
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees, charges	695	1,043	1,030	1,041	1,070	1,089	1,116	1,149	1,171	1,202	1,241
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	10	21	21	22	22	23	23	24	24	25	26
Total operating funding	1,877	1,784	1,836	1,870	1,939	1,975	2,024	2,074	2,115	2,169	2,234
Applications of operating funding											
Payments to staff and suppliers	1,488	1,298	1,329	1,334	1,377	1,400	1,433	1,469	1,498	1,537	1,587
Finance costs	0	2	9	19	24	21	19	17	14	11	9
Other operating funding applications	378	481	482	484	495	506	524	536	550	564	579
Total applications of operating funding	1,866	1,781	1,821	1,837	1,895	1,928	1,975	2,022	2,061	2,112	2,175
Surplus (deficit) of operating funding	11	3	15	33	44	46	49	51	54	57	59
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	0	78	194	201	(44)	(46)	(49)	(51)	(54)	(57)	(59)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	0	78	194	201	(44)	(46)	(49)	(51)	(54)	(57)	(59)
Applications of capital funding											
Capital expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	11	82	208	234	0	0	0	0	0	0	0
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total application of capital funding	11	82	208	234	0	0	0	0	0	0	0
Surplus (deficit) of capital funding	(11)	(3)	(15)	(33)	(44)	(46)	(49)	(51)	(54)	(57)	(59)
Funding balance	0	0	0	0	0	0	0	0	0	0	0

Renewal and Capital Works Programme

There are no capital projects for this group of activities.

Land Transport Group



Land Transport

What does this activity involve?

Council owns and maintains the district road network. Network maintenance and renewals are funded by rates with substantial funding assistance from the New Zealand Transport Agency (NZTA). The current Funding Assistance Rate provided by NZTA has risen from 58% to 60% and will be in effect until 2023. Council staff, assisted by consultants, manage the various aspects of the District road asset. All physical work that is carried out on the network is done by Contractors not Council staff directly. These methods will continue into the future although minor changes will be made to obtain better value for money with the intent of lowering the costs to the ratepayer.

A comprehensive Activity Management Plan has been written and is updated regularly to ensure it meets the requirements of the District. The road network is maintained on an 'in perpetuity' basis and no significant capital works are planned such as constructing new roads or sealing new roads. Council bridges are ageing and will be in need of major repairs or replacement in the future. Council has started and will continue an investigation programme to define and implement maintenance and rehabilitation solutions to continuously extend the life of our bridge infrastructure.

Council continues to work with NZTA and the NZ Police to improve safety for all road users throughout the district and has an annual minor safety improvement programme to provide engineered solutions to unsafe areas on the network.

Why are we involved?

Community Outcomes that this activity contributes to



What are the significant assets managed by this activity?

The road network system that are presently owned and operated by the Central Hawke's Bay District Council is shown in the following table:

The Pavement Asset can be summarised as follows:

	URBAN (KM)	RURAL (KM)	TOTAL (KM)
Sealed	68	794	862
Unsealed	2	401	403
Total	70	1,195	1,264

ASSET VALUATION AT JUNE 2017

ASSET	OPTIMISED REPLACEMENT COST	OPTIMISED DEPRECIATED REPLACEMENT COST	ANNUAL DEPRECIATION
Land	\$37,782,749	\$37,782,749	<i>Not depreciated</i>
Formation	\$223,338,608	\$223,338,608	<i>Not depreciated</i>
Pavement Surface	\$14,900,372	\$7,363,112	\$1,216,977
Pavement Unsealed Wearing Course	\$8,978,133	\$1,299,413	\$945,255
Pavement Structure	\$345,699,654	\$279,347,578	\$2,141,054
Drainage	\$48,855,091	\$24,209,571	\$677,949
Surface Water Channel	\$23,993,662	\$14,705,440	\$399,865
Footpaths	\$11,242,135	\$4,757,579	\$195,211
Crossings	\$4,840,258	\$3,135,312	\$80,671
Signs	\$962,892	\$354,840	\$63,744
Traffic Facilities	\$41,389	\$109,819	\$191
Markings	\$504,864	\$156,458	\$164,471
Railings	\$2,036,259	\$781,749	\$80,502
Bridges, Culvert Bridges and Bridge Rail	\$110,796,713	\$53,981,154	\$1,158,152
Minor Structures	\$347,751	\$287,528	\$2,906
Retaining Walls	\$11,026,787	\$7,819,002	\$243,361
Street Lighting	\$1,599,820	\$485,800	\$91,270
Roundabouts	\$139,838	\$134,244	\$1,865
Total	\$847,086,975	\$660,049,956	\$7,463,444

What are the key issues that will affect this activity in the next ten years?

- Traffic growth – particularly heavy vehicles
- Cost increases (e.g. oil prices, aggregates)
- Changes in central, regional and local government policy
- Changes in land use patterns – e.g. dairying
- Increased residential development in coastal locations
- The implementation of the One Network Road Classification proposes higher roughness levels than the previous roughness levels sought by the Council. The impact on Smooth Travel Exposure is yet to be determined.

What impact will changes in demand have on this activity?

Increasing traffic volumes – the District is predominantly rural and highly dependent on motor vehicle use. Although the 2006 census did not predict significant population growth and there have as yet not been any significant increases in traffic volumes, changes in land use with an increase in dairying and a decrease in forestry plantings along with increased subdivision development are factors that should be noted for impact on this activity. Should these continue they may have the following impact:

- Increased consumption of the asset
- Higher public expectations
- Higher costs due to increase of service quantities and service levels
- Improvements required to ensure safety.

Modes of Transport – in a rural area the demand for public transport along with significant increases in the healthier options (walking/cycling facilities) will have some impact but it is expected to be minor.

Generally the network is in good condition for the current demand, however the increase in heavy traffic (3-5%) is of concern and it is imperative that funding levels **‘not’** decrease to ensure we have the ability to provide the required levels of service and an infrastructure that will continue to serve the District well into the future.

Does this activity have any significant negative effects on community wellbeing?

Negative impacts on community wellbeing may include:

- Injuries and fatalities from accidents on the asset which have not only a personal cost but a significant cost to society
- Air, water and noise pollution from dust, vehicle contaminants and stormwater erosion
- Loss of or restrictions to parts of the infrastructure or increased roughness have an impact on the mobility of the people and cost both economically and socially.

What are the risks associated with this activity?

The following are some of the risks associated with this activity and its management:

- Loss of knowledgeable personnel (consultant and in-house staff having all the knowledge separate from the corporate knowledge)
- A complacency within the District towards the importance of this activity as it contributes to the success and growth of the District
- Unexpected significant demand increases
- Decreases in subsidised funding through changes in Central Government or its agencies.

How will we deliver this activity in the next ten years?

Performance measures intended to be reported in the Annual Report. The following performance targets have been set by Council to meaningfully assess the achievement of levels of service.

Land Transport

WHAT CUSTOMERS WANT/ CUSTOMER VALUE	CUSTOMER LEVELS OF SERVICE	PERFORMANCE MEASURE	BASELINE	YEAR 1 TARGET (2018/19)	YEAR 2 TARGET (2019/20)	YEAR 3 TARGET (2020/21)	YEAR 4-10 PERFORMANCE TARGET (2019/20) MEASURE REPORTING
The provisions of a safe and secure local roading network that meets the needs of our community	Safety	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number.	Reducing trend	Reduce total number to 0	Reduce total number to 0	Reduce total number to 0	Reduce total NZTA accident reporting number to 0 system to produce an annual report
	Quality	The average quality of ride on a sealed local road network, measured by smooth travel exposure	New	Between 85 & 90%	Between 85 & 90%	Between 85 & 90%	Between Annual performance 85 & 90% reports generated by NZTA ONRC reporting tool
	Quality	At least 20% of the footpaths in excellent condition and no more than 10% of the footpaths in poor condition measured annually	Excellent >74.4% Poor <6.4%	Excellent >50% Poor <10%	Excellent >50% Poor <10%	Excellent >50% Poor <10%	Excellent >50% Poor <10% Results of annual condition assessment
	Quality	The percentage of the sealed local road network that is resurfaced	8.5%	Between 6 and 8%	Between 6 and 8%	Between 6 and 8%	Between 6 and 8% Management Reporting
	Responsiveness	The percentage of customer service requests relating to roads and footpaths to which the territorial authority responds within 3 working days	87%	100%	100%	100%	100% Request for Service system
	Customer Service	The percentage of users satisfied with the roading service provided	New	90%	90%	90%	90% Independent Community Views Survey

Funding impact statement for 2018/28 – Land Transport

This section outlines significant operating and capital programmes, actions and projects planned for the next ten years.

	ANNUAL PLAN 2018 \$000	YEAR 1 2019 \$000	YEAR 2 2020 \$000	YEAR 3 2021 \$000	YEAR 4 2022 \$000	YEAR 5 2023 \$000	YEAR 6 2024 \$000	YEAR 7 2025 \$000	YEAR 8 2026 \$000	YEAR 9 2027 \$000	YEAR 10 2028 \$000
Sources of operating funding											
General rates, uniform annual general charges and rates penalties	6,232	6,426	6,564	6,707	7,019	7,491	7,683	7,771	7,971	8,184	8,412
Targeted rates	50	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	1,968	2,483	2,554	2,571	2,800	2,867	2,936	3,009	3,087	3,170	3,259
Fees, charges	14	18	19	19	20	20	21	21	22	22	23
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	142	158	162	165	169	173	177	181	186	191	196
Total operating funding	8,406	9,086	9,299	9,462	10,008	10,551	10,816	10,982	11,265	11,567	11,889
Applications of operating funding											
Payments to staff and suppliers	3,729	4,488	4,602	4,635	5,021	5,141	5,264	5,395	5,535	5,685	5,844
Finance costs	3	0	0	0	0	0	0	0	0	0	0
Other operating funding applications	972	1,163	1,169	1,178	1,193	1,220	1,264	1,294	1,326	1,360	1,397
Total applications of operating funding	4,704	5,651	5,771	5,813	6,213	6,361	6,528	6,689	6,862	7,045	7,241
Surplus (deficit) of operating funding	3,702	3,435	3,528	3,649	3,795	4,190	4,288	4,292	4,404	4,522	4,649
Sources of capital funding											
Subsidies and grants for capital expenditure	4,501	4,387	4,499	4,663	5,082	5,204	5,329	5,462	5,604	5,756	5,917
Development and financial contributions	3	3	3	3	3	3	3	3	3	3	3
Increase (decrease) in debt	(47)	0	0	0	0	0	0	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	4,457	4,390	4,502	4,666	5,085	5,207	5,332	5,465	5,607	5,759	5,920
Applications of capital funding											
Capital expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	299	300	300	300	381	391	400	410	421	432	444
- to replace existing assets	7,657	7,509	7,713	7,999	8,682	8,891	9,104	9,332	9,574	9,833	10,108
Increase (decrease) in reserves	203	16	16	16	(184)	116	116	16	16	16	16
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total application of capital funding	8,159	7,825	8,029	8,315	8,880	9,397	9,620	9,758	10,011	10,281	10,568
Surplus (deficit) of capital funding	(3,702)	(3,435)	(3,528)	(3,649)	(3,795)	(4,190)	(4,288)	(4,292)	(4,404)	(4,522)	(4,649)
Funding balance	0	0	0	0	0	0	0	0	0	0	0

Maintenance and Renewals

In developing the Activity Management Plan for Land Transport the single most important goal was to maintain the current infrastructure in perpetuity in the most economical way.

Maintenance

Road Maintenance services within the District are acquired through both a consultant and a contractor. These groups work together with Council staff to ensure Council goals are met.

In order to accomplish Council goals, service levels were defined and routine maintenance performed to that level. As time progresses service levels will be reviewed so that these continue to meet the District's needs.

Programming activities such as spraying, and vegetation control in a cyclic manner has produced a consistent end result in the field and created expenditure savings.

Regular analysis of the pavement structure and the surfaces of the roads provide information critical to determining the routine minimum maintenance requirements to protect the infrastructure.

Introducing best practice maintenance techniques continues to improve productivity and drive costs lower.

As part of the yearly Maintenance Programme, minor Safety projects are included to reduce accidents from road factors.

This level of service combined with the renewals outlined below will ensure that the infrastructure will be maintained in perpetuity.

Renewals

The renewals will mainly concentrate on replacing worn out footpaths, re-sealing pavement reconstructing and re-metalling road surfaces, structures and major drainage.

All of the renewals are based on a prioritisation programme with the most needed items being renewed first.

Using pavement modelling to determine the levels of renewals the number of kilometres being re-sealed each year and the number of kilometres being rehabilitated have been reduced with no negative long term impact on the infrastructure.

The Activity Management Plan has identified several of the District's bridges as requiring component renewal which will be programmed over the next several years. Bridge inspections will continue to ensure issues are noted and solutions implemented to keep bridges usable and safe.

ACTIVITY	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	TOTAL
Road Surface Renewals	3,728	3,915	4,189	4,565	4,675	4,787	4,907	5,034	5,170	5,315	46,284
Future Bridge Renewals	101	102	103	109	112	114	117	120	123	127	1,129
Safety renewals	1,127	1,127	1,127	1,228	1,257	1,287	1,320	1,354	1,390	1,429	12,645
Road Structure Renewals	2,107	2,107	2,107	2,296	2,351	2,407	2,468	2,532	2,600	2,673	23,647
Emergency Renewals	445	448	452	482	494	506	518	532	546	561	4,984
Footpaths and Carparks	301	315	322	384	393	402	413	423	435	447	3,835

Solid Waste Group



Solid Waste

What does this activity involve?

The solid waste (refuse) collection and disposal services include:

- Litter Collection
- Refuse Collection
- Kerbside Recycling (Waipawa and Waipukurau only)
- Recycling Centres
- Transfer Stations
- Greenwaste
- Landfill
- Education and Enforcement
- Closed Landfills.

A Comprehensive Asset Management Plan has been compiled to include all Solid Waste systems.

Why are we involved?

To minimise health risks through collection and correct disposal of waste, and management of landfills. To avoid adverse environmental effects by recycling and management of waste.

Community Outcomes that this activity contributes to



PROUD DISTRICT
HE ROHE POHO KERERŪ



CONNECTED CITIZENS
HE KIRIRARAU WHAI HONONGA



DURABLE INFRASTRUCTURE
HE HANGANGA MAUROA



PROSPEROUS DISTRICT
HE ROHE TŌNUI



SMART GROWTH
HE TIPU ATAMAI



STRONG COMMUNITIES
HE HAPORI KAHA



ENVIRONMENTALLY RESPONSIBLE
HE WHAKAARO NUI KI TE TAIAO

What are the key issues that will affect this activity in the next ten years?

- Legislative changes which impact on the cost and provision of solid waste services
- Further services and facilities are needed to meet the community's sustainability and environmental requirements
- The ability to attract municipal waste from outside the District into the Landfill to offset costs
- From time to time, the markets for recyclable material may be uneconomic
- The affordability to maintain the facilities.

What impact will changes in demand have on this activity?

Change in demand is likely to come through:

- Legislation
- Changes in the community's sustainability and environmental requirements
- The economy.

These changes will have a cost impact and will require continual monitoring.

Does this activity have any significant negative effects on community wellbeing?

The following negative effects have been identified:

- **Social** – there is potential odour, dust, vermin and noise which could impact on neighbours to the various facilities. Historically there have been few complaints.
- **Economic** – the cost of solid waste services are relatively high, and increases in Fees and Charges may not be acceptable to the community.
- **Environmental** – there is potential for contamination of surface and ground water, odour, dust, vermin, fire, emergencies involving hazardous waste and the creation of land with limited long term utilisation. To date effects have been minor.

The issue of negative significant effects is addressed by adherence to resource consent conditions. Monitoring is undertaken of the operational and closed landfill sites.

What are the risks associated with this Activity?

The following are some of the risks associated with this activity and its management:

- **National and global markets for recyclables.** Recyclable materials are traded in New Zealand and across the globe. The ability of Council to recycle waste is dependent on the existence of cost-effective markets.
- **Changing consumer behaviours.** Changes in the types of products being disposed of can and do impact the way in which Council manages its solid waste.
- **Environmental impacts.** The solid waste activity has the ability to negatively impact the environment through the uncontrolled or poorly managed disposal of waste. The activity is managed in a way to ensure that environmental effects are at the heart of all decision making and this is governed not least by the requirements of the resource consents granted.

How will we deliver this activity in the next ten years?

Performance measures intended to be reported in the Annual Report. The following performance targets have been set by Council to meaningfully assess the achievement of levels of service.

Solid Waste

WHAT CUSTOMERS WANT/CUSTOMER VALUE	CUSTOMER LEVELS OF SERVICE	PERFORMANCE MEASURE	BASELINE	YEAR 1 TARGET (2018/19)	YEAR 2 TARGET (2019/20)	YEAR 3 TARGET (2020/21)	YEAR 4-10 TARGET (2019/20)	PERFORMANCE MEASURE REPORTING
Council supports and provides incentives for waste reduction, reuse and recycling in line with its Waste Management & Minimisation Plan	Effectiveness	The tonnes of recyclables through the centre each year	1,871	>1,500 tonnes	>1,500 tonnes	>1,500 tonnes	>1,500 tonnes	Monthly records from Contractors
	Effectiveness	The amount of greenwaste composted each year	New	>2,250 m3	>2,250 m3	>2,250 m3	>2,250 m3	Monthly records from Contractors
	Awareness	The number of schools participating in waste minimisation programmes	New	75%	75%	75%	75%	Management Reporting
	Awareness	Hold waste minimisation promotional events in the District	New	4	4	4	4	Management Reporting
	Customer Service	The percentage of users satisfied with the solid waste service provided	90%	90%	90%	90%	90%	Independent Community Views Survey

Funding impact statement for 2018/28 – Solid Waste

This section outlines significant operating and capital programmes, actions and projects planned for the next ten years.

	ANNUAL PLAN	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Sources of operating funding											
General rates, uniform annual general charges and rates penalties	1,312	1,163	1,193	1,195	1,204	1,215	1,202	1,306	1,411	1,444	1,478
Targeted rates	239	231	236	242	247	253	258	265	271	278	286
Subsidies and grants for operating purposes	43	52	53	54	56	57	58	60	61	63	64
Fees, charges	948	1,107	1,132	1,156	1,182	1,209	1,237	1,267	1,298	1,332	1,368
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other	0	0	0	0	0	0	0	0	0	0	0
Total operating funding	2,542	2,553	2,614	2,648	2,689	2,733	2,756	2,897	3,042	3,117	3,196
Applications of operating funding											
Payments to staff and suppliers	1,878	1,860	1,911	1,942	1,986	2,043	2,079	2,129	2,182	2,239	2,299
Finance costs	95	94	92	85	78	71	64	108	151	145	139
Other operating funding applications	289	340	341	342	349	358	370	379	389	399	410
Total applications of operating funding	2,262	2,295	2,344	2,369	2,414	2,471	2,513	2,616	2,722	2,783	2,848
Surplus (deficit) of operating funding	280	258	270	278	275	262	243	280	320	334	348
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	(97)	78	(115)	(122)	(125)	(109)	(88)	1,860	(160)	(48)	(182)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	(97)	78	(115)	(122)	(125)	(109)	(88)	1,860	(160)	(48)	(182)
Applications of capital funding											
Capital expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0	0	0	0	0	0	0	0	0	123	0
- to replace existing assets	96	277	95	97	99	101	104	2,090	109	112	115
Increase (decrease) in reserves	87	59	59	59	51	51	51	51	51	51	51
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total application of capital funding	183	336	154	157	150	152	155	2,141	160	285	166
Surplus (deficit) of capital funding	(280)	(258)	(270)	(278)	(275)	(262)	(243)	(280)	(320)	(334)	(348)
Funding balance	0	0	0	0	0	0	0	0	0	0	0

Renewal Works Programmes

Renewals include:

- Replacing old litter bins and maintaining current bins.
- Transfer stations including repairing fences, drives, pits, kiosk, sheds and surrounding area.
- Repairing and painting recycling drop-off centres and replacing recycling bins.
- Repairing fences, drives, ponds and surrounding area at the landfill.
- Replacing clay caps and repairing fencing at closed landfills.

Capital Works Programmes

Significant capital works projects include:

PROJECT	ESTIMATED COST
Leachate Irrigation onto the Landfill in 2018/19	\$183,600
Landfill Extension in 2024/25	\$1,983,595

Water Supplies Group



Water Supplies

What does this activity involve?

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

The water quality at Takapau fully meets the New Zealand Drinking Water Standards 2005/08. Johnson St Waipawa meets all requirements except for Protozoa, which we are working towards. The remaining supplies received technical non compliances for bacteria and Protozoa, which we are working towards. Government has passed legislation making NZDWS compliance mandatory. To help achieve this we are in the process of upgrading Waipawa / Otane and Waipukurau with the installation of Ultra Violet treatment plants. Comprehensive Water Safety Plans are being compiled for the various water supplies and assessments for compliancy are carried out on a continuous basis by the District Health Board and updated as improvements take place.

A Comprehensive Asset Management Plan has been compiled to include all water supplies.

Why are we involved?

The Water Activity provides benefits to the community through reliable, safe, effective and efficient, collection, management, treatment and delivery of water to ensure that the capacity of available facilities is optimised and that neither public health nor the environment is compromised.

The provision of systems for the extraction, treatment and distribution of water is a function of Councils permitted and governed by the Local Government Act 2002 and the Health Act 1956.

Community Outcomes that this activity contributes to



What are the significant assets managed by this activity?

The water network assets presently owned and operated by the Council are shown in the table below:

	CONNECTIONS NUMBER	PIPES METRES	VALVES NUMBER	HYDRANTS NUMBER	PUMP STATIONS NUMBER	RESERVOIRS NUMBER
Waipukurau	2,173	77,859	342	322	1	3
Waipawa	981	52,295	115	190	2	3
Otane	273	18,488	72	36		2
Takapau	272	16,406	44	51	1	13
Porangahau	110	10,138	37	22		3
Te Paerahi	133	6,349	46	17	1	15
Kairakau	84	3,312	9	2	3	5
Pourerere	5	6,120				4
Total	4,031	190,966	665	640	8	48

Note: Connections are based on number in the rates files and valve number are those in the reticulation and excludes the valves in plantrooms.

What are the key issues that will affect this activity in the next ten years?

- Water supplies must have met the New Zealand Drinking Water Standards 2005/2008 by 30 June 2015. Considerable expenditure has been spent on treatment upgrades to achieve compliance. Work continues to achieve compliance.
- Ensuring the condition of assets does not deteriorate to a level that makes maintenance prohibitively expensive.
- The lack of funding for infrastructure improvements in the past means that there is now a great requirement for infrastructure investment to meet future growth demands in the district and this requirement is reflected in the new LTP.
- Investigation to expand the current supply zones into the proposed urban expansion and growing rural lifestyle areas.

What impact will changes in demand have on this activity?

- Current predictions indicate growth within the reticulated areas for the water supply and the District Plan also proposes adding additional areas beyond current supply boundaries which will require additional water demands. Capital projects already identified in the LTP are designed to address the needs of currently predicted growth.
- Climate change and changes to agricultural activities may see Council competing for water resources with others. However some of Council's water take consents for community water supplies expire in 2028, and the consents include sufficient volume to meet the expected demand.
- The loss of a major consumer would substantially reduce revenue without the ability to reduce costs proportionately.

Does this activity have any significant negative effects on community wellbeing?

The Water Activity generally has limited negative impact. However the sustainable use of water in the district is an issue that must be addressed, and negative effects such as reduced volumes of water being available and the flow-on effects on community require good management of the water resource including promotion of water conservation as outlined in the Water Management Strategy.

What are the risks associated with this Activity?

The following are some of the risks associated with this activity and its management:

- Incomplete management and supervision of this Activity due to limited staff resources.
- The requirements of the Hawke's Bay Regional Council in future resource consents for water takes may result in unpalatable or undeliverable and increased cost requirements of this Activity.
- Detailed planning of District water requirements for the future and the related capital contribution regime is in the process of being done. This could mean that future supply requirements are not met in the time they are needed.
- Non-inclusion of development projects in the LTP mean that they cannot proceed, and that development contributions cannot be collected to assist the funding of their construction.
- The increased growth of Otane and the outer edges of the towns may mean that we struggle to supply any increased demand.
- The changing legislative environment especially in regards to Drinking Water Standards and the Havelock North water inquiry. This could significantly impact on how we manage, monitor and test our water supplies as well as increased compliance costs.
- The Department of Internal Affairs is reviewing how to improve the management of drinking water, storm water and waste water to better support New Zealand's prosperity, health, safety and environment.
- The current development of the District Plan may after public consultation identify growth and development areas that have not been anticipated or budgeted for in our planning.

How will we deliver this activity in the next ten years?

Performance measures intended to be reported in the Annual Report. The following performance targets have been set by Council to meaningfully assess the achievement of levels of service.

Water Supply

WHAT CUSTOMERS WANT/ CUSTOMER VALUE	CUSTOMER LEVELS OF SERVICE	PERFORMANCE MEASURE	BASELINE	YEAR 1 TARGET (2018/19)	YEAR 2 TARGET (2019/20)	YEAR 3 TARGET (2020/21)	YEAR 4-10 TARGET (2019/20)	PERFORMANCE MEASURE REPORTING
A continuous supply of water is provided at the right quantity, quality and pressure so that residents and industry can do what they need to do (for example, this should be deleted as we are not here to treat water for irrigation requirement or at least be changed to domestic irrigation, showering and recreation)	Safety	The extent to which the local authorities drinking water supply complies with Part 4 of the drinking water standards (bacteria compliance criteria)	All potable supplies 100%	All potable supplies 100%	All potable supplies 100%	All potable supplies 100%	All potable supplies 100%	Yearly reporting to DHB
		The extent to which the local authorities drinking water supply complies with Part 5 of the drinking water standards (protozoal compliance criteria)	All potable supplies 100%	All potable supplies 100%	All potable supplies 100%	All potable supplies 100%	All potable supplies 100%	Yearly reporting to DHB
	Quality	Percentage of real water loss from the local authority's networked reticulation system	New	≤ 30%	≤ 30%	≤ 30%	≤ 30%	Minimum night flows compared to the average water consumption.
	Responsiveness	Attendance for urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site	0.15 hours	≤ 2 hours	≤ 2 hours	≤ 2 hours	≤ 2 hours	Request for Service System
		Resolution of urgent call outs: from the time that the Local Authority receives notification to the time the service personnel confirm resolution of the fault or interruption	7.12 hours	≤ 12 hours	≤ 12 hours	≤ 12 hours	≤ 12 hours	Request for Service System

Water Supply

WHAT CUSTOMERS WANT/ CUSTOMER VALUE	CUSTOMER LEVELS OF SERVICE	PERFORMANCE MEASURE	BASELINE	YEAR 1 TARGET (2018/19)	YEAR 2 TARGET (2019/20)	YEAR 3 TARGET (2020/21)	YEAR 4-10 TARGET (2019/20)	PERFORMANCE MEASURE REPORTING
		Attendance for non-urgent call outs: from the time that the Local Authority receives notification to the time the service personnel reaches the site	0.33 hours	≤ 6 hours	≤ 6 hours	≤ 6 hours	≤ 6 hours	Request for Service System
		Resolution of non-urgent call outs: from the time that the Local Authority receives notification to the time the service personnel confirm resolution of the fault or interruption	15.36 hours	≤ 72 hours	≤ 72 hours	≤ 72 hours	≤ 72 hours	Request for Service System
	Customer Service	Number of complaints relating to drinking water received (per annum per 1000 connections to the local authority's networked reticulation system) Drinking water clarity, Drinking water taste, Drinking water odour, Drinking water pressure or flow, Continuity of supply, The local authority's response to any of these issues.	0	≤ 5	≤ 5	≤ 5	≤ 5	Request for Service System
	Demand	The average consumption of drinking water per day per water connection	1.64m ³	≤1.80m ³	≤1.80m ³	≤1.80m ³	≤1.80m ³	Management Reporting
	Quality	The percentage of users satisfied with the water supply service provided	90%	90%	90%	90%	90%	Independent Community Views Survey

Funding impact statement for 2018/28 – Water Supply

This section outlines significant operating and capital programmes, actions and projects planned for the next ten years.

	ANNUAL PLAN	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Sources of operating funding											
General rates, uniform annual general charges and rates penalties	0	0	0	0	0	0	0	0	0	0	0
Targeted rates	2,656	2,804	3,109	3,272	3,347	3,621	3,924	4,133	4,083	4,144	4,243
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees, charges	0	0	0	0	0	0	0	0	0	0	0
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0	0
Total operating funding	2,656	2,804	3,109	3,272	3,347	3,621	3,924	4,133	4,083	4,144	4,243
Applications of operating funding											
Payments to staff and suppliers	1,180	1,195	1,223	1,532	1,566	1,602	1,639	1,678	1,720	1,765	1,812
Finance costs	113	199	453	616	643	674	695	713	723	733	734
Other operating funding applications	589	508	509	511	522	535	553	566	580	595	611
Total applications of operating funding	1,882	1,903	2,185	2,659	2,731	2,811	2,886	2,957	3,023	3,093	3,157
Surplus (deficit) of operating funding	774	902	924	613	616	810	1,038	1,177	1,060	1,051	1,086
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	5	5	5	5	5	5	5	5	5	5	5
Increase (decrease) in debt	(234)	3,836	6,319	220	850	536	371	367	29	391	(347)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	(229)	3,841	6,324	225	855	541	376	372	34	396	(342)
Applications of capital funding											
Capital expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	374	0
- to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	590	4,592	7,123	1,088	1,746	1,451	1,314	1,348	1,045	1,073	744
Increase (decrease) in reserves	(45)	150	125	(250)	(275)	(100)	100	200	50	0	0
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total application of capital funding	545	4,742	7,248	838	1,471	1,351	1,414	1,548	1,095	1,447	744
Surplus (deficit) of capital funding	(774)	(902)	(924)	(613)	(616)	(810)	(1,038)	(1,177)	(1,060)	(1,051)	(1,086)
Funding balance	0	0	0	0	0	0	0	0	0	0	0

Water Meter Rates

As a water conservation measure, Council are targeting high users and installing water meters where necessary. All new users are required to fit a water meter at their expense, at time of connection to the network.

Maintenance

Routine maintenance of the water activity will continue to be carried out at a level set out in the agreed Levels of Services to ensure the assets are maintained in perpetuity. This will be funded at the present funding level and increased by the rate of inflation annually, plus any additional cost for vested infrastructure and additional process installed by Council to meet environmental and management requirements.

Backflow Prevention

All properties/businesses which are considered to be a risk to the water network will be required to fit a boundary backflow prevention device as required by the Health (Drinking Water) Amendment Act 2007. The cost, maintenance and certification of these devices will be met by the property owner.

Renewal Works

Within the Council's water assets, the oldest components of the water systems are 100 years old. With a theoretical life of 80 years some components are due to be replaced as they fail. Therefore the Asset Renewal Plan is:

- Assets will be assessed for renewal annually.
- Assets will be renewed on a priority basis, with the most necessary renewals being carried out first.
- Funding for renewal works will be limited by the amount of depreciation raised through rates each year, and any surplus depreciation funding raised will be retained to be used in the future for renewal works. The extent of the annual renewals programme will be limited to the amount of funding available in the water depreciation account.

Capital Works

Significant capital works included in the LTP 2018/28 are:

AREA	PROJECT	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	TOTAL
Waipukurau	Second Supply	2,046	3,670	0	0	0	0	0	0	0	0	5,716
	Building Resilience	307	577	590	604	619	634	651	0	0	0	3,981
Waipawa	Building Resilience	0	52	322	494	619	634	651	668	686	0	4,125
Otane	Alternative Supply	1,023	1,678	0	0	0	0	0	0	0	0	2,701
Takapau, Porangahau, Kairakau & Pourerere	Treatment Upgrades	767	818	0	549	169	0	0	0	0	0	2,303
Network Wide	Extension for Growth	0	0	0	0	0	0	0	0	374	0	374

Wastewater (Sewerage) Group



Wastewater (Sewerage)

What does this activity involve?

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

Renewal of wastewater assets is a continuing process. Pipelines, manholes, pumping stations and treatment plants are renewed as necessary and as funding allows.

Compliance with Resource Consents is also monitored and includes reporting to Hawke's Bay Regional Council.

A Comprehensive Asset Management Plan has been compiled to include all wastewater systems.

Why are we involved?

The Wastewater Activity provides benefits to the community through reliable, safe, effective and efficient, collection, management and disposal of sewerage and trade waste to ensure that the capacity of available facilities is optimised and that neither public health nor the environment is compromised.

Community Outcomes that this activity contributes to



What are the significant assets managed through this activity?

The wastewater network assets presently owned and operated by Council are as follows:

	CONNECTIONS NUMBER	PIPES METRES	MANHOLES NUMBER	LAMPHOLES NUMBER	PUMP STATIONS NUMBER	TREATMENT PLANTS NUMBER
Waipukurau	1,948	54,867	577		5	1
Waipawa	858	30,037	248	12	2	1
Otane	252	9,832	83		0	1
Takapau	199	8,449	55		1	1
Porangahau	105	4,030	33		1	1
Te Paerahi	126	4,847	26		2	1
Total	3,488	112,061	1,022	12	11	6

What are the key issues that will affect this activity in the next ten years?

- The rectification of performance issues at the Waipawa and Waipukurau treatment plants
- Changes in the demographic makeup of the District and its impact on the provision of this activity
- The extent of development across the district with both infill and new areas of land being developed, impacting on capacity and Resource Consent constraints
- Consent Renewals – Council will be facing the renewal of a number of discharge consents for the smaller systems like Takapau, Porangahau and Te Paerahi. The changes to the management of the environment brought about by HBRC Plan Change 6 will make these renewals challenging
- The impact of ageing infrastructure and its effect on the resilience of the networks
- The impact of infiltration on the capacity of the wastewater networks during peak storm events
- The impacts that global warming will/may have on the provision of wastewater disposal systems.

What impact will changes in demand have on this activity?

- Domestic populations are increasing, and changes in industrial growth and other subdivision development will require a reassessment of wastewater options.
- Growth in Otane will require the treatment plant to be upgraded and reticulation to be extended.
- Industrial wastewater flows have been assumed to have no significant increase, although any departure from this assumption would be expected to be largely funded by Development Contributions under Council's Development Contribution Policy.
- Conversely, the loss of any major industrial user could reduce Trade Waste income without a proportional reduction in operating costs.

Does this activity have any significant negative effects on community wellbeing?

Oxidation ponds can create periodic foul odours during times of disruption of the biological processes. These incidences can be significant.

The Wastewater Activity may have a negative effect due to the standard of effluent discharged into rivers. However the quality of the discharge is carefully monitored to ensure adverse effects are minimised. Changes to meet the renewed Waipukurau/Waipawa/Otane discharge consents are still being implemented to reduce negative effects.

Overflows, spills and odours from the wastewater network are also a negative effect. Reduction of stormwater inflow and infiltration into the sewerage reticulation, and the identification of any reduced capacity in parts of the network, with scheduled cleaning regimes, will lower the risk of such occurrences

What are the risks associated with this Activity?

The following are some of the risks associated with this activity and its management:

- Incomplete management and supervision of this Activity due to limited staff resources
- The requirements of the Hawke's Bay Regional Council in future resource consents for wastewater treatment standards may result in unpalatable or undeliverable requirements of this Activity
- The limited application of risk assessment could lead to avoidable risks occurring and requiring more funding than the avoidance cost
- Detailed planning of District wastewater requirements for the future and the related capital contribution regime has not been done. This could mean that future requirements are not met in the time they are needed
- The changing legislative environment
- The shortage of suitably trained operational staff as changes in processing options and technology increase
- The Department of Internal Affairs is reviewing how to improve the management of drinking water, storm water and waste water to better support New Zealand's prosperity, health, safety and environment.

How will we deliver this activity in the next ten years?

Performance measures intended to be reported in the Annual Report. The following performance targets have been set by Council to meaningfully assess the achievement of levels of service.

Waste Water

WHAT CUSTOMERS WANT/ CUSTOMER VALUE	CUSTOMER LEVELS OF SERVICE	PERFORMANCE MEASURE	BASELINE	YEAR 1 TARGET (2018/19)	YEAR 2 TARGET (2019/20)	YEAR 3 TARGET (2020/21)	YEAR 4-10 TARGET (2019/20)	PERFORMANCE MEASURE REPORTING
The sewerage system is convenient, safe and reliable	Quality	Target number of dry weather sewerage overflows (per 1000 connections to the total sewerage systems)	0	≤10	≤10	≤10	≤10	Request for Service System
		Target number of total sewerage overflows (per 1000 connections to the total sewerage systems)	1.16	≤30	≤30	≤30	≤30	Request for Service System
	Compliant	Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of:						
		• abatement notices;	0	0	0	0	0	0 Management Reporting
		• infringement notices;	0	0	0	0	0	0 Management Reporting
		• enforcement orders; and	0	0	0	0	0	0 Management Reporting
		• convictions, received by the territorial authority in relation those resource consents.	1	0	0	0	0	0 Management Reporting

Waste Water

WHAT CUSTOMERS WANT/ CUSTOMER VALUE	CUSTOMER LEVELS OF SERVICE	PERFORMANCE MEASURE	BASELINE	YEAR 1 TARGET (2018/19)	YEAR 2 TARGET (2019/20)	YEAR 3 TARGET (2020/21)	YEAR 4-10 TARGET (2019/20)	PERFORMANCE MEASURE REPORTING
	Responsive	Median response time for attending sewerage overflows resulting from blockages or other faults (measured from the time that notification is received to the time that the service personnel reach the site)	14.5 mins	≤1hr	≤1hr	≤1hr	≤1hr	Request for Service System
		Median resolution time for attending sewerage overflows resulting from blockages or other faults (measured from the time that notification is received to the time that service personnel confirm resolution of the blockage or other fault)	2.78 hrs	≤ 4 hrs	≤ 4 hrs	≤ 4 hrs	≤ 4 hrs	Request for Service System
	Customer Service	Number of complaints received per annum per 1000 sewerage connections about any of the following: Sewage odour, Sewerage system faults, Sewerage system blockages or Council's response to issues with its sewerage systems.	72.76 for odour 0 for all others	≤ 10	≤ 10	≤ 10	≤ 10	Request for Service System
	Customer Service	The percentage of users satisfied with the wastewater service provided	New	90%	90%	90%	90%	Independent Community Views Survey

Funding impact statement for 2018/28 – Wastewater

This section outlines significant operating and capital programmes, actions and projects planned for the next ten years.

	ANNUAL PLAN	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Sources of operating funding											
General rates, uniform annual general charges and rates penalties	0	0	0	0	0	0	0	0	0	0	0
Targeted rates	2,944	3,101	3,319	3,573	3,796	3,889	3,945	4,011	4,084	4,162	4,216
Subsidies and grants for operating purposes	0	0									
Fees, charges	157	235	240	245	250	256	262	268	275	282	290
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0	0
Total operating funding	3,101	3,335	3,559	3,818	4,047	4,145	4,207	4,280	4,359	4,444	4,506
Applications of operating funding											
Payments to staff and suppliers	1,116	1,309	1,404	1,519	1,633	1,671	1,709	1,750	1,794	1,840	1,862
Finance costs	560	552	620	698	743	748	718	684	651	616	578
Other operating funding applications	488	508	509	511	522	535	553	566	580	595	611
Total applications of operating funding	2,164	2,369	2,533	2,728	2,898	2,953	2,980	3,000	3,025	3,052	3,051
Surplus (deficit) of operating funding	937	967	1,026	1,090	1,148	1,192	1,227	1,279	1,334	1,393	1,455
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0									
Development and financial contributions	10	10	10	10	10	10	10	10	10	10	10
Increase (decrease) in debt	348	661	2,163	1,100	820	(414)	(603)	(579)	(585)	(623)	(695)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	358	671	2,173	1,110	830	(404)	(593)	(569)	(575)	(613)	(685)
Applications of capital funding											
Capital expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	736	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	549	1,607	3,168	2,168	1,945	755	601	675	723	743	732
Increase (decrease) in reserves	10	31	31	32	33	33	34	35	36	37	38
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total application of capital funding	1,295	1,638	3,199	2,200	1,978	788	635	710	759	780	769
Surplus (deficit) of capital funding	(937)	(967)	(1,026)	(1,090)	(1,148)	(1,192)	(1,227)	(1,279)	(1,334)	(1,393)	(1,455)
Funding balance	0	0	0	0	0	0	0	0	0	0	0

Maintenance

Routine maintenance of the wastewater activity will continue to be carried out at a level set out in the agreed Levels of Services to ensure the assets are maintained in perpetuity. This will be funded at the present funding level and increased by the rate of inflation annually, plus any additional cost for vested infrastructure and additional process installed by Council to meet environmental and management requirements.

Programme of Renewal Works

Within the Council's wastewater assets, the oldest components of the wastewater systems are 100 years old. With a theoretical life of 80 years some components are due to be replaced as they fail. Therefore the Asset Renewal Plan is:

- Assets will be assessed for renewal annually
- Assets will be renewed on a priority basis, with the most necessary renewals being carried out first
- Funding for renewal works will be limited by the amount of renewals raised through rates each year, and any surplus depreciation funding raised will be retained to be used in the future for renewal works. The extent of the annual renewals programme will be limited to the amount of funding available in the wastewater depreciation account.

Capital Works

Significant capital works projects include:

AREA	PROJECT	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	TOTAL
Waipukurau	Treatment Improvements	0	524	536	0	0	0	0	0	0	0	1,060
	Building Resilience	0	0	0	0	0	0	118	182	187	0	487
Waipawa	Main Trunk Renewal	512	1,258	0	0	0	0	0	0	0	0	1,770
	Treatment Improvements	0	524	536	0	0	0	0	0	0	0	1,060
	Building Resilience	0	0	0	0	0	0	0	0	0	128	128
Takapau	Treatment Upgrade	307	525	0	0	0	0	0	0	0	0	832
Otane	Treatment Upgrade	512	0	0	165	169	0	0	0	0	0	845
Porangahau/ Te Paerahi	Treatment Upgrade	0	105	536	1,208	0	0	0	0	0	0	1,849

Stormwater Group



Stormwater

What does this activity involve?

The catchments in Waipawa consist of open watercourses and piped reticulation. They drain into the Waipawa River through either Coronation Park, the Bush Drain, or to the north to the Papanui Stream.

The catchments in Waipukurau consist of open watercourses and piped reticulation. They drain into the Tukituki River through a number of systems including the Pah Flat Stream, Coughlan Rd, Harris St, James St and Northumberland St Drains, or to the South and West to Lake Whatuma and its tributaries.

The reticulation in Otane, Tikokino, Onga Onga, Takapau, Porangahau, Te Paerahi, and beach settlements consist of open drains with some piped sections, generally being roading drainage.

A Comprehensive Asset Management Plan has been compiled to include all stormwater systems.

Why are we involved?

The Stormwater Activity provides collective benefits to the community by collecting stormwater and directing it to rivers to mitigate flooding or erosion and minimising any impact on the community and the environment.

Community Outcomes that this activity contributes to



What are the significant assets managed through this activity?

	INLET/OUTLET STRUCTURES NUMBER	GRAVITY MAINS METRES	MANHOLES NUMBER	OPEN DRAINS METRES
Waipukurau	130	25,997	406	10,404
Waipawa	120	10,718	142	4,417
Otane	3	184.9	0	136
Takapau	2	58.14	1	802
Porangahau	8	2,217	69	291
Te Paerahi	1	325.63	0	0
Kairakau	3	379.92	5	496
Blackhead	1	135.88	1	0
Total	268	40,017	624	16,546

What are the key issues that will affect this activity in the next ten years?

- The capacity of the existing stormwater system to deal with increased development and increased rainfall intensities
- The lack of funding available to carry out identified improvements and to cater for future development. Because few improvements are included in this LTP, increased development contributions cannot be raised to help fund future required improvements
- Changes in legislation and resource consent requirements, including quality, for stormwater discharges
- Changes in land use/zoning.

What impact will changes in demand have on this activity?

- Climate change may cause more severe storm events which may cause increased flooding and increase the need for improved stormwater systems.
- Increased coastal storm activity will impact on the discharge outlet resulting in the discharge points being blocked by sand etc. Also what about the impact of sea level raise?
- Changing rainfall intensities will require assessment and determination of alternative stormwater options.
- Domestic populations are expected to grow over the next ten years, and changes in industrial growth and other subdivision development will require a reassessment of stormwater options.

Does this activity have any significant negative effects on community wellbeing?

Environmental – Rapid stormwater removal may result in downstream areas being overloaded, sediment being carried away, and river bed erosion. The quality of runoff can also adversely impact on coastal and surface water. Conversely retention of water on site (flooding) can cause property damage and health issues. Systems and networks of assets are designed and maintained with these risks in mind and the effective management of such systems ensures these risks are mitigated.

What are the risks associated with this activity?

The following are some of the risks associated with this activity and its management:

- Incomplete management and supervision of this Activity due to limited staff resources
- Identified improvement works which could reduce or eliminate some flooding problems may not be funded in the term of this LTP and therefore may not be built
- The requirements of the Hawke's Bay Regional Council Resource Consent for stormwater quality requirements, may result in significant operational cost increases for this Activity
- Detailed planning of District stormwater requirements for the future and the related capital contribution regime are in the process of being done. This could mean that future requirements may not be captured in this LTP
- Increased frequency of excessive rainfall events that can cause flooding
- The changing legislative environment
- The Department of Internal Affairs is reviewing how to improve the management of drinking water, storm water and waste water to better support New Zealand's prosperity, health, safety and environment
- The current development of the District Plan may, after public consultation, identify growth and development areas that have not been anticipated or budgeted for in our planning
- Lake Whatuma is silting up causing back flooding of the racecourse at present but as we discharge more water into the lake, it will eventually cause issues with houses adjacent to the drains near the lake.

How will we deliver this activity in the next ten years?

Performance measures intended to be reported in the Annual Report. The following performance targets have been set by Council to meaningfully assess the achievement of levels of service.

Stormwater

WHAT CUSTOMERS WANT/CUSTOMER VALUE	CUSTOMER LEVELS OF SERVICE	PERFORMANCE MEASURE	BASELINE	YEAR 1 TARGET (2018/19)	YEAR 2 TARGET (2019/20)	YEAR 3 TARGET (2020/21)	YEAR 4-10 TARGET (2019/20)	PERFORMANCE MEASURE REPORTING
A safe and operational stormwater drainage network for design events	Quality	For each flooding event, the number of habitable floors affected. (Expressed per 1000 properties connected to the territorial authority's stormwater system.)	0	0	0	0	0	Request for Service System
	Compliant	Compliance with the territorial authority's resource consents for discharge from its stormwater systems measured by the number of:						
		abatement notices;	0	0	0	0	0	Management Reporting
		infringement notices;	0	0	0	0	0	Management Reporting
		enforcement orders; and	0	0	0	0	0	Management Reporting
		successful prosecutions, received by the territorial authority in relation those resource consents.	0	0	0	0	0	Management Reporting
	Responsive	The median response time to attend a flooding event, measured from the	≤2hr	≤2hr	≤2hr	≤2hr	≤2hr	Request for Service System

Stormwater

WHAT CUSTOMERS WANT/CUSTOMER VALUE	CUSTOMER LEVELS OF SERVICE	PERFORMANCE MEASURE	BASELINE	YEAR 1 TARGET (2018/19)	YEAR 2 TARGET (2019/20)	YEAR 3 TARGET (2020/21)	YEAR 4-10 TARGET (2019/20)	PERFORMANCE MEASURE REPORTING
		time that the territorial authority receives notification to the time that service personnel reach the site.						
	Customer Service	The number of complaints received about the performance of the stormwater system (expressed per 1000 properties connected to the stormwater system)	≤ 5	≤ 5	≤ 5	≤ 5	≤ 5	Request for Service System
	Customer Service	The percentage of users satisfied with the stormwater service provided	90%	90%	90%	90%	90%	Independent Community Views Survey

Funding impact statement for 2018/28 – Stormwater

This section outlines significant operating and capital programmes, actions and projects planned for the next ten years.

	ANNUAL PLAN	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Sources of operating funding											
General rates, uniform annual general charges and rates penalties	0	0	0	0	0	0	0	0	0	0	0
Targeted rates	488	752	670	713	728	739	750	767	785	804	825
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees, charges	0	0	0	0	0	0	0	0	0	0	0
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0	0
Total operating funding	488	752	670	713	728	739	750	767	785	804	825
Applications of operating funding											
Payments to staff and suppliers	163	335	258	250	256	262	268	274	281	288	296
Finance costs	3	41	27	28	27	27	26	25	25	25	24
Other operating funding applications	104	165	165	166	170	173	179	184	188	193	198
Total applications of operating funding	270	541	451	444	453	462	473	483	494	506	519
Surplus (deficit) of operating funding	218	211	220	269	275	278	277	284	291	298	306
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	(8)	450	70	(43)	(44)	(41)	(35)	(35)	(36)	(36)	(37)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	(8)	450	70	(43)	(44)	(41)	(35)	(35)	(36)	(36)	(37)
Applications of capital funding											
Capital expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	210	676	304	226	231	237	242	249	255	262	270
Increase (decrease) in reserves	0	(15)	(15)	0	0	0	0	0	0	0	0
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total application of capital funding	210	661	289	226	231	237	242	249	255	262	270
Surplus (deficit) of capital funding	(218)	(211)	(220)	(269)	(275)	(278)	(277)	(284)	(291)	(298)	(306)
Funding balance	0	0	0	0	0	0	0	0	0	0	0

Maintenance

Routine maintenance of the stormwater activity will continue to be carried out at a level set out in the agreed Levels of Services to ensure the assets are maintained in perpetuity. This will be funded at the present funding level and increased by the rate of inflation annually, plus any additional cost for vested infrastructure and additional process installed by Council to meet growth, environmental and management requirements.

Renewal Works

Within the Council's stormwater assets, the oldest components of the stormwater systems are 62 years old. With a theoretical life of 80 years it is still 18 years before replacement of these items is theoretically required. Therefore:

- Limited planned renewal work is required
- Renewal work that comes to the attention of Council or contractors (through routine inspection or incidentally) will be carried out immediately, funding permitting.

Capital Works Programmes

Significant capital works projects include:

AREA	PROJECT	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	TOTAL
Waipukurau	CBD Improvements	614	84	0	0	0	0	0	0	0	0	698
Network Wide	Building Resilience	26	50	27	27	28	29	30	30	31	32	310

Recreation and Community Facilities Group



Parks, Reserves and Pools

What does this activity involve?

Council provides parks, reserves, trees, playgrounds, swimming pools and camping grounds to ensure our community has access to a wide range of leisure and recreation opportunities.

We do it by:

- Maintaining 48 parks and reserves, war memorials and the Waipawa and District Centennial Memorial Pool to ensure the provision of quality, safe spaces for recreation and leisure
- Supporting the Central Hawke's Bay Community Trust, which owns and operates the A W Parsons Heated pool in Waipukurau
- Working with community groups and organisations to add value and deliver programmes and development for our community
- Providing camping grounds, operated either by lessees or as freedom camping sites.

Council provides financial assistance to support recreation and leisure to:

- **Sport Hawke's Bay** – for promotion of sport and leisure
- **Forest Gate Domain Committee** – to mow the Domain
- **Takapau Recreation Ground Committee** – operational grant
- **Lindsay Bush Reserve** – maintained by Forest and Bird.

Why are we involved?

The provision of Recreation and Community Facilities is attractive to both current residents and potential residents considering relocation to the Central Hawke's Bay District. Visually appealing public spaces add to the character of the District and are a source of civic pride and attraction to visitors.

Council has legislative responsibilities under the Reserves Act 1977 for reserves and parks vested or administered under the Act.

Community Outcomes that this activity contributes to



PROUD DISTRICT
HE ROHE POHO KERERŪ



CONNECTED CITIZENS
HE KIRIRARAU WHAI HONONGA



STRONG COMMUNITIES
HE HAPORI KAHĀ



ENVIRONMENTALLY RESPONSIBLE
HE WHĀKAARO NUI KI TE TAIAO

What are the significant assets managed through this activity?

While the assets and network of parks, sportsgrounds and other recreational facilities and aquatics facilities 'as a whole' are considered strategic and therefore significant assets, the only specifically noted significant asset is the Waipawa and District Centennial Memorial Pool.

What are the key issues that will affect this activity in the next ten years?

- Affordability is a key issue for the activity. Funding will not be available for all desired new facilities, especially major capital projects to meet current and future demand, with costs to maintain and develop facilities continually increasing.
- Increasing demands on volunteers as requirements become more complex and a potential decline in volunteer support.
- It may be uneconomic to upgrade some facilities, resulting in their planned closure.

What impact will changes in demand have on this activity?

- Changes in demand and preferences for recreation and leisure activities, including an increase in demand for multi-functional sport, fitness, aquatic and leisure space, and a move to more informal activities such as walking and cycling
- The availability of funding – both Council and Community
- Increasing public expectations for higher quality recreation and community facilities
- The needs to construct and provide new or upgrades facilities across the activity.

Does this activity have any significant negative effects on community wellbeing?

There are no significant negative effects arising from the Parks, Reserves and Pool Activity.

How will we deliver this activity in the next ten years?

Performance measures intended to be reported in the Annual Report. The following performance targets have been set by Council to meaningfully assess the achievement of levels of service.

Parks, Reserves and Swimming Pools

WHAT CUSTOMERS WANT/CUSTOMER VALUE	CUSTOMER LEVELS OF SERVICE	PERFORMANCE MEASURE	BASELINE	YEAR 1 TARGET (2018/19)	YEAR 2 TARGET (2019/20)	YEAR 3 TARGET (2020/21)	YEAR 4-10 TARGET (2019/20)	PERFORMANCE MEASURE REPORTING
A range of parks and reserves that are affordable, well maintained and safe that provide for the sporting, cultural and well-being of the community.	Safe	Safety checks on playground equipment are carried out monthly	New	Achieved	Achieved	Achieved	Achieved	Utilities Team Inspection Sheet
	Accessible	The percentage of people that have used or visited a park or reserve in the last 12 months	New	65%	65%	65%	65%	Independent Community Views Survey
	Quality	The percentage of people that are satisfied with the park or reserve used or visited in the last 12 months	New	90%	90%	90%	90%	Independent Community Views Survey
Access to good quality swimming pool facilities for fun, recreation and exercise	Accessible	The number of A W Parsons pool users	New	75,000	76,500	78,000	79,500	Report from Pool Operators
	Accessible	The number of Waipawa pool users	New	3,000	3,050	3,120	3,180	Report from Pool Operators
	Safe	Both pools comply with the lifeguard pool safety standard requirements	New	Achieved	Achieved	Achieved	Achieved	Receipt of certification
	Quality	The percentage of people that are satisfied with the swimming pools used or visited in the last 12 months	New	65%	65%	65%	65%	Independent Community Views Survey



Public Toilets

What does this activity involve?

The provision of public toilets to protect public health and meet the expectations of the residents and visitors. Council operates 23 permanent public toilets, as well as temporary toilets for freedom camping.

Rural	Waipukurau and Waipawa	Coastal
<ul style="list-style-type: none"> Forest Gate Domain Otane Hall Otane Recreation Ground Tikokino Hall Ongaonga (at Ongaonga Museum) Takapau Town 	<ul style="list-style-type: none"> A'Deane Park Coronation Park Madge Hunter Park Nelly Jull Park Post Officer Corner Railway Esplanade Russell Park Russell Park Sports Field Waipawa Cemetery 	<ul style="list-style-type: none"> Aramoana Beach & Blackhead Beach Kairakau Beach Camp Ground Kairakau Beach Northern Pourerere Beach Pourerere portaloos (Christmas holidays only) Te Paerahi changing shed Te Paerahi freedom camping area White Domain – Porangahau

Why are we involved?

To provide and maintain public toilets which contribute to public hygiene.

Community Outcomes that this activity contributes to



What are the significant assets managed through this activity?

While the assets 'as a whole' are considered strategic and therefore significant, there are no specific significant assets for the Public Toilet activity.

What are the key issues that will affect this activity in the next ten years?

- Peak demand levels in high use locations, such as coastal areas
- The increased demand for freedom camping toilets and facilities, particularly in coastal areas
- The demand for public toilets in areas such as Whangaehu and Mangakuri that currently do not have public toilet facilities
- Increasing environmental standards, which may require some toilet septic/waste systems to be upgraded.

What impact will changes in demand have on this activity?

Demand for improved levels of services and increased use of public toilets because of freedom camping will see additional facilities required, particularly in high demand areas. In areas that currently do not have a public toilet, there is an expectation that facilities will be provided.

Ever increasing community expectations will see the required renewal and upgrade of some facilities ahead of their remaining life.

Does this activity have any significant negative effects on community wellbeing?

There are no significant negative effects arising from the Public Toilet Activity.

How will we deliver this activity in the next ten years?

Performance measures intended to be reported in the Annual Report. The following performance targets have been set by Council to meaningfully assess the achievement of levels of service.

Public Toilets

WHAT CUSTOMERS WANT/CUSTOMER VALUE	CUSTOMER LEVELS OF SERVICE	PERFORMANCE MEASURE	BASELINE	YEAR 1 TARGET (2018/19)	YEAR 2 TARGET (2019/20)	YEAR 3 TARGET (2020/21)	YEAR 4-10 TARGET (2019/20)	PERFORMANCE MEASURE REPORTING
Facilities are clean, safe, in good working order and meet the needs of our community & visitors	Health and Safety/ Quality	The percentage of the public satisfied with the cleanliness and provision of public toilets	New	90%	90%	90%	90%	Independent Community Views Survey



Retirement Housing

What does this activity involve?

Retirement Housing is provided for people aged 60 and over.

Council owns 48 flats located in Waipawa and Waipukurau. The flats are managed on a self-funding basis with rental income covering operating and planned renewal costs.

- The flats are managed by Council, with each tenant having a separate tenancy agreement with Council.
- Grounds maintenance and property management of the retirement housing is carried out by an independent contractor along with day to day maintenance, refurbishing or upgrading of the buildings.

Why are we involved?

The Activity is provided to fulfil a need for safe and affordable housing for Central Hawke's Bay residents aged 60 and over.

Community Outcomes that this activity contributes to



What are the key issues that will affect this activity in the next ten years?

- The activity currently has no strategic direction on long term provision and purpose of the retirement housing activity. Developing a strategic direction over the next ten years may change Councils approach to provision and development
- Potentially increased demand for units with demographics of an increasing ageing population
- The demand for larger units with two bedrooms
- Increasing the affordable retirement housing available in the district, either with Council as landlord or facilitating additional or an outside provider as landlord.

What impact will changes in demand have on this activity?

The housing activity maintains full occupancy and an average waiting list of one to two people at any time. An increasing aged population will likely result in increased waiting list times to occupy a flat.

Desires to see larger and two bedroom flats will required Council to consider the viability of this provision and consider the activity in a wider strategic context to be able to successfully respond to expected demand.

Does this activity have any significant negative effects on community wellbeing?

There are no significant negative effects arising from the Retirement Housing Activity.

How will we deliver this activity in the next ten years?

Performance measures intended to be reported in the Annual Report. The following performance targets have been set by Council to meaningfully assess the achievement of levels of service.

Retirement Housing

WHAT CUSTOMERS WANT/ CUSTOMER VALUE	CUSTOMER LEVELS OF SERVICE	PERFORMANCE MEASURE	BASELINE	YEAR 1 TARGET (2018/19)	YEAR 2 TARGET (2019/20)	YEAR 3 TARGET (2020/21)	YEAR 4-10 TARGET (2019/20)	PERFORMANCE MEASURE REPORTING
Safe, well maintained and comfortable community housing for the ageing population in the District living on fixed income	Responsiveness	The percentage of retirement housing units that are occupied	95%	95%	95%	95%	95%	Monthly Reporting of Occupancy
	Quality	Tenants' overall satisfaction with Council's Retirement Housing service	New	80%	80%	80%	80%	Internally delivered survey of pensioner housing tenants



Libraries

What does this activity involve?

- Central Hawke's Bay District Libraries consist of:
 - The Waipawa Library which is situated in Council owned building in Waipawa
 - The Waipukurau Library also in a Council owned building in Waipukurau.
- The library service offers access to a range of content, programmes and experiences for the Central Hawke's Bay Community. This includes:
 - information resources and material for reading for pleasure and relaxation which includes various fiction and nonfiction collections, Māori non-fiction collections, children and youth sections, magazines, large print, talking books
 - DVDs and interloans
 - free broadband internet access/wifi through Aotearoa Peoples Network Kaharoa and access to eBooks through the consortium NZLibs
 - Programmes including school holiday and technology programmes
 - Experiences including author readings, social interaction and exposure to new or emerging trends and technology.
- The library service is a keen facilitator of community initiatives, the most successful being the Eastern and Central Community Trust sponsored ECREAD'N reading programmes for children and youth as well as other sponsored events and relationships with schools, retirement homes and housebound residents.
- This activity covers the daily running of the library services. However, information and library services can be accessed via the library website (www.chbdc.govt.nz). The buildings are operated and maintained under the Properties and Buildings activity.
- More than 50% of library users live outside Waipukurau and Waipawa.
- Funding is derived from rates, rental of books, DVDs, and fund raising organised by library staff and the Friends of the Libraries.

Why are we involved?

Libraries provide equitable opportunity and access to all in the community, providing access to content, experiences and places where the Community can meet, read and study.

Libraries play an important role in supporting literacy in the widest sense, and provide an essential service for recreational information, and the cultural and educational needs of the Central Hawke's Bay Community.

Community Outcomes that this activity contributes to



What are the key issues that will affect this activity in the next ten years?

- Expectations for higher levels of services, including changes in traditional content, experiences and programme to promote services and experiences that are relevant to all in the community
- Rapidly changing technological advances requiring Library to be responsive to the changing trends
- Community expectations on levels of service, including opening hours, education and other services.

What impact will changes in demand have on this activity?

While demographic projections will not have a major impact on the activity, demand for library services to become relevant to a wider cross section of our community is expected to increase, required Libraries to plan and implement new ways of delivering content, experiences and programmes.

Libraries will be in a transition period for some years, needing to support traditional book-based services while at the same time introducing new experiences and programmes that support our community in promoting literacy in the widest sense. This will require the activity to carefully consider and allocate resources to meet these changing demands.

Does this activity have any significant negative effects on community wellbeing?

There are no significant negative effects arising from library activities.

How will we deliver this activity in the next ten years?

Performance measures intended to be reported in the Annual Report. The following performance targets have been set by Council to meaningfully assess the achievement of levels of service.

Libraries

WHAT CUSTOMERS WANT/CUSTOMER VALUE	CUSTOMER LEVELS OF SERVICE	PERFORMANCE MEASURE	BASELINE	YEAR 1 TARGET (2018/19)	YEAR 2 TARGET (2019/20)	YEAR 3 TARGET (2020/21)	YEAR 4-10 TARGET (2019/20)	PERFORMANCE MEASURE REPORTING
Our libraries are inclusive places and all people are encouraged to make use of the library's services	Accessibility	The percentage of the Central Hawke's Bay population that use the library services	New	65%	65%	65%	65%	Independent Community Views Survey
	Accessibility	The number of people visiting our libraries measure by:						Door Counter and website visits
		Physical Visits	New	114,878	117,176	119,519	120,714 – 128,140	
		Online Visits	New	4,189	4,272	4,358	4,401 – 4,718	
	Quality	The percentage of library users satisfied with the service provided	90%	90%	90%	90%	90%	Independent Community Views Survey



Theatres, Halls and Museums

What does this activity involve?

Council owns 12 buildings that are used to provide meeting places for the community. These are:

- **CHB Municipal Theatre:** Managed by an independent contractor who operates the theatre including managing shows and productions, providing conferences facilities and operating a commercial kitchen.
- **Waipukurau Civic Theatre:** Managed by an independent contractor who operates the theatre including showing movies, providing meeting facilities and operating a restaurant. The theatre is maintained jointly by council staff and the manager, with Council providing funding for renewal and upgrading of assets.
- **Waipukurau Memorial Hall:** A multipurpose facility used for sports, recreation and community requirements.
- **Community Halls:** Managed by Committees include Otane, Tikokino, Ongaonga, Takapau, Elsthorpe and Wallingford.
- **Halls:** Owned by Council and leased to Community Groups include Argyll, Porangahau and Otawhao Halls.

In addition three halls not owned or leased 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).

- **Museums:** CHB Settlers Museum (managed by a committee) and Ongaonga Museum (where a grant is provided).

Why are we involved?

The Theatres, Halls and Museums activity are community and public spaces provide for social interactions to enhance our community's sense of social connectedness, cultural wellbeing and civic pride.

Community Outcomes that this activity contributes to



What are the key issues that will affect this activity in the next ten years?

- Ongoing viability of some district halls, including the ability of communities to manage these halls and of Council to fund on-going maintenance, beyond the current building warrant of fitness, safety and weather proofing requirements.
- Increasing demands on volunteers as requirements become more complex and a potential decline in volunteer support.
- Availability of Council and Community funding to maintain the Theatres, Halls and Museums to the desired standard.

What impact will changes in demand have on this activity?

Demand for halls is fluctuating, but where there is a strong demand there is also an expectation that maintenance will be of a higher standard. This is especially true where the hall is used regularly used by schools or playgroups. Some of these facilities, especially halls, have a low level of usage which may mean they are uneconomic to retain.

Council has committed to reviewing the viability of halls and where possible, arranging for the long term lease of that hall to a community based group.

Does this activity have any significant negative effects on community wellbeing?

There are no significant negative effects arising from the theatres and halls activity.

How will we deliver this activity in the next ten years?

Performance measures intended to be reported in the Annual Report. The following performance targets have been set by Council to meaningfully assess the achievement of levels of service.

Theatres Halls & Museums

WHAT CUSTOMERS WANT/CUSTOMER VALUE	CUSTOMER LEVELS OF SERVICE	PERFORMANCE MEASURE	BASELINE	YEAR 1 TARGET (2018/19)	YEAR 2 TARGET (2019/20)	YEAR 3 TARGET (2020/21)	YEAR 4-10 TARGET (2019/20)	PERFORMANCE MEASURE REPORTING
Safe, affordable and appropriate facilities that provide for the cultural and social well-being of the communities	Safety	All Community Owned Halls have a current BWOFF	100%	100%	100%	100%	100%	Management Reporting
	Accessibility	The number of users of the Memorial Hall	New	5,000	5,100	5,200	5,300 – 5,975	Report from Facility
	Accessibility	The number of users of the Civic Theatre	New	16,500	16,830	17,150	17,500 – 19,000	Report from Facility
	Accessibility	The number of bookings of the CHB Municipal Theatre	New	180	184	187	191-215	Report from Facility
	High Quality	The percentage of hirers that are satisfied with the Memorial Hall	New	85%	85%	85%	85%	Internally delivered survey of hirers from the previous 12 months
	High Quality	The percentage of hirers that are satisfied with the Civic Theatre	New	85%	85%	85%	85%	Internally delivered survey of hirers from the previous 12 months
	High Quality	The percentage of hirers that are satisfied with the CHB Municipal Theatre	New	85%	85%	85%	85%	Internally delivered survey of hirers from the previous 12 months



Cemeteries

What does this activity involve?

Council is required by community expectation and by the Burial and Cremation Act 1964 to provide burial and memorial facilities for the district's communities as places of remembrance.

Council provides and maintains eleven operational cemeteries and four closed cemeteries.

All Council owned cemeteries are managed by Council staff and maintenance is contracted out.

Why are we involved?

The Burial and Cremations Act 1964 requires local authorities to ensure sufficient cemeteries are provided within the District.

- To provide local burial spaces
- To provide places for remembrance and an important historical record for future generations

Community Outcomes that this activity contributes to



What are the key issues that will affect this activity in the next ten years?

- Ageing population
- Changing interment trends making predicting demand difficult
- Closure of District Cemeteries for burials as they become full
- The provision of Cemetery space in Porangahau as the existing Cemetery becomes full

What impact will changes in demand have on this activity?

- There is sufficient space in cemeteries for the foreseeable future, ongoing demand will require the provision of new burial beams and areas to be provided.
- Changing trends, requires Council to be agile in responding to the needs of families to appropriately celebrate the lives of lost loved ones.

Does this activity have any significant negative effects on community wellbeing?

There are no significant negative effects from the cemetery activity.

How will we deliver this activity in the next ten years?

Performance measures intended to be reported in the Annual Report. The following performance targets have been set by Council to meaningfully assess the achievement of levels of service.

Cemeteries

WHAT CUSTOMERS WANT/CUSTOMER VALUE	CUSTOMER LEVELS OF SERVICE	PERFORMANCE MEASURE	BASELINE	YEAR 1 TARGET (2018/19)	YEAR 2 TARGET (2019/20)	YEAR 3 TARGET (2020/21)	YEAR 4-10 TARGET (2019/20)	PERFORMANCE MEASURE REPORTING
Cemetery grounds provide a special place of remembrance for loved ones amongst attractive and well maintained grounds	Availability	The number of plots available for burial or cremation in the district	2,042	500	500	500	500	Via the Sexton
	Quality	The percentage of the community satisfied with cemetery facilities	90%	90%	90%	90%	90%	Independent Community Views Survey
	Accessibility	All burial records available to be viewed on the internet	100%	100%	100%	100%	100%	Database



Property and Buildings

What does this activity involve?

Council owns a number of properties and buildings that are used to provide services to the public, but do not fit into a specific Activity grouping. These are owned for administrative or social reasons.

The properties included in this Activity are:

- Administration Building in Waipawa
- Waipukurau and Waipawa Libraries
- CHB Community Rooms (in Hunter Park Waipukurau).
- Takapau Plunket Rooms
- Otane Library Building
- St Johns Building
- Miscellaneous sections

Why are we involved?

Community Outcomes that this activity contributes to



What are the key issues that will affect this activity in the next ten years?

- Funding may not be available for new facilities, especially major capital projects, to meet future demand
- Limited space and capacity for expansion in Council's main administration building
- Increasing public expectations for higher quality recreation and community facilities
- More resilient building standards, as a result of the Christchurch Earthquake Royal Commission, will lead to increased costs for new buildings and may mean it is uneconomic to upgrade or repair others

What impact will changes in demand have on this activity?

- Any increases in Council staffing requirements may require additional administration accommodation
- The ongoing maintenance costs of some buildings is likely to increase over time, as compliance standards continue to increase and as buildings age, the cost of renewals and maintenance escalates
- Council have not planned for any changes in levels of service that might arise from potential changes

Does this activity have any significant negative effects on community wellbeing?

There are no significant negative effects arising from this Activity.

How will we deliver this activity in the next ten years?

Performance measures intended to be reported in the Annual Report. The following performance targets have been set by Council to meaningfully assess the achievement of levels of service.

Property and Buildings

WHAT CUSTOMERS WANT/CUSTOMER VALUE	CUSTOMER LEVELS OF SERVICE	PERFORMANCE MEASURE	BASELINE	YEAR 1 TARGET (2018/19)	YEAR 2 TARGET (2019/20)	YEAR 3 TARGET (2020/21)	YEAR 4-10 TARGET (2019/20)	PERFORMANCE MEASURE REPORTING
Ensure safe buildings for public use	Safety	Monthly Building Warrant of Fitness (BWOFF) checks are carried out	Achieved	Achieved	Achieved	Achieved	Achieved	Management Reporting

Funding impact statement for 2018/28 – Recreation and Community Facilities Group

This section outlines significant operating and capital programmes, actions and projects planned for the next ten years.

	ANNUAL PLAN	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Sources of operating funding											
General rates, uniform annual general charges and rates penalties	2,926	3,359	3,400	3,561	3,679	3,641	3,846	3,815	3,903	3,990	4,075
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	16	16	17	17	17	18	18	19	19	20	20
Fees, charges	438	542	554	566	579	592	606	620	636	652	670
Interest and dividends from investments	0	131	131	6	6	6	6	6	6	7	7
Local authorities fuel tax, fines, infringement fees and other receipts	5	0	0	0	0	0	0	0	0	0	0
Total operating funding	3,385	4,048	4,101	4,150	4,281	4,257	4,476	4,460	4,565	4,668	4,772
Applications of operating funding											
Payments to staff and suppliers	2,069	2,253	2,303	2,375	2,405	2,461	2,517	2,578	2,642	2,711	2,784
Finance costs	129	173	166	174	176	170	165	157	148	138	128
Other operating funding applications	454	771	773	776	793	811	839	859	881	903	928
Total applications of operating funding	2,652	3,197	3,241	3,324	3,374	3,442	3,521	3,593	3,670	3,752	3,840
Surplus (deficit) of operating funding	733	851	859	826	907	815	954	866	894	916	932
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	4	4	4	4	4	4	4	4	4	4	4
Increase (decrease) in debt	104	740	134	185	(141)	(81)	(147)	(215)	(166)	(230)	(164)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	108	744	138	189	(137)	(77)	(143)	(211)	(162)	(227)	(160)
Applications of capital funding											
Capital expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	225	960	120	0	54	0	57	0	60	0	63
- to replace existing assets	572	768	698	959	659	680	695	595	610	626	643
Increase (decrease) in reserves	44	(134)	179	56	57	58	59	60	62	64	65
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total application of capital funding	841	1,595	997	1,015	770	738	811	656	732	690	771
Surplus (deficit) of capital funding	(733)	(851)	(859)	(826)	(907)	(815)	(954)	(866)	(894)	(916)	(932)
Funding balance	0	0	0	0	0	0	0	0	0	0	0

Renewals and Capital

Renewals and capital projects include

ACTIVITY	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	TOTAL
Parks Reserves and Swimming Pools											
Waipawa Baths Upgrade	900	0	0	0	0	0	0	0	0	0	900
Renewals and other projects	309	176	159	277	122	295	127	190	134	201	1,991
Public Toilets											
Toilets for Te Paerahi/ Whangaehu	60	68	0	0	0	0	0	0	0	0	128
Toilet Upgrade for Madge Hunter	0	0	85	0	0	0	0	0	0	0	85
Renewals and other projects	36	36	37	38	39	40	41	42	43	44	396
Retirement Housing											
Renewals	36	36	37	38	39	40	41	42	43	44	396
Libraries											
Books and renewals	150	102	104	106	109	111	114	117	120	123	1,155
Theatres, Halls and Museums											
Civic Theatre	0	0	181	0	111	0	0	0	0	0	292
Municipal Theatre	0	156	0	0	0	0	0	0	0	0	156
Renewals and other projects	132	135	138	141	144	148	151	155	159	163	1,466
Cemeteries											
Porangahau Cemetery	0	0	107	0	0	0	0	0	0	0	107
Renewals and other projects	29	29	30	30	31	32	33	33	34	35	317
Property and Buildings											
Renewals and other projects	77	79	81	83	85	86	89	91	93	96	859

Financial Information



Prospective Statement of Comprehensive Income

	ANNUAL PLAN 2018 Note \$000	YEAR 1 2019 \$000	YEAR 2 2020 \$000	YEAR 3 2021 \$000	YEAR 4 2022 \$000	YEAR 5 2023 \$000	YEAR 6 2024 \$000	YEAR 7 2025 \$000	YEAR 8 2026 \$000	YEAR 9 2027 \$000	YEAR 10 2028 \$000
Rates revenue	18,528	19,772	20,564	21,381	22,206	23,082	23,899	24,408	24,904	25,462	26,057
Subsidies and grants	6,554	6,984	7,170	7,353	8,005	8,197	8,393	8,602	8,826	9,064	9,317
Fees and Charges	2,569	2,946	2,975	3,030	3,102	3,168	3,242	3,326	3,403	3,492	3,593
Interest and dividends	123	125	118	141	157	173	193	166	182	207	206
Development contributions	22	22	22	22	22	22	22	22	22	22	22
Other revenue	220	376	348	228	242	225	258	288	271	278	311
Total revenue	28,016	30,225	31,197	32,155	33,734	34,867	36,007	36,812	37,608	38,525	39,506
Expenditure											
Personnel costs	4,037	4,774	4,880	5,111	5,231	5,352	5,475	5,607	5,747	5,896	6,056
Depreciation and amortisation	11,972	12,028	12,478	13,137	13,572	14,062	14,708	15,242	15,884	16,621	17,153
Finance costs	167	264	569	798	853	874	829	732	693	624	498
Other operating expenses	11,633	13,015	13,282	13,643	14,281	14,617	14,946	15,312	15,690	16,103	16,523
Total operating expenditure	27,809	30,081	31,209	32,689	33,937	34,905	35,958	36,893	38,014	39,244	40,230
Operating surplus/(deficit) before tax	207	144	(12)	(534)	(203)	(38)	49	(81)	(406)	(719)	(724)
Income tax expense	0	0	0	0	0	0	0	0	0	0	0
Net surplus/(deficit) after tax	207	144	(12)	(534)	(203)	(38)	49	(81)	(406)	(719)	(724)
Other comprehensive income											
Gains/(Losses) on the revaluation of property, plant, equipment	11,754	13,777	20,536	14,436	16,940	24,501	16,808	19,572	28,278	20,248	23,428
Total other comprehensive income	11,754	13,777	20,536	14,436	16,940	24,501	16,808	19,572	28,278	20,248	23,428
Total comprehensive income for the year	11,961	13,921	20,524	13,902	16,737	24,463	16,857	19,491	27,872	19,529	22,704

* 1 July 2017 Opening Balance Sheet has been reforecast for the 2017/18 Annual Plan based on 30 June 2017 Actuals and expected performance for 2017/18.

Prospective Statement of Changes in Equity

	ANNUAL PLAN 2018 Note \$000	YEAR 1 2019 \$000	YEAR 2 2020 \$000	YEAR 3 2021 \$000	YEAR 4 2022 \$000	YEAR 5 2023 \$000	YEAR 6 2024 \$000	YEAR 7 2025 \$000	YEAR 8 2026 \$000	YEAR 9 2027 \$000	YEAR 10 2028 \$000
Opening Equity Balance	781,612	793,573	807,494	828,018	841,920	858,657	883,120	899,977	919,468	947,340	966,869
Total comprehensive income for the year	11,961	13,921	20,524	13,902	16,737	24,463	16,857	19,491	27,872	19,529	22,704
Closing Equity Balance	793,573	807,494	828,018	841,920	858,657	883,120	899,977	919,468	947,340	966,869	989,573
Components of Equity											
Ratepayers Equity at the beginning of the Year	244,608	244,573	244,690	244,237	243,331	242,728	242,239	241,881	241,384	240,487	239,237
Net Surplus/(Deficit) for the Year	207	144	(12)	(534)	(203)	(38)	49	(81)	(406)	(719)	(724)
Transfers to (from) other reserves	(242)	(27)	(441)	(372)	(400)	(451)	(407)	(416)	(491)	(531)	(474)
Ratepayers Equity at end of Year	244,573	244,690	244,237	243,331	242,728	242,239	241,881	241,384	240,487	239,237	238,040
Special Funds at the beginning of the Year	6,162	6,404	6,461	6,912	7,294	7,704	8,165	8,582	9,008	9,509	10,050
Transfers to (from) Special Funds	242	57	451	382	410	461	417	426	501	541	548
Special Funds at the end of the Year	6,404	6,461	6,912	7,294	7,704	8,165	8,582	9,008	9,509	10,050	10,597
Trust Funds at the beginning of the Year	184	184	154	144	134	124	114	104	94	84	74
Transfers to (from) Trust Funds	0	(30)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(74)
Trust Funds at the end of the Year	184	154	144	134	124	114	104	94	84	74	0
Revaluation Reserves at the beginning of the Year	530,658	542,412	556,189	576,725	591,161	608,101	632,602	649,410	668,982	697,260	717,508
Transfers to (from) Revaluation Reserves	11,754	13,777	20,536	14,436	16,940	24,501	16,808	19,572	28,278	20,248	23,428
Revaluation Reserves at the end of the Year	542,412	556,189	576,725	591,161	608,101	632,602	649,410	668,982	697,260	717,508	740,936
Total Equity at end of Year	793,573	807,495	828,018	841,920	858,657	883,120	899,977	919,468	947,340	966,869	989,573

* 1 July 2017 Opening Balance Sheet has been reforecast for the 2017/18 Annual Plan based on 30 June 2017 Actuals and expected performance for 2017/18.

Prospective Balance Sheet

	ANNUAL PLAN 2018 Note \$000	YEAR 1 2019 \$000	YEAR 2 2020 \$000	YEAR 3 2021 \$000	YEAR 4 2022 \$000	YEAR 5 2023 \$000	YEAR 6 2024 \$000	YEAR 7 2025 \$000	YEAR 8 2026 \$000	YEAR 9 2027 \$000	YEAR 10 2028 \$000
Assets											
Current assets											
Cash and cash equivalents	2,453	2,453	2,453	2,453	2,453	2,453	2,453	2,453	2,453	2,453	2,453
Accounts receivable	2,512	2,512	2,512	2,512	2,512	2,512	2,512	2,512	2,512	2,512	2,512
Prepayments	229	229	229	229	229	229	229	229	229	229	229
Stock on Hand	23	23	23	23	23	23	23	23	23	23	23
Current Investments	1,268	496	0	0	0	0	0	32	0	0	0
Total current assets	6,485	5,713	5,217	5,217	5,217	5,217	5,217	5,249	5,217	5,217	5,217
Non-current assets											
Investments	2,027	2,684	3,233	3,512	3,812	4,831	5,667	4,731	5,180	5,968	5,911
Property, plant and equipment	794,942	813,801	841,838	856,465	873,893	897,052	911,999	931,420	956,958	974,518	994,337
Total non-current assets	796,969	816,485	845,071	859,977	877,705	901,883	917,666	936,151	962,138	980,486	1,000,248
Total assets	803,454	822,198	850,288	865,194	882,922	907,100	922,883	941,400	967,355	985,703	1,005,465
Liabilities											
Current liabilities											
Trade and other payables	4,627	4,627	4,627	4,627	4,628	4,628	4,628	4,628	4,628	4,628	4,629
Employee entitlements	253	253	253	253	253	253	253	253	253	253	253
Current public debt	43	727	43	43	43	43	43	2,043	43	43	43
Total current liabilities	4,923	5,607	4,923	4,923	4,924	4,924	4,924	6,924	4,924	4,924	4,925
Non-current liabilities											
Non-current public debt	2,866	6,980	15,205	16,183	17,147	16,836	15,735	12,734	12,790	11,581	8,610
Provisions for landfill closure	2,092	2,117	2,142	2,168	2,194	2,220	2,247	2,274	2,301	2,329	2,357
Total non-current liabilities	4,958	9,097	17,347	18,351	19,341	19,056	17,982	15,008	15,091	13,910	10,967
Total liabilities	9,881	14,704	22,270	23,274	24,265	23,980	22,906	21,932	20,015	18,834	15,892
Equity											
Special and other funds	6,404	6,461	6,912	7,294	7,704	8,165	8,582	9,008	9,509	10,050	10,597
Trust funds	184	154	144	134	124	114	104	94	84	74	0
Revaluation reserve of assets	542,412	556,189	576,725	591,161	608,101	632,602	649,410	668,982	697,260	717,508	740,936
Ratepayers' equity	244,573	244,690	244,237	243,331	242,728	242,239	241,881	241,384	240,487	239,237	238,040
Total equity	793,573	807,494	828,018	841,920	858,657	883,120	899,977	919,468	947,340	966,869	989,573
Total Liabilities and Equity	803,454	822,198	850,288	865,194	882,922	907,100	922,883	941,400	967,355	985,703	1,005,465

* 1 July 2017 Opening Balance Sheet has been reforecast for the 2017/18 Annual Plan based on 30 June 2017 Actuals and expected performance for 2017/18.

Prospective Statement of Cash Flows

	ANNUAL PLAN	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
	2018 Note	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Cash flows from operating activities											
Cash was provided from:											
Receipts from rates revenue	18,522	19,772	20,564	21,381	22,206	23,082	23,899	24,408	24,904	25,462	26,057
Subsidies and grants received	6,554	6,984	7,170	7,353	8,005	8,197	8,393	8,602	8,826	9,064	9,317
Fees and charges received	2,569	2,946	2,975	3,030	3,102	3,168	3,242	3,326	3,403	3,492	3,593
Interest received	123	125	118	141	157	173	193	166	182	207	206
Receipts from other revenue	172	376	348	228	242	225	258	288	271	278	311
Development contributions	22	22	22	22	22	22	22	22	22	22	22
Cash was disbursed to:											
Payments to suppliers of goods and services	(11,633)	(13,015)	(13,284)	(13,643)	(14,281)	(14,618)	(14,946)	(15,312)	(15,690)	(16,103)	(16,523)
Payments to employees	(4,037)	(4,774)	(4,880)	(5,111)	(5,231)	(5,352)	(5,475)	(5,607)	(5,747)	(5,896)	(6,056)
Interest paid	(142)	(239)	(543)	(773)	(827)	(848)	(803)	(705)	(666)	(596)	(470)
Net cash from operating activities	12,150	12,197	12,490	12,628	13,395	14,049	14,784	15,189	15,504	15,929	16,456
Cash flows from investing activities											
Cash was provided from:											
Proceeds from sale of property, plant and equipment	48	67	35	35	45	24	52	76	54	56	82
Proceeds from investments	366	1,280	535	0	0	0	0	0	32	0	0
Cash was disbursed to:											
Purchase of investment	(1,435)	(1,231)	(623)	(314)	(345)	(1,044)	(888)	829	(503)	(844)	(25)
Purchase of intangible assets	0	0	0	0	0	0	0	0	0	0	0
Purchase of property, plant and equipment	(11,268)	(17,111)	(19,979)	(13,326)	(14,060)	(12,719)	(12,847)	(15,092)	(13,143)	(13,932)	(13,543)
Net cash from investing activities	(12,287)	(16,995)	(20,032)	(13,605)	(14,360)	(13,739)	(13,683)	(14,187)	(13,560)	(14,720)	(13,486)
Cash flows from financing activities											
Cash was provided from:											
Proceeds from borrowing	137	4,798	8,226	977	965	0	0	0	56	0	0
Cash was disbursed to:											
Repayment of borrowings	0	0	(684)	0	0	(311)	(1,101)	(1,002)	(2,000)	(1,209)	(2,971)
Net cash from financing activities	137	4,798	7,542	977	965	(311)	(1,101)	(1,002)	(1,944)	(1,209)	(2,971)
Net (decrease)/increase in cash, cash equivalents and bank overdrafts	0	0	0	0	0	0	0	0	0	0	0
Cash, cash equivalents and bank overdrafts at the beginning of the year	2,453	2,453	2,453	2,453	2,453	2,453	2,453	2,453	2,453	2,453	2,453
Cash, cash equivalents and bank overdrafts at the end of the year	2,453	2,453	2,453	2,453	2,453	2,453	2,453	2,453	2,453	2,453	2,453

* 1 July 2017 Opening Balance Sheet has been reforecast for the 2017/18 Annual Plan based on 30 June 2017 Actuals and expected performance for 2017/18.

Prospective Statement of Reserve Movements

	ANNUAL PLAN	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Reserves held for Emergency Purposes											
Opening Balance	3,133	3,237	3,356	3,360	3,363	3,358	3,353	3,348	3,343	3,338	3,333
Transfers to Reserves	104	114	(1)	(2)	(10)	(10)	(10)	(10)	(10)	(10)	(10)
Transfer From Reserves		5	5	5	5	5	5	5	5	5	5
Closing Balance	3,237	3,356	3,360	3,363	3,358	3,353	3,348	3,343	3,338	3,333	3,328
Reserves held for Future Asset Purchases											
Opening Balance	2,089	2,185	2,187	2,599	2,927	3,290	3,706	4,077	4,458	4,913	5,409
Transfers to Reserves	96	2	412	328	363	416	371	381	455	496	500
Transfer From Reserves	0	0	0	0	0	0	0	0	0	0	0
Closing Balance	2,185	2,187	2,599	2,927	3,290	3,706	4,077	4,458	4,913	5,409	5,909
Reserves held for Future Operational Costs											
Opening Balance	770	820	871	922	973	1,023	1,074	1,125	1,176	1,226	1,277
Transfers to Reserves	50	51	51	51	50	51	51	51	50	51	51
Transfer From Reserves	0	0	0	0	0	0	0	0	0	0	0
Closing Balance	820	871	922	973	1,023	1,074	1,125	1,176	1,226	1,277	1,328
Other Reserves Held											
Opening Balance	47	62	47	32	32	32	32	32	32	32	32
Transfers to Reserves	15	0	0	0	0	0	0	0	0	0	0
Transfer From Reserves	0	15	15	0	0	0	0	0	0	0	0
Closing Balance	62	47	32	32	32	32	32	32	32	32	32
Total Reserve Funds	6,304	6,461	6,913	7,295	7,703	8,165	8,582	9,009	9,509	10,051	10,597

Statement of Accounting Policies

Reporting Entity

Central Hawke's Bay District Council (Council) is a New Zealand territorial local authority governed by the Local Government Act 2002.

The primary objective of Council is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, Council has designated itself as a public benefit entity as defined under the Public Benefit Entities Standards (PBE Standards).

Basis of Preparation

Statement of Compliance

The financial statements of Council have been prepared in accordance with the requirements of the Local Government Act 2002 which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

The prospective financial statements have been prepared to comply with Public Benefit Entity Standards (PBE Standards) for a Tier 2 entity. The prospective financial statements incorporated within the ten year plan have been prepared in compliance with PBE 'Financial Reporting Standards 42: Prospective Financial Statements (PBE FRS 42).

The preparation of prospective financial statements in conformity with PBE Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Measurement Base

The financial statements have been prepared on a historical cost basis, modified by the revaluation of land and buildings, certain infrastructural assets, investment property, and financial instruments.

Functional and Presentation Currency

The financial statements are presented in the functional currency of New Zealand, which is New Zealand dollars, and all values are rounded to the nearest thousand dollars (\$'000).

Changes in Accounting Policies

The accounting policies adopted by the Council are consistent with those of the previous financial year.

Significant Accounting Policies

Revenue

Revenue is measured at the fair value of consideration received. Where revenue is derived by acting as an agent for another party, the revenue that is recognised is the commission or fee on the transaction.

Revenue may be derived from either exchange or non-exchange transactions.

Exchange Transactions

Exchange transactions are transactions where the Council receives assets (primarily cash) or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services, or use of assets) to another entity in exchange.

Non-Exchange Transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange revenue transaction, the Council receives value from another entity without directly giving approximately equal value in exchange.

An inflow of resources from a non-exchange transaction recognised as an asset, is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow. A liability arises only when there is a condition attached to the revenue which requires the entity perform in a certain way, or return the asset.

As Council satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange revenue transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Non-Exchange Revenue

Rates Revenue

Rates are set annually by a resolution from Council and relate to a financial year. All ratepayers are invoiced quarterly within the financial year to which the rates have been set. Rates revenue is recognised when payable.

Government Subsidies

Council receives government grants from NZ Transport Agency, which subsidises part of Council's costs in providing the local roading infrastructure services. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

Vested Assets

Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as revenue. Assets vested in Council are recognised as revenue when control over the asset is obtained.

Provision of Services

Non-exchange revenue from the rendering of services consists of services in activities where Council subsidise the activity. Such revenue is recognised by reference to the stage of completion of the transaction at balance date based on the actual service provided as a percentage of the total services to be provided only when there are conditions attached that require the funds to be returned if performance does not occur. When no conditions are attached revenue is recognised when receivable.

Exchange Revenue

Contribution Revenue

Development contributions are recognised as revenue when the Council provides, or is able to provide, the service that gave rise to the charging of the contribution. Otherwise development contributions are recognised as liabilities until such time as the Council provides, or is able to provide, the service.

Rates Revenue from Water by Meter

Water meter revenue is based on actual usage charged at the time of use.

Provision of Services

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.

Sale of Goods

Sales of goods are recognised when a product is sold to the customer. Sales are usually in cash.

Interest and Dividends

Dividends are recognised when the right to receive payment has been established. Interest revenue is recognised using the effective interest method.

Borrowing Costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

Grant Expenditure

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of the Council's decision.

Operating Leases as Lessor

Assets leased to third parties under operating leases are included in property, plant and equipment in the Statement of Financial Position. They are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment. Rental revenue (net of any incentives given to lessees) is recognised on a straight line basis over the lease term.

Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts where applicable are shown within borrowings in current liabilities in the statement of financial position.

Trade and Other Receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

A provision for impairment of receivables is established when there is objective evidence that Council will not be able to collect all amounts due according to the original terms of receivables.

Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership, or liquidation, and default in payments are considered indicators that the debtor is impaired.

When the receivable is uncollectible, it is written off against the provision account for receivables. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due).

Inventories

Raw materials and stores, and finished goods are stated at the lower of cost and net realisable value costs are assigned to individual items of inventory on the basis of weighted average costs. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Financial Assets

Financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in surplus or deficit in the Statement of Comprehensive Revenue and Expense.

Purchases and sales of financial assets are recognised on trade-date, the date on which Council commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Council has transferred substantially all the risks and rewards of ownership.

Council classifies its financial assets into the following categories: fair value through surplus or deficit, held-to-maturity investments, loans and receivables and fair value through equity. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

Financial Assets at Fair Value Through Surplus or Deficit

Financial assets at fair value through surplus or deficit include financial assets held for trading. A financial asset is classified in this category if acquired principally for selling in the short-term or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short-term profit-taking.

After initial recognition, financial assets in this category are measured at their fair values with gains or losses recognised in the surplus or deficit.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets. Council's loans and receivables comprise cash and cash equivalents, trade and other receivables, term deposits, and related party loans.

After initial recognition, they are measured at amortised cost using the effective interest method less impairment. Gains and losses when the asset is impaired or derecognised are recognised in surplus or deficit in the Statement of Comprehensive Revenue and Expense.

Fair Value

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held.

Impairment of Financial Assets

At each balance sheet date Council assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in surplus or deficit in the Statement of Comprehensive Revenue and Expense.

Loans and Other Receivables

Impairment of a loan or a receivable is established when there is objective evidence that Council will not be able to collect amounts due according to the original terms. Significant financial difficulties of the debtor/issuer, probability that the debtor/issuer will enter into bankruptcy, and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows.

For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in surplus or deficit in the Statement of Comprehensive Revenue and Expense. When the receivable is uncollectable, it is written off against the allowance account.

Overdue receivables that have been renegotiated are reclassified as current (i.e. not past due).

For term deposits, local authority stock, government stock and community loans, impairment losses are recognised directly against the instruments carrying amount.

Impairment of term deposits, local authority, government stock, and related party and community loans is established when there is objective evidence that the Council will not be able to collect amounts due to the original terms of the instrument. Significant financial difficulties of the issuer, probability the issuer will enter into bankruptcy, and default in payments are considered indicators that the instrument is impaired.

Non-Current Assets Held for Sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in surplus or deficit in the Statement of Comprehensive Revenue and Expense.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

Property Plant and Equipment

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses. Property, plant and equipment consist of:

Operational Assets

These include land, buildings, landfill post closure, library books, plant and equipment, and motor vehicles.

Infrastructure Assets

Infrastructure assets are the fixed utility systems owned by Council. Each asset class includes all items that are required for the network to function, for example, sewer reticulation includes reticulation piping and sewer pump stations.

Restricted Assets

Restricted assets are parks and reserves owned by Council which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the Statement of Comprehensive Revenue. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

Subsequent Costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

Land, land under roads, restricted assets, assets under construction, investment properties, and the museum assets are not depreciated.

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

ASSET CATEGORY	USEFUL LIFE	DEPRECIATION RATE
Operational & Restricted Assets		
Buildings	5-60	1.8%–20%
Monuments	40-60	1.5%–2.5%
Computer equipment	4	25%
Furniture and fittings	10	10%
Landfill post closure	35-57	1.75%–2.8%
Library books	1–10	10%–100%
Motor vehicles	4-20	5%–25%
Plant and equipment	4-10	10%–25%
Swimming pools	9–50	2%–11.6%
Infrastructural Assets		
Roading		
Base Course	50 – 75	1.3% – 2%
Bridge (Deck)	80 – 100	1% – 1.3%
Crossing	10 – 30	3.3% – 10%
Drainage	30 – 100	1% – 3.3%
Footpath	10 – 50	2% – 10%
Marking	2	50%
Minor Structure	100	1%
Railing	30	3.3%
Retaining Wall	25 – 40	2.5% – 4%
SW channel	30 – 75	1.3% – 3.3%
Sign	15	6.7%
Street light (Bracket)	25	4%
Street light (Light)	6	16.7%
Street light (Pole)	25	4%
Sub base (Urban)	50 – 75	1.3% – 2%
Sub base (Rural)	50 – 75	1.3% – 2%
Top surface	12 – 14	7.1% – 8.3%
Sewerage Network		
Pipes and manholes	60-135	0.7%–1.7%
Manholes	100	1%
Treatment ponds and pumps	15-100	1%-3.8%
Flow monitoring equipment	10	10%
Stormwater		
Pipes	30-100	1%-3.5%
Manholes	100	1%
Water Network		
Monitoring equipment (Hardware)	5-20	5%–20%
Monitoring equipment (Software)	5-20	5%–20%
Pipes, hydrants, valves	25-50	2%–4%
Treatment plants and pumps	5-20	5%–20%
Items under construction	Non-depreciable	

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year-end.

Revaluations

Council accounts for revaluations of property, plant and equipment on a class of asset basis.

REVALUATIONS	FREQUENCY
Roads (except land under roads)	Annually
Bridges	Annually
Sewerage	Every 3 years
Stormwater	Every 3 years
Water	Every 3 years
Land, excluding land under roads	Every 3 years
Restricted Assets	Every 3 years
Buildings	Every 3 years

Land, buildings (operational and restricted), and infrastructural assets (except land under roads) are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value. All other asset classes are carried at depreciated historical cost.

Council assesses the carrying values of its revalued assets annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the Statement of Comprehensive Revenue. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the Statement of Comprehensive Revenue will be recognised first in the Statement of Comprehensive Revenue up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

Infrastructural Asset Classes: Roads

Roading assets are revalued at fair value determined on an optimised depreciated replacement cost basis and reviewed by an independent valuer. The most recent valuation was performed by Scott McIntyre, Senior Asset Manager, BBIM CTech, GHD Ltd through their professional services contract.

Infrastructural Asset Classes: Water, Sewerage and Stormwater Systems

Water, sewer and stormwater infrastructure assets are revalued at fair value determined on a depreciated replacement cost basis and reviewed by an independent valuer. Revaluation is based on straight line depreciation following the NZ Infrastructure Asset Valuation and Depreciation Guidelines (NZIAVDG), using Council asset management programs. Rates are based on current commercial rates and reviewed by Opus International Ltd.

Operational and Restricted Land and Buildings

These are revalued at fair value as determined from market-based evidence by an independent valuer. The most recent valuation for land was performed by Registered Valuer, Bevan Pickett, BApplSci (RVM), MPINZ, QV Asset & Advisory and the valuation is effective as at 30 June 2016. The most recent valuation for buildings was performed by Registered Valuer, Susie Penrose BBS VPM MPINZ, Telfer Young (Hawke's Bay) Limited and the valuation is effective as at 30 June 2016.

Land Under Roads

Land under roads is based on a cost model. Council has deemed this method to be more reliable and relevant as Council considered the likelihood of land under roads being sold, the impact on depreciation and available methodologies for valuing land under roads.

Unformed or Paper Roads

An unformed or paper road is a term for a road that is legally established and recorded in survey plans, but has not been formed, and that ownership of the land associated with the paper road resides with Council.

Council does not recognise land under unformed paper roads in the statement of financial position because there is no service potential from the majority of paper roads. The public good of having access routes is very difficult to

value. In addition there is a very limited market for sale to the surrounding or adjacent property owner, and cannot be measured reliably because of the small individual area of many paper roads to those adjacent or surrounding properties, and the high cost of sale.

Intangible Assets

Carbon Credits

Purchased carbon credits are recognised at cost on acquisition. They are not amortised, but are instead tested annually for impairment. They are derecognised when they are used to satisfy carbon emission obligations.

Creditors and Other Payables

Trade and other payables are measured by amortised cost using the effective interest method. Trade payables are usually paid within 30 days of recognition. Due to their short-term nature they are not discounted.

Employee Benefits

Short-Term Benefits

Employee benefits are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements able to be settled within 12 months, and sick leave.

Council recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that Council anticipates it will be used by staff to cover those future absences.

Long-Term Benefits

Long Service Leave – these are long-term employee benefits that are assessed on an actuarial entitlement basis at current rates of pay.

Provisions

Council recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Borrowing

Borrowings are initially recognised at their fair value. Subsequently borrowings are designated as fair value through surplus/(deficit).

Equity

Equity is the community's interest in Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

The components of equity are:

- Ratepayers equity
- Revaluation reserves
- Special funded reserves
- Trust funds

Special Funded and Council Created Reserves

Special funded reserves are reserves restricted by Council decision. The Council may alter them without references to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

Trust Funds

Trust funds are those subject to specific conditions accepted as binding by Council. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Good and Service Tax (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Cost Allocation

Council has derived the cost of service for each significant activity of Council using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs, which cannot be identified in an economically feasible manner, with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using specific allocation ratio.

Statement of Cash Flows

Cash means cash and cash equivalent balances on hand, held in bank accounts, demand deposits and other highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The Council invests such assets as part of its day to day cash management.

Operating activities are the principal revenue-producing activities of the entity and other activities that are not investing or financing activities. They include cash received from all revenue sources (such as rates, taxes and government grants) and record the cash payments made for the supply of goods and services (including payments to other public benefit entities to finance their operations, but not loans). Agency transactions are not recognised as receipts and payments in the Statement of Cash Flows as they do not represent transactions that Council can control.

Investing activities are those activities relating to the acquisition and disposal of non-current assets, which are intended to generate future income and cash flows. Investing and financing activity transactions have had their respective sources and applications of cash netted off where roll over of financing has occurred and where there have been transfers between Council bank accounts.

Financing activities comprise activities that change the equity and debt capital structure of the Council.

Critical Accounting Estimates and Assumptions

In preparing these financial statements Council has made estimates and assumptions concerning the future.

These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Overdue Receivables Provision

The appropriate note discloses an analysis of the exposure of Council in relation to the estimates and uncertainties surrounding impairment provision for overdue receivables.

Landfill Aftercare Provision

The appropriate note discloses an analysis of the exposure of Council in relation to the estimates and uncertainties surrounding the landfill aftercare provision.

Infrastructural Assets

There are a number of assumptions and estimates used when performing Depreciated Replacement Cost valuations over infrastructural assets. These include:

- The physical deterioration and condition of an asset, for example the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets, which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets;
- Estimating any obsolescence or surplus capacity of an asset; and
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then Council could be over or under estimating the annual depreciation charge recognised as an expense in the Statement of Comprehensive Revenue.

To minimise this risk Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of the Council's asset management planning activities, which gives Council further assurance over its useful life estimates.

Experienced independent valuers are used in performing or reviewing the Council's infrastructural asset revaluations.

Critical Judgements in Applying Council's Accounting Policies

Management has exercised the following critical judgements in applying the Council's accounting policies for the periods ending 30 June 2018 -2028.

Classification of Property

Council owns a number of properties, which are maintained primarily to provide housing to pensioners. The receipt of market-based rental from these properties is incidental to holding these properties. These properties are held for service delivery objectives as part of the Council's housing policy. These properties are accounted for as property, plant and equipment.

Prospective Financial Information

Public Benefit Entity Financial Reporting Standard 42 Prospective Financial Statements (PBE FRS 42)

The Council has complied with PBE FRS 42 in the preparation of these prospective financial statements. The purpose for which it has been prepared is to enable ratepayers, residents and any other interested parties to obtain information about the expected future financial performance, position and cash flow of Council.

The actual results achieved for any particular financial year is also likely to vary from the information presented, and may vary materially depending on the circumstances that arise during the period.

Cautionary Note

The forecast financial statements are prepared based on best estimates available at the time of preparing the accounts. Actual results are likely to vary from information presented and the variations may be material.

Financial Information

Rounding

There will be rounding of numbers in the Report as the model used calculates to the dollar but the Report is rounded to the nearest thousands.

Significant Assumptions

One of several key components of the Long Term Plan is the disclosure of significant forecasting assumptions and risks underlying the financial estimates. Due to the nature of the LTP as a strategic plan looking forward into future, we

must ensure the information on which decisions within the LTP have been made are reasonable and present minimal risk.

According to Schedule 10 of the Local Government Act 2002, which dictates the contents of the LTP, where there is a high degree of uncertainty we must identify the uncertainty and estimate the potential effects of that uncertainty on the financial estimates.

The forecasting assumptions include such matters as:

- Useful life of significant assets
- Sources of funds for the future replacement of these significant assets
- Growth (population vs. household) and demand
- Inflation
- Depreciation

Forecasting Assumptions do not include statements of fact that fall within the decision making discretion of the Council, nor do they include reasonably unlikely events or probabilities about which an assumption needs to be made. Such matters are included in the Activity Statements or description of activity groups in this document

Significant Assumptions

FORECASTING ASSUMPTION	RISK	LIKELIHOOD OF OCCURRENCE	FINANCIAL EFFECT	EFFECT OF UNCERTAINTY			
KEY ASSUMPTIONS							
Inflation							
Business and Economic Research Ltd (BERL) provides independent Local Government Cost Index (LGCI This is based on the Berl numbers provided in September 2017 FM contract + 3% in 2019 for contract re-tender	That inflation will be significantly higher than projected. These are national figures, with insufficient data to prepare robust local figures.	Low	Moderate	May mean improvement projects will be cancelled or levels of service reduced.			
ANNUAL AVERAGE %PA							
YEAR ENDING					CAPEX	OPEX	LGCI
Jun 19					2.0	2.0	2.0
Jun 20					2.2	2.2	2.2
Jun 21					2.2	2.2	2.2
Jun 22					2.2	2.2	2.2
Jun 23					2.3	2.3	2.3
Jun 24					2.3	2.4	2.3
Jun 25					2.4	2.4	2.4
Jun 26					2.5	2.5	2.5
Jun 27					2.5	2.6	2.6
Jun 28					2.6	2.7	2.7
20 year average %pa	2.4	2.6	2.4				
Source: BERL Sept 2017							
Population Growth							
Population growth has been allowed for at a rate equivalent to the halfway medium to high projection made by Statistics NZ. (Source: Central Hawke’s Bay District Long Term Planning Demographic and Economic Growth Directions 2018-2048 Report)— Currently 13,720 (2017).	That population growth is higher than predicted.	Low	Moderate	Will put pressure on Council to provide additional infrastructure and services. Small increases above the current extensions can be covered			
				May put pressure on Council to maintain existing infrastructure and services while the rating base falls.			
2018	2028						
13,840	14,200	1.2%					
	That population growth is lower than predicted	Moderate	Moderate	Official population projections are based on a standard set of variables that do not tend to change quickly (fertility, mortality and migration).			

Significant Assumptions

FORECASTING ASSUMPTION	RISK		LIKELIHOOD OF OCCURRENCE	FINANCIAL EFFECT	EFFECT OF UNCERTAINTY	
KEY ASSUMPTIONS						
Population and Age Breakdown						
TOTAL POPULATION		% ABOVE 65 YEARS	There will be a decline in the ability to pay measures, with more people on fixed incomes.	Moderate	Moderate	Levels of service could be at risk.
2013	13,250	17				
2018	13,840	20				
2028	14,200	26				
2048	14,350	33				
Housing Growth						
Total new Households per year:			That housing growth is higher than predicted.	Low	Low	Will put pressure on Council to provide additional infrastructure.
NO OF HOUSEHOLDS		AVERAGE NO PER YEAR				
2018	5,625					
2028	6,160	53.5				
2048	6,250	4.5				
This is based on housing growth not slowing as much as the population as there has been a trend to a lower number of people per household. Demographic trends show growth is likely to occur in urban areas. (Source: Central Hawke’s Bay District Long Term Planning Demographic and Economic Growth Directions 2018-2048 Report basing household growth on the halfway medium to high projection made by Statistics NZ).			That housing growth is lower than predicted.	Moderate	Moderate	Council have opted to use a halfway moderate to high growth assumption. If this is not achieved it could result in lower number of ratepayers to fund Council activities and puts affordable Levels of Service at risk.
Economic Growth						
Although only limited economic growth has been recognised in this LTP – it is nevertheless important that there should not be negative growth (or a decline) in the District.			That the number of businesses and employees reduces.	Moderate	Moderate	Lower affordability, decrease in rate payers.
Treaty Settlements						
Initial funding of \$1m per marae is available from the settlement, once governance structures have been set up. This will take effect in 2019.			May be a demand for additional services for rural marae.	High	Low	Will put pressure on Council to provide additional infrastructure.
Ruataniwha Water Storage Dam						
This project will not proceed in its current form, and has not been included in the LTP.				Low	Low	If the RWSS did go ahead, the Council would be required to complete the consent processes and this may require extra resourcing which can be charged for as part of the consent process.

Significant Assumptions

FORECASTING ASSUMPTION	RISK	LIKELIHOOD OF OCCURRENCE	FINANCIAL EFFECT	EFFECT OF UNCERTAINTY
KEY ASSUMPTIONS				
Plan Change 6				
This is operative and will affect current water consent holders, including the Council, from 2018 onwards. There may be more periods where water takes are restricted due to low flow.	Urban water users may face greater water restrictions.	Moderate	Moderate	The impact is not considered to have significant effect in the first 3 years of the LTP. An amendment to the LTP would be required for any change within this period.
	For rural users, the less reliable supply of water may affect their businesses.	Moderate	Moderate	This may affect the affordability of rates for rural businesses.
Climate Change and Natural Disasters				
Climate change predictions are that storm events will become more frequent and more intense.	Emergency work is required that exceeds normal budgets and the Catastrophic and Adverse Events fund.	Moderate	High	The potential effect of a natural disaster on Council is dependent upon the scale, duration and location of the event. At the time of such an event, the Council can apply to NZTA for additional funding. Council also holds funds in Reserve to assist in payment of Council's share of any such event.
	Existing stormwater systems will not cope with storms of increased intensity.	Moderate	High	The amendments to stormwater policy and planned improvements in urban catchments will go some way to mitigate this, but will need to be monitored to see that they are sufficient.
Higher sea levels could result in coastal erosion.	The viability of coastal settlements will be at risk.	Low -Moderate	Moderate	The District Plan review may be required to take account of changes in coastal areas.
Central Government Reform				
There will be no effect of central government-initiated structural reforms as a result of the change in Government.	There will be structural reforms initiated by central government that impact on local government.	Moderate	Moderate	While change is likely, the implications cannot be quantified. In addition, some changes may result in positive outcomes for the Council, where responsibility for activities passes from Council to central government agencies. Any changes by Central Government that changes Services delivered or Levels of Service would likely require an amendment to the LTP

Significant Assumptions

FORECASTING ASSUMPTION	RISK	LIKELIHOOD OF OCCURRENCE	FINANCIAL EFFECT	EFFECT OF UNCERTAINTY
KEY ASSUMPTIONS				
One Network Road Classification				
A new NZTA classification system that sets the 'minimum' levels of service for each road based on its classification which is determined by traffic volumes and the purpose of the road. NZTA has required councils to transition to the new classifications over the 3 years prior to the LTP period, with the requirement for it to be fully implemented by the National Land Transport 2018-21 programme. This will be completed by 1 July 2018 and it is anticipated that all requirements have been met.	The minimum level of service for our roads may reduce through unforeseen consequences of the change. As a result, the amount of subsidy paid to Council may reduce.	Low for years 1-3 Moderate	Moderate to High	The total subsidy available is reduced and this could have a longer term detrimental effect on our network. Levels of service may have to reduce if subsidy rates or level of funding decreases or rates will need to increase to keep the same levels of service.
New Zealand Transport Agency subsidy (NZTA)				
Subsidy rates and criteria will remain the same or similar. Level of funding will increase by BERL	The subsidy rate may fall, reducing the amount of subsidy paid to Council. The level of funding from NZTA increase at a lower rate than BERL	Low for 3 years, then moderate	Moderate to High	The subsidy is the largest source of Council revenue after rates and is projected at a base rate of 60%. This is set until 2023, then will be reviewed within the Hawke's Bay Region. Of greater concern is that if the total subsidy available is reduced, this could have a longer term detrimental effect on our network. Levels of service may have to reduce if subsidy rates or level of funding decreases.
Infrastructure Review				
That there will be no change in the way that the three waters are provided. There is a review of the provision of three water services being undertaken by the Department of Internal Affairs, which will report at the end of 2018.	This review results in changes in the way the three waters are provided.	Unknown	High	Any changes by Central Government that changes Services delivered or Levels of Service would likely require an amendment to the LTP
Drinking Water Supply Standards				
That there is no change in the Drinking water standards and requirements. There is currently a review of the Havelock North disease outbreak. Some provision for additional monitoring, etc has been allowed.	That the report results in increased planning, monitoring and testing, above what has been allowed. Additional treatment may be required.	High	Moderate to High	This may require increased rates to fund additional requirements and may require an amendment to the LTP.

Significant Assumptions

FORECASTING ASSUMPTION	RISK	LIKELIHOOD OF OCCURRENCE	FINANCIAL EFFECT	EFFECT OF UNCERTAINTY
KEY ASSUMPTIONS				
Emissions Trading Scheme (ETS)				
That additional costs and flow on effects are covered in the LTP. That there is no reduction in Landfill revenue which might occur as a result of the ETS. Council is to hedge its future ETS liability for 5 years and recover this cost through increased fees and charges at the time.	The value of NZUs required to be purchased to meet Council's liability exceed the value of NZUs hedged and funded through Fees and Charges.	Moderate	Moderate	There could be an unfunded liability – although monitoring of tonnages received into the landfill through the year will allow an adjustment to Fees and Charges to reduce this liability. It is also likely that any significant increases will be attributable to specific customers and adjustments can be negotiated with those customers.
Levels of Service				
No changes to levels of service are proposed, either in terms of increasing or reducing them, that will impact on asset requirements or operating costs unless otherwise stated in Activity Statements.	That there are significant changes in customer expectations.	Low	Low	The community has largely defined the levels of service taking into account what they receive and how much they are prepared to pay for that service.
Staff recruitment and Retention				
That sufficient qualified staff can be recruited and retained to implement the Council plans effectively and efficiently.	Qualified staff cannot be recruited or retained.	Low	Moderate	Levels of services may not be maintained and projects may not be delivered on time and within budgets. This is being mitigated by the development of a performance management framework and succession planning.
Affordability of Rates				
That rates rises are affordable of all sectors of the community	Rates rises may not be affordable for sectors of the community	Moderate	Moderate	A rates review may be required, or reduction in the level of service. This is mitigated by having a sound financial strategy and engaging and consulting with the ratepayers.
Funding Sources				
Council is dependent on a number of sources of income through fees and charges. These are usually levied on a user pays basis.	User charges may not be achievable.	Moderate in some activities	Moderate in some activities	This may occur through changes in major businesses or reduction of revenue without the ability to reduce costs, especially in landfill income.
Technology				
While it is recognised that advances in technology over the forecast period could change the way the activity is carried out, the forecasts are based on known technology as currently used.	New technology could change the way the activity is carried out, affecting both financial estimates and levels of service	High	Moderate	There are both risks and opportunities in technology changes. The effect is unknown, but will be reviewed on an on-going basis in subsequent Annual Plans

Significant Assumptions

FORECASTING ASSUMPTION	RISK	LIKELIHOOD OF OCCURRENCE	FINANCIAL EFFECT	EFFECT OF UNCERTAINTY
KEY ASSUMPTIONS				
Asset Life				
The useful life of assets is as recorded in Asset Management Plans.	Assets wear out earlier than expected.	Low	Moderate	Asset lives are robust estimates established by engineers and valuers. Capital projects could also be brought forward in the event of early expiration of assets. In addition, some assets may last longer than expected.
Revaluation and Depreciation				
The cost of new and replacement assets will rise in line with BERL estimates of inflation. New capital works will be depreciated according to their expected life for utilities and roading.	A revaluation may alter the depreciation expense.	Moderate	Low	Although actual renewals may vary from the Berl estimates, this will have a Income Statement (but not cash effect) as maintenance of infrastructure is funded based on asset management plans.
Sources of funding for replacement of significant assets				
It is assumed that funding for the replacement of significant assets will be in accordance with the Council's Revenue and Finance Policy and Financial and Infrastructure Strategies.				
Renewal Works Costs				
Renewals to replace existing assets is based on: <ul style="list-style-type: none"> Asset management plans Consultants' advice 	The real cost of renewals exceeds the budgeted amount.	Moderate	Moderate	Ratepayers are required to fund additional costs to maintain the level of service.
Capital Works Costs				
The costs of major capital works will not vary significantly from the estimates at concept stage.	That some project costs are greater than estimated, resulting in increased debt levels.	Moderate to High	Moderate	Council has less confidence in the long-term regarding the costs of capital projects due to fluctuations in the economy, growth patterns, consent conditions etc. Loan funding of capital works may require loans to be raised that results in Council exceeding its Debt Limits within the Financial Strategy

Significant Assumptions

FORECASTING ASSUMPTION	RISK	LIKELIHOOD OF OCCURRENCE	FINANCIAL EFFECT	EFFECT OF UNCERTAINTY
KEY ASSUMPTIONS				
Contracts				
The re-tendering of contracts for operations and maintenance are based on Berl assumptions of inflation. (See FM contract below).	There is a significant variation in price of re-tendering contracts.	Low year 1-3 Moderate years 4-10	Moderate Moderate	The risk is likely to come from fluctuating input prices – fuel, construction materials. If contract prices were to increase significantly, Council would be forced to review the amount of work programmed and undertaken or levels of service.
Fuel Costs and road resealing costs – based on Berl assumptions of inflation.	May increase more than forecast, flowing through to other costs.	Moderate	Moderate	This could result in increasing both operational and capital costs and affecting the timing of projects or levels of service.
No changes to government funding regimes for operating costs				
Including petrol tax and grant schemes.	Central government will remove or alter funding schemes.	Low to Moderate	Low to Moderate	The Council receives approximately \$140,000 as our local share of petrol tax, \$14,900 from Creative New Zealand (on a population basis), and \$9,500 from Sport and Recreation New Zealand annually. The withdrawal of this funding would put pressure on Council to make up for it.

Significant Assumptions

FORECASTING ASSUMPTION	RISK	LEVEL OF UNCERTAINTY	EFFECT OF UNCERTAINTY
FINANCIAL ASSUMPTIONS			
Term of loans			
<p>Future internal loans will be taken out for:</p> <ul style="list-style-type: none"> • 35 year term for all waters infrastructure • 10 year term for the district plan • 20 year term for other activities 	Loan Capital will not be available when required	Low	<p>Non availability of capital may restrict planned capital projects.</p> <p>This has been mitigated by joining Local Government Funding Agency which borrows from national and international wholesale markets.</p>
Invest Revenue			
<p>Council is assuming that dividends will be zero (or immaterial) and that the rate of interest earned on all future investments for the life of this LTP will be 3%</p>	There is potential for interest earned to be higher or lower than estimated.	Low to Moderate	<p>Lower interest rates on Council's investments would lead to lower revenue. However, investment revenue is not significant and as such there would be only a minimal financial impact for Council if these rates were lower than anticipated.</p>
Interest Costs			
<p>Council is assuming for the 10 year period of this LTP that the interest rate for new borrowing will be below or equal to 5%</p>	That loan costs will be significantly higher than this.	Low	<p>Higher interest rates will have an impact on Council's interest expense and consequently the affordability of services provided and the ability to afford capital improvements which are funding from borrowing.</p>
Property values			
<p>Relative property values used for rating basis remain constant throughout the district over the 10 years of the plan.</p> <p>Staff will obtain updates from QV during the LTP process.</p>	Some parts of Central Hawke's Bay may have larger increases in rateable value than others.	Low to Moderate	<p>This could affect the affordability of rates in some parts of the district. In extreme cases these may mean a review of how rates are applied over the district.</p>
Goods and Services Tax (GST)			
<p>GST is excluded from all financial statements, with the exception of accounts receivable and payable, and the funding impact statement.</p> <p>GST cannot be claimed on the Retirement Housing Activity.</p>	n/a	n/a	n/a
Insurance			
<p>INSURANCE costs are based on 2017/18 costs of renewal plus annual BERL increases with no effect of 3 yearly revaluations.</p>	That these costs are significantly higher than budgeted.	High	<p>Insurance may be targeted to cover only key assets to reduce costs.</p>

Significant Assumptions

FORECASTING ASSUMPTION	RISK	LEVEL OF UNCERTAINTY	EFFECT OF UNCERTAINTY
ACTIVITY SPECIFIC ASSUMPTIONS			
Asset Management Plans			
that consultants employed to prepare Asset Management Plans are expert and experienced.	As a result of consultant's errors Council does not set aside sufficient funds to maintain its infrastructural assets.	Low	Renewals and maintenance of assets is underfunded which impacts on the life and replacement of affected assets.
Waste Water Treatment for Waipukurau and Waipawa			
the treatment plants for Waipukurau and Waipawa continue to breach resource consents for ammoniacal nitrogen. As at the time of the LTP Consultation Document costs are unknown so have not been included in the LTP.	The treatment plants will need to be upgraded or replaced.	High	There is more detailed investigation work to do to find a viable solution for these issues which will include community and expert input. Reviews of what work is required, how much it will cost, how it will be prioritised and how it could be funded will be carried out during 2018 and 2019. This may result in an amendment to the LTP. A review report completed in Nov 2017 has estimated costs for two possible solutions between \$11m and \$36m.
Regulatory Services Changes			
A review of the Liquor fees and charges is carried out every 5 years from 2017. These reviews are considered to have minimal effect on the activity.	Central Government legislation causes increased operating costs to Council.	Low	Increased costs require to be met from increased user charges or rates.
District Plan costs			
That the cost to complete the District Plan from mid 2019 is on budget.	That additional costs may be incurred	Moderate	Increased costs will be funded from a loan which will increase rate requirements to repay the loan.
Earthquake Prone buildings			
The Building (Earthquake Prone Buildings) Amendment Act 2016 came into effect on 01 July 2017. This amendment requires Council to identify and issue notices on a property owner for priority earthquake prone buildings in the district within 2.5 years, and other earthquake prone buildings within 5 years	That engineering, compliance and monitoring costs in meeting requirements of the Act have not been quantified in this planning cycle.	Moderate	This may require additional rates to fund the Council's role in this.

Significant Assumptions

FORECASTING ASSUMPTION	RISK	LEVEL OF UNCERTAINTY	EFFECT OF UNCERTAINTY
ACTIVITY SPECIFIC ASSUMPTIONS			
Animal Control – Review of RSPCA agreement to provide pound services			
Council operates its pound facilities through a service agreement with the Central Hawke's Bay SPCA. Council has established a number of kennels purely for the housing of impounded dogs, with care and sustenance provide for by the SPCA. Due to possible changes in national delivery and funding of services by the RSPCA, this service agreement may require review. It is assumed that current terms and conditions of the service agreement will continue for the life of the LTP.	That the RSPCA withdraw the current agreement, requiring Council to establish a fully compliant Pound, elsewhere in the district.	Moderate	This may require increased rates to fund additional requirements and may require an amendment to the LTP.
Roading Network			
The current network will be maintained for the life of the plan	That NZTA will cease to fund some renewals, based on the cost of repair versus the number of residents.	Low 1-3 years Moderate	There may be additional rates required to continue to maintain these pieces of the roading network. Otherwise levels of service will reduce.
Land transport regulation			
There will be no significant changes in regulation over the LTP period.	That the regulation changes increase the ratepayer share of the roading costs.	Moderate	Over the second half of the plan period. This could affect the affordability of the levels of service. Changes could also be positive.
Infrastructure Capacity and Growth			
Water supply, Waste water and Stormwater – Existing zones for the three waters will remain as stated in the LTP and proposed District Plan.	Zones may be expanded. Additional infrastructure capacity will be required.	Low	Capacity for growth has been built into the LTP and is being developed as part of the Urban Growth Strategy for the District Plan.
Bridge Renewal			
There is sufficient provision for funding any bridge failure, based on the transfer of funds each year into the bridge reserve fund. To meet the anticipated need.	That this is insufficient to cover the Council's share of bridge replacements.	Low- first 5 years Mod – second 5 years	This could affect levels of service in roading, if money has to be diverted from other budgets to cover costs.

Significant Assumptions

FORECASTING ASSUMPTION	RISK	LEVEL OF UNCERTAINTY	EFFECT OF UNCERTAINTY
ACTIVITY SPECIFIC ASSUMPTIONS			
Landfill operation costs			
The solid waste management and minimisation plan (WMMP) will be reviewed by July 2018. The Council is selling landfill space to offset the operating costs of the landfill. This plan assumes the income level remains at budgeted levels. Landfill cell extensions included in this LTP are dependent on volumes received into the landfill – and timings of cell extensions may change.	Budgeted sales are not achieved.	Low to Moderate	Council does have an exposure to external sales income and a relatively small pool of potential customers.
Multi-Sport Turf			
Other Russell Park projects are tied to the completion of the multi-sport turf in 2017/18 and 2018/19	That with will be completed in 2017/18 to allow other Russell Park projects to proceed	Moderate	This would mean that proposed projects are delayed or reconsidered.

Funding Impact Statement

The purpose of the funding impact statement is to provide information about the income and funding streams Council will use and is an indication of the amount of funding we will generate from each stream.

Council will use a mix of revenue sources to meet operating expenses, with major sources being general and targeted rates, land transport subsidies and fees and charges.

Capital expenditure for new works will be funded from loans and development contributions, with capital renewals being funded by rates and reserves set aside for this purpose.

At various points in this funding impact statement the Council has included an indicative level of rate or charge. These indicative figures support the calculations in the rates sample models and are included to provide you with an indication of the level of rates we are likely to assess on your rating unit in the coming year. So long as we set the rates in accordance with the system described in this statement, the amounts may change.

The following rating mechanisms are intended to be used in the 2018-2028 Long Term Plan.

Central Hawke's Bay District Council: Funding impact statement for 2018/2028 (whole of council)

	ANNUAL PLAN	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Sources of operating funding											
General rates, uniform annual general charges and rates penalties	12,592	12,884	13,229	13,581	14,089	14,580	15,022	15,232	15,681	16,074	16,487
Targeted rates	6,404	6,888	7,335	7,800	8,117	8,502	8,878	9,177	9,223	9,388	9,570
Subsidies and grants for operating purposes	2,052	2,598	2,671	2,690	2,923	2,992	3,064	3,140	3,221	3,308	3,400
Fees, charges	2,254	2,945	2,974	3,028	3,101	3,166	3,241	3,325	3,402	3,490	3,591
Interest and dividends from investments	162	125	118	141	157	173	193	166	182	207	206
Local authorities fuel tax, fines, infringement fees and other receipts	158	311	315	194	199	203	208	213	218	224	230
Total operating funding	23,622	25,751	26,642	27,434	28,585	29,617	30,605	31,252	31,927	32,691	33,484
Applications of operating funding											
Payments to staff and suppliers	15,670	17,789	18,162	18,755	19,512	19,969	20,421	20,918	21,437	21,999	22,579
Finance costs	406	239	543	773	827	848	803	705	666	596	470
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	16,076	18,028	18,706	19,527	20,339	20,817	21,224	21,623	22,103	22,596	23,049
Surplus (deficit) of operating funding	7,546	7,723	7,936	7,907	8,246	8,800	9,381	9,629	9,824	10,095	10,435
Sources of capital funding											
Subsidies and grants for capital expenditure	4,501	4,387	4,499	4,663	5,082	5,204	5,329	5,462	5,604	5,756	5,917
Development and financial contributions	22	22	22	22	22	22	22	22	22	22	22
Increase (decrease) in debt	66	4,798	7,542	977	965	(311)	(1,101)	(1,002)	(1,944)	(1,209)	(2,971)
Gross proceeds from sale of assets	48	67	35	35	45	24	52	76	54	56	82
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	4,637	9,273	12,097	5,698	6,114	4,939	4,302	4,559	3,736	4,624	3,050
Applications of capital funding											
Capital expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	1,260	1,260	1,260	1,260	1,260	1,260	1,260	1,260	1,260	1,260	1,260
- to replace existing assets	9,990	15,851	18,719	12,066	12,800	11,459	11,587	13,832	11,883	12,672	12,283
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) of investments	933	(115)	54	279	300	1,020	836	(905)	417	788	(57)
Total application of capital funding	12,183	16,996	20,033	13,605	14,360	13,738	13,683	14,188	13,560	14,720	13,486
Surplus (deficit) of capital funding	(7,546)	(7,723)	(7,936)	(7,907)	(8,246)	(8,800)	(9,381)	(9,629)	(9,824)	(10,095)	(10,435)
Funding balance	0	0	0	0	0	0	0	0	0	0	0

2018/19 Rates Factors

The table below lists the rate factors for the 2018/19 year (1 July 2018 to 30 June 2019) that are proposed to be set by the Central Hawke's Bay District Council under the Local Government (Rating) Act 2002.

Description	Land Liable	Differential	Factor of Liability	Factor	Rate Value **	Amount Sought including GST \$
District Wide Rates						
General	All rateable property	Uniform	Capital Value	\$0.000	0.11738	\$4,904,251
Uniform Annual General Charge	All rateable property	Uniform	Fixed Amount per SUIP*	\$367.650	383.51	\$2,490,533
District Land Transport	All rateable property	Uniform	Land Value	\$0.000	0.27889	\$7,389,708
Targeted Rates						
Refuse Collection	Service Available	Uniform	Fixed Amount per SUIP *	\$0.000	15.16	\$60,652
Kerbside Recycling Collection	Service Available	Uniform	Fixed Amount per SUIP *	\$0.000	69.01	\$205,275
Water Supply	Service Available/Connected	Service Available/Connected	Fixed Amount per SUIP *	\$0.000	\$334.20 / \$668.40	\$2,773,208
Sewerage	Service Available/Connected	Service Available/Connected/Use	Fixed Amount per SUIP *, per Pan	\$0.000	\$447.31 / \$894.62	\$3,565,943
Stormwater	Catchment Area	Uniform	Capital Value	\$0.000	0.14052	\$847,628
Drainage	Te Aute	Classifications	Fixed Amount per point		22.77692	\$16,767
Water by Meter	Extraordinary users	Volume, land use category	Fixed Amount per cubic metre		\$2.44 / \$1.85	\$451,548
Total Sought						\$22,664,212

* Separately used or inhabited part

** Where no \$ sign shows, amounts are in cents per dollar, rounded

Rates Samples

PROPERTY DESCRIPTION					2017/18	2018/19			2019/20			2020/21			2021/22			2022/23		
Type	District	Value	Land value	Capital value	Amount	Amount	Change \$	Change %	Amount	Change \$	Change %	Amount	Change \$	Change %	Amount	Change \$	Change %	Amount	Change \$	Change %
Residential town	Waipukurau	Low	18,000	73,000	2,131	2,269	138	6.5%	2,428	159	7.0%	2,567	138	5.7%	2,662	95	3.7%	2,778	116	4.4%
Residential town	Waipukurau	Medium	77,000	200,000	2,562	2,761	199	7.8%	2,907	138	5.0%	3,061	153	5.3%	3,174	113	3.7%	3,303	130	4.1%
Residential town	Waipukurau	High	77,000	260,000	2,691	2,916	225	8.4%	3,054	130	4.4%	3,213	159	5.2%	3,330	118	3.7%	3,460	130	3.9%
Residential town	Waipukurau	High	69,000	410,000	2,989	3,281	292	9.8%	3,398	131	4.0%	3,570	171	5.0%	3,698	128	3.6%	3,828	130	3.5%
Residential town	Waipawa	Low	35,000	180,000	2,406	2,593	187	7.8%	2,739	138	5.3%	2,888	149	5.4%	2,993	106	3.7%	3,114	121	4.0%
Residential town	Waipawa	Medium	35,000	170,000	2,384	2,567	182	7.6%	2,714	140	5.4%	2,862	148	5.5%	2,967	105	3.7%	3,088	121	4.1%
Residential town	Waipawa	High	27,000	255,000	2,544	2,764	219	8.6%	2,899	128	4.6%	3,054	155	5.3%	3,165	110	3.6%	3,285	120	3.8%
Residential town	Waipawa	High	85,000	430,000	3,075	3,377	302	9.8%	3,493	129	3.8%	3,667	174	5.0%	3,799	132	3.6%	3,932	134	3.5%
Residential town	Otane		54,000	205,000	2,239	2,353	114	5.1%	2,527	167	7.1%	2,668	140	5.6%	2,771	103	3.9%	2,890	119	4.3%
Residential town	Porangahau	Low	27,000	59,000	1,984	2,106	122	6.2%	2,275	162	7.7%	2,409	133	5.9%	2,501	92	3.8%	2,616	115	4.6%
Residential town	Porangahau	High	27,000	175,000	2,129	2,242	114	5.3%	2,414	165	7.3%	2,552	137	5.7%	2,650	98	3.8%	2,764	114	4.3%
Residential town	Takapau		20,000	110,000	2,029	2,147	118	5.8%	2,317	163	7.6%	2,451	135	5.8%	2,545	94	3.8%	2,658	113	4.4%
Residential town	Takapau	Lifestyle	265,000	425,000	2,230	2,305	75	3.3%	2,435	123	5.3%	2,523	88	3.6%	2,601	78	3.1%	2,734	133	5.1%
Residential town	Tikokino		48,000	170,000	690	732	42	6.1%	760	28	3.8%	783	22	3.0%	801	18	2.3%	819	18	2.2%
Residential town	Onga Onga		29,000	180,000	651	691	40	6.2%	718	29	4.2%	740	22	3.0%	756	16	2.2%	770	14	1.8%
Beach	Blackhead		230,000	420,000	1,495	1,533	38	2.5%	1,578	43	2.8%	1,621	43	2.7%	1,677	55	3.4%	1,729	53	3.2%
Beach	Kairakau		175,000	435,000	1,999	2,066	67	3.4%	2,190	119	5.7%	2,273	83	3.8%	2,340	67	2.9%	2,454	115	4.9%
Beach	Mangakuri		360,000	800,000	2,321	2,342	20	0.9%	2,404	58	2.5%	2,469	65	2.7%	2,561	91	3.7%	2,637	76	3.0%
Beach	Te Paerahi	Low	175,000	245,000	2,618	2,737	120	4.6%	2,920	174	6.3%	3,069	149	5.1%	3,191	122	4.0%	3,334	143	4.5%
Beach	Te Paerahi	Medium	270,000	495,000	3,187	3,296	109	3.4%	3,490	184	5.6%	3,655	165	4.7%	3,801	147	4.0%	3,962	160	4.2%
Rural	District	Lower	300,000	310,000	1,530	1,584	54	3.5%	1,630	43	2.7%	1,673	43	2.6%	1,732	59	3.5%	1,800	68	3.9%
Rural	District	Lower	360,000	660,000	2,129	2,162	33	1.6%	2,221	52	2.4%	2,281	60	2.7%	2,365	84	3.7%	2,442	77	3.2%
Rural	District	Medium	1,840,000	2,000,000	7,815	7,863	48	0.6%	8,043	146	1.9%	8,245	202	2.5%	8,595	350	4.2%	8,962	367	4.3%
Rural	District	Medium	620,000	670,000	2,847	2,899	52	1.8%	2,973	68	2.3%	3,050	76	2.6%	3,170	120	3.9%	3,300	130	4.1%
Rural	Aramoana	High	3,140,000	3,670,000	13,425	13,448	24	0.2%	13,747	265	2.0%	14,092	345	2.5%	14,700	608	4.3%	15,318	618	4.2%
Rural	Ruataniwha	High	3,420,000	4,220,000	14,870	14,875	5	0.0%	15,204	292	2.0%	15,587	383	2.5%	16,260	673	4.3%	16,930	670	4.1%
Rural	Ruahine	High	10,200,000	10,850,000	41,532	41,565	33	0.1%	42,463	789	1.9%	43,516	1,053	2.5%	45,431	1,915	4.4%	47,427	1,997	4.4%
Rural	Ruahine	Medium	1,770,000	2,310,000	8,012	8,031	19	0.2%	8,215	164	2.0%	8,424	209	2.5%	8,780	356	4.2%	9,130	350	4.0%
Commercial	Waipukurau		165,000	520,000	6,883	7,268	385	5.6%	7,650	358	4.9%	8,102	452	5.9%	8,464	362	4.5%	8,771	307	3.6%
Commercial	Waipawa		58,000	87,000	2,380	2,417	37	1.5%	2,577	152	6.3%	2,719	142	5.5%	2,821	102	3.8%	2,945	124	4.4%
Industrial	Waipukurau		150,000	360,000	4,068	4,272	204	5.0%	4,464	180	4.2%	4,710	245	5.5%	4,909	199	4.2%	5,082	173	3.5%
Council average %					2.47%		4.34		4.04		4.01		3.89		3.98					

Rates

The following rates are proposed to be set and assessed on all property within the District for the 2018/19 year:

District Wide Rates

1. General Rate

A general rate set under section 13 of the Local Government (Rating) Act 2002 for the purposes of providing all or some of the cost of:

- All regulatory activities, including district planning, land use and subdivision consent costs, building control, public health, animal control, and compliance.
- Solid waste
- Parks and reserves, public toilets, theatres and halls, cemeteries, and miscellaneous property costs

For the 2018/19 year, this rate will be 0.11738 cents per dollar (including GST) based on the rateable capital value of all rateable land within the District.

2. Uniform Annual General Charge

A rate set under section 15 of the Local Government (Rating) Act 2002 on each separately used or inhabited part of a rating unit within the District. See definition below. This rate is for the purpose of providing:

- Community leadership, including administration, cost of democracy, community voluntary support grants, and economic and social development.
- A portion of the cost of solid waste
- Libraries and swimming facilities

For the 2018/19 year, this rate will be \$383.51 (including GST).

3. District Land Transport Rate

A rate for the Council's land transport facilities set under section 16 of the Local Government (Rating) Act 2002. This rate is set for the purpose of funding the operation and maintenance of the land transport system.

For the 2018/19 year this rate will be 0.27889 cents per dollar (including GST) based on the land value of all rateable land in the district.

Targeted Rates

Separately Used or Inhabited Parts of a Rating Unit

Definition – for the purposes of the Uniform Annual General Charge and the targeted rates above, a separately used or inhabited part of a rating unit is defined as –

A separately used or inhabited part of a rating unit includes any portion inhabited or used by [the owner/a person other than the owner], and who has the right to use or inhabit that portion by virtue of a tenancy, lease, licence, or other agreement.

This definition includes separately used parts, whether or not actually occupied at any time, which are used by the owner for occupation on an occasional or long term basis by someone other than he owner.

Examples of separately used or inhabited parts of a rating unit include:

- For residential rating units, each self-contained household unit is considered a separately used or inhabited part. Each situation is assessed on its merits, but factors considered in determining whether an area is self-contained would include the provision of independent facilities such as cooking/kitchen or bathroom, and its own separate entrance.
- Residential properties, where a separate area is used for the purpose of operating a business, such as a medical or dental practice. The business area is considered a separately used or inhabited part.

These examples are not considered inclusive of all situations.

A targeted rate set under section 16 of the Local Government (Rating) Act 2002 for water supply operations of a fixed amount per separately used or inhabited part of a rating unit. The purpose of this rate is to fund water supplies for Otane, Takapau, Waipukurau, Waipawa, Kairakau, Porangahau and Te Paerahi.

The rate is subject to differentials as follows:

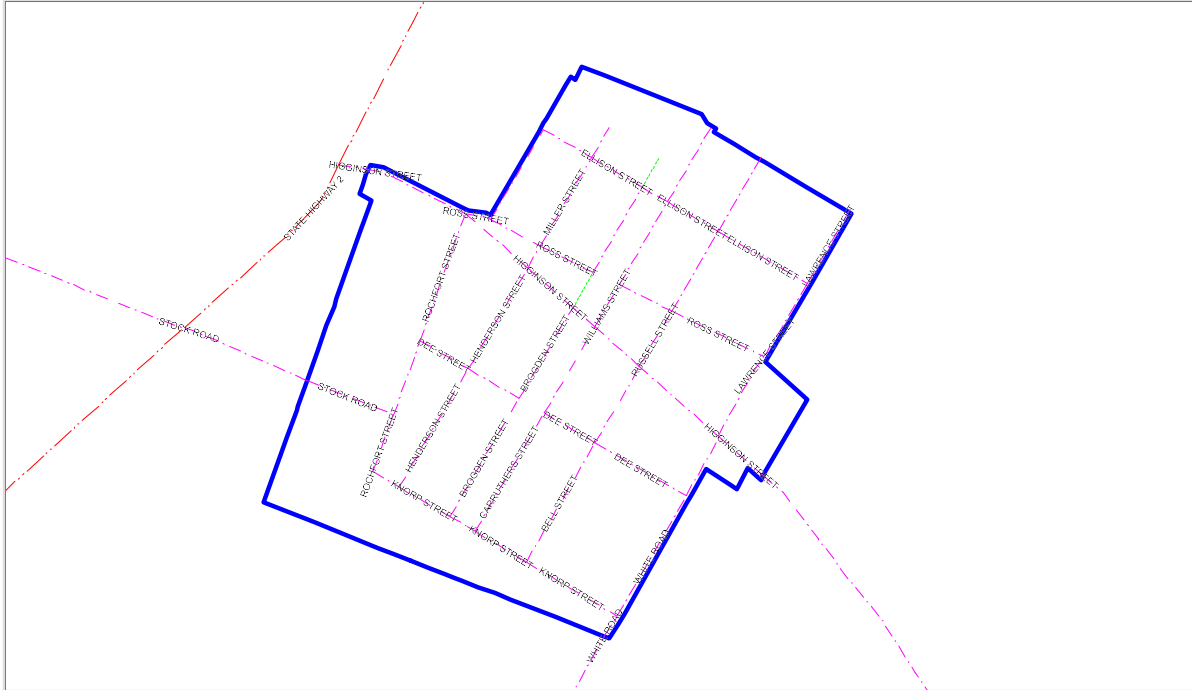
- (a) a charge of per separately used or inhabited part of a rating unit **connected** in the Otane, Takapau, Waipukurau, Waipawa, Kairakau, Porangahau, and Te Paerahi Beach communities.
- (b) a half charge per separately used or inhabited part of a rating unit which is **serviceable** for the above locations.

- 'Connected' means a rating unit to which water is supplied.
- 'Serviceable' means a rating unit to which water is not being supplied, but the property it is situated within 100 metres of the water supply.

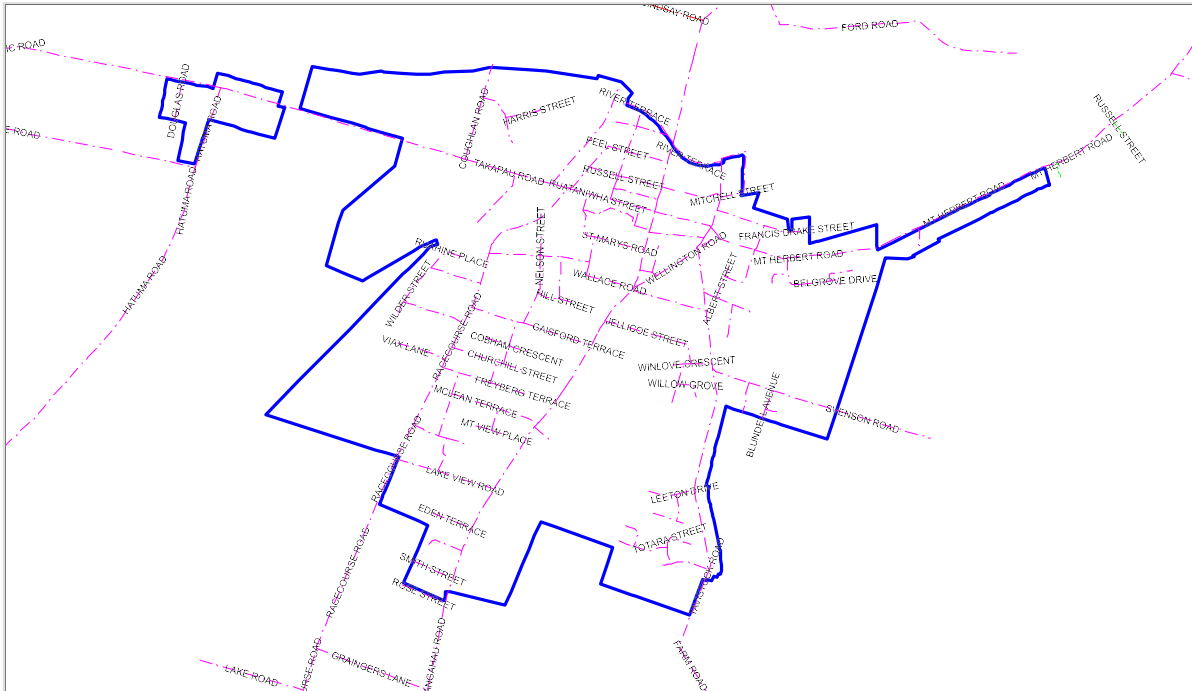
	CHARGE	WATER RATE (INCL GST)
a	Connected	\$668.40
b	Serviceable, not connected	\$334.20

The map displays the proposed Maitland City Council boundary, outlined in blue. The boundary encompasses a coastal area and extends inland. Key streets shown include Racecourse Road, Waits Road, Victoria Street, and others. The map is titled 'Maitland City Council Boundary' and includes a scale bar and a north arrow.

OTANE WATER SUPPLY ZONE



WAIPUKURAU WATER SUPPLY ZONE



The map displays the Sydney Light Rail route in blue. The route begins at the Sydney Airport, travels through the city center, and terminates at the Sydney International Airport. The route follows major thoroughfares such as Sydney Street, Charles Street, Water Street, and Charlotte Street. The map also includes the Sydney Harbour Bridge and the Sydney Opera House. Other streets shown include Lane Street, Sweeney Street, Ferguson Street, Gough Street, Macleay Street, Charles Street, Water Street, Charlotte Street, Metcalfe Street, and Sydney Terrace. The route is shown as a solid blue line, while other streets are shown as dashed lines.

A map showing the proposed site boundary in blue. The site is irregularly shaped. Surrounding roads are shown in pink dashed lines and labeled: 'ROAD' (top left), 'FUKETAHINU ROAD' (top right), 'TE PAPERANGI ROAD' (middle right), 'MAKAPU STREET' (bottom right), 'ACCESSWAY (OFF MAKAPU CRESCENT)' (bottom center), and 'REDFIELD ROAD' (bottom left). A black line runs vertically along the right side of the map.

6. Metered Water Rate

A targeted rate under section 19 of the Local Government (Rating) Act 2002 per cubic metre of water supplied, as measured by cubic metre, over 300 cubic metres per year. This is applied to water users deemed 'Extraordinary' where payment of the Water Supply rate above entitles extraordinary users to the first 300 cubic metres of water without additional charge.

The rate is subject to differentials as follows:

- (a) a rate per cubic metre of water, for users consuming below 40,000 cubic metres
- (b) a rate per cubic metre of water, for users above 40,000 cubic metres, and where the land use category in the valuation database is not 'industrial'
- (c) a rate of per cubic metre of water, for users consuming above 40,000 cubic metres, and where the land use category in the valuation database is 'industrial'

For the 2018/19 year these rates will be:

	VOLUME OF WATER (CUBIC METRES)	RATE PER CUBIC METRE (INCL GST)
a	Below 40,000	\$2.44
b	Above 40,000, non- industrial	\$2.44
c	Above 40,000, industrial	\$1.85

7 Sewerage Rates

A targeted rate set under section 16 of the Local Government (Rating) Act 2002 for the Council's sewage disposal function of fixed amounts in relation to all land in the district to which the Council's sewage disposal service is provided or available, as follows:

- (a) A charge per rating unit connected.
- (b) A charge per pan within the rating unit, after the first one.
- (c) A charge per rating unit which is serviceable.

The rate is subject to differentials as follows:

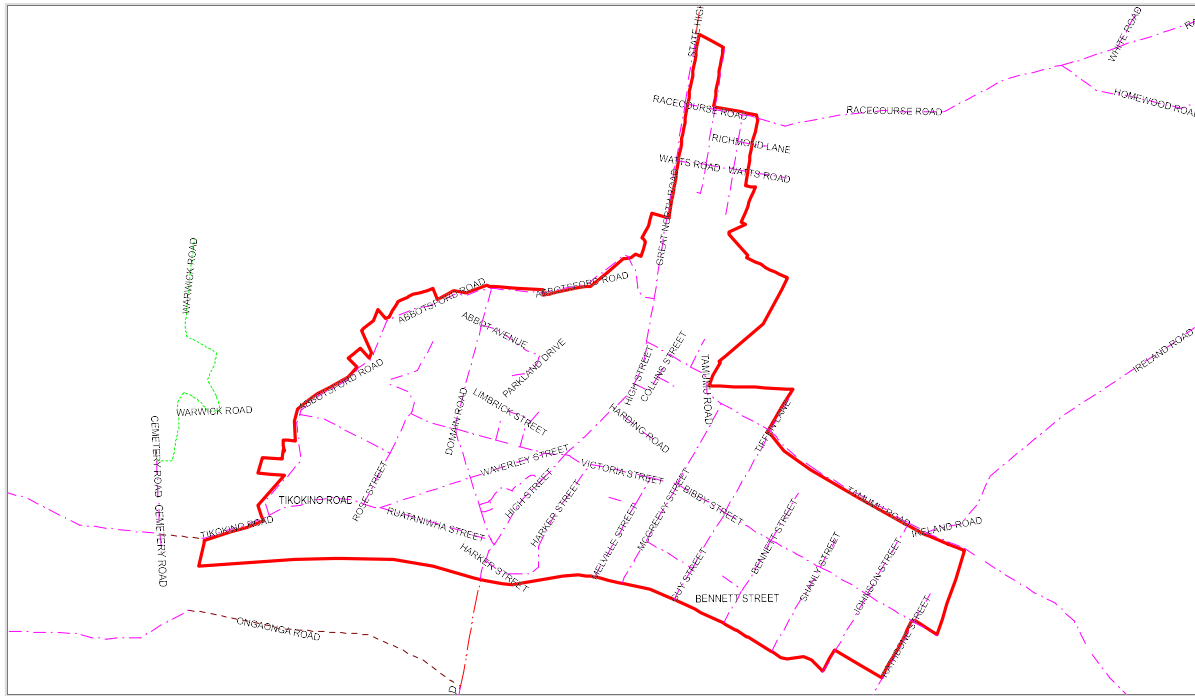
- 'Connected' means the rating unit is connected to a public sewerage system.
- 'Serviceable' means the rating unit is not connected to a public sewerage drain but is within 30 metres of such a drain.
- A rating unit used primarily as a residence for one household is treated as not having more than one pan.
- For commercial accommodation providers, each subsequent pan will be rated at 50% of the charge.
- For those Clubs who qualify for a rebate of their General Rates under Council's Community Contribution and Club Rebate Remission Policy, and who are connected to the sewerage network, each subsequent pan will be rated at 50% of the Sewerage Charge.

The purpose of this rate is to fund the maintenance, operation and capital upgrades of sewerage collection, treatment and disposal systems in those parts of the District where these systems are provided.

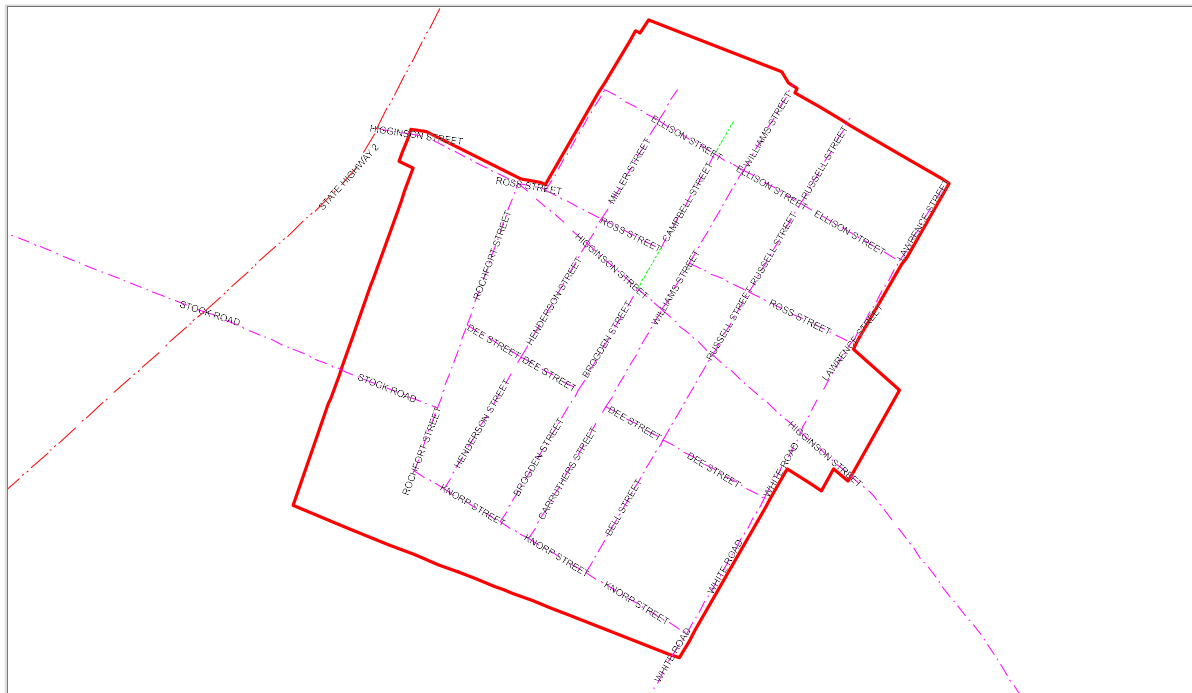
For the 2018/19 year these rates will be:

	CHARGE	SEWERAGE RATE (INCL GST)
a	First charge per separately used or inhabited part of a rating unit connected	\$894.62
b	Additional charge per pan after the first	\$894.62
c	Serviceable, not connected, per separately used or inhabited part of a rating unit	\$447.31
d	Additional charge per pan after the first – commercial accommodation provider, qualifying club	\$447.31

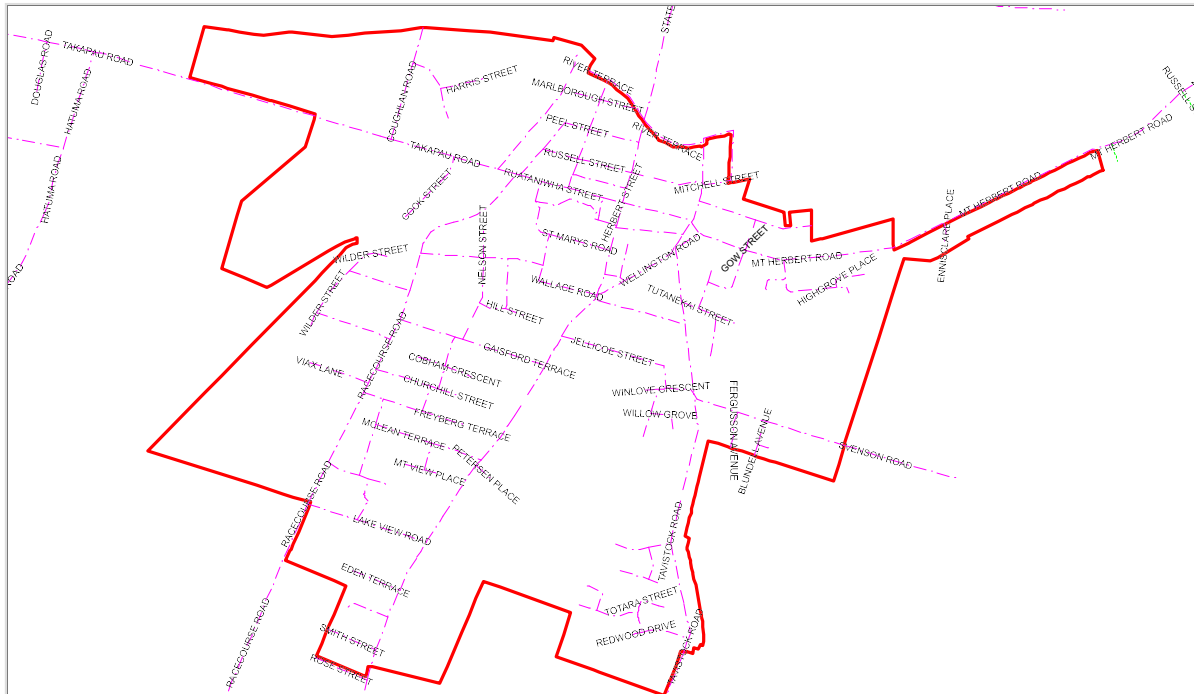
WAIPAWA SEWER OPERATION ZONE



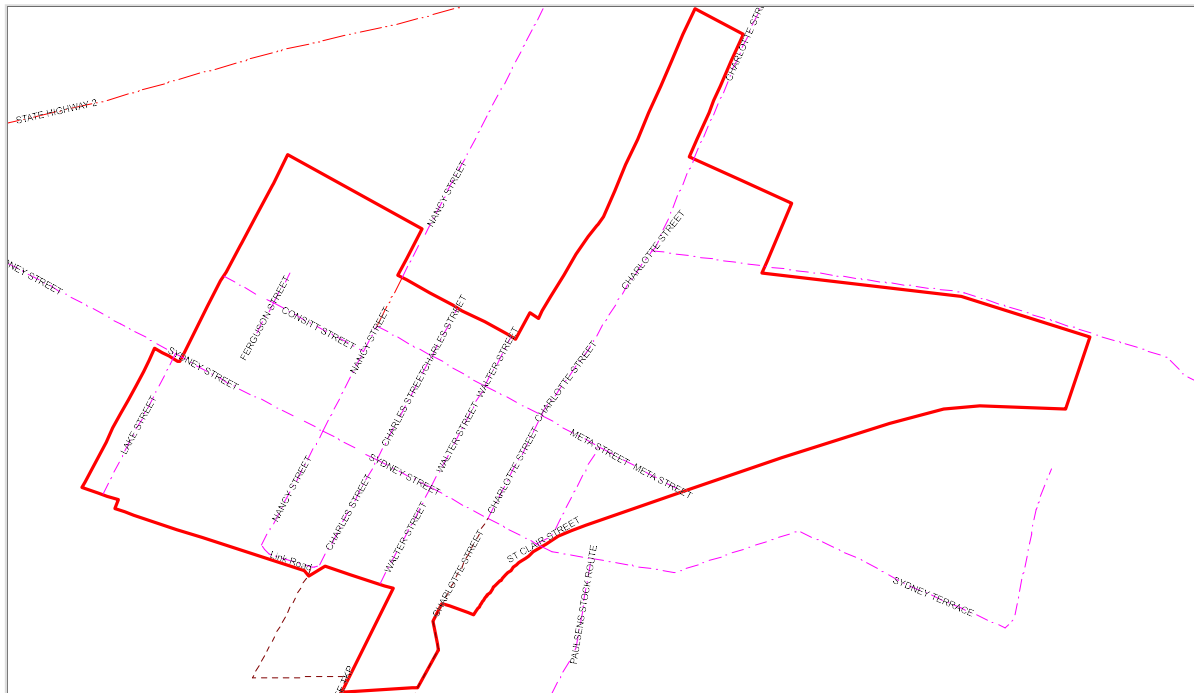
OTANE SEWER OPERATION ZONE



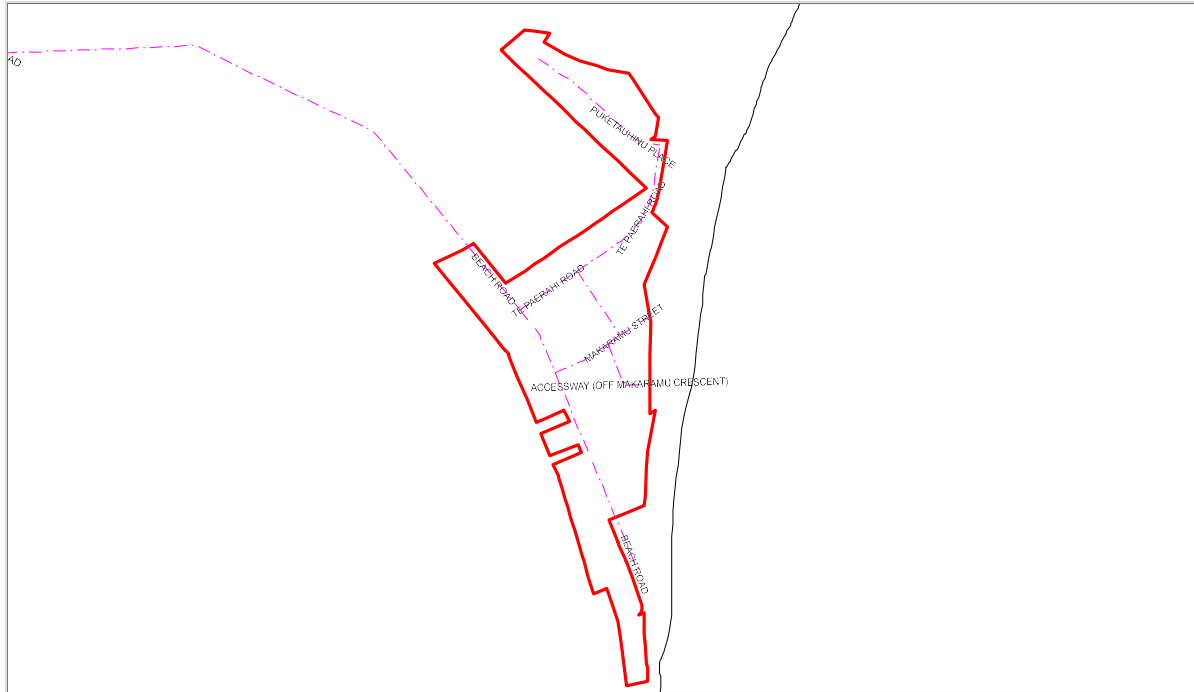
WAIPUKURAU SEWER OPERATION ZONE



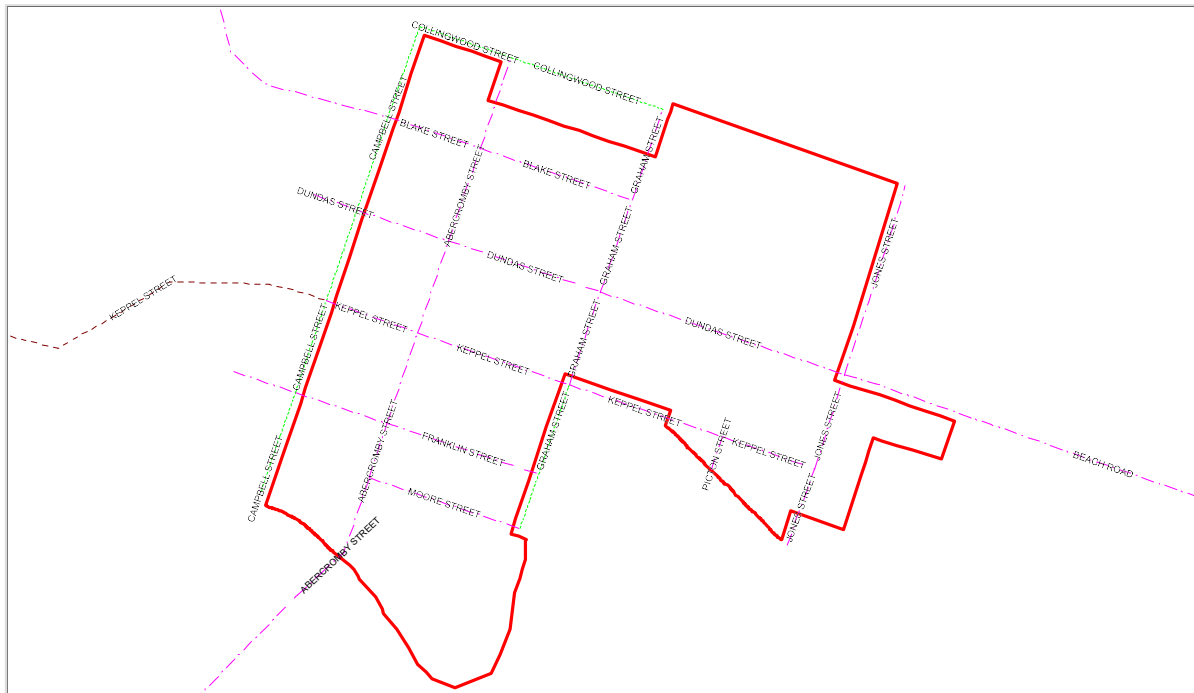
TAKAPAU SEWER OPERATION ZONE



TE PAERAHI SEWER OPERATION ZONE



PORANGAHAU SEWER OPERATION ZONE



8. Stormwater Rates

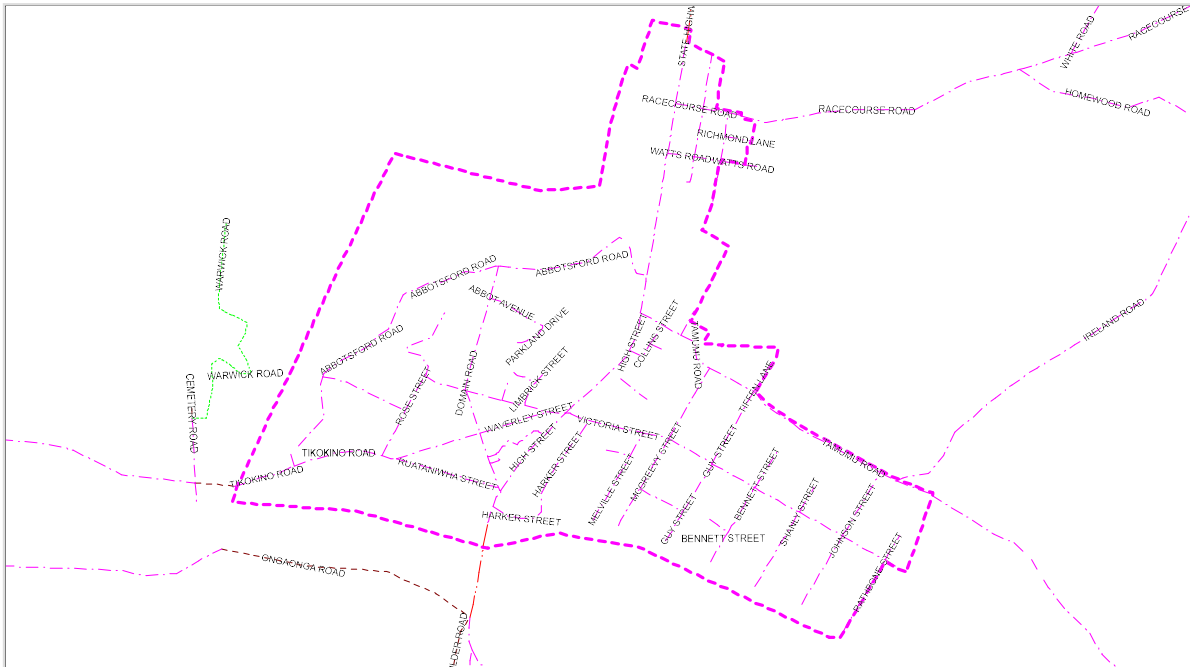
A targeted rate set under section 16 of the Local Government (Rating) Act 2002 for the purpose of funding operations and maintenance, plus improvements and loan charges on the stormwater drainage network as follows:

A uniform targeted rate on the capital value of all rateable land in the Waipukurau and Waipawa Stormwater Catchment Areas.

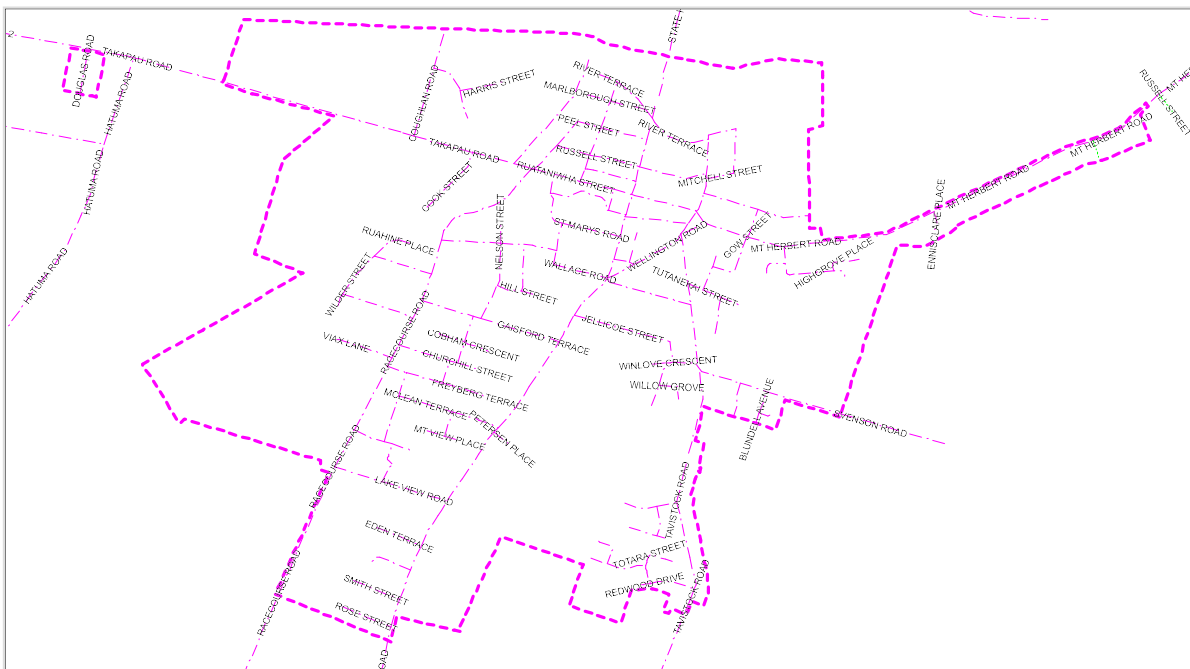
For the 2018/19 year this rate will be 0.14052 cents per dollar (including GST).

The Waipukurau and Waipawa Stormwater Catchment Areas are defined by reference to stormwater catchment boundary plans held.

WAIPAWA STORMWATER OPERATION ZONE



WAIPUKURAU STORMWATER OPERATION ZONE

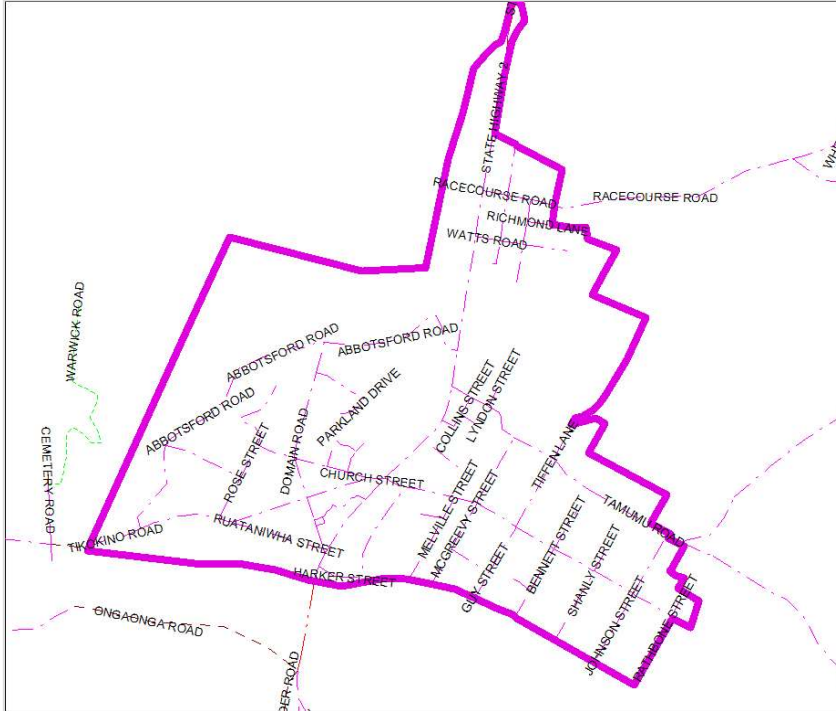


9. Kerbside Recycling Rate

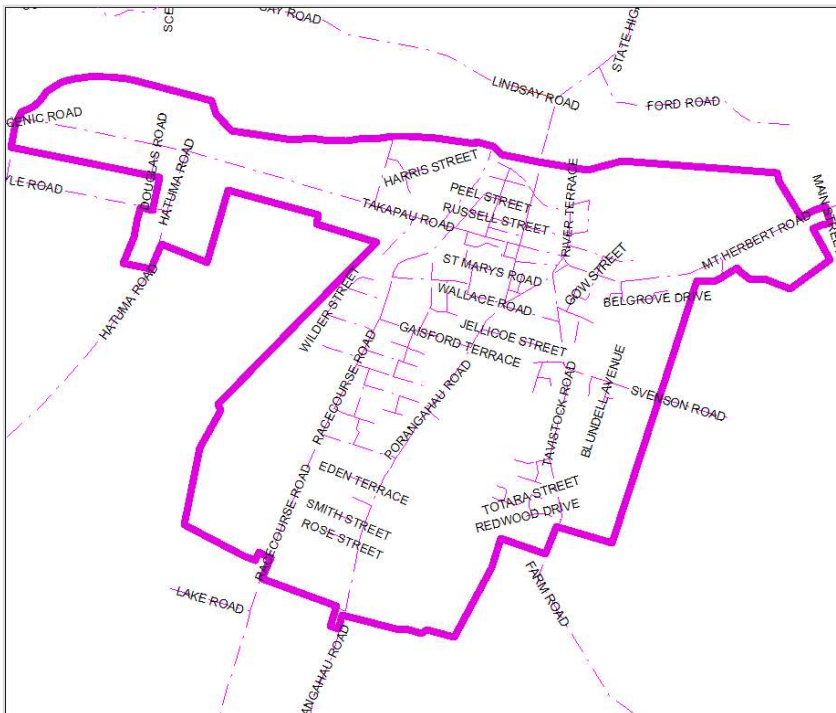
A targeted rate set under section 16 of the Local Government (Rating) Act 2002 for the Council's collection of household recyclables for Waipukurau and Waipawa on each separately used or inhabited part of a rating unit to which the Council provides the service.

For the 2018/19 year this rate will be \$69.01 (including GST).

WAIPAWA KERBSIDE RECYCLING COLLECTION ZONE

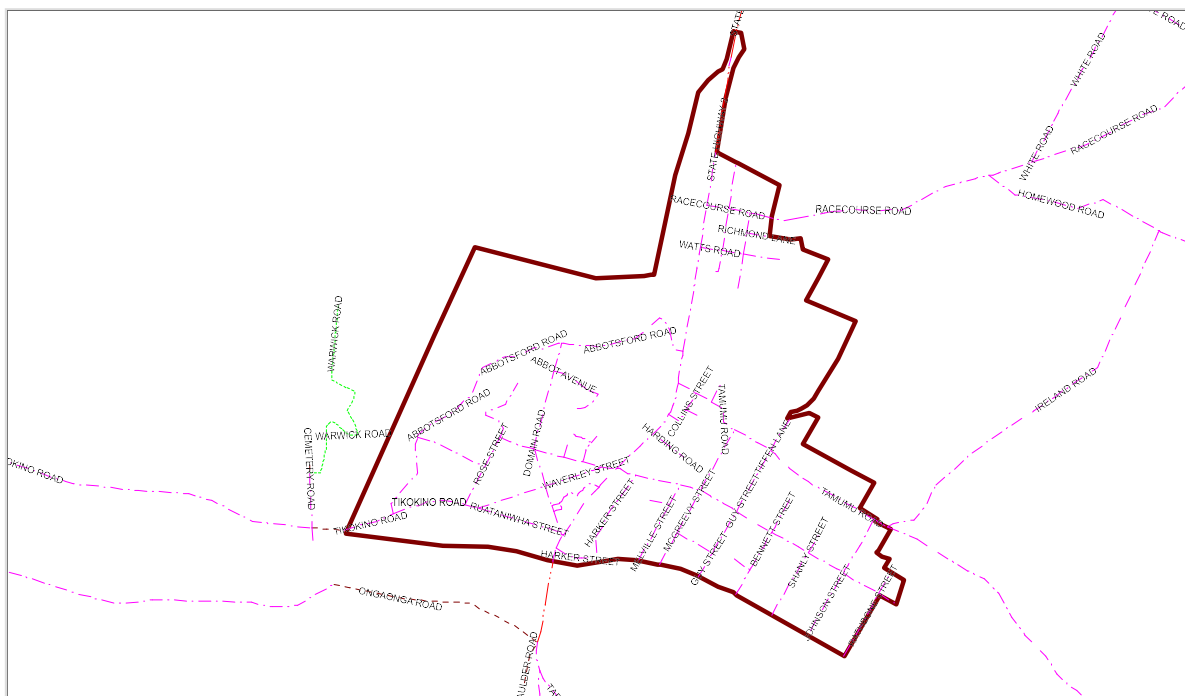


WAIPUKURAU KERBSIDE RECYCLING COLLECTION ZONE



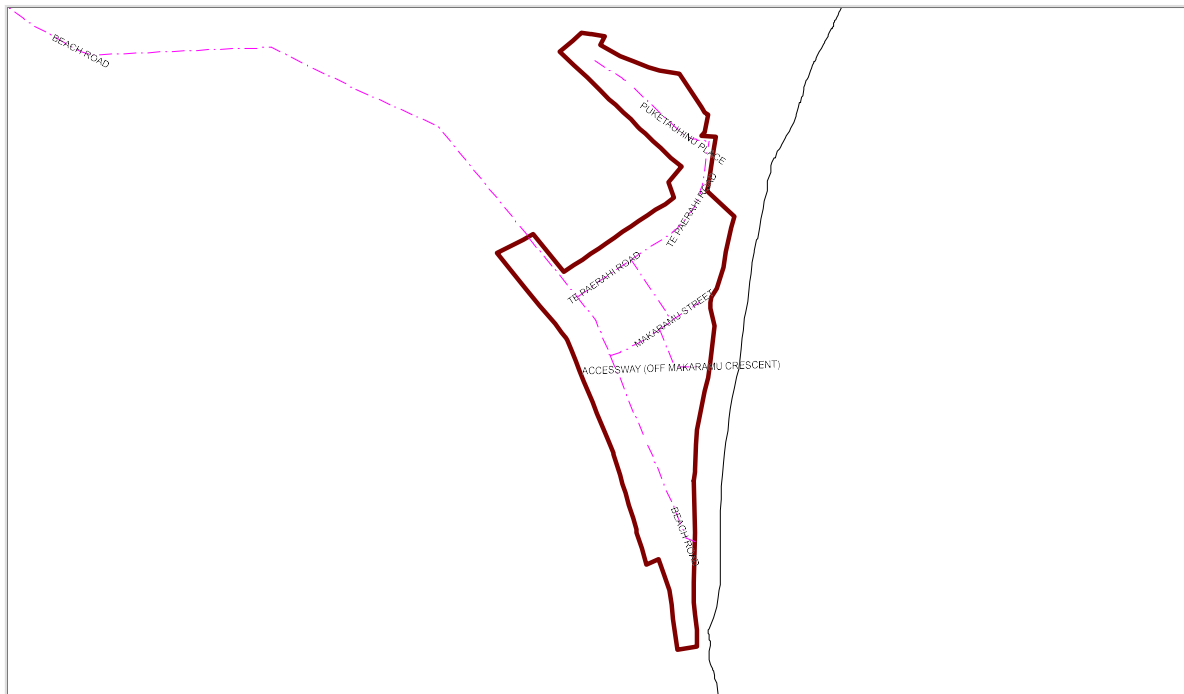
A targeted rate set under section 16 of the Local Government (Rating) Act 2002 for the collection of household and commercial refuse for Otane, Onga Onga, Takapau, Tikokino, Waipukurau, Waipawa, Porangahau, Te Paerahi, Blackhead Beach, Kairakau, Mangakuri, Aramoana and Pourerere Beach on each separately used or inhabited part of a rating unit to which the Council provides the service.

WAIPAWA REFUSE COLLECTION ZONE

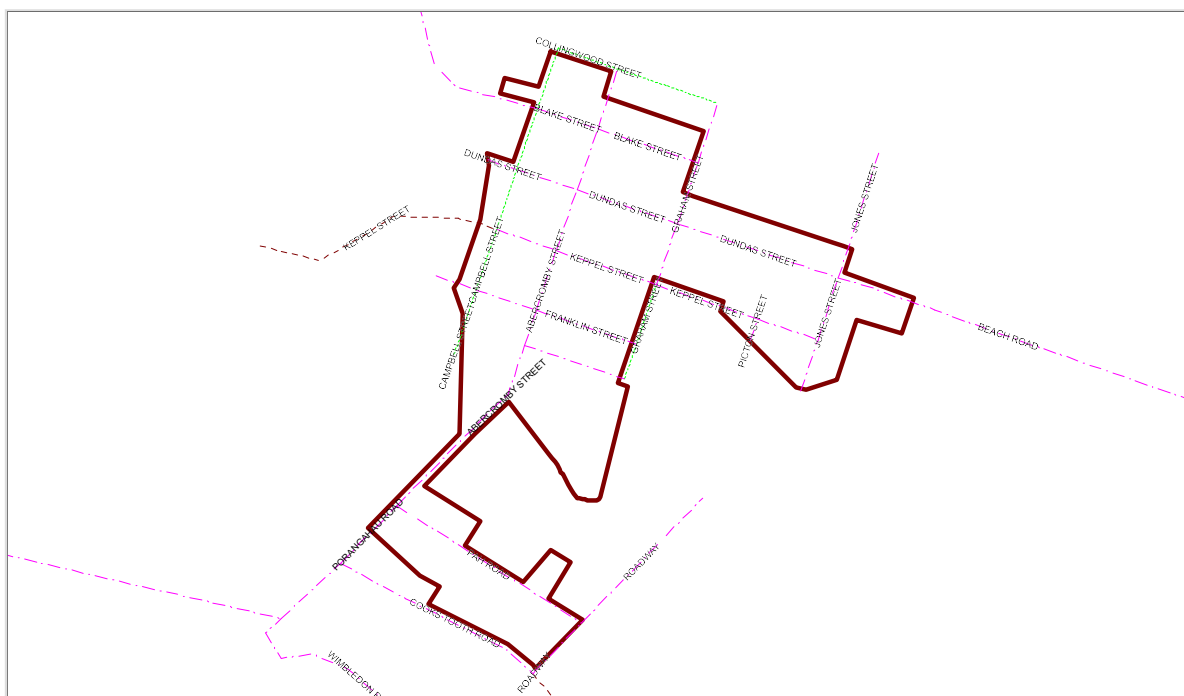


The map displays the City of Sydney Council area, bounded by a thick red line. Major roads shown include State Highway 2 (dashed red line) running along the top and left edges. Sydney Street (dashed magenta line) runs diagonally from the top left towards the bottom right. Other streets shown include Consett Street, Charles Street, Charlotte Street, Sydney Street, Lake Street, Mary Street, St. Clair Street, and Sydney Terrace. The map also shows the Stock Road and Essens Road. The map is oriented with North at the top.

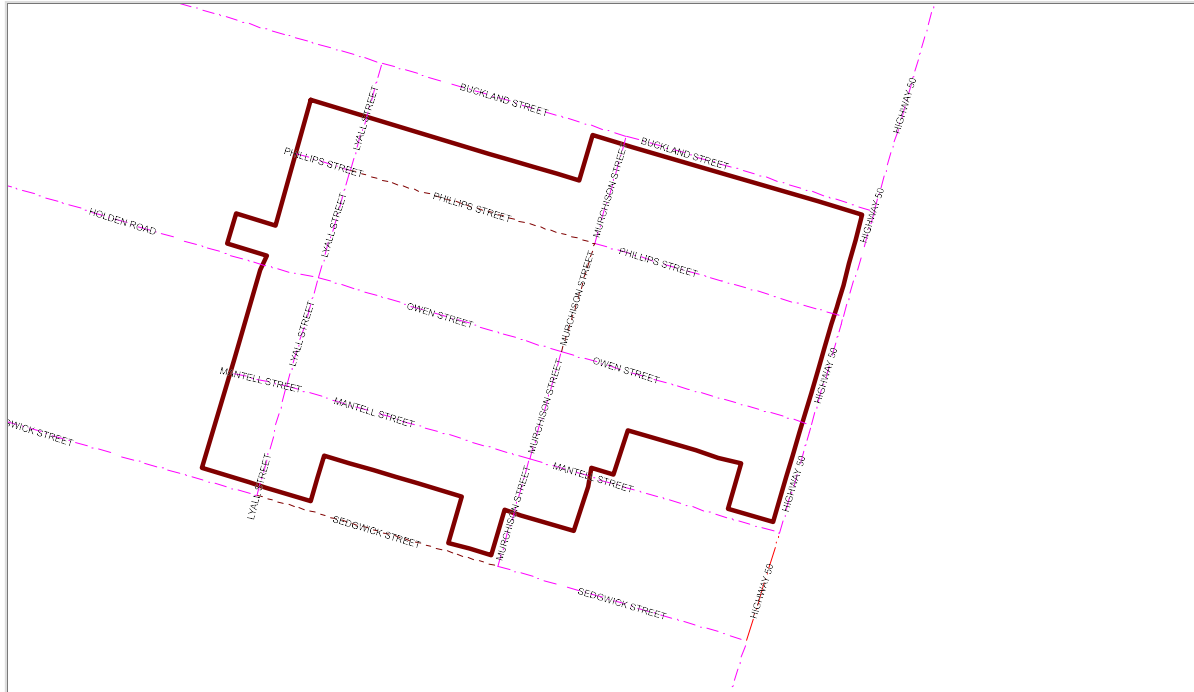
TE PAERAHI REFUSE COLLECTION ZONE



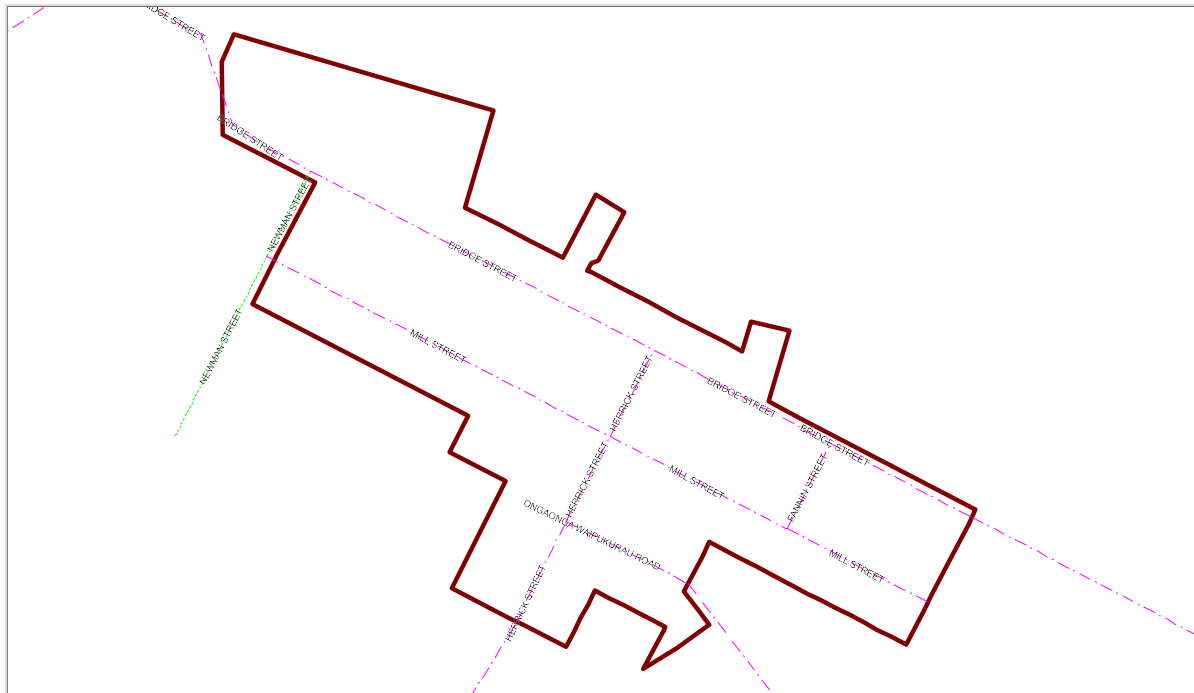
PORANGAHAU REFUSE COLLECTION ZONE



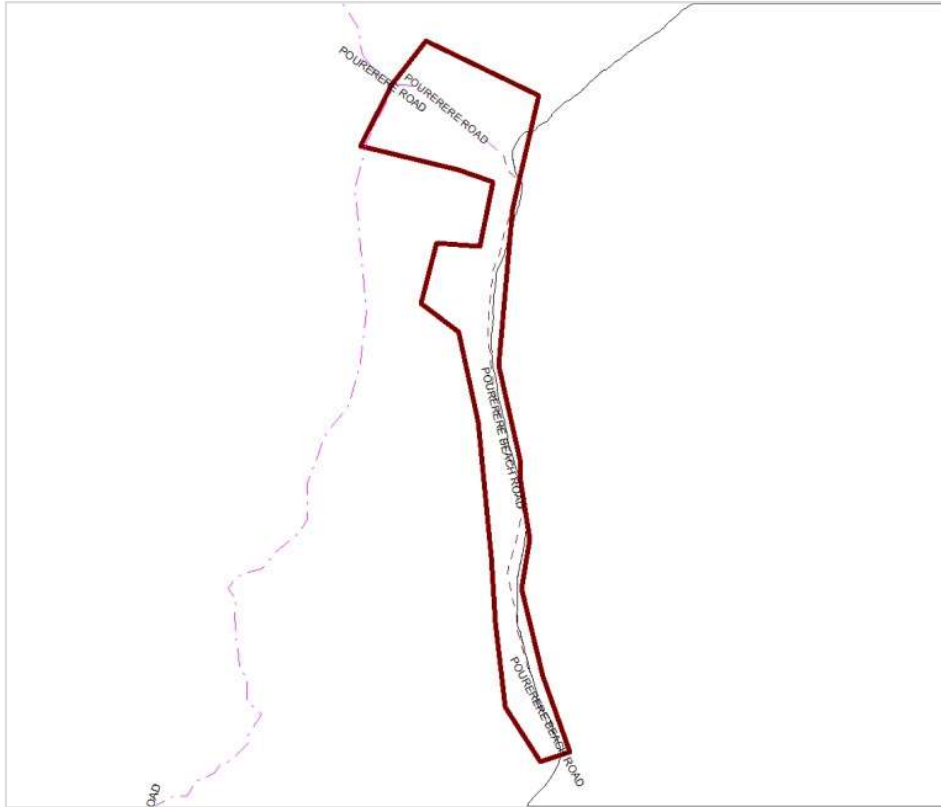
TIKOKINO REFUSE COLLECTION ZONE



ONGA ONGA REFUSE COLLECTION ZONE



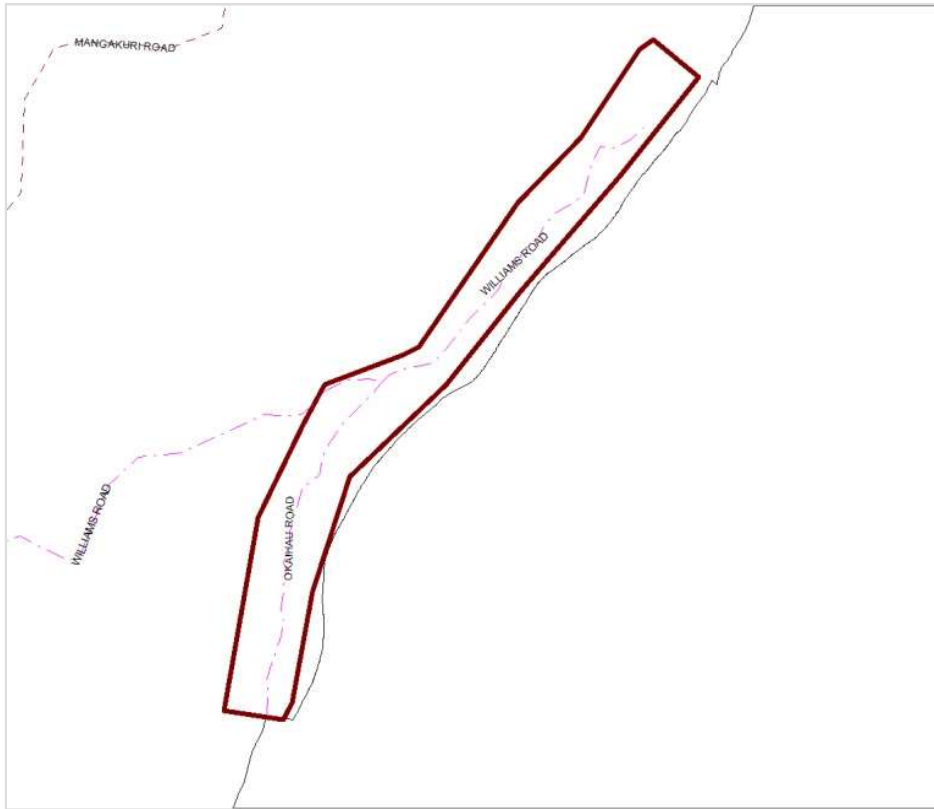
POURERERE BEACH REFUSE COLLECTION ZONE



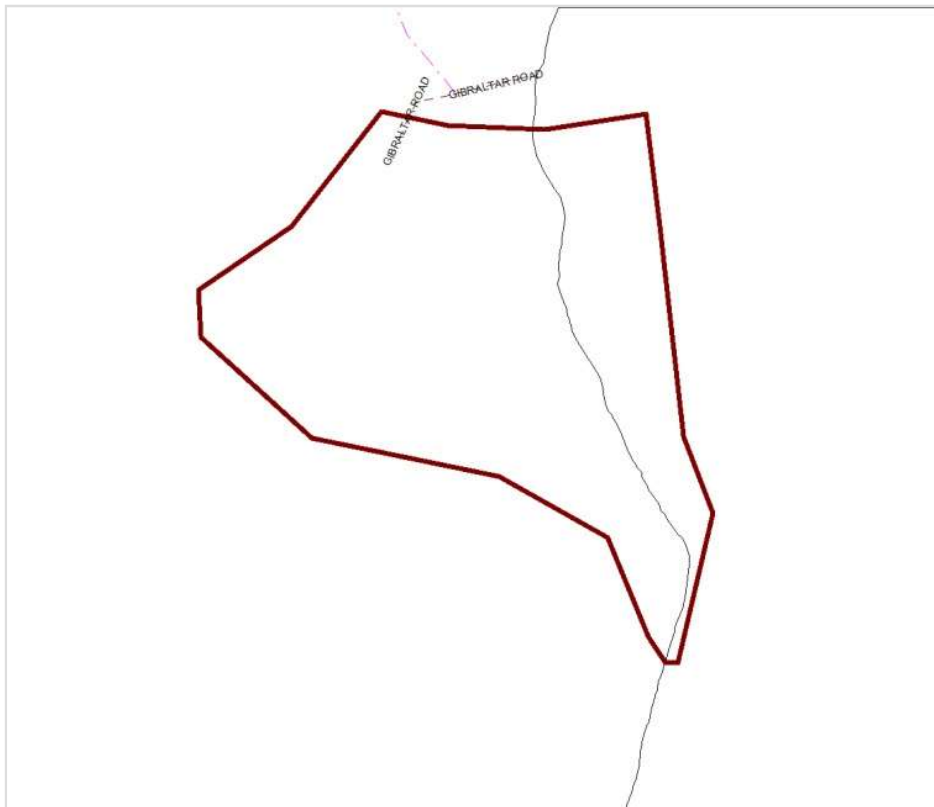
KAIRAKAU BEACH REFUSE COLLECTION ZONE



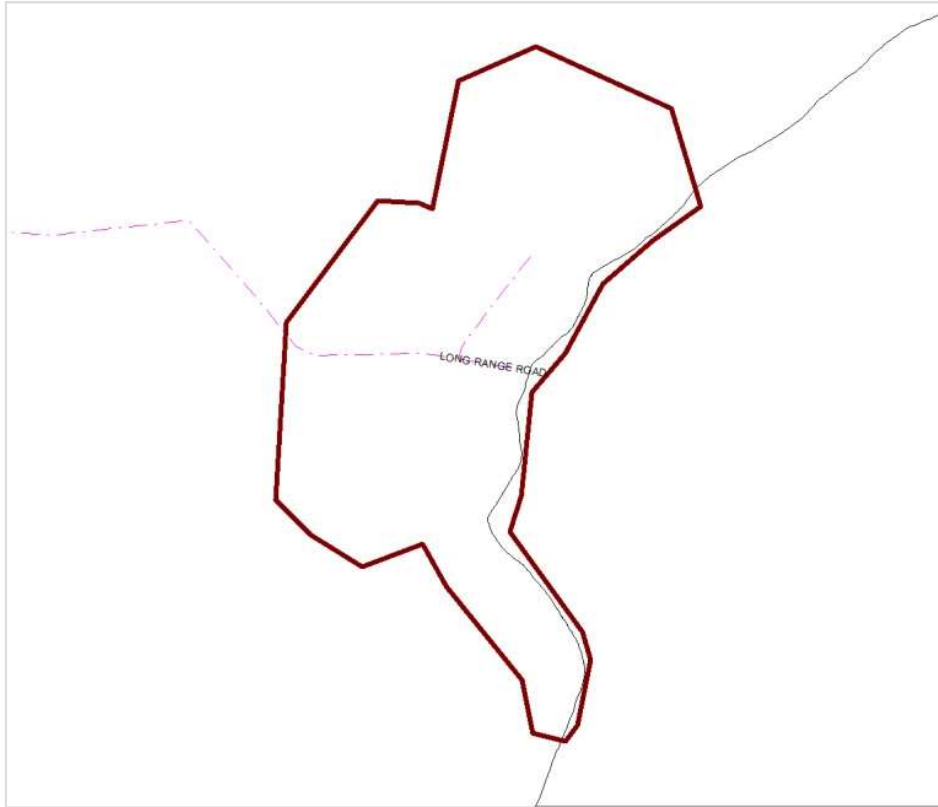
MANGAKURI BEACH REFUSE COLLECTION ZONE



ARAMOANA BEACH REFUSE COLLECTION ZONE



BLACKHEAD BEACH REFUSE COLLECTION ZONE



11. Te Aute Drainage Rate

Te Aute Drainage rates are set on all rateable area of rateable property within the designated area subject to a graduated scale for the purpose of funding the operations, loan charges and the repayment of loans for the Te Aute Drainage Scheme area.

The amount required and the classification is set by the Te Aute Drainage Committee.

Each hectare of land in each property is classified according to the susceptibility of that hectare to flooding as follows:

A (100 points), B (80 points), C (15 points), F (3 points), and G (0 points).

The total number of points is 73614. The total amount of funding required each year determines how much each of these points are worth. In this way, the total amount required is apportioned on a pro rata basis using the weightings on each hectare.

- The total amount of funding required for 2018/19 is \$16,767.
- The amount per point is 22.77692 cents including GST.

The Te Aute drainage scheme area is defined by reference to the classification list establishing the graduated scale.

Valuation Number	Hectares in each classification				Total Points	Amount
	A (100pts)	B (80pts)	C (15pts)	F (3pts)		
1092000300	0	11.3	8.15	31.63	1,121	\$255.33
1092000800	0	32.83	74.69	23.42	3,817	\$869.39
1092001001	77.96	39.78	50.27	51.27	11,886	\$2,707.26
1092001100	78.22	0	15.28	39.73	8,171	\$1,861.03
1092001107	0	0	10.00	61.44	334	\$76.15
1092001400	0	0	0	14.16	42	\$9.57
1092001600	0	0	0	10.12	30	\$6.83
1092001700	38.74	51.06	36.24	45.12	8,638	\$1,967.47
1092002100	188.81	0	0	23.93	18,953	\$4,316.91
1092002300	125.04	9.34	21.59	29.25	13,663	\$3,111.96
1092002900	0	0	0	0.81	2	\$0.46
1092003400	0	0	8.02	6.6	140	\$31.89
1092005800	0	18.63	0	4.93	1,505	\$342.79
1092006100	0	65.81	0	15.84	5,312	\$1,209.91
Total	508.77	228.75	224.24	358.25	73,614	\$16,767.00

Approach to Rating

Rates are set and assessed under the Local Government (Rating) Act 2002 on all rateable rating units on the value of the land and improvements as supplied by Quotable Value New Zealand Limited. The last revaluation was carried out effective from 1 July 2016.

The objectives of the council's rating policy is to:

- (a) Spread the incidence of rates as fairly as possible
- (b) Be consistent in charging rates
- (c) Ensure all ratepayers pay their fair share for council services
- (d) Provide the income needed to meet the council's goals.

The Central Hawke's Bay District Council rating system provides for all user charges and other income to be taken into account first, with the rates providing the balance needed to meet the council's objectives.

Rating Base

The rating base will be the database determined by the contracted rating service provider. Because this database is constantly changing due to change of ownership, subdivision, regular revaluations, change of status from rateable to non-rateable (and reverse), the rating base is not described in detail in this policy.

Rating Information Database and Rates Records

Council's rating information database and rates records are available for public inspection at the Council offices in Waipukurau and Waipawa during normal office hours –

- Waipukurau (hours Monday – Friday 9am to 5.00pm)
- Waipawa (hours Monday – Friday 8am to 5.00pm)

Due Dates for Rate Payments

Pursuant to Section 24 of the Local Government (Rating) Act 2002 the following dates are proposed to apply for assessing the amount of each instalment of rates excluding metered water rates for the year 1 July 2018 to 30 June 2019. Each instalment will be assessed in four equal amounts, rounded.

INSTALMENT NUMBER	INSTALMENT START DATE	LAST DAY OF PAYMENT WITHOUT ADDITIONAL CHARGE	PENALTY DATE
1	1 July 2018	20 August 2018	21 August 2018
2	1 October 2018	20 November 2018	21 November 2018
3	1 January 2019	20 February 2019	21 February 2019
4	1 April 2019	20 May 2019	21 May 2019

Due Dates for Metered Water Rates

Pursuant to Section 24 of the Local Government (Rating) Act 2002 the following dates are proposed to apply for assessing the amount of metered water rates for the year 1 July 2018 to 30 June 2019. The assessment is applied to water users after the first 300 cubic metres of water without additional charge has been used as part of the Water Supply Rate.

AREA/USERS	WATER METERS READ DURING	LAST DAY OF PAYMENT
High Users	Monthly	20th month following
Waipukurau/Takapau	Sep-18	20-Oct-18
	Dec-18	20-Jan-19
	Mar-19	20-Apr-19
	Jun-19	20-Jul-19
Waipawa	Aug-18	20-Sep-18
Otane	Nov-18	20-Dec-18
Kairakau	Feb-19	20-Mar-19
Porangahau/Te Paerahi	May-19	20-Jun-19

Penalty Charges (Additional Charges on Unpaid Rates)

Pursuant to Section 58(1)(a) of the Local Government (Rating) Act 2002, an additional charge of 10% will be added on the penalty date above, to all amounts remaining unpaid for each instalment excluding metered water rates.

Pursuant to Section 58(1)(b) of the Local Government (Rating) Act, a further additional charge of 10% will be added on 1 July 2019 to the amount of rates assessed in previous financial years and remaining unpaid as at 30 June 2018 (Section 58(1)(b)) excluding metered water rates.

Payment Options

Rate payments on instalments are to be received by Council no later than 5.00pm on the last day of payment detailed above. Payment options include:

- Online through Internet Banking.
- Direct Debit.
- Automatic Payments via your bank account, or Telephone Banking.
- Cheque sent by Post.
- At Council Offices in Waipukurau (Hours Monday – Friday 9am to 5.00pm) or Waipawa (Hours Monday – Friday 8am to 5.00pm). We accept Cash, Cheque and Eftpos.
- Online by Credit Card from our website.

Lump Sum Contributions

Council will not accept lump sum contributions in respect of any targeted rate.

Rating Base Information

For all the rating units in the district, estimated for 30/06/2018

Number of Rating Units	7,423
Capital Value	4,178,238,750
Land Value	2,649,723,450

Schedule of Fees and Charges

Leadership and Governance Group

There are no applicable charges in this activity area.

Planning and Regulatory Group

Resource Management

Notes:

- Pursuant to Section 36, 36(1) and 36(3) of the Resource Management Act 1991, Council may require the person who is liable to pay one or more of the below charges, to also pay an additional charge to recover actual and reasonable costs in respect of the matter concerned.
- These set fees relate to the minimum administration charge only. The actual fee payable includes the cost of time taken to process each application, memorandum, consent, certificate or schedule and the cost of the inspections required.
- Extra charges will be applicable for development levies. These will be assessed on a case by case basis. Please contact Council for exact costs.

	EXCL GST	GST	INCL GST
Administrative Charges			
Private District Plan Change (Deposit)	\$13,043.48	\$1,956.52	\$15,000.00
Land Use and Subdivision Consents			
Notified Applications (deposit)	\$3,478.26	\$521.74	\$4,000.00
Limited Notified Applications (deposit)	\$2,173.91	\$326.09	\$2,500.00
Non Notified Applications (deposit)	\$782.61	\$117.39	\$900.00
Relocation Consent (deposit)	\$782.61	\$117.39	\$900.00
Boundary Dispensation (Written Approval)	\$130.43	\$19.57	\$150.00
Boundary Dispensation (No Written Approval)	\$782.61	\$117.39	\$900.00
Land Use Consents (deposit)	\$1,043.48	\$156.52	\$1,200.00
Subdivision Consents 1-8 Lots (deposit)	\$1,043.48	\$156.52	\$1,200.00
Subdivision Consents more than 8 Lots (deposit)	\$2,086.96	\$313.04	\$2,400.00
Deamalgamation (s226)	\$130.43	\$19.57	\$150.00
ROW application (S348 LGA)	\$521.74	\$78.26	\$600.00
Variation of Conditions of Consents	\$521.74	\$78.26	\$600.00
Designations and heritage orders (New and alterations) (deposit)	\$695.65	\$104.35	\$800.00
Certificate of Compliance (section 139 Resource Management Act 1991)	\$434.79	\$65.21	\$500.00
Subdivision Compliance Fee (section 223 and/or 224 Resource Management Act 1991	\$260.87	\$39.13	\$300.00
Subdivision Compliance Fee (section 223 and/or 224 Resource Management Act 1991 – more than 10 lots	\$1,304.35	\$195.65	\$1,500.00
Consent Notices and miscellaneous subdivision documents	\$95.66	\$14.34	\$110.00
Bond Administration Fee	\$104.35	\$15.65	\$120.00
Administration, monitoring and supervision of consents	Actual and reasonable costs		
Supply of documents	Photocopying costs		
District Plan (including Planning Maps) Hardcopy	\$173.91	\$26.09	\$200.00
District Plan (including Planning Maps) CD ROM	\$43.48	\$6.52	\$50.00
Engineering Plan Approval	Actual and reasonable costs		
Sec 224 12 Month Maintenance Bond for subdivision works equal to 5% of the cost of the construction works.			
Inspection Fee – Zone 1	\$173.91	\$26.09	\$200.00
Inspection Fee – Zone 2	\$182.61	\$27.39	\$210.00
Inspection Fee – Zone 3	\$200.00	\$30.00	\$230.00
Inspection Fee – Zone 4	\$226.09	\$33.91	\$260.00
Inspection Fee – Outside Zone 4	\$260.87	\$39.13	\$300.00
Hourly charge out rate	\$130.43	\$19.57	\$150.00
Travel Costs (per km)	\$0.87	\$0.13	\$1.00
Sale of Liquor Certificate (RMA)	\$65.22	\$9.78	\$75.00
Objection of RMA decisions (Section 357)	\$869.57	\$130.43	\$1000.00

Noise Complaints

Note:

- Pursuant to Section 36(1) and 36(3) of the Resource Management Act 1991, Council may require the person who is liable to pay one or more of the below charges, to also pay an additional charge to recover actual and reasonable costs in respect of the matter concerned.

	EXCL GST	GST	INCL GST
Seizure charge for noise emission equipment	\$173.92	\$26.08	\$200.00
Repeat Noise Complaints	\$173.92	\$26.08	\$200.00
Call Out Fee	\$130.44	\$19.56	\$150.00
Abatement Notice Fee	\$52.18	\$7.82	\$60.00

Building Consents

Notes:

- Building consent deposit payable on application.
- The actual fee payable includes the cost of time taken to process each application, project information memorandum, building consent or compliance schedule and the cost of the inspections required.
- Extra charges will be applicable for development levies. These will be assessed on a case by case basis. Please contact Council for exact costs.
- Deposits are based on adequate documentation being provided to Council at the time of application and a set number of inspections. Further charges will be incurred should further work be required during processing and issuing consent or should extra inspections be required.
- It is anticipated that the scheduled deposit will cover some of Council's actual and reasonable expenses. Where additional costs are incurred, the applicant will be charged accordingly. Where, upon issue of a Code of Compliance Certificate, the deposit is found to exceed the actual and reasonable cost, a refund will be made.
- Building Research Association and Department of Building and Housing levies are additional to the above at the Rates specified from time to time by the Association.
- Pursuant to Building Research Association Legislation, materials, labour and plant costs must be included in the total value of building work for the calculation of levies.
- An additional charge for the Property Information Memoranda will be made when requested prior to a Building Consent Application being filed, and when the project is more than minor works.
- The accreditation fee is to cover continuing Central Government accreditation costs relating to the Building Act 2004.
- Council intend to introduce a mileage recovery component to the inspection fee.

	EXCL GST	GST	INCL GST
Consent Fees			
Solid Fuel Burner: Free Standing (including accreditation fee) (deposit) plus travel fees	\$226.09	\$33.91	\$260.00
Solid Fuel Burner: In Built (including accreditation fee) (deposit) plus travel fees	\$308.70	\$46.30	\$355.00
Marquee Consent / Inspection Fee	\$313.04	\$46.96	\$360.00
Minor plumbing and drainage works including new connections, replacement septic tanks and effluent fields, demolition work and swimming pool fences (deposit)	\$330.43	\$49.57	\$380.00
Dwellings, commercial/industrial buildings and building alterations, repiling and in ground pools (deposit)	\$1,739.13	\$260.87	\$2,000.00
Pole Barn / Garage / Carport / Conservatory under \$20,000 (deposit)	\$678.26	\$101.74	\$780.00
Minor building work (deposit)	\$330.43	\$49.57	\$380.00
Semi-Permanent Awnings	\$130.43	\$19.57	\$150.00
Amendment to building consent (deposit)	\$434.78	\$65.22	\$500.00
Variation processing under s45 BA04 as minor – hourly rate	\$139.13	\$20.87	\$160.00
Hourly Processing Fee	\$139.13	\$20.87	\$160.00

	EXCL GST	GST	INCL GST
Administrative Charges			
Administration Fee – under \$20,000	\$234.78	\$35.22	\$270.00
Administration Fee – over \$20,000	\$434.78	\$65.22	\$500.00
Administration Fee – over \$100,000 and commercial buildings	\$608.70	\$91.30	\$700.00
Compliance Schedules (BWOF) hourly rate	\$139.13	\$20.87	\$160.00
Amendments to Compliance Schedules hourly rate	\$139.13	\$20.87	\$160.00
Compliance Schedules charge per specified system	\$8.70	\$1.30	\$10.00
Issue of Compliance Schedule	\$234.78	\$35.22	\$270.00
Building Warrant of Fitness Administration Fee	\$130.43	\$19.57	\$150.00
Building Warrant of Fitness Audit Fee (hourly rate additional)	\$139.13	\$20.87	\$160.00
Building Warrant of Fitness Audit Fee Hourly Rate	\$139.13	\$20.87	\$160.00
BRANZ and MBIE Levy	Actual cost		
Inspection Fee – Zone 1	\$173.91	\$26.09	\$200.00
Inspection Fee – Zone 2	\$182.61	\$27.39	\$210.00
Inspection Fee – Zone 3	\$200.00	\$30.00	\$230.00
Inspection Fee – Zone 4	\$226.09	\$33.91	\$260.00
Inspection Fee – Outside Zone 4	\$260.87	\$39.13	\$300.00
Re-Inspection Fee	As per Zone Fee		
Central Government Accreditation Recovery Fee – under \$20,000	\$30.43	\$4.57	\$35.00
Central Government Accreditation Recovery Fee – under \$100,000	\$60.87	\$9.13	\$70.00
Central Government Accreditation Recovery Fee – over \$100,000	\$108.70	\$16.30	\$125.00
Central Government Accreditation Recovery Fee – Commercial	\$160.87	\$24.13	\$185.00
Section 72 administration (Building subject to natural hazards)	\$173.92	\$26.08	\$200.00
Section 75 administration and Certification (Building across 2 or more allotments)	\$173.92	\$26.08	\$200.00
Hourly Charge Out Rate	\$139.13	\$20.87	\$160.00
Travel Costs (per km)	\$0.87	\$0.13	\$1.00
Peer review of engineering reports	Actual Cost		
Property File Request	\$30.43	\$4.57	\$35.00

GIS Map Information

	EXCL GST	GST	INCL GST
Every Day Map Requests (No Photograph) – Note – A request that involves less than 15 minutes to produce			
A4	\$8.70	\$1.30	\$10.00
A3	\$12.18	\$1.82	\$14.00
A2	\$21.74	\$3.26	\$25.00
A1	\$26.09	\$3.91	\$30.00
Every Day Map Requests (With Photograph) – Note – A request that involves less than 15 minutes to produce			
A4	\$17.39	\$2.61	\$20.00
A3	\$24.35	\$3.65	\$28.00
A2	\$43.48	\$6.52	\$50.00
A1	\$52.18	\$7.82	\$60.00
Special Map Request Charges			

GIS Map Information

	EXCL GST	GST	INCL GST
Note: • Specialised maps are those which require new layers to be added, minor analysis work and/or specialised printing techniques. In addition to the printing charges outlined above there is a charge based on actual time taken plus any disbursements.			
Hourly charge out rate	\$139.13	\$20.87	\$160.00
Minimum charge for specialist maps	\$65.22	\$9.78	\$75.00

Information Memoranda

	EXCL GST	GST	INCL GST
Property Information Memoranda	\$304.35	\$45.65	\$350.00
Land Information Memoranda – ten (10) working days (Residential Property)	\$260.87	\$39.13	\$300.00
Urgent Land Information Memoranda – two (2) working days (Residential Property)	\$521.74	\$78.26	\$600.00
Land Information Memoranda (Commercial)	\$521.74	\$78.26	\$600.00
Certificate of Title	\$26.09	\$3.91	\$30.00
Hourly charge out rate	\$139.13	\$20.87	\$160.00

Miscellaneous Consents

	EXCL GST	GST	INCL GST
Certificate of Public Use	\$304.35	\$45.65	\$350.00
	Plus actual and reasonable costs		
Certificate of Acceptance	\$434.78	\$65.22	\$500.00
	Plus actual and reasonable costs		
Applications for Change of use of a building	\$434.78	\$65.22	\$500.00
	Plus actual and reasonable costs		
Inspections for which no other fee has been paid (mileage will be charged for inspections outside the district) – eg effluent system subdivision inspections	\$260.87	\$39.13	\$300.00
Non Consent Compliance Schedules / Warrant of Fitness check (per specified system) hourly rate	\$139.13	\$20.87	\$160.00
Hourly charge out rate	\$139.13	\$20.87	\$160.00

Swimming Pool Fences

	EXCL GST	GST	INCL GST
Compliance Inspection for existing fence (deposit)	\$173.92	\$26.08	\$200.00

Registration of Premises

	EXCL GST	GST	INCL GST
Annual Registration of Premises			
Food premises / Food control plans	\$330.43	\$49.57	\$380.00
Verification Fee- hourly rate	\$130.44	\$19.56	\$150.00
Prepacked food only/low risk	\$173.92	\$26.08	\$200.00
Re-inspection for failure to comply / failure of CAR hourly rate	\$130.44	\$19.56	\$150.00
Offensive Trades: Operating under Schedule 3 of Health Act 1956	\$173.92	\$26.08	\$200.00
Hairdressers Registration	\$134.79	\$20.21	\$155.00
Camping Grounds	\$200.00	\$30.00	\$230.00
A discount of \$30 (inclusive GST) shall apply for any camping ground serviced with reticulated water and/or sewerage services. (i.e. \$30 (inclusive GST) discount for each service connected).	-\$26.09	-\$3.91	-\$30.00
Funeral Directors	\$173.92	\$26.08	\$200.00
Transfer of Registration	\$86.96	\$13.04	\$100.00
Registration of event on public / open space (Small) Food / Alcohol	\$65.22	\$9.78	\$75.00
Registration of event on public / open space (Medium / Large) Food / Alcohol	\$130.43	\$19.57	\$150.00
Market (Annual)	\$86.96	\$13.04	\$100.00
Street tables and chairs	\$173.92	\$26.08	\$200.00
Food Control Plan and National Programme Registration	\$173.92	\$26.08	\$200.00
Food Control Plan and National Programme Renewal	\$86.96	\$13.04	\$100.00
Verification Charge Food Control Plans hourly rate	\$130.43	\$19.57	\$150.00
Inspection/Investigation Fee (Non-compliance)	\$130.43	\$19.57	\$150.00

Liquor

Note:

- Fees set by Regulation under Sale and Supply of Alcohol Act 2012

	EXCL GST	GST	INCL GST
Application Fees			
Very low risk application	\$320.00	\$48.00	\$368.00
Low risk application	\$530.00	\$79.50	\$609.50
Medium risk application	\$710.00	\$106.50	\$816.50
High risk application	\$890.00	\$133.50	\$1,023.50
Very high risk application	\$1,050.00	\$157.50	\$1,207.50
Annual Fees			
Very low risk application	\$140.00	\$21.00	\$161.00
Low risk application	\$340.00	\$51.00	\$391.00
Medium risk application	\$550.00	\$82.50	\$632.50
High risk application	\$900.00	\$135.00	\$1,035.00
Very high risk application	\$1,250.00	\$187.50	\$1,437.50
Special Licence Applications			
Class 1 – 1 large event, more than 3 medium events or more than 12 small events	\$500.00	\$75.00	\$575.00
Class 2 – 1 to 3 medium events or 3 to 12 small events	\$180.00	\$27.00	\$207.00
Class 3 – 1 to 2 small events	\$55.44	\$8.31	\$63.75
Other Applications			
Managers Certificate Application	\$275.00	\$41.25	\$316.25
Temporary Authority / Temporary Licence	\$258.00	\$38.70	\$296.70
Permanent Club Charters annual fee	\$550.00	\$82.50	\$632.50
Extract from registrar	\$50.00	\$7.50	\$57.50
Sale of Liquor Certificate (Building)	\$65.22	\$9.78	\$75.00
Sale of Liquor Certificate (Planning)	\$65.22	\$9.78	\$75.00
District Licensing Committee Costs	At actual costs		

Hawkers, Pedlars, Itinerant Traders, Markets and Street Stalls

	EXCL GST	GST	INCL GST
Trading Licence (Public Places)			
Application and Licence Fee per annum – seasonal	\$434.78	\$65.22	\$500.00
Itinerant Trader	\$43.48	\$6.52	\$50.00
Markets – Event Organisers – seasonal	\$65.22	\$9.78	\$75.00
Markets – Food Stall Holder – seasonal	\$21.74	\$3.26	\$25.00
Raffle Days, Street Collections – Non Commercial	No permit fee is required		

Vehicle Stands

	EXCL GST	GST	INCL GST
Licences For Vehicle Stands On Streets (Omnibus and Taxicabs)			
Application	\$173.92	\$26.08	\$200.00
Annual Rental	\$100.00	\$15.00	\$115.00

Advertising Signs

	EXCL GST	GST	INCL GST
Hoardings and Signs			
Application and Permit	As for building consents		
Annual Licence Fees (per m ² or part thereof per month)	\$1.74	\$0.26	\$2.00

Amusement Devices and Shooting Galleries

Note:

- The Permit Fee for Amusement Devices is in addition to any Ground Rental etc that may be required.

	EXCL GST	GST	INCL GST
Amusement Devices Permit Fees			
For one device, for the first 7 days of proposed operation or part thereof	\$8.70	\$1.30	\$10.00
For each additional device operated by the same owner, for the first 7 days or part thereof	\$1.74	\$0.26	\$2.00
For each device for each further period of 7 days or part thereof	\$0.87	\$0.13	\$1.00
Annual Fixed Amusement Facility	\$86.96	\$13.04	\$100.00

Class 4 Gaming Licensing

Note:

- Pursuant to the Gambling Act 2003.

	EXCL GST	GST	INCL GST
Application Fee	\$186.96	\$28.04	\$215.00
License Inspection Fee	\$130.44	\$19.56	\$150.00

Skateboard and Bicycle Confiscation

	EXCL GST	GST	INCL GST
Return of confiscated skateboards and bicycles	\$43.48	\$6.52	\$50.00

Animal Control

Early Payment Discount: A discount of **\$10.00** is only available for those registrations paid prior to 1st July each year.

Note:

- Proportionate fees apply for Dog Registration from 1st August for all dogs legally required to be registered from that date and pups that turn 3 months of age after that date.

	EXCL GST	GST	INCL GST
Dog Registration			
Town Dogs	\$82.61	\$12.39	\$95.00
Responsible Dog Owner	\$47.83	\$7.17	\$55.00
Rural Dogs	\$40.87	\$6.13	\$47.00
Responsible Dog Owner Property Inspection	\$43.48	\$6.52	\$50.00
Pensioner / Gold Card Dog Owner	\$32.17	\$4.83	\$37.00
Dangerous Dog	\$434.78	\$65.22	\$500.00
Penalty for payment received after 1 August	\$17.39	\$2.61	\$20.00
Dog Impounding			
First impounding	\$43.48	\$6.52	\$50.00
Second impounding	\$56.52	\$8.48	\$65.00
Third impounding	\$108.70	\$16.30	\$125.00
Daily charge	\$13.91	\$2.09	\$16.00
After hours opening fee	\$43.48	\$6.52	\$50.00
Other charges			
Microchipping	\$26.09	\$3.91	\$30.00
Replacement tags	\$4.35	\$0.65	\$5.00
Collars – Large	\$8.70	\$1.30	\$10.00
Collars – Small	\$6.96	\$1.04	\$8.00
Walk-eez lead with poop bag	\$8.70	\$1.30	\$10.00
Ranging Charges			
Note:			
Pursuant to the Impounding Act 1955.			
Staff attendance at incidents of stock on roads including State Highways (per hour)	\$173.91	\$26.09	\$200.00
Travel Costs (per km)	\$0.87	\$0.13	\$1.00
Minimum charge	\$86.96	\$13.04	\$100.00

Impounding fees for stock (excluding dogs)

Note:

- Trespass rates shall be additional and as described in the Regulations to the Impounding Amendment Act 1980.

	EXCL GST	GST	INCL GST
Impounding for every animal per day	\$13.04	\$1.96	\$15.00
Sustenance for every animal per day	\$13.04	\$1.96	\$15.00
Notice to owner by post or delivery	\$13.04	\$1.96	\$15.00
Notice to owner by advertisement[s]		At cost	
Transport to Pound [By transport operators or other]		At cost	
Transport to Pound [By Council]		At cost	
Transport to Pound [By driving]		At cost	
Minimum charge for any impounding	\$130.43	\$19.57	\$150.00
Minimum Charge for second and subsequent impounding of stock from same owner -additional fee.	\$173.91	\$26.09	\$200.00

Emergency Management

	EXCL GST	GST	INCL GST
Attendance at bylaw breaches	\$173.92	\$26.08	\$200.00

Land Transport Group

Vehicle Crossings

Notes:

- Vehicle crossings must be installed by a contractor approved by the Council. Council must approve the design and location of crossing prior to installation. Full cost must be paid by the applicant.
- The applicant shall supply to the Council an estimate of the cost of the vehicle crossing along with a bond of 150% of the estimate prior to approval to construct being granted by the Council. The estimate must be not more than 30 days old and must be provided by a Contractor acceptable to Council.
- Bond is refundable.
- The vehicle crossing must be constructed within 12 months of being granted the approval to proceed or the Council will construct the crossing using the bond.
- Extra charges will be applicable for development levies. These will be assessed on a case by case basis. Please contact Council for exact costs.

	EXCL GST	GST	INCL GST
Administration Fee payable at time of Vehicle Crossing application	\$169.85	\$25.48	\$195.33
Bond Administration Fee	\$48.34	\$7.25	\$55.59

Plans and Consents

	EXCL GST	GST	INCL GST
Generic Traffic Management Plan (annual fee)	\$1,330.43	\$199.57	\$1,530.00
Individual Traffic Management Plan	\$51.00	\$7.65	\$58.65
Corridor Access Request	\$108.21	\$16.23	\$124.44
Generic Overweight Permit	\$169.85	\$25.48	\$195.33
Individual Overweight Permit	\$108.21	\$16.23	\$124.44

Temporary Road Closure

	EXCL GST	GST	INCL GST
Application	\$339.70	\$50.96	\$390.66
Road Inspection Staff (per inspection)	\$221.74	\$33.26	\$255.00
Travel Costs (per km)	\$0.89	\$0.13	\$1.02

Road Stopping

	EXCL GST	GST	INCL GST
Application	\$1,543.30	\$231.50	\$1,774.80

Livestock Crossing Permit

	EXCL GST	GST	INCL GST
Application	\$168.52	\$25.28	\$193.80

Licence to Occupy – Road Reserve

Note:

- Pursuant to section 150 of the Local Government Act 2002.

	EXCL GST	GST	INCL GST
Application Fee			No Charge
Annual Licence Fee (up to one acre (4000m ²))			No Charge
Annual Licence Fee (larger than one acre (4000m ²))			No Charge

Solid Waste Group

Notes:

The following conditions apply to all trade refuse users of the landfill and transfer stations:

- The disposal of Special wastes (as defined in the landfill management plan) at the landfill requires the Waste Generator to complete the 'Special Waste Questionnaire' and 'Waste Profile Declaration'. Special waste will be only accepted after Council's approval of the application.
- Hazardous waste, Prohibitive waste and Trade waste (as defined in Council's Solid Waste Bylaw) will not be accepted at Council facilities.
- Council will invoice commercial users at appropriate intervals. The assessment of volumes of refuse for charging will be based on the volume of refuse in the vehicle, not the compacted volume in the landfill. Council's assessment of volumes will be final.
- Unless agreed with Council NO truckloads of trade refuse or loads of clean fill greater than 0.2m³ will be accepted at the transfer stations. Such loads may be accepted at the landfill and will be charged for separately at the landfill charge.
- Unless agreed with Council or the landfill operator no after hour access is allowed to the landfill or transfer stations. No keys to the landfill or transfer stations will be issued.
- Special/Difficult Refuse is waste that is bulky, lightweight or requiring immediate burying due to containing offensive odour, or is easily windblown, attractive to vermin, has health implications, contains asbestos, or as required by the Council or landfill operator.

* based on \$10/tonne Waste Levy contribution (excluding GST) and \$12.20/tonne carbon credits (GST exempt).

Refuse and Greenwaste

	EXCL GST	WASTE MIN LEVY	GST	CARBON CREDITS	INCL GST
Landfill (minimum charge of \$60.00)					
Standard Refuse (per tonne)	\$117.00	\$10.00*	\$19.05	\$12.20*	\$158.25
Special/Difficult Refuse (per tonne)	Actual Costs of disposal (Min standard refuse rate charge)				
Landfill Keg Tag Bond	\$17.39	N/A	\$2.61	N/A	\$20.00
Landfill Admin Fee for Manual Dockets	\$43.48	N/A	\$6.52	N/A	\$50.00

Transfer Station – Refuse

	EXCL GST	WASTE MIN LEVY	GST	INCL GST
Car	\$10.66	\$0.65*	\$1.69	\$13.00
Van or ute with a contained load being either a Wheelie bin/drum/small wool sack/up to 2 bags	\$10.66	\$0.65*	\$1.69	\$13.00
Utilities and Vans	\$20.16	\$1.58*	\$3.26	\$25.00
Trailers up to 2.0m long up to 1m high	\$20.16	\$1.58*	\$3.26	\$25.00
Utilities and Trailers up to 2.0m loaded above 1m high (per 0.5m)	\$10.66	\$0.65*	\$1.69	\$13.00
Trailers up to 2.6m long up to 1m high	\$29.90	\$2.27*	\$4.83	\$37.00
Trailers up to 2.6m loaded above 1m high (per 0.5m)	\$20.16	\$1.58*	\$3.26	\$25.00
Trailers larger than above	Per cubic metre rate			
Flat Deck Truck	Landfill or measured m³ rate			
Other Truck	Landfill or a pre agreed m³ rate			
Per cubic metre (compacted)	\$69.57	\$4.18*	\$10.43	\$80.00
Per cubic metre (not compacted)	\$31.31	\$2.27*	\$4.69	\$36.00
Weighed load at Transfer Station (incl. weigh fee)	\$40.00 + per tonne fee			
Vehicle and Trailer	Charged for both individually			
Mixed loads	Charged at refuse rate			
Car Bodies (not accepted)	CHBDC's scrap metal partner			

Transfer Station – Greenwaste

	EXCL GST	GST	INCL GST
Car	\$6.09	\$0.91	\$7.00
Wheelie bin/ drum/ small wool sack / up to 2 bags	\$6.09	\$0.91	\$7.00
Utilities and Vans	\$11.30	\$1.70	\$13.00
Trailers up to 2.0m long up to 1m high	\$11.30	\$1.70	\$13.00
Utilities and Trailers up to 2.0m loaded above 1m high (per 0.5m)	\$6.09	\$0.91	\$7.00
Trailers up to 2.6m long up to 1m high	\$21.74	\$3.26	\$25.00
Trailers up to 2.6m loaded above 1m high (per 0.5m)	\$11.30	\$1.70	\$13.00
Trailers larger than above	Per cubic metre rate		
Flat Deck Truck	Measured m³ rate		
Other Truck	Pre agreed m³ rate		
Per cubic metre	\$26.09	\$3.91	\$30.00
Vehicle and Trailer	Charged for both individually		
Mixed loads	Charged at refuse rate		
Tyre Disposal			
All tyres are to be charged independently and are on top of other refuse charges.			
Car	\$4.35	\$0.65	\$5.00
Motorcycle	\$2.61	\$0.39	\$3.00
4x4	\$6.09	\$0.91	\$7.00
Truck	\$8.70	\$1.30	\$10.00
Tractor	\$23.91	\$3.59	\$27.50
Tyres on rims	2 x individual tyre charge		
Tyres to landfill in bulk	Counted and charged individually		
Refuse bags/Recycling bin Charges (Recommended Retail Price)			
Refuse Bag – 35 litre	\$1.57	\$0.23	\$1.80
Refuse Bag – 60 litre	\$1.92	\$0.28	\$2.20
Recycling Bin	\$19.13	\$2.87	\$22.00
Unauthorised dumping			
Council will prosecute persons caught dumping rubbish unlawfully.			
Staff time for investigating and clearing per hour	\$108.70	\$16.30	\$125.00
Travel Costs (per km)	\$0.87	\$0.13	\$1.00
Minimum Charge	\$108.70	\$16.30	\$125.00

Water Services Group

Water Supply

Charges for Water

Notes:

- Extraordinary users may be charged by private arrangement with Council.
- Quarterly water billing will apply for metered water users.
- Extra charges will be applicable for development levies. These will be assessed on a case by case basis. Please contact Council for exact costs.

	EXCL GST	GST	INCL GST
Tankered water (taken from standpipes) per m ³	\$3.17	\$0.48	\$3.65

Note:

- For information only as this charge is a rate and is set as a rate

Water to metered properties per m ³	\$2.12	\$0.32	\$2.44
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Common Charges

Note:

- Water Connections from the Council main, to and including the toby and/or meter manifold must be installed by a contractor approved by Council for the installation of water connections, at the applicant's expense.

	EXCL GST	GST	INCL GST
Application fee	\$111.30	\$16.70	\$128.00
Inspection fee	\$111.30	\$16.70	\$128.00
Debt Recovery – hourly rate	\$111.30	\$16.70	\$128.00
Restrictor Fee	\$111.30	\$16.70	\$128.00

Plus actual costs

Installation of testable Backflow Preventer	Contractors cost
Maintenance and Annual Testing Fees	Contractors cost
Disconnections and Reconnections	Contractors cost
Reconnection following Council imposed disconnection	Contractors cost
New Connections	Contractors cost

Wastewater (Sewerage) Group

Sewerage

New Connections

Notes:

- Sewerage connections must be installed by a contractor approved by the Council for the installation of sewerage connections. Connections at the applicant's expense.
- Note: Extra charges will be applicable for development levies. These will be assessed on a case by case basis. Please contact Council for exact costs.

	EXCL GST	GST	INCL GST
Application fee	\$111.30	\$16.70	\$128.00
Inspection fee	\$111.30	\$16.70	\$128.00

Existing Connections

Note:

- Work and repair to existing connections to Council sewer main. All physical work associated with repair at applicant's expense.

Inspection fee	\$111.30	\$16.70	\$128.00
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Discharge of Trade Waste

Note:

- Charges for the discharge of Trade Waste and conditions thereof are recovered under the Central Hawke's Bay District Council Trade Waste Bylaw 2006. The following charges are provided in Schedule 1D of the Bylaw.

CATEGORY		DESCRIPTION	EXCL GST	GST	INCL GST
B Trade Waste Charges					
B1	Volume	Payment based on the volume discharged \$/m3			
		Waipukurau	\$0.21	\$0.03	\$0.24
		Waipawa	\$0.21	\$0.03	\$0.24
B3	Suspended solids	Payment based on the mass of suspended solids \$/kg			
		Waipukurau ISS	\$1.22	\$0.18	\$1.40
		VSS	\$0.15	\$0.02	\$0.17
		Waipawa ISS	\$1.57	\$0.23	\$1.80
		VSS	\$0.21	\$0.03	\$0.24
B4	Organic loading	Biochemical oxygen demand or chemical oxygen demand \$/kg.			
		Waipukurau	\$1.63	\$0.25	\$1.88
		Waipawa	\$1.03	\$0.16	\$1.19
B5	Nitrogen	Payment based on the defined form(s) of nitrogen \$/kg.			
		Waipukurau	\$2.44	\$0.37	\$2.81
		Waipawa	\$2.17	\$0.33	\$2.50
B6	Phosphorous	Payment based on the defined form(s) of phosphorous \$/kg.			
		Waipukurau	\$8.10	\$1.21	\$9.31
		Waipawa	\$6.53	\$0.98	\$7.51
Tankered Waste Charges					
Tankered Wastes (\$/m³)			\$0.0174	\$0.0026	\$0.02

Storm Water Group

Storm Water

EXCL GST	GST	INCL GST
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New Connections

Note:

- Storm water connections must be installed by a contractor approved by the Council for installation of storm water connections. Connections at the applicant's expense.

Application fee	\$111.30	\$16.70	\$128.00
Inspection fee	\$111.30	\$16.70	\$128.00

Existing Connections

Note:

- Work and repair to existing connections to Council's storm water drain, kerb and channel, or open drain. All physical work associated with repair at applicant's expense.

Inspection fee	\$111.30	\$16.70	\$128.00
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Recreation and Community Facilities Group

Parks and Reserves

Note:

- Fees for Parks and Reserves are set and collected under the FM Contract.

Pourerere Beach Freedom Camping

Note:

- For permits issued for a one week period between the 20 December and 6 February each summer. At all other times no fee applies.

	EXCL GST	GST	INCL GST
Booking Administration Fee	\$30.44	\$4.56	\$35.00

Library Charges

Notes:

- All residents of Central Hawke's Bay have free membership.
- Charges are reduced at librarian's discretion as books and magazines get older.

Rental Books

Hardback	\$0.87	\$0.13	\$1.00
Paperback	\$0.87	\$0.13	\$1.00
Trade paperback	\$0.87	\$0.13	\$1.00
Magazines	\$0.87	\$0.13	\$1.00
Library Request books from libraries with reciprocal agreement	\$6.09	\$0.91	\$7.00
Library Request books from other libraries (fee as imposed by other library)	\$6.09 – \$21.73	\$0.91 – \$3.26	\$7.00 – \$25.00
Books for Sale	Librarians discretion		
Lost books	Charged at replacement cost (purchase price minus discount (if any), plus 30% administration charge)		

Other Charges

Aotearoa People's Network Kaharoa printing – per page	\$0.17	\$0.03	\$0.20
DVDs 4+ discs/3 week issue	\$6.09	\$0.91	\$7.00

Photocopying / Printing

Note:

- There is no discount if the customer has supplied their own paper.

	EXCL GST	GST	INCL GST
A4 Single Sided per sheet	\$0.18	\$0.02	\$0.20
A4 Double Sided per sheet	\$0.35	\$0.05	\$0.40

Library Charges

A4 Colour Single Sided	\$1.31	\$0.19	\$1.50
A3 Single Sided per sheet	\$0.35	\$0.05	\$0.40
A3 Double Sided per sheet	\$0.70	\$0.10	\$0.80
A3 Colour Single Sided	\$2.61	\$0.39	\$3.00
A2 Single Sided per sheet (Council Office Only)	\$2.18	\$0.32	\$2.50
A1 Single Sided per sheet (Council Office Only)	\$4.35	\$0.65	\$5.00
A4 Scanning for first page	\$0.87	\$0.13	\$1.00
A4 Scanning for extra pages	\$0.18	\$0.02	\$0.20
A1 and A2 Scanning to USB drives only (Council Office Only)	\$8.70	\$1.30	\$10.00
Laminating			
A4 size	\$1.74	\$0.26	\$2.00
A3 size	\$3.48	\$0.52	\$4.00
Miscellaneous			
Replacement Library Cards	\$3.48	\$0.52	\$4.00
Book Covering	\$3.48	\$0.52	\$4.00
Bond for temporary membership	\$17.39	\$2.61	\$20.00
Road Code Bond	\$8.70	\$1.30	\$10.00
Fax – outwards NZ	\$1.30	\$0.20	\$1.50
Fax – outwards NZ – additional pages	\$0.43	\$0.07	\$0.50
Fax – outwards International	\$3.48	\$0.52	\$4.00
Fax – outwards international additional pages	\$0.87	\$0.13	\$1.00
Fax – inward	\$0.43	\$0.07	\$0.50

Cemeteries and Crematoria

Notes:

- R.S.A. Personnel:
No charges are made for plots or niches for R.S.A. personnel in the R.S.A. section of the Takapau, Waipukurau or Waipawa Cemeteries but interment fees as below apply.
- The sale of reserve plots is restricted to one and then only in conjunction with the burial of a member of the same family. (With each application a standard form is filled out so that an accurate record of the reserve plot is kept. A copy of this form is also forwarded to the local Funeral Director.) Those persons who have reserved plots on behalf of another person or for family members cannot reserve a further plot until the original reserved plots are used.
Pursuant to section 10 (4) of the Burial and Cremation Act 1964 the exclusive right of burial will lapse after sixty (60) years. All plots not used after 60 years will be offered for re-sale following deliberate effort to trace the purchaser or descendants thereof.
- The cost of general grounds maintenance in the cemetery including mowing plots in the lawn cemetery areas is carried out by Council and paid for in the Burial Plot Fee. However maintenance of headstones, fences, concrete-work, etc on any plot is the responsibility of the deceased's descendants and relatives.
- There are no additional charges for extra depth burial plots.
- With burials, including ashes and still born, where the grave has a concrete top additional charges are payable for concrete cutting and reinstatement.

	EXCL GST	GST	INCL GST
Burial Plot Fees			
Burial Plots – adult	\$591.30	\$88.70	\$680.00
Burial Plots – children 12 & under (caskets up to 1200mm x 600mm)		No charge	
Burial Plots (stillborn – around the base of the memorial at Waipukurau Cemetery) (caskets up to 400mm x 340mm)		No charge	
Ashes or Crematorium Berm	\$189.57	\$28.43	\$218.00
Crematorium Garden Plot	\$234.78	\$35.22	\$270.00
Crematorium Family Garden Area (8 plots)	\$1,865.22	\$279.78	\$2,145.00
Crematorium Family Garden Area (10 plots)	\$2,313.04	\$346.96	\$2,660.00
Interment Fees			
Standard – including public holidays and weekends	\$646.09	\$96.91	\$743.00
Children 12 & Under and Stillborn – including public holidays and weekends			No charge
Ashes	\$166.96	\$25.04	\$192.00
Miscellaneous Charges			
Permits for headstones	\$39.13	\$5.87	\$45.00
Permits for plaques	\$20.43	\$3.07	\$23.50
Permits for renovations			No charge
Prepare Ashes Plot	\$86.96	\$13.04	\$100.00
Disinterment and Re-interment			
Every disinterment and/or re-interment shall be at a fee set by the Council based on actual cost plus 20%.			

Council Chamber

Note:

- Non-Council organisations and club using the Council Chamber will be charged \$30.00 per hour with a minimum charge of \$60.00. This includes the use of the kitchen and crockery.

	EXCL GST	GST	INCL GST
Minimum Charge	\$52.18	\$7.82	\$60.00
Hourly Charge	\$26.09	\$3.91	\$30.00

Retirement Housing

Notes:

- Retirement housing rentals have been included in the Fees and Charges Schedule purely for review and information purposes. They do not form part of the Special Order procedures.
- New tenancies that occur during the year, may be negotiated at rentals which exceed the below.
- Rentals are reviewed annually.

		EXCL GST	GST	INCL GST
Kingston Place Waipawa or Ruahine Place Waipukurau (per week)	Single Occupancy	\$96.52	\$14.48	\$111.00
	Married Occupancy	\$105.22	\$15.78	\$121.00
With Council owned and maintained heat pump	Single Occupancy	\$108.70	\$16.30	\$125.00
	Married Occupancy	\$116.52	\$17.48	\$134.00
Wellington Road Waipukurau (per week)	Single Occupancy	\$110.43	\$16.57	\$127.00
	Married Occupancy	\$120.87	\$18.13	\$139.00
With Council owned and maintained heat pump	Single Occupancy	\$122.61	\$18.39	\$141.00
	Married Occupancy	\$132.17	\$19.83	\$152.00

Long Term Plan Disclosure Statement

Long-Term Plan Disclosure Statement for Period Commencing 1 July 2018

The purpose of this statement is to disclose the council's planned financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The council is required to include this statement in its Long Term Plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the **regulations**). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

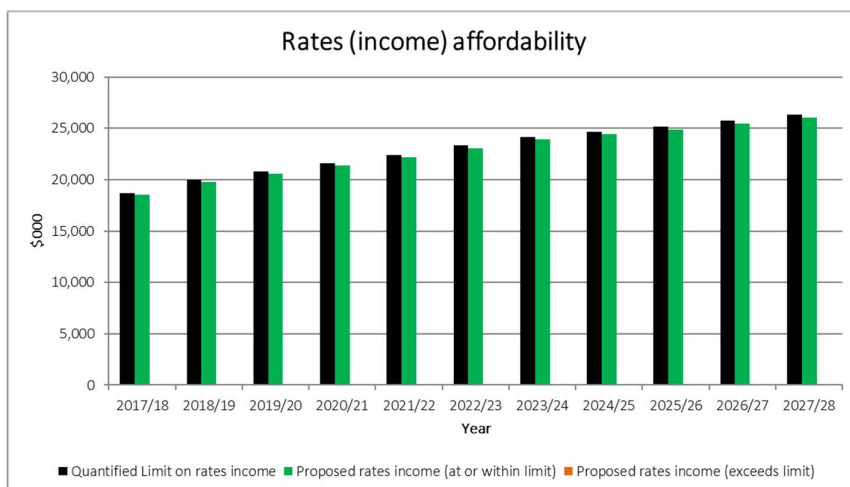
Rates Affordability Benchmark

The council meet the rates affordability benchmark if

- its planned rates income equals or is less than each quantified limit on rates; and
- its planned rates increases equal or are less than each quantified limit on rates increases.

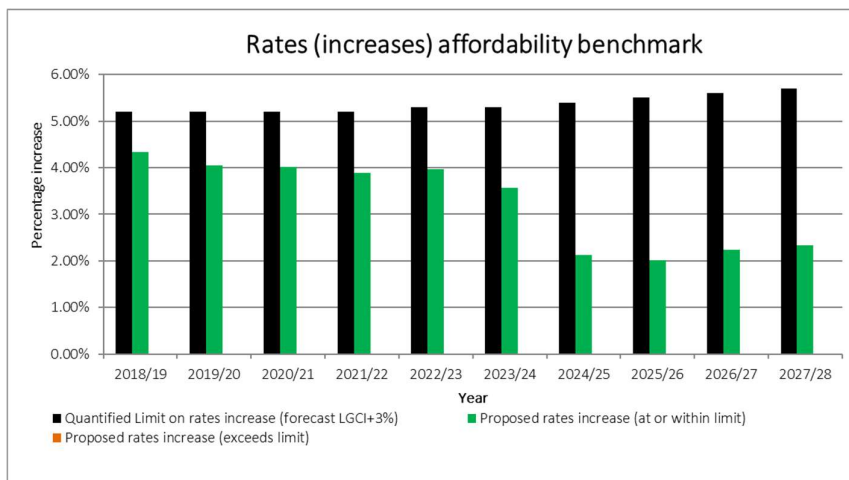
Rates (Income) Affordability

The following graph compares the council's planned rates with a quantified limit on rates contained in the financial strategy included in this long-term plan. The quantified limit is Estimated Rates + 1%



Rates (Increase) Affordability

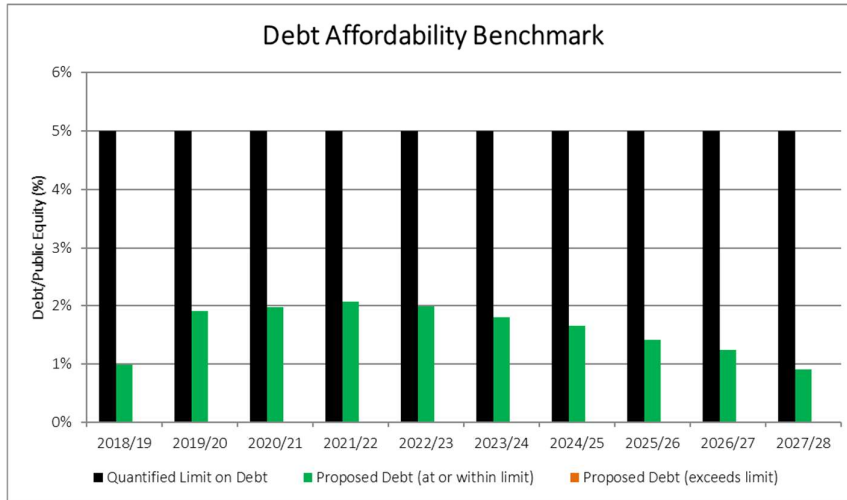
The following graph compares the council's planned rates increases with a quantified limit on rates increases contained in the financial strategy included in this long-term plan. The quantified limit is forecast LGCI + 3%.



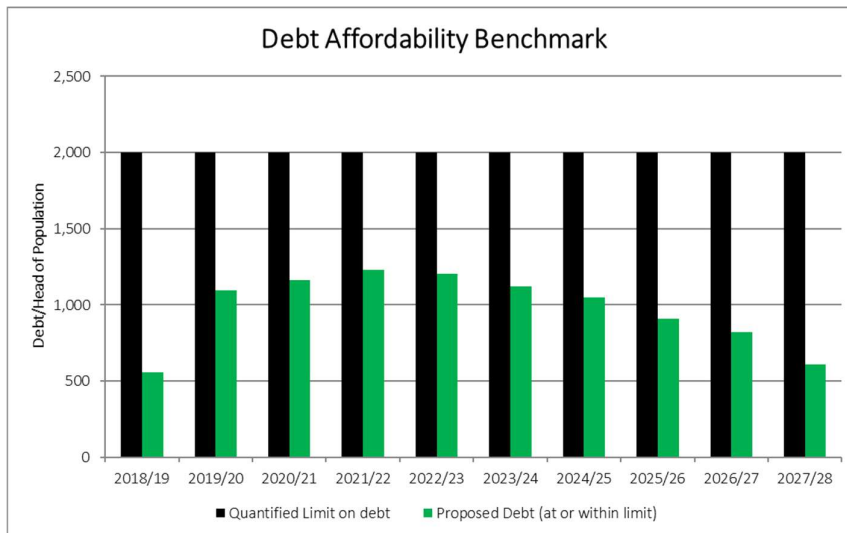
Debt Affordability Benchmark

The council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

The following graph compares the council's planned debt with a quantified limit on borrowing contained in the financial strategy included in this long-term plan. The quantified limit is debt must not exceed 5% of total public equity and accumulated funds.



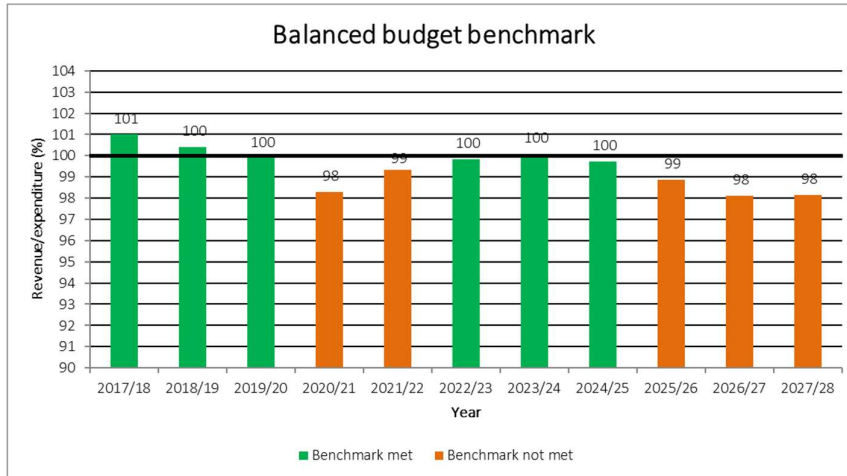
The following graph compares the council's planned debt with a quantified limit on borrowing contained in the financial strategy included in this long-term plan. The quantified limit is total debt per head of population will not exceed \$2,000



Balanced Budget Benchmark

The following graph displays the council's planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

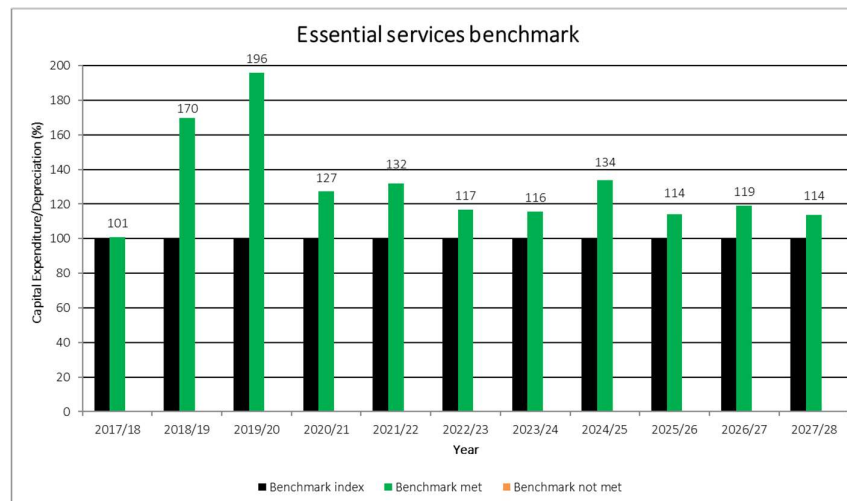
The council meets the balanced budget benchmark if its planned revenue equals or is greater than its planned operating expenses.



Essential Services Benchmark

The following graph displays the council's planned capital expenditure on network services as a proportion of expected depreciation on network services.

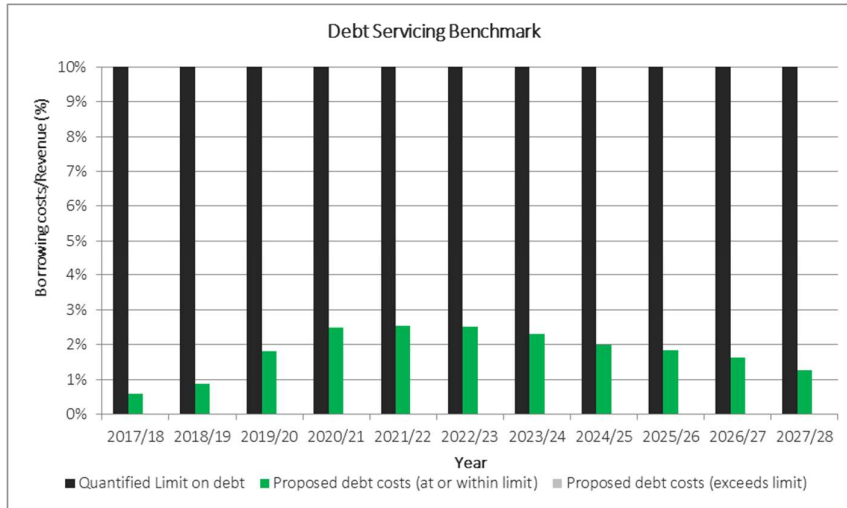
The council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.



Debt Servicing Benchmark

The following graph displays the council's planned borrowing costs as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

Because Statistics New Zealand projects the council's population will grow more slowly than the national population is projected to grow, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 10% of its planned revenue.



Policies



Revenue and Financing Policy

The Revenue and Financing Policy is required under Section 102 of the Local Government Act 2002 (LGA) and the required contents are set out in section 103 of the LGA.

The policy must be included in full in the LTP. Section 103(2) allows the following funding mechanisms to be used when funding operating and capital expenditure:

- General Rates
- Uniform Annual General Charge
- Targeted Rates
- Grants and Subsidies
- Interest and Dividends from Investments
- Fees and Charges
- Borrowing
- Proceeds from Assets Sales
- Development or Financial Contributions
- Lump Sum Contributions
- Any other source

This policy summarises the funding sources to be used by Council and their intended use. Sources are identified for each Council activity, including those that may be used to fund operating and capital expenditure. The General Rate is set on a District Wide basis (not on a differential basis), on the capital value of the rating unit. Council sets a Uniform Annual General Charge that is assessed on **separately used or inhabited parts of a rating unit in the district**.

Council must consider the following elements in deciding on appropriate funding mechanisms for each activity:

- **Community Outcomes** – the community outcomes an activity will primarily contribute to.
- **Distributions of benefits** – the distribution of benefits between the community as a whole, any identifiable parts of the community and individuals.
- **Timeframes of benefits** – the period in and over which those benefits are expected to occur. For example, the benefits may occur on an ongoing basis, but may also benefit future generations.
- **Contributors to need for activity** – the extent to which actions or inactions of particular individuals or groups contribute to the need to undertake the activity.
- **Costs and Benefits of distinct funding** – the cost and benefits, including for transparency and accountability, of funding the activity distinctly from other activities.

The Council has also considered the overall impact of any allocation of liability on the community and has determined this doesn't require any modification to the activity by activity analysis.

Funding of Operating Expenditure

The following table shows which mechanisms may be used to fund operating expenditure for Council's activities:

	GENERAL RATES	UNIFORM ANNUAL GENERAL CHARGE	TARGETED RATES	GRANTS AND SUBSIDIES	FEES AND CHARGES
Community Leadership Group					
Leadership, Governance and Consultation	✓	✓		✓	
Economic and Social Development	✓	✓	✓		
Planning and Regulatory Group					
District Planning	✓				
Land Use and Subdivision Consents	✓				✓
Building Control	✓				✓
Public Health	✓				✓
Animal Control	✓				✓
Compliance & Monitoring	✓				✓
Land Transport Group					
Land Transport	✓		✓	✓	✓
Solid Waste Group					
Solid Waste	✓	✓	✓		✓
Water Supplies Group					
Water Supplies			✓		✓
Wastewater Group: Wastewater			✓		✓
Stormwater Group: Stormwater			✓		
Recreation and Community Facilities Group					
Parks, Reserves and Swimming Pools	✓	✓			✓
Public Toilets	✓				
Retirement Housing					✓
Libraries	✓	✓			✓
Theatres, Halls and Museums	✓				✓
Cemeteries	✓				✓
Property and Buildings	✓				✓

- Council does not fund operating expenditure by Borrowing unless in exceptional circumstances by way of Council resolution.
- Interest and Dividends are used to offset the general rate requirement except where the interest is credited to a special fund or reserve fund.
- Proceeds from the Sale of Land and Buildings are transferred to the Capital Projects fund for funding future capital projects by resolution of Council. Proceeds from Sale of other Assets are used to fund the renewals of assets within the activity.

Funding of Capital Expenditure

The following table shows which mechanisms may be used to fund capital expenditure for Council's activities:

	GENERAL RATES	TARGETED RATES	BORROWINGS	RESERVES	FUNDING ASSISTANCE/ USER CHARGES	DEVELOPMENT CONTRIBUTION S
Community Leadership Group						
Leadership, Governance and Consultation	No Capital Expenditure					
Economic and Social Development	No Capital Expenditure					
Planning and Regulatory Group						
District Planning			✓			
Land Use and Subdivision Consents	No Capital Expenditure					
Building Control	No Capital Expenditure					
Public Health	No Capital Expenditure					
Animal Control	No Capital Expenditure					
Compliance & Monitoring	✓				✓	
Land Transport Group		✓	✓	✓	✓	✓
Solid Waste Group	✓		✓	✓		
Water Supplies Group		✓	✓	✓		✓
Wastewater Group		✓	✓	✓		✓
Stormwater Group		✓	✓	✓		✓
Recreation and Community Facilities Group						
Parks, Reserves and Swimming Pools	✓		✓	✓	✓	
Public Toilets	✓		✓	✓		
Retirement Housing				✓	✓	
Libraries				✓		
Theatres, Halls and Museums	✓		✓	✓	✓	
Cemeteries	✓			✓		
Property and Buildings	✓		✓	✓		

- Council takes into account the useful life of the asset and the use by future generations in the funding of the capital expenditure.
- Lump sum contributions are not utilised by Council.

Community Leadership Group



Leadership, Governance and Consultation

Description

The Leadership, Governance and Consultation activity includes the elected Council.

Community Outcomes

This activity contributes to all of the community outcomes.

Distributions of benefits

Benefits from the Leadership, Governance and Consultation activity are for the community generally. Council is the vehicle for making decisions affecting the district.

Timeframes of Benefits

Ongoing.

Contributors to Need for Activity

Living in a democratic society contributes to the need for this activity.

Costs and Benefits of Distinct Funding

Benefits from this activity are community wide and there is no benefit perceived from separate funding.

Recommended Funding

Council has agreed on 100% public funding based on a Uniform Annual General Charge.



Economic and Social Development

Description

Economic and Social Development is undertaken by a number of outside organisations. These are CHB Promotions, Business Hawke's Bay and joint study by Hawke's Bay Councils, funded partly by the Council

Community Outcomes

This activity contributes primarily to the following community outcomes:

- Proud District
- Prosperous District
- Strong Communities
- Connected Citizens
- Smart Growth

Distributions of Benefits

Benefits from economic development accrue largely to the community, due to the ongoing economic benefits of visitor spending, creation of employment and investment in the potential of the district. Similarly social benefits accrue the wider community. Some benefits may accrue to businesses or individuals using these services, but it is difficult and illogical to recover these benefits.

Timeframes of Benefits

Ongoing.

Contributors to Need for Activity

All groups contribute to the need for this activity.

Costs and Benefits of Distinct Funding

Benefits from this activity are community wide and there is no benefit perceived from separate funding.

Recommended Funding

Council has agreed on 100% public funding for this activity. Public funding is collected through the Uniform Annual General Charge.

Planning and Regulatory Group



District Planning

Description

The Land Use Planning and Management Activity, as part of Council's statutory obligations under the Resource Management Act 1991, involves:

- Providing advice on the District Plan
- Providing Policy advice on planning and rules of the District Plan
- Monitoring of the effectiveness and efficiency of the policies and rules in the District Plan

Community Outcomes

This activity contributes primarily to the following community outcomes:

- Proud District
- Prosperous District
- Smart Growth
- Environmentally Responsible
- Durable Infrastructure

Distributions of Benefits

The district planning services benefit the users of the District Plan through clear information available for development and land use.

The community benefits highly through protection of the environment, appropriate and sustainable development of land and property.

Timeframes of Benefits

Ongoing.

Contributors to Need for Activity

People who do not comply with legislative regulations may contribute to the need for this activity.

Costs and Benefits of Distinct Funding

Benefits from this activity are community wide and there is no benefit perceived from separate funding.

Recommended Funding

Council has agreed on 100% public funding for this activity. Public funding is through the capital value based general rate.



Land Use and Subdivision Consents

Description

The Council is required by the Resource Management Act 1991 to prepare, implement and administer a District Plan that meets the needs of the community. The Resource and Subdivision Activity ensures that development occurs in a manner that complies with the District Plan, through processing resource consent applications and monitoring.

Community Outcomes

This activity contributes primarily to the following community outcomes:

- Proud District
- Prosperous District
- Smart Growth
- Environmentally Responsible

Distributions of Benefits

The district planning services mainly benefit the users of the resource and subdivision consent process through meeting legislative requirements.

The community benefits through protection of the environment, appropriate and sustainable development of land and property.

Timeframes of Benefits

Ongoing.

Contributors to Need for Activity

People who do not comply with legislative regulations may contribute to the need for this activity. Generally this is met through extra charges on these people.

Costs and Benefits of Distinct Funding

Benefits from this activity are community wide and there is no benefit perceived from separate funding.

Recommended Funding

Council has agreed on 37-49% private funding for this activity, with the remainder coming from public funding. Public funding is through the capital value based general rate and private funding is collected through fees and charges.



Building Control

Description

Building Control is responsible for administering and enforcing the Building Act 2004 (and related legislation). This includes:

- Processing applications for building consents
- Enforcing the provisions of the Building Act 2004 and associated regulations
- Processing Land Information Memoranda.

Once a consent has been obtained, Council monitors compliance through inspections and provides code compliance certificates confirming that new building work meets the provisions of the building code.

Community Outcomes

This activity contributes primarily to the following community outcomes:

- Proud District
- Prosperous District
- Strong Communities
- Smart Growth

Distributions of Benefits

Benefits from building control accrue mainly to users of these services (ie people who build or alter buildings) through meeting legislative requirements and safe buildings. The community benefits through the enforcement of regulations that ensure safe, sanitary and accessible buildings in which people live, play and work.

Timeframes of Benefits

Ongoing.

Contributors to Need for Activity

People who do not comply with legislative regulations may contribute to the need for this activity. In some cases (e.g. property purchase where consent standards are not met), it may be difficult to identify who should pay.

Costs and Benefits of Distinct Funding

Benefits from this activity are community wide and there is no benefit perceived from separate funding.

Recommended Funding

Council has agreed on 70-85% private funding for this activity, with the remainder funded from public funding. Private funding is collected through various fees and charges. Public funding is through the capital value based general rate.



Public Health

Description

The Public Health Activity covers the regulatory functions relating to environmental health, liquor licensing, hazardous substances, and other environmental monitoring.

Community Outcomes

This activity contributes primarily to the following community outcomes:

- Proud District
- Prosperous District
- Strong Communities
- Smart Growth

Distributions of Benefits

Benefits from environmental health services accrue to both the community and individuals and organizations. Individuals and organizations benefit from assurances that their premises are of an acceptable standard to the consumer and meet other legislative requirements (e.g. liquor licensing). The community benefits through the expectation that:

- Standards of operation are being met and
- Assurances of a safe and healthy environment for residents and visitors.

Timeframes of Benefits

Ongoing.

Contributors to Need for Activity

People who do not comply with legislative regulations may contribute to the need for this activity. Generally this is met through extra charges on these people.

Costs and Benefits of Distinct Funding

Benefits from this activity are community wide and there is no benefit perceived from separate funding.

Recommended Funding

Council has agreed on 27-36% private funding for this activity, with the remainder from public funding. Public funding is through the capital value based general rate and private funding is collected through fees and charges.



Animal Control

Description

This activity includes the implementation of requirements of Dog Control Act 1996 and related legislation and Council bylaws. Main objectives include education, response to complaints and management of registration systems for dogs and stock.

Community Outcomes

This activity contributes primarily to the following community outcomes:

- Proud District
- Prosperous District
- Strong Communities

Distributions of Benefits

Benefits from the animal control service accrue mainly to animal owners from the provision of a service that either confines or returns lost or stray animals. The community generally benefits through the enforcement of regulations against aggressive and straying animals.

Timeframes of Benefits

Ongoing, but occur mainly in the short-term.

Contributors to Need for Activity

People who do not properly control their animals can be a significant contributor to this activity. In some cases, it can be difficult to identify who these people are.

Costs and Benefits of Distinct Funding

Benefits from this activity are community wide and there is no benefit perceived from separate funding.

Recommended Funding

Council has agreed on 91-95% private funding for this activity, with the remainder from public funding. Private funding is collected through various fees and charges – including fines and impounding costs. Public funding is through the capital value based general rate.



Compliance and Monitoring

Description

Compliance and Monitoring primarily involves the monitoring of resource consent conditions, responding to noise complaints and bylaw breaches, and carrying out territorial authority responsibilities as defined in legislation such as the inspection of swimming pool fences, earthquake prone buildings, and processing of Land Information Memoranda (LIMS), Compliance Schedules and Building Warrants of Fitness.

Community Outcomes

This activity contributes primarily to the following community outcomes:

- Proud District
- Prosperous District
- Smart Growth
- Environmentally Responsible
- Durable Infrastructure

Distributions of Benefits

Benefits from this activity accrue across the wider community, through ensuring that activities are monitored and comply with legislative, policy and bylaw requirements, thereby minimising negative impacts on residents of, and visitors to, the District.

Timeframes of Benefits

Ongoing. Benefits occur now through continuous monitoring of activities, response to complaints, and public education.

Contributors to Need for Activity

Where matters of non-compliance are brought to Council's notice, there is a requirement to ensure that compliance is achieved for the safety and wellbeing of the wider public.

Costs and Benefits of Distinct Funding

Benefits from this activity are community wide and there is no benefit perceived from separate funding.

Recommended Funding

Council has agreed on 10% private funding for this activity, with the remainder from public funding. Public funding is collected through the capital value based general rate. Private funding is obtained through various fees and charges including fines.

Land Transport Group



Land Transport

Description

The Local Government Act 2002 and Land Transport Management Act 2003 provide the framework under which Council operates a land transport network within the District. Council aims to achieve an integrated safe, responsive and sustainable land transport network. Council maintains 1261.81 km of roads, 64 km footpaths, 265 bridges, street lighting and other roading assets.

Community Outcomes

This activity contributes primarily to the following community outcomes:

- Proud District
- Prosperous District
- Strong Communities
- Connected Citizens
- Smart Growth
- Environmentally Responsible
- Durable Infrastructure

Distributions of Benefits

There is a mix of public and private benefits with these activities. Public benefits include an attractive urban environment and streetscape, tidy roadsides, the ability to transport people, goods and services throughout the district, connections to other transport networks and location and property identification. Private benefits are for people and businesses using roads and footpaths to carry out their day to day business.

Timeframes of Benefits

Ongoing.

Contributors to Need for Activity

All groups contribute to the need for this activity. In some cases damage may be caused, additional costs may be caused to Council through vandalism, accidents and activities beyond normal usage.

Costs and Benefits of Distinct Funding

Benefits from this activity are community wide and there is no benefit perceived from separate funding.

Recommended Funding

Council has agreed to 100% public funding. Public funding is collected through the land value based targeted rate.

New Zealand Transport Agency funding applies to subsidised roading projects.

A small amount of private funding is recovered through fees and charges.

Solid Waste Group



Solid Waste

Description

Central Hawke's Bay District Council provides the following services:

District landfill, transfer stations, recycling drop off centres, and kerbside refuse and recycling collections, litter bins and management of closed landfills.

Community Outcomes

This activity contributes primarily to the following community outcomes:

- Proud District
- Prosperous District
- Strong Communities
- Connected Citizens
- Smart Growth
- Environmentally Responsible
- Durable Infrastructure

Distributions of Benefits

The benefits of the solid waste activity are largely public and private. Individuals benefit from not having to arrange their own systems of waste disposal. An environmentally sound landfill and rubbish collection maintains a sustainable and clean district.

Timeframes of Benefits

Ongoing.

Contributors to Need for Activity

The community benefits from having solid waste collection and disposal available. In some cases, illegal dumping and inappropriate disposal of hazardous wastes may result in extra costs to the Council.

Costs and Benefits of Distinct Funding

It is appropriate to recover the private benefit via a separate funding mechanism.

Recommended Funding

Council has agreed on 46-48% private funding for this activity. The remaining Public funding is collected through a combination of a Capital Value based General Rate, Uniform Annual General Charge and targeted rates for kerbside recycling and refuse collection. Private funding is derived from fees and charges.

Water Supplies Group



Water Supplies

Description

The Central Hawke's Bay District Council owns and operates 8 water supply schemes.

Community Outcomes

This activity contributes primarily to the following community outcomes:

- Proud District
- Prosperous District
- Strong Communities
- Connected Citizens
- Smart Growth
- Environmentally Responsible
- Durable Infrastructure

Distributions of Benefits

Provision of water supplies provides a number of public benefits, including access to potable water and availability of water for key public services and amenities (eg fire fighting, landscaping, swimming pools). There are significant direct benefits to ratepayers and consumers connected to a Council piped water scheme through access to water for drinking and water availability for industry.

Timeframes of Benefits

Ongoing and long-term for future generations.

Contributors to Need for Activity

Those sections of the community where water services are available benefit widely from having a supply available. The wider community who use the facilities and business who depend on the water supply also benefit.

Costs and Benefits of Distinct Funding

Because the benefits of this activity are predominantly private, it is considered appropriate to fund the activity through targeted rates and charges.

Recommended Funding

Council has agreed on a 100% private funding for this activity. Private funding is derived from a targeted rate from those connected to water systems, volumetric water meter rates and fees and charges.

Wastewater (Sewerage) Group



Wastewater (Sewerage)

Description

Central Hawke's Bay District Council sewer systems comprise of six reticulated systems and associated treatment plants.

Community Outcomes

This activity contributes primarily to the following community outcomes:

- Proud District
- Prosperous District
- Strong Communities
- Connected Citizens
- Smart Growth
- Environmentally Responsible
- Durable Infrastructure

Distributions of Benefits

Provision of a sewerage system provides a number of public benefits, including maintenance of public health standards, prevention of disease and maintenance of a healthy environment. All properties, both domestic and industrial, that are connected to Council's sewerage system receive a direct benefit which relates to the cost of providing the service. A sewerage system is a key infrastructural need for maintaining public health and growth of business opportunities.

Timeframes of Benefits

Ongoing and long-Term for future generations.

Contributors to Need for Activity

The community benefits widely from having a sewerage system available. Additional costs may be caused through overloading of systems, disposal of hazardous material and illegal connections.

Costs and Benefits of Distinct Funding

Because the benefits of this activity are predominantly private, it is considered appropriate to fund the activity through targeted rates and charges.

Recommended Funding

Council has agreed on a 100% private funding split for this activity. Private funding is collected through a targeted rate from those connected to wastewater systems and with fees and charges and levies raised through the Trade Waste Bylaw.

Stormwater Group



Stormwater

Description

Central Hawke's Bay District Council stormwater systems comprise of 7 systems. The systems generally consist of a primary piped network with some open channel and secondary flow paths.

Community Outcomes

This activity contributes primarily to the following community outcomes:

- Proud District
- Prosperous District
- Strong Communities
- Connected Citizens
- Smart Growth
- Environmentally Responsible
- Durable Infrastructure

Distributions of Benefits

Provision of a stormwater system provides a number of public benefits, including decreased risk from flooding and encouraging residential development. Private benefits are particularly to property owners via stormwater disposal away from their properties.

Timeframes of Benefits

Ongoing and long-term for future generations.

Contributors to need for activity

The community benefits widely from having a stormwater system available.

Costs and Benefits of Distinct Funding

Because the benefits of this activity are predominantly private, it is considered appropriate to fund the activity separately.

Recommended Funding

Council has agreed on 100% private funding for this activity. Private funding is collected through a targeted rate from those within stormwater catchment areas. The funding of the Te Aute drainage scheme is based on a targeted rate on scheme members.

Recreation and Community Facilities Group



Parks, Reserves and Swimming Pools

Description

A number of parks, reserves, war memorials and camping grounds are provided throughout the district for recreation, including sports fields, children's playgrounds and amenity areas. There are two swimming pools, one owned by the Council and one owned by a Community Trust that is largely funded by the Council.

Community Outcomes

This activity contributes primarily to the following community outcomes:

- Proud District
- Strong Communities
- Connected Citizens
- Environmentally Responsible

Distributions of Benefits

Benefits from parks accrue to the community generally through the provision of facilities for groups and individuals to pursue active and passive leisure pursuits, education on the natural environment, community pride and contributing to community health and well-being.

There can be private benefits to people and sports groups through the use of sports fields for organized sport, but these are available to the wider community at other times.

Timeframes of Benefits

Ongoing.

Contributors to Need for Activity

The community benefits widely from having these facilities available.

Costs and Benefits of Distinct Funding

Benefits from this activity are community wide and there is no benefit perceived from separate funding.

Recommended Funding

Council have agreed a 97% public, 3% private funding split and that the cost of funding the public component of the Parks, and Reserves should occur by way of 70% from the General Rate assessed on Capital Value and 30% (to meet the cost of swimming pools) from the Uniform Annual General Charge. The private funding component will be collected from fees and charges with market rentals being applied to camp grounds.



Public Toilets

Description

The Council provides 24 public conveniences located throughout the District.

Community Outcomes

This activity contributes primarily to the following community outcomes:

- Proud District
- Strong Communities
- Connected Citizens
- Environmentally Responsible

Distributions of Benefits

Public toilets provide a mix of public and private benefits. While private benefits are obvious, public benefits are through having these essential facilities available for residents and visitors, and maintaining standards of public hygiene.

Timeframes of Benefits

Ongoing.

Contributors to Need for Activity

The community benefits widely from having public conveniences available.

Costs and Benefits of Distinct Funding

Benefits from this activity are community wide and there is no benefit perceived from separate funding.

Recommended Funding

Council have agreed 100% public funding and that the cost of funding the public component of the Public Toilets should occur by way of 100% from the General Rate assessed on Capital Value.



Retirement Housing

Description

A total of 48 one bedroom flats are owned by Council in different locations in Waipukurau and Waipawa. These provide affordable housing for those elderly in need.

Community Outcomes

This activity contributes primarily to the following community outcomes:

- Proud District
- Strong Communities
- Connected Citizens

Distributions of Benefits

Benefits from housing accrue to tenants of the housing units. This is a relatively small and identifiable group who are provided with affordable accommodation in convenient locations. There may be some small community benefits through the availability of low cost housing to vulnerable groups in the community.

Timeframes of Benefits

Ongoing.

Contributors to Need for Activity

The community benefits from having housing available. The main benefit is to people who choose to tenant these units.

Costs and Benefits of Distinct Funding

The activity is self-funding and separate funding is not required.

Recommended Funding

The Council believes the optimum funding is 100% private, through user rental charges.

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Description

Libraries include the two libraries in Waipukurau and Waipawa.

Community Outcomes

This activity contributes primarily to the following community outcomes:

- Proud District
- Strong Communities
- Connected Citizens

Distributions of benefits

Benefits from Libraries accrue largely to the community, through contributing to a community that is literate and informed, has access to information and provision of a community resource. There is also direct benefit to each individual who reads a book or uses one of the other library services, and some of these can be recovered, although a high level of recovery may restrict the ability of some people to continue to use these services.

Timeframes of Benefits

Ongoing.

Contributors to Need for Activity

The community benefits widely from having library services available.

Costs and Benefits of Distinct Funding

Benefits from this activity are community wide and there is no benefit perceived from separate funding.

Recommended Funding

The Council have agreed the optimum allocation of costs is 90% public to 10% private. Public funding is through the Uniform Annual Charge, with private funding through user charges for some library services.

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Theatres and Halls

Description

Theatres, halls and museums include several community halls located throughout the District.

Community Outcomes

This activity contributes primarily to the following community outcomes:

- Proud District
- Strong Communities
- Connected Citizens

Distributions of Benefits

Theatres and halls have a mix of public and private benefits. Public benefits are from the ability to use the facilities for public events and gatherings and as a hub for communities in the event of natural disaster. There are direct benefits for individuals and groups who choose to use the facilities available for personal functions.

Timeframes of Benefits

Ongoing.

Contributors to Need for Activity

The community benefits widely from having theatres, halls and museums available.

Costs and Benefits of Distinct Funding

Benefits from this activity are community wide and there is not benefit perceived from separate funding.

Recommended Funding

Council have agreed 100% public funding. Public funding is 100% from the capital value based general rate, with limited private funding through user charges for hireage services.



Cemeteries

Description

Council currently operates ten cemetery sites for burial and cremation interments.

Community Outcomes

This activity contributes primarily to the following community outcomes:

- Proud District
- Strong Communities
- Connected Citizens
- Environmentally Responsible

Distributions of Benefits

Benefits from cemeteries are considered to be largely private, although it is necessary for communities to have an interment system that meets appropriate health standards. Private benefits are from the provision of individual gravesites for remembrance and burial.

Timeframes of Benefits

Ongoing.

Contributors to Need for Activity

The community benefits widely from having cemeteries available. In some cases, vandalism and failure to maintain headstones may cause additional costs.

Costs and Benefits of Distinct Funding

Benefits from this activity are community wide and there is no benefit perceived from separate funding.

Recommended Funding

The Council have agreed a 90% public, 10% private funding split. Public funding is from the capital value based general rate, with private funding through fees and charges.



Property and Buildings

Description

Council owns a number of properties and buildings that are used to providing services to the public, but do not fit into a specific Activity grouping. These are owned for community or administrative reasons.

The properties included in this Activity are, the Council administration building, two library buildings, two other community building and miscellaneous sections.

Community Outcomes

This activity contributes primarily to the following community outcomes:

- Proud District
- Strong Communities
- Connected Citizens
- Environmentally Responsible

Distributions of Benefits

Benefits from this activity largely accrue to the community, through cultural enrichment and community identity. There may be direct benefits to some people using these services, but a high level of recovery may restrict the ability of some people to continue to use these services.

Timeframes of Benefits

Ongoing.

Contributors to Need for Activity

The community benefits from having safe community buildings.

Costs and Benefits of Distinct Funding

Benefits from this activity are community wide and there is no benefit perceived from separate funding.

Recommended Funding

Council have agreed 98-100% public funding. Public funding is from the capital value based general rate, with limited private funding (2%) through user charges for hireage and rentals.

Rates Remission and Postponement Policies

Community Contribution and Club Rebate Remission Policy

Objective of the Policy

To assist clubs who provide their own facilities and enable them to facilitate the ongoing provision of non-commercial community services and recreational opportunities to the District.

Conditions and Criteria

Council may remit 50% of the general rates where the application meets the following criteria:

1. Where land is owned by Council or owned and occupied by a society or association of persons, and the land is used exclusively or principally:
 - (a) As a showground or place of meeting which is incorporated under the Agricultural and Pastoral Societies Act 1908; or
 - (b) For games or sports, except galloping, harness or greyhound races; or
 - (c) For the purposes of non-commercial community services and recreational opportunities
2. The policy will not apply to organisations operated for private pecuniary profit, or which charge commercial tuition fees.
3. The policy will not apply to organisations that engage in the above mentioned sporting or community services, as a secondary purpose only.
4. The policy shall apply to such organisations as approved by the Group Manager – Corporate Support and Services and the Chief Executive, as meeting the relevant criteria.
5. The extent of any remission to any qualifying organisation shall be as determined by the Chief Financial Officer and the Chief Executive.
6. No remission will be granted in respect of those rates referred to in Section 16 of the Local Government (Rating) Act 2002 (e.g. targeted rates for water supply, sewage disposal or waste collection).
7. Organisations making application should include the following documents in support of their application:
 - Statement of objectives.
 - Full financial accounts.
 - Information on activities and programmes.
 - Details of membership or clients.

The Community Contribution and Club Rebate Remission Policy will be reviewed every 3 years as part of the triennial Long Term Plan Process.

Remission of Additional Charges Policy

Objective of the Policy

The objective of the Remission of Additional Charges Policy is to enable Council to act fairly and reasonably in its consideration of rates, which Council have not received by the penalty date, due to circumstances outside the ratepayer's control.

Conditions and Criteria

Council grants to the Chief Financial Officer or their nominee delegated authority in the following circumstances to approve on receipt of an application, the remission of such additional charges which have been incurred by any ratepayer as a consequence of their payment being received after the due date:

1. Where the rate payment history of the property over the last 3 years (or back to purchase date where the property has been owned by the offending ratepayer less than 3 years) shows no previous evidence of late payment and the instalment was received by Council no later than 3 working days after the day of adding the instalment additional charge.
2. Where the balance to clear the rest of the year's rates (undiscounted and including any arrears) are paid before penalties are added for the next instalment.
3. Where payment has been late due to significant family disruption i.e. in the case of death, illness, or accident of a family member, as at the due date.
4. Where the ratepayer is able to provide evidence that their payment has gone astray in the post or the late payment has otherwise resulted from matters outside their control.
5. Where a property changes hands (sale or lease) and the new owner/lessee is responsible for an instalment, when the original account was issued in the name of the previous owner/lessee.
6. Where a direct debit authority is commenced in time for the next instalment.
7. Where an error has been made on the part of Council staff, or arising through error in the general processing or levying, which has subsequently resulted in an additional charge being imposed.

Each application will be considered on its merits and remission will be granted where it is considered just and equitable to do so.

Uniform Annual Charges on Contiguous Properties Remission Policy

Objective of the Policy

To enable Council to act fairly and reasonably and provide for the possibility of rates remission where two or more Uniform Annual General Charges (UAGC) are levied on rating units which are occupied or used by the same ratepayer being a lessee/owner using the rating units jointly as a single property.

Conditions and Criteria

Section 20 of the Local Government (Rating) Act 2002, stipulates that there shall be one property for the purposes of levying the UAGC, where two or more separately rateable properties are:

- (a) Owned by the same ratepayer (owner or person with right to occupy by virtue of lease for more than 10 years); and
- (b) Used jointly as a single unit(for the same purpose); and
- (c) Contiguous or separated only by road, railway, drain, water race, river or stream, they shall be deemed to be one property for the purposes of any Uniform Annual General Charges.

Council will allow, without further enquiry (except for clarification), applications made by ratepayers in the form of a statutory declaration to the effect that two or more separately rated properties are occupied by the same ratepayer and are used jointly for the same purpose and the Uniform Annual General Charge and any other relevant Separate Uniform Annual Charge levied on the second and subsequent assessments will be cancelled.

Council may remit the rates where the application meets the following criteria:

1. The rating units must be contiguous and occupied by the same ratepayer who is the lessee/owner of each unit and who uses them jointly as a single property contiguous or separated only by road, railway, drain, water race, river or stream and used for the same purpose.
2. Where farming or horticultural operations conducted on separate blocks of land are so far apart as to indicate that there is no possible continuity between them, full charges may be levied on each. Factors such as stock rotation, stock driving, property size, and the number of properties affected will be taken into account.
3. Council may, on written application from a ratepayer of such rating units, reduce or cancel any separate Uniform Annual General Charge levied on the rating units if it considers it to be reasonable in the circumstances to do so.
4. Council grants to the Chief Financial Officer or their nominee delegated authority in the above circumstances to approve on receipt of an application, the cancellation of Uniform Annual General Charge and any other relevant Separate Uniform Annual Charge levied on the second and subsequent assessments.

Remission and Postponement of Rates on Māori Freehold Land Policy

The Policy

The Central Hawke's Bay District Council recognises the complex problems involved when dealing with Māori land, and has formulated a policy (the Māori Land Policy) to deal with some of these. When, in the judgement of Council, it would be unfair or unreasonable to collect rates at this time, land may be placed on this Māori Land Register, and retired from rating liability for a period.

In general, reasons for placement on the register would include some or all of the following:

- **Fragmented ownership** – ownerships vary in number and individual share proportions. Owners are scattered throughout the country and even worldwide. An attempt to contact a majority representation is often painstaking and difficult.
- **Unsecured legal title** – there may be some land titles that have not been surveyed. They would not be able to be registered with the District Land Registrar. Owners seeking finance for development of their land are restricted, as mortgages cannot be registered against the title.
- **Isolation and marginal in quality** – the geographical isolation and economic climate of the district are clearly illustrated by the much needed development, as the lands are of marginal quality.
- **No management structures** – lands have no management or operating structures in place to administer matters.
- **Rating problems** – because of the above factors there is a history of rate arrears and/or a difficulty in establishing who is/should be responsible for the payment of rates.

Note: The register is not designed as a way for owners to elect not to use land and therefore not to pay rates.

The Register

Māori land owners can apply to have their lands entered on the register. By making an application, owners are asking Council for a discretionary remission of rates.

If accepted, the land will be 'retired' from rates for a term specified by Council, with a maximum term of three years. While lands are 'retired' or 'parked up', the onus is on the owners to ensure that no one breaches the conditions by using the land.

Lands on the register are inspected regularly to monitor for any breaches.

Each application is examined on its own merits. Intending applications should not be compared to others already on the register.

The Criteria

The criteria to determine eligibility for application to the Māori Land Register is as follows:

- It must be Māori land (as defined in Te Ture Whenua Act 1993 Part VI Section 129 or the Local Government (Rating) Act 2002, Part 1, Sub-paragraph 1, Section 5).
- It must have historical, ancestral or cultural significance.
- It must be unoccupied. The definition of occupation which comes direct from Part 4 Section 96 of the Local Government (Rating) Act 2002 says that 'occupation' is where a person/persons does one or more of the following:
 - Resides upon the land
 - De-pastures or maintains any livestock whatsoever on the land
 - Cultivates the land and plants any crop on the land
 - Stores anything on the land
 - Uses the land or any improvements in any way

General Comment

For an application to be considered:

- Communication must be established between owners and the Council
- Rating problems must have been identified and amicable solutions worked towards
- Where the land has potential for land use, owners are provided with the time to re-assert responsibility and should be actively seeking prospective occupiers or usage. Land that is unrealistic for rating purposes can be identified, eg mudflats, heavily eroded cliff faces, severe bush and scrub.

Remission of Rates for Natural Calamities Policy

Objective of the Policy

To assist ratepayers experiencing financial hardship as a result of a natural event detrimentally affecting the use of the land or the income derived from the land, and which directly affects their ability to pay rates.

Conditions and Criteria

Council may postpone wholly or in part, any rate or charge in respect of the property, where it considers it to be fair and reasonable to do so. This will be in circumstances where Central Government have recognized the seriousness of the event and provided financial assistance to enable the remission to occur.

The term and nature of the postponement, the proof of financial hardship and any other criteria considered necessary will be determined by Council in each case.

Decisions on the extent of remissions shall be as determined by the Chief Financial Officer through the Chief Executive, as meeting the relevant criteria.

Rates Holiday / Postponement Policy

Objective of the Policy

To assist ratepayers who undertake economic development that benefits the District as a whole.

Conditions and Criteria

1. The applicant must be the current rate payer of the rating unit.
2. Council must be satisfied that economic benefits will flow to the district from the development.
3. The ratepayer must make application to Council.
4. Applications for a rates holiday will be considered by Council.

Remission of Rates for QEII Trust and Land for Natural, Historic or Cultural Conservation Policy

Objective of the Policy

To recognise and support the environmental value of such protected areas and to acknowledge the non-commercial use of such protected land. To preserve and promote natural resources and heritage by encouraging the protection of land for natural, historic or cultural conservation.

Conditions and Criteria

1. The extent of the rates remission if approved is to be 100%.
2. Applications are to be received in writing requesting rates relief be given to areas protected by the registration of a QEII Open Space Covenant or a covenant that gives the same effect.
3. Pest eradication shall be primarily the responsibility of the owner.
4. No portion of the covenanted area is to be developed or utilised in any way for commercial activity. This includes generating income for maintenance of the covenanted area.
5. Authority to consider applications is delegated to the Chief Financial Officer with right of appeal to the Chief Executive and Council.

Sundry Remission of Rates Policy

Objective of the Policy

To remit rates and charges that are the result of fundamental errors; or where the balance owing is considered uneconomic to recover; or where the amount levied is unable to be covered pursuant to sections 67/76 of the Local Government (Rating) Act 2002; or where Council or its delegated officer(s) consider the levy impractical to recover.

To facilitate the use of Māori Freehold Land (and therefore the collection of rates), by removing the burden on the potential lessee of existing arrears.

Conditions and Criteria

Council or its delegated officer(s) shall determine the extent of any remission based on the merits of each situation. Decisions on the extent of remissions shall be as determined by the Chief Financial Officer through the Chief Executive, as meeting the relevant criteria.

Remission of Water Meter Rates Attributable to Water Leaks Policy

Objective of the Policy

To provide relief to people in situations where water usage is high due to a water leak.

Objective of the Policy

To provide relief to people who use.

Conditions and Criteria

Council may remit water meter rates where all of the following apply:

- A remission application has been received; and
- Council is satisfied a leak on the property has caused excessive consumption and is recorded on the water meter; and
- The leak has been repaired within one calendar month of being identified (unless evidence is provided that the services of an appropriate repairer could not be obtained within this period); and
- Proof of the leak being repaired has been provided to Council promptly after repair of the leak.

The amount of the remission will be the difference between the average consumption of the property prior to the leak, as deemed reasonable by Council, and the consumption over and above that average.

Remission is limited to the period where the leak was identified and fixed and the last invoice. Remission for any particular property will generally be granted only once every year. Where a remission for a water leak has been granted to a property under this policy within the last year, the remission decision is to be made by the Chief Financial Officer.

Any remission over 4,000 cubic metres of water is to be referred to the relevant Council Committee for decision.

School Sewerage Charges Remission Policy

Objective of the Policy

To ensure that schools are not disproportionately charged for sewerage services based on the number of connections. Charges will be based on the school's staff and student numbers.

Conditions and Criteria

The policy will apply to the following educational establishments:

- Established as a special school under Section 98(1) of the Education Act 1964; or
- A state school under Section 2 (1) of the Education Act 1989; or
- An integrated school under Section 2 (1) of the Private Schools Conditional Integrated Act 1975; or
- A special institution under Section 92 (1) of the Education Act 1989; or
- An early childhood centre under Section 308 (1) of the Education Act 1989, but excluding any early childhood centre operated for profit.

The policy does not apply to school houses occupied by a caretaker, principal or staff.

1. An amount levied using the same mechanism as are applying to other separately rateable rating units within the District and reduced in accordance with the following formula:-
 - (a) Divided by the number of toilets as determined in accordance with condition 3 below (the full charge); and reduced in accordance with the following graduated formula:
 - i. The full charge for each of the first 4 toilets or part thereof;
 - ii. 75% of the full charge for each of the next 6 toilets or part thereof;
 - iii. 50% of the full charge for each toilet after the first 10.
 - (b) For the purpose of 1 (a) above the number of toilets for a rating unit used for the purposes of an educational establishment is 1 toilet for every 20 students and staff or part thereof, irrespective of the actual number of toilets contained in the qualifying part of the rating unit.
 - (c) The number of students in an educational establishment is the number of students on its roll on 1 March in the year immediately before the year to which the charge relates.
 - (d) The number of staff in an educational establishment is the number of teaching staff and administration staff employed by that educational establishment on 1 March immediately before the year to which the charge relate.
2. Calculation of Council's standard sewerage charge (based on the number of water closets/urinals).
3. Calculation of the number of full time equivalent on-site students and staff divided by 20 and multiplied by the applicable waste water targeted rates.
4. The amount to be remitted is the difference between the amount calculated under 1 and the amount that would have applied, had the rating unit not been used by an educational institution.
5. That the Finance Manager be delegated authority to approve remission of the sewage charges in excess of the charges payable according to the policy.

EXAMPLE

Green Intermediate School is situated in Moa District Council. Moa collects its rates by way of a pan charge of \$100 per pan. At 1 March 2011, Green Intermediate has 500 students, 30 staff and 28 toilet pans. How much will it pay in sewage disposal rates?

Answer: Green School would be levied \$1762.93.

The total charge in this case would be $\$100 \times 28 \text{ pans} = \2800 . Local Government New Zealand has a legal opinion which holds that the actual number of pans should be used for this part of the calculation.

The number of rateable pans is $530/20 = 26.5$ pans which gets rounded to 27 pans for the purposes of reducing the rates.

Council calculates that the full charge on each toilet would be $\$2800/27 = \103.70 per pan.

The total charge is then calculated with reference to the scale e.g.

4 pans at the full charge ($\$103.70 \times 4 = \414.80)

6 pans at 75 percent of the full charge ($\$77.78 \times 6 = \466.68)

17 pans at 50 percent of the full charge ($\$51.85 \times 17 = \881.45).

Total = $(414.8 + 466.68 + 881.45) = \1762.93

Significance and Engagement Policy

Introduction

The decisions local authorities make affect their communities on a daily basis. Some decisions have greater significance than others. This policy explains how the Council will determine significance of matters. We know that Central Hawke's Bay will be stronger when we work together, as part of this we know that effective community engagement builds trust in Council decision making, as well as increasing Council's awareness of issues and ideas in the community. Council engages with the community during its everyday business using a range of informal methods. However, some Council decisions require a more structured form of engagement due to the significance that a matter has within the wider community, or for groups within the community.

Purpose of Policy

The purpose of the policy is:

- To enable the local authority and its communities to identify the degree of significance attached to particular issues, proposals, assets, decisions and activities; and
- To provide clarity about how the community can expect to be engaged in decisions about different issues, assets, or other matters; and
- To inform the Council from the beginning of a decision-making process about-
- The extent of any public engagement that is expected before a particular decision is made; and
- The form or type of engagement required.

The extent of significance and engagement is determined on a case-by-case basis. This policy is intended to guide decision-making on these matters.

General Approach to Determining Significance and Level of Engagement

The Council will follow a three-step process to inform decision-making:

1. Determine significance – the Council will use agreed criteria to decide if a matter is of higher or lower significance.
2. Link level of significance to level of engagement – the level of significance will link to a corresponding level of engagement to be undertaken.
3. Consider methods of engagement – each level of engagement will have a range of methods that the Council is able to choose from to undertake the engagement required. As well as the views of communities and affected and interested parties, there is a wide range of information sources, considerations and perspectives that informs the Council's decisions, including the requirements of Government policy, technical matters and the financial implications.

The Three Steps

1. Determine Significance

The Council is responsible for judging for itself how it achieves compliance with the decision making requirements of the LGA. This must be largely in proportion to the significance of the matters affected by decisions to be made.

The Council will assess the importance of an issue, proposal or decision on the basis of its likely impact on the people expected to be most affected by or to have an interest in the matter, as well as the Council's capacity to perform its role, and the financial and other costs of doing so.

All of the following criteria will be considered when determining the level (low to high) of significance of an issue, proposal or decision. The greater the cumulative impact of the decision as assessed by these criteria, the more significant the issue, proposal or decision will be:

-
- Number of people affected and/or with an interest;
 - Level of impact on those people affected;
 - Level of community interest already apparent for the issue, proposal or decision; or the potential to generate community interest;
 - Level of impact on Māori, Māori culture and traditions – Significant decisions in relation to land or a body of water must take into account the relationship of Māori and their culture and traditions with their ancestral land, water, sites, waahi tapu, valued flora and fauna, and other taonga.
 - Possible environmental, social and cultural impacts;
 - Possible costs/risks to the Council, ratepayers and wider community of carrying out the decision;
 - Possible benefits/opportunities to the Council, ratepayers and wider community of carrying out the decision;
 - Level of impact on the capacity of the Council to carry out its role and functions;
 - Whether the impact of a decision can be easily reversed;
 - Whether the ownership or function of a strategic asset(s) is affected.

2. Link level of significance to level of engagement

The significance of the issue, proposal or decision will influence how much time, money and effort the Council will invest in exploring and evaluating options and obtaining the views of affected and interested parties. In linking the level of significance to the level of engagement it is important to find the right balance between the costs of engagement and the value it can add to decision-making.

The Council will consider the extent of community engagement that is necessary to understand the community's view before a particular decision is made and the form of engagement that might be required. This also includes the degree to which engagement is able to influence the decision and therefore the value of investing in engagement (e.g. if there is only one or very limited viable options such as a specific change required by new legislation).

Using the International Association of Public Participation engagement spectrum as a basis (see Appendix 1), the method(s) of engagement adopted by the Council before it makes a decision may depend on whether or not:

- The matter is of low or no significance (e.g. technical and/or minor amendments to a Council policy) and there may be a very small group of people affected by or with an interest in the decision;
- The matter is significant only to a relatively small group of people or is of low impact to many. They should be **informed** about the problem, alternatives, opportunities and/or solutions and/or **consulted** so that any concerns, alternatives and aspirations they have are understood and considered;
- The matter is significant not only to a small group of people particularly affected but also to a wider community that may have an interest in the decision to be made. They may be **informed**, **consulted** and/or **involved** to seek public input and feedback on analysis, alternatives and/or decisions.
- For more significant matters the Council may elect to **collaborate**, or partner, with a community in any aspect of a decision including the development of alternatives and the identification of preferred solutions. This is more likely to occur where there is a distinct group of affected or particularly interested people.

Depending on the level of significance and the nature of the issue, proposal or decision being made, by using a range of engagement methods communities may be **empowered** to participate in the decision-making process.

3. Consider Methods of Engagement

There is a variety of ways in which the Council engages with the community.

- Once the level of significance of an issue, proposal or decision has been determined, the Council will consider the level and form of community engagement. Depending on the matter being considered and the stakeholders involved, the preferred method(s) or combination of engagement tools will be identified and applied to meet the goals of the specific engagement.
- The Council will build on existing relationships and networks with individuals and communities, and look to extend the range of parties involved in the community engagement as appropriate.
- The Council will consider engagement methods and tools relative to the level of significance. These will support communities' participation through an engagement spectrum approach, as set out in the following table.
- Differing levels and forms of engagement may be required during the varying phases of consideration and decision-making on an issue or proposal, and for different community groups or stakeholders. The Council will review the appropriateness and effectiveness of the engagement strategy and methods as the process proceeds.
- There may be occasions in which the Council chooses to carry out engagement at a level higher than that indicated by the significance of the decision as part of its commitment to promote participatory democracy.
- The Council will work to ensure the community is sufficiently informed to understand the issue(s) or proposal, options and impacts and has time to respond, so they are able to participate in engagement processes with confidence.

The type of community engagement undertaken will be proportionate to the significance of the matter and the number of affected residents. This is a judgement to be made on a case by case basis by the Council. Appendix 2 provides an overview of how significance and engagement link together and the types of engagement the community can expect.

Strategic Assets

An important objective of the Council is to achieve or promote outcomes that it believes are important to the current or future well-being of the community. Achieving these outcomes may require the provision of roads, water, wastewater and stormwater collection as well as libraries, reserves and other recreational facilities and community amenities.

Council-owned assets that provide these services are considered to be of strategic value and the Council has determined they need to be retained if its objective is to be met. These assets must be listed in the Council's Significance and Engagement policy. A decision to transfer the ownership or control of a strategic asset cannot be made unless it is explicitly provided for in the Council's Long Term Plan (LTP) and the public is consulted through the Special Consultative Procedure (SCP).

The Central Hawke's Bay District Council owns a number of assets and assets managed 'as a whole' that it considers to be strategic, however not all trading decisions made regarding these assets are regarded as significant nor do they affect the assets strategic nature.

The following assets (asset groups) are considered strategic and therefore significant:

- Infrastructural assets relating to roads, water, stormwater, and wastewater
- The network of parks, sports grounds and other recreational facilities
- The districts aquatic facilities, including the Waipawa Memorial Pool
- Solid waste facilities, including transfer stations and the Farm Road Landfill
- Retirement Housing, as a whole
- CHB District Libraries, as a whole
- Cemeteries
- Cultural facilities

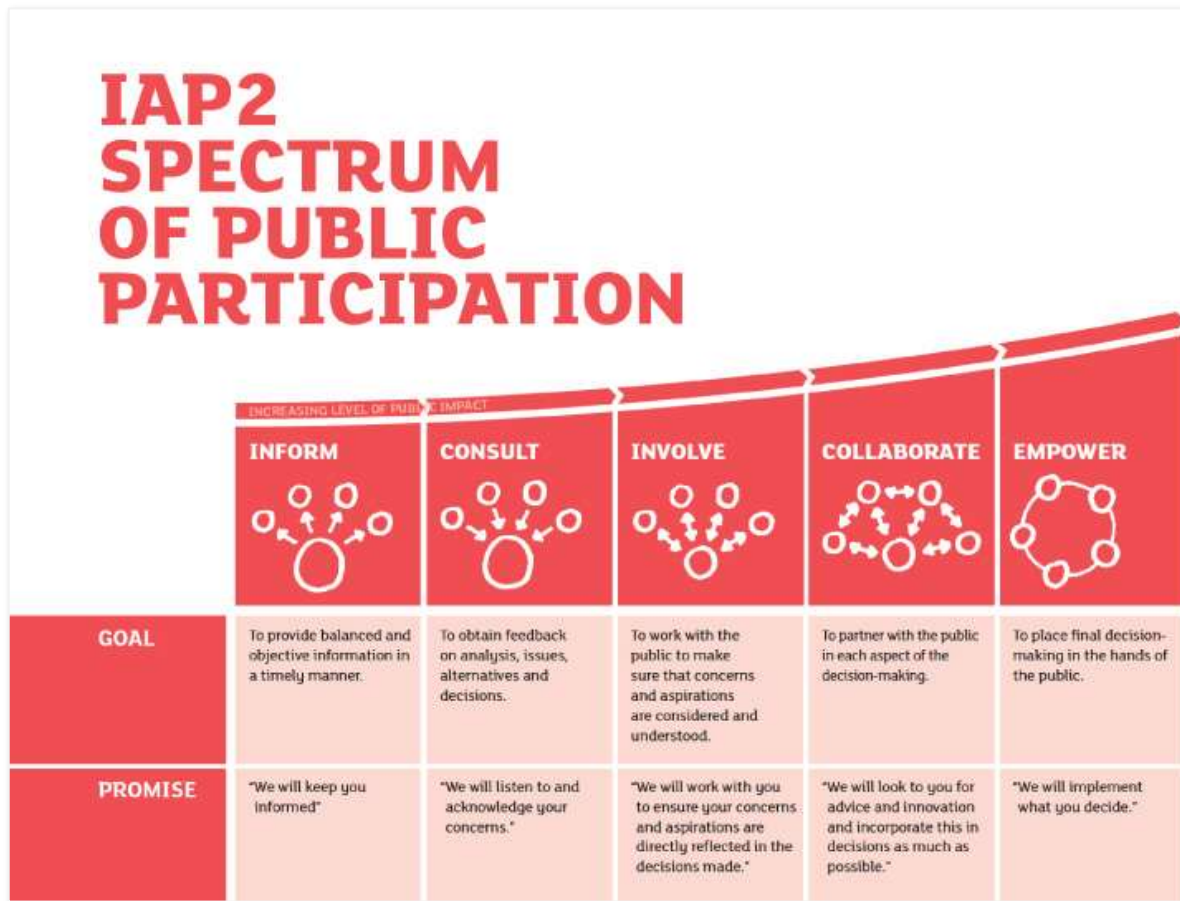
Monitoring implementation

All reports by officers to Council seeking a decision will include a statement addressing the issue of significance. The report is to include a statement about how the relevant sections of the Local Government Act 2002 and the Significance and Engagement policy will be observed.

Notes:

- This policy will not apply where, in the opinion of the Council, failure to make a decision urgently would result in unreasonable or significant damage to property, or risk to people's health and safety, or the loss of a substantial opportunity to achieve the Council's strategic objectives. Other policy and legislative requirements will still apply.
- In cases where legislation requires the Council to use the Special Consultative Procedure as set out in the Local Government Act 2002, that process will be used as a minimum requirement.

Appendix 1 – IAP2 Spectrum of Public Participation



Appendix 2 – Examples of Engagement Activities (adapted from IAP2 Spectrum of Engagement)

ENGAGEMENT LEVEL	INFORM	CONSULT	INVOLVE	COLLABORATE	EMPOWER
What does it involve	To provide the public with balanced and objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions.	To obtain feedback on analysis, alternatives and/or decisions.	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.	To place final decision making in the hands of the public.
Examples of tools the council might use <small>Note: these tools may be applicable across many levels of Engagement</small>	<ul style="list-style-type: none"> Email newsletter to local communities and networks Information flyers to neighbourhoods Public notices/info in community newspapers, website 	<ul style="list-style-type: none"> Formal submissions and hearings or the Special Consultative Procedure Focus groups Community meetings Online opportunities to submit ideas/feedback 	<ul style="list-style-type: none"> Workshops Focus/ stakeholder groups' meetings Public meetings, drop-in sessions Online surveys/forums 	<ul style="list-style-type: none"> External working groups(involving community experts) Community Advisory Groups (involving community representatives) Forums 	<ul style="list-style-type: none"> Binding referendum Local body elections Delegation of some decision-making to a community
When the community is likely to be involved	Once a decision is made and is being implemented.	Once the council has determined an initial preferred position it would endeavour to provide the community with sufficient time to participate and respond.	The community or specific communities could be engaged throughout the process, or at specific stages of the process as appropriate.	The community or specific communities could be engaged from the outset, including the development of alternatives to the identification of the preferred solution.	The community or communities will be engaged throughout the process to ensure ownership of the development of alternatives, identification of the preferred solution(s) and delegated decision-making on the preferred solution.

