

# **Central Hawke's Bay District Council**



**Long Term Plan  
2015 – 2025**

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# Contents

|  |            |
|--|------------|
| <b>1. Introduction</b>   | <b>3</b>   |
| <i>From the Mayor and Chief Executive</i>                                | 3          |
| <i>LTP Overview</i>  | 4          |
| <i>Mayor and Councillors</i>   | 5          |
| <i>Our Place:</i>  | 6          |
| <i>The Issues</i>  | 9          |
| <i>What changes are planned for the next ten years?</i>                  | 10         |
| <b>1. Financial Strategy</b>   | <b>16</b>  |
| <b>2. Infrastructure Strategy</b>  | <b>24</b>  |
| <b>3. Significant Assumptions</b>  | <b>56</b>  |
| <b>4. Community Outcomes</b>   | <b>65</b>  |
| <b>5. Groups of Activities</b>   | <b>68</b>  |
| <i>Community Leadership Group</i>  | 69         |
| <i>Planning and Regulatory Group</i>                                     | 76         |
| <i>Land Transport</i>  | 90         |
| <i>Solid Waste</i>   | 97         |
| <i>Water Supply</i>  | 102        |
| <i>Wastewater (Sewerage)</i>   | 110        |
| <i>Stormwater</i>  | 117        |
| <i>Recreation and Community Facilities Group</i>                         | 122        |
| <b>6. Financial Forecasts</b>  | <b>140</b> |
| <i>Prospective Statement of Comprehensive Income</i>                     | 141        |
| <i>Prospective Statement of Changes in Equity</i>                        | 142        |
| <i>Prospective Balance Sheet</i>   | 143        |
| <i>Prospective Cash Flow Statement</i>                                   | 144        |
| <i>Prospective Movement of Reserves Statement</i>                        | 145        |
| <b>7. Statement of Accounting Policies</b>                               | <b>147</b> |
| <b>8. Revenue and Financing Policy</b>                                   | <b>159</b> |
| <b>9. Funding Impact Statement</b>                                       | <b>175</b> |
| <b>10. Schedule of Fees and Charges</b>                                  | <b>202</b> |
| <b>11. Rates Remission and Postponement Policies</b>                     | <b>225</b> |
| <i>Community Contribution Remission Policy</i>                           | 225        |
| <i>Club Rebate Remission Policy</i>                                      | 226        |
| <i>Remission of Additional Charges Policy</i>                            | 227        |
| <i>Uniform Annual Charges on Contiguous Properties Remission Policy</i>  | 228        |
| <i>Remission and Postponement of Rates on Maori Freehold Land Policy</i> | 229        |

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|   |            |
|---|------------|
| <i>Remission of Rates for Natural Calamities Policy</i> .....   | 230        |
| <i>Rates Holiday / Postponement Policy</i> .....  | 230        |
| <i>Remission of Rates for QEII Trust and Land for Natural, Historic or Cultural Conservation Policy</i> ..... | 231        |
| <i>Sundry Remission of Rates Policy</i> .....   | 231        |
| <b>12. Development Contributions Policy</b> .....   | <b>232</b> |
| <b>13. Significance &amp; Engagement Policy</b> .....   | <b>260</b> |
| <b>14. Maori Contribution to Decision Making</b> .....  | <b>264</b> |
| <b>15. Long Term Plan Disclosure Statement</b> .....  | <b>265</b> |
| <b>16. Glossary</b> .....   | <b>270</b> |
| <b>Audit Report</b> .....   | <b>272</b> |

# 1. Introduction

## From the Mayor and Chief Executive

Our Long Term Plan (LTP) provides a basis for future decision making for our District, and holds the Council accountable to its ratepayers for its implementation.

Getting it right is therefore very important and Council has welcomed the feedback from you which has helped Councillors ensure that we have the right Long Term Plan for Central Hawke's Bay.

This LTP covers the years 2015 to 2025.

During this time there will be a number of capital works undertaken as outlined in our LTP, including the earthquake strengthening and upgrade of the Waipukurau Library and Waipukurau War Memorial Hall, Waipukurau resilience and drinking water upgrades, Waipukurau Wastewater Pump Station and Waipawa Wastewater Mains Renewal, Wastewater Consent Renewals, Otane Alternate Water Supply, Russell Park Upgrades and the continued support of the Cycleways.

To help with meeting the extra requirements on Council in the event of any emergency work required for Rooding, the Catastrophic Events Fund will be increased by \$500,000 to \$2million over the next 2 years and will be funded by Land Transport Rates.

All of this, including the relevant loans, will be rate funded. **Council has been very aware that rates must remain within acceptable levels therefore costs reflect what is affordable.**

This LTP therefore has –

- **Maintained existing levels of Council services**
- **Restricted the capital projects to those listed above**

The Local Government Commission (LGC) has put forward a final proposal to amalgamate the current five Hawke's Bay Councils into a single Unitary Council. It is now expected that there will be a referendum to determine the outcome of amalgamation. As the first three years of the plan will be unchanged with or without a change to the current Council structure in Hawke's Bay this LTP is based on no change. If the amalgamation does not go ahead, the current LTP would remain in place for Central Hawke's Bay for the next 10 years.

The Ruataniwha Water Storage Scheme (RWSS) is being built by the Hawke's Bay Regional Investment Company (HBRIC) and the CHBDC is fully supportive of the RWSS. We are also looking at taking water from the dam as part of our long term strategy around urban water supply for the community. The consultation to commit to taking water would take place prior to Council reaching an agreement with HBRIC.



Peter Butler  
Mayor



John Freeman  
Chief Executive

## LTP Overview

### What is a Long Term Plan (LTP)?

The LTP is a ten-year planning document that presents a blueprint for the future by providing a long term focus for the decisions and activities of Central Hawke's Bay District Council. Under legislation, the LTP has to include a lot of information, but the essence of what it outlines is what sort of sustainable future Council believes Central Hawke's Bay residents want and how Central Hawke's Bay District Council will contribute towards that future. It provides an opportunity for participation by the ratepayers of Central Hawke's Bay and is a basis of accountability of Council to the community.

### How has the LTP been developed?

The LTP has been in development over time. This is the fifth LTP Council has produced, this being the fourth full document under the Local Government Act 2002. This is however the first LTP produced under the amended Local Government Act adopted in August 2014, and includes a number of additional requirements – such as the need to include an Infrastructure Strategy.

### Consultation Process and Decisions

The key to this document is sustainability, having sought initial feedback, what resources will it take to meet the Central Hawke's Bay Community's expectations, and how this will impact on the Community in terms of future rate costs.

The rating impact is important, as the present ratepayers must be able to meet their needs without compromising the ability of future generations to meet theirs.

### So, what is in the LTP?

The LTP includes a lot of information, including:

- **Summary of Issues** – How has Council sought to ensure costs remain affordable.
- **Changes Planned for the next 10 years.**
- **Our Financial Strategy** – outlines the financial strategy underpinning our LTP.
- **Our Infrastructure Strategy** – Looking at what is required for our communities over the next 30 years.
- **Council Activities** – Council provides a huge range of activities, some of which you use every day. The water that comes from your tap, using the playground at the local park, getting books from your local library and ducking into the public toilet down the road are just a few of these. The LTP includes an overview of these activities, including the levels of service we will provide, the future day to day and capital work programme and how much it will cost.
- **The Figures** – Every plan has to include the dollars, and the LTP is no exception. Detailed and overall financial information is included in the LTP, including the costs of providing services into the future and how they will be paid for and what your rates might look like in the future.
- **Policies** – Policies that Council use to make decisions and run Council operations are also included. A couple of examples are the Revenue and Financing Policy which sets out how an activity will be funded (eg rates or fees) and the various rating policies that detail the Council's approach to rating.

It is a big document, and hopefully most of what will interest you is summarised on pages 6-15.

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## Mayor and Councillors



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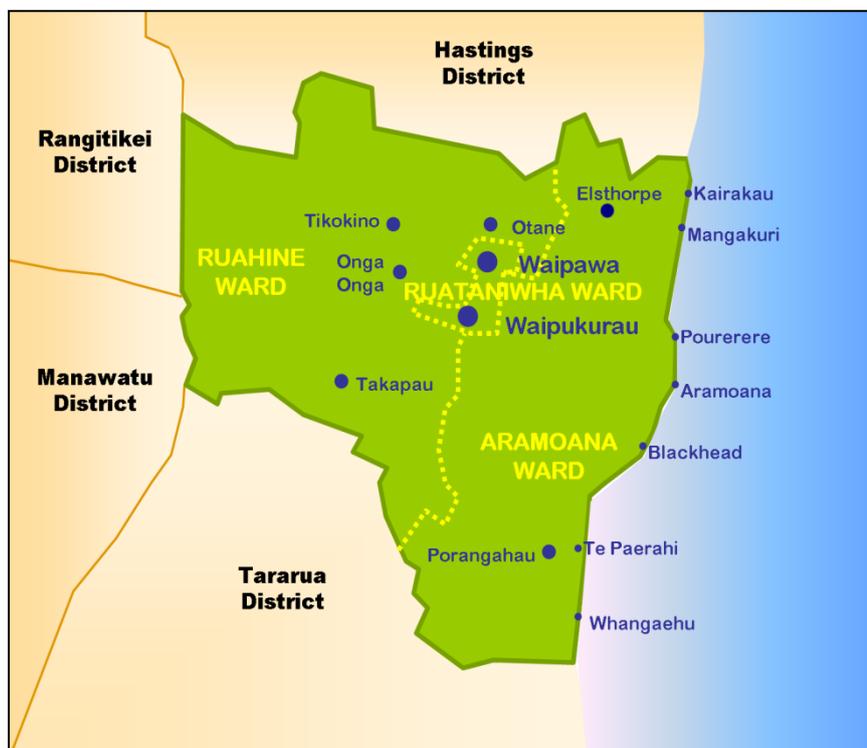
## Our Place:

### Central Hawke's Bay District - Te Taiwhenua o Tamatea



This district covers an area of 3,324 square kilometres with a population of 13,300 (2013 Census). This is an increase of 343 people or 2.6%, since the 2006 Census.

It covers the area from Pukehou in the north, to Takapau in the south, and from the western Ruahine ranges to the eastern coast.



## Our Communities

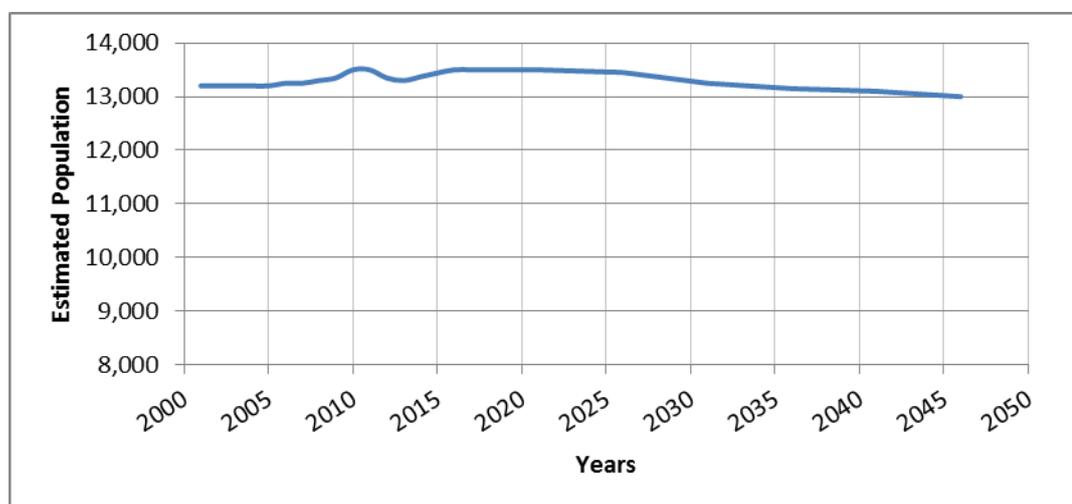
There are two main towns in Central Hawke's Bay - Waipukurau and Waipawa - with a number of smaller townships including Otane, Takapau, Tikokino, Porangahau and Onga Onga, as well as several beach townships including Kairakau, Pouterere, Blackhead, Te Paerahi.

Approximately 45% of the District's population lives in urban areas. The main towns of Waipukurau and Waipawa have 3,912 and 2058 residents respectively. In addition there are the villages of Takapau and Otane with 500 - 600 people each.

## Our People

The following has been compiled from the 2013 Census:

- Population projections indicate that the population will increase slightly over the next 10 years and then start to decline.



- The number of households is currently 5333 (2013). It is expected to increase to 5727 by 2025.
- Average household size in 2013 was 2.5 people, dropping to 2.35 by 2025.
- The population of Central Hawke's Bay is expected to age significantly.

|             | Total population | % above 65 years |
|-------------|------------------|------------------|
| <b>2013</b> | 13300            | 17.6             |
| <b>2025</b> | 13460            | 26.0             |

- In 2013 84.1% of the Central Hawke's Bay residents identified as NZ European and 22.2% as Maori.\*
- Median income for all people in Central Hawke's Bay was \$26,800 (NZ: \$28,500). This has been declining since 2009.

## Our Economy

The region's "bread and butter" is still sheep and beef farming, vegetable and grain crops, pipfruit, with an increase in dairy farming. Non-traditional industries are being explored and finding success including top quality vineyards.

A proposed water storage dam, which would provide irrigation footprint for 20,000 to 30,000 hectares, may mean increased intensification of land use of the Ruataniwha Plains in the future.

\*Includes all people who stated each ethnic group, whether as their only ethnic group or as one of several. Where a person reported more than one ethnic group, they have been counted in each applicable group. As a result percentages do not add up to 100.

## **Our Environment**

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 temperate climate. The District averages around 2200 sunshine hours and an average rainfall of around 900mm.

The District is drained by three main river systems: the Tuki Tuki, 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.

The district has a number of outstanding natural features and landscapes, with the mountain, river and beaches as key features.

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## The Issues

The key focus on this update of our LTP remains one of **affordability** – by definition - *the ability to meet the needs of present ratepayers without compromising the ability of future generations to meet their own needs.*

In other words, ensuring that future generations are not saddled with high levels of debt and high rating levels while keeping rates at an affordable level for current ratepayers. The LTP has been considered with a “Business as Usual” focus while maintaining the current level of services.

There are a number of issues faced by Council that are outside our direct control.

The Ruataniwha Water Storage Scheme (RWSS) is being built by the Hawke’s Bay Regional Investment Company (HBRIC) and the CHBDC is fully supportive of the RWSS. We see the potential growth from the scheme as a key factor in enhancing the economy of the Central Hawke’s Bay District and the wider Hawke’s Bay Region. The decision around the RWSS going ahead lies with HBRIC rather than CHBDC.

The amalgamation debate continues, and opportunities for shared services either through amalgamation or other methods will continue to be explored to lower overall costs. Council will continue to participate in HBLASS, a Council Controlled Organisation (CCO) jointly with the four other Hawke’s Bay Council, to explore shared services opportunities.

**To keep the information clear within the Long Term Plan, the financial information including the capital projects is being presented without the impacts of the RWSS or Amalgamation being included. This includes using our current water sources and resulting capital required to maintain the infrastructure.**

Against this background, this update had to consider the impact of –

- Recognising a net increase of \$1.6m in debt mainly relating to upgrades to water supply for drinking water standards, an alternative water supply for Otane and consents and upgrades to wastewater in Otane, Takapau, Waipukurau, Waipawa, Porangahau and Te Paerahi.
- An increase in the NZTA Roading Subsidy from 58 to 60%
- “Business as Usual” focus and maintaining the current level of services.

If rates are to remain within acceptable levels, then spending must reflect what is affordable.



## What changes are planned for the next ten years?

Council's focus is on maintaining existing core services and infrastructure at the current levels of service.

Council recognises that the District population is stable though ageing and that, within the timeframe of this LTP, there will be little change in land use or in economic development within Central Hawke's Bay.

The agricultural sector is the significant contributor to the District's economy. The Ruataniwha Water Storage Scheme (RWSS) shows that there is potential growth from the scheme as a key factor in enhancing the economy of the Central Hawke's Bay District and the wider Hawke's Bay Region.

The current District Plan review will consider the impacts that the water storage scheme will have on Central Hawke's Bay, but there is no provision in this LTP for any impact from this scheme.

In keeping with Council's overall strategy of affordability the following are the key changes proposed for the next 10 years.

|   | Annual plan | LTP     |
|---|-------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|   | 2014/15     | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
| Total rates \$'000                                      | 17,469      | 17,707  | 18,129  | 18,560  | 19,012  | 19,530  | 20,024  | 20,621  | 21,265  | 21,932  | 22,702  |
| Overall Rates Increase % (Average over 10 years 2.6%)   |             | 1.36    | 2.38    | 2.38    | 2.44    | 2.72    | 2.53    | 2.98    | 3.12    | 3.14    | 3.51    |
| Increase in General Rates (Average over 10 years 2.3%)  |             | 0.82    | 2.19    | 1.62    | 2.55    | 2.41    | 2.23    | 2.51    | 2.60    | 3.30    | 3.21    |
| Increase in Targeted Rates (Average over 10 years 3.3%) |             | 2.50    | 2.77    | 3.94    | 2.21    | 3.35    | 3.14    | 3.92    | 4.13    | 2.83    | 4.10    |
| Movement in LGCI (Average over 10 years 2.9%)           | 2.86        | 2.24    | 2.45    | 2.53    | 2.61    | 2.75    | 2.90    | 3.04    | 3.19    | 3.36    | 3.53    |

### Wastewater (sewerage)

Across CHB there are presently six public sewage collection and treatment systems in Otane, Waipawa, Waipukurau, Takapau, Porangahau, and Te Paerahi.

Resource consents for wastewater treatment at Otane and Takapau are required to be renewed in 2016 and 2018. Until these consents are finalised we will not know what level of extra wastewater treatment is required for these sites although there have been indicative amounts included in the LTP. In addition, to meet current consent requirements, extra wastewater treatment will be installed at Porangahau and Te Paerahi.

Renewal of existing wastewater assets will continue across the districts including relining or replacement of the sewers and manholes and the replacement of the Mount Herbert Road pumping station.



## Water

In the Central Hawke's Bay District, there are approximately 183km of water pipes across the District that deliver water to houses and businesses in Otane, Waipawa, Waipukurau, Takapau, Porangahau, Te Paerahi, and Kairakau.

Over the next 30 years there are a number of projects that are required to maintain the existing assets and to provide resilience in the systems.

Government has changed legislation around the New Zealand Drinking Water Standards. This means the Council is required to upgrade the main systems of Waipukurau and Waipawa, which are currently only chlorinated, with new UV treatment units to meet the standards.



## Stormwater

The catchments in Waipawa and Waipukurau consist of open watercourses (private and public), and piped reticulation. Council also manages some minor reticulation in Otane, Tikokino, Onga Onga, Takapau, Porangahau, Te Paerahi. The beach catchments consist of open drains with some piped sections, generally being roading drainage.

Renewal of existing storm water asset will continue including repairing and replacing pipes, open drains and manholes. Where possible, work will be programmed with other water and roading projects to ensure the least disruption to our communities and to reduce the overall cost.



## Land Transport

Roads are the life blood of getting around our District safely and efficiently. Keeping our community connected is the largest cost for the council - 45.6% of the Council's overall spend.

In the district, the Council manages 1264.4km of roads with 70km of urban and 1195km of rural roads. 68% of council roads are sealed and 402km of the roads are unsealed. Over the next 30 years the number of kilometres of road is not expected to change as this is sufficient to meet any increase in traffic demand. However if there is development that happens in urban areas the number of kilometres of road may change. Any roads created through development will be paid for by the developer and will be built to our standard, ensuring that any impacts are minimised.

### **Racecourse Road and Porangahau Road Intersection.**

As part of the consultation for the LTP, Council proposed to change the traffic priority at the intersection of Porangahau Road and Racecourse Road. After consultation, it was resolved to leave the intersection unchanged.

Council are concerned about the increase in traffic flow down both Racecourse Road and Porangahau Road and will be looking at a number of safety improvement actions for both roads. Also due to increasing development Council will be looking at the general speed limit on Racecourse Road to see if 80 km is a more appropriate speed.

The intersection of State Highway 2, Railway Esplanade, Racecourse Road and Ruataniwha Street was also raised by a large number of submitters as being a bottle neck and hazardous to users, Council will continue to work proactively with New Zealand Transport Agency to explore options for improving the layout of this intersection.

Council is very conscious of the long term logging operations in the southern part of our district and adjacent forests in the Tararua District and the impact these operations may have on our roading network. To this end Council will engage with Central Government to understand the value of these forestry businesses to New Zealand Inc. and if there is a better way in the long term to get these logs to the port. We do not see that this will create a solution overnight but believe that Central Government understanding the situation will enable a fuller analysis of long term opportunities to take place.

### **NZTA Subsidy**

The Council manages the roading network in conjunction with the New Zealand Transport Agency (NZTA) who subsidises the maintenance and renewal work. In 2015 the NZTA has agreed that the subsidy paid to CHBDC will increase from 58% to 60% of the cost of maintenance and renewal. We apply to NZTA on a three yearly basis for funding and the funding for the 2015-18 period is expected to be approved in August 2015. We have assessed the risk of alterations to the funding as "Low" based on previous history of successful funding approval and our increase in expenditure matches NZTA's expectations.

In the past the emergency re-instatement rate started at 58% and increased as the costs of the repairs to the network grew up to a maximum of 95%. With the change in subsidy rate, this now starts at 60% however there is no increase until the cost of the repairs exceeds 10% of the total road budget. The assistance rate then moves to 80% and is frozen at that point.

To help with meeting the extra requirements on Council in the event of any emergency work required, the Catastrophic Events Fund will be increased by \$500,000 to \$2million over the next 2 years and will be funded by Land Transport Rates.

### **One Network Road Classification**

Since 2013 the NZ Land Transport Agency, along with other agencies, has been developing the One Network Road Classification (ONRC) system. ONRC involves categorising roads based on the functions they perform as part of an integrated national network. The classification will help local government and the New Zealand

Transport Agency (NZTA) to plan, invest in, maintain and operate the road network in a more strategic, consistent and affordable way throughout the country. This system 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 requires Councils to transition to the new classifications over the next 3 years, with the requirement for it to be fully implemented by the National Land Transport 2018-21 programme. Although the impacts are not completely understood at this time, there are likely to be changes to the levels of service provided on the network that NZTA are prepared to subsidise.

The LTP has been developed without the impacts of the ONRC on our levels of service and the funding we will receive to maintain them. Once these impacts are known, there will be consultation with the public on whether the changes to the levels of services are acceptable. If the public feels a higher level of service is wanted than those introduced with ONRC, the costs of providing it will be at the expense of the rate-payer.



## Waipukurau Library

In 2013 the Waipukurau Library was identified as a potentially earthquake prone building, when the engineers assessed the building as 12% compliant with the New Building Standard. The accepted target seismic strengthening level is 67% of New Building Standard. We have included this work as part of the 2014/15 work program.

In the meantime, the Waipukurau Library has moved to temporary premises in Ruataniwha Street and we have had plans drawn up for the remedial work required along with planned maintenance for the ageing building. The plans are out for tender with the work to commence in the coming months.

Raising the standard of the building to meet the current building standards for earthquakes is expected to see the Library compliant for the next 20 years.



## Waipukurau War Memorial

The Waipukurau Memorial Hall adjacent to Russell Park was also identified as a potentially earthquake prone building with it being assessed as 21% compliant with the New Building Standard. The hall is regularly used by many groups and is the home of Ruahine Cadets, CHB Badminton and CHB Trampoline Club amongst others.

After discussions with the Hall Committee and hall users we are in the process of developing drawings and pricing to earthquake strengthen, update and make the hall more user friendly. It is anticipated that the work will start later in 2015. This is loan funded from the 2014/15 Annual Plan with an allowance of \$300,000 loan funded in LTP 2015/16.

## Russell Park

Russell Park is Central Hawke's Bay's premier sports park, home to football, swimming, hockey, indoor sports, softball, touch, junior motor cross, dog obedience plus numerous other sports. The park is well used and struggles to handle the number of events and users, particularly in the middle of winter when the park is often closed due to weather.

The Russell Park development includes a full size multi-sport turf which is being organised and funded through the CHB Community Trust. The multi-sport turf will take much of the load off the fields; operate all year round, as well as providing a home for netball and hockey in Central Hawke's Bay.

As part of the overall development of Russell Park we are continuing to transform Russell Park into a destination and facility the community can be proud of for generations to come, providing something for everyone.

The development of the park will be staged over 4 years and be done in conjunction with the construction of the multi-sport turf.

Included in the upgrade:

|   |         |                |
|---|---------|----------------|
| Splash Pad                              | 2015/16 | 165,000        |
| Exercise Trail Equipment & Installation | 2015/16 | 33,500         |
| Car Park Upgrade                        | 2016/17 | 66,593         |
| Skate Park                              | 2016/17 | 204,900        |
| Junior Field Upgrade                    | 2017/18 | 79,832         |
| A & P Grounds Upgrade                   | 2017/18 | 35,714         |
| Road Upgrade                            | 2017/18 | 56,723         |
| Barbeque Area                           | 2018/19 | 6,467          |
| Scout Hall Relocation                   | 2018/19 | 48,503         |
| <b>Total</b>                            |         | <b>697,232</b> |



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## District Plan Review

The Central Hawke's Bay District Plan is a document that provides for change, development and use of the environment, while protecting and safeguarding natural and physical resources for future generations. The District Plan sets a framework for use of the environment and imposes obligations to protect it. Council is required to prepare the District Plan by the Resource Management Act 1991 (amended).

The Central Hawke's Bay District Plan was declared operative in May 2003. In February 2011, Council agreed to undertake an in-house exercise to determine the spatial distribution of the location of resource consents in the District. As a result of the mapping exercise the Council decided to adopt an issue based approach to the District Plan Review and agreed in a subsequent Workshop that a political working party of Councillors be established to work with officers on a full review of the District Plan.

Council adopted a complete review of the District Plan and is working towards a goal of public notification when all three sections of the reviewed District Plan (Rural, Coastal and Urban zones) are completed. Recent amendments to the Resource Management Act 1991 (The Streamlining and Simplifying Act 2009) require a full review of the District Plan every ten years. Council commenced the review during 2011/12 to enable adequate time in which to undertake an "issues based" review of the District Plan.

In response to an established pattern of land subdivision in the rural zone, particularly on the Ruataniwha Plains, the Rural Section was identified as the first part of the District Plan to be reviewed, then the coastal and urban centres respectively as the second and third phase of the District Plan Review.

The Rural Discussion Document was released for public comment in February 2012 followed by the Discussion Documents for the Coastal zone seeking feedback about relevant resource management issues relating to each zone to the Coastal area. The review of the Rural Zone was place hold pending the outcome of the Board of Inquiry (BOI) hearing for the RWSS. This is now progressing as the final decision by the BOI has become very narrow in scope. The Rural review is being run in parallel with the Urban Growth Strategy for Waipawa and Waipukurau.

Central Hawke's Bay District is a member of a collaborative relationship with both Napier City and Hastings District Councils for the purpose of reviewing the District Wide Activities of the three District Plans. This will provide standardisation of performance standards relating to District Wide activities in the Rural Coastal and Urban Centres zones of the District Plan are being reviewed.

## Economic and Social Development

Economic Development in Central Hawke's Bay is delivered through a number of providers on behalf of Council. These service providers include:

- CHB Promotions Inc – including the operation of the District's Visitor Information Centre,
- Business Hawke's Bay.

Central Hawke's Bay District Council participates in Economic Development initiatives at both a Regional and Local level. Locally, we are working on two scenarios for Economic Development. One is based on the RWSS going ahead and the requirements based on increased rate of Economic change. The second is based on RWSS not going ahead and the plan is based on the current economic environment.

Social and Community Development is overseen by the Safer Community Coordinator who is funded in part by ACC. Council works in a number of areas, both locally and regionally, on social issues such as family violence, problem gambling, falls prevention, community connectivity, smoke alarms in homes, positive ageing and youth.

# 1. Financial Strategy

## 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 Council's Mission Statement; that the Council will be accountable to its citizens for the good management of the public assets of the District and provide open local government at minimum economic cost, with the least possible intervention in the private lives of residents. The Council has had no feedback from the community that the current overall services require improving or that there is pressure from a growing community that will require Council to change how services are provided. Based on this the LTP has been developed on the premise that it is "Business as Usual" for Central Hawke's Bay District Council (CHBDC) and that the Council's core infrastructure, services and community facilities to the district will remain at current levels.

The impact of the Ruataniwha Water Storage Scheme (RWSS) has been excluded from the LTP. At present Hawkes Bay Regional Investment Company is still working through the resource consents and funding requirements for the RWSS. Until the RWSS has its final resource consents approved, investors confirmed and water uptake contracts signed the project will not have "the green light" to begin construction. Until the green light is given to the RWSS, Council has assessed that it is more financially prudent to exclude the impacts of the RWSS in the LTP. If the RWSS is given the go head, it is likely that an amendment to the Financial Strategy and the LTP will be required. The amended LTP will be updated for the increased costs and capital requirements to meet the increase in demand for services.

Without the RWSS, there is expected to be a minimal increase in the population of 1.2% over the next 10 years. 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.

| Year | Total Population | Number of Households | Median Age (Yrs) | 65+  |
|------|------------------|----------------------|------------------|------|
| 2015 | 13440            | 5457                 | 42.4             | 2645 |
| 2025 | 13460            | 5727                 | 45.1             | 3500 |

Therefore it is recognised that:

- growth will be limited
- the desire to limit future rate rises to make rates affordable
- the need to contain costs by maintaining the existing levels of service and existing core services and infrastructure
- the growth in public debt is principally to fund wastewater and water upgrades
- and the application of a user pays principle may mean above average increases in targeted rates

Capital renewals and maintenance will be focused on replacing existing assets as part of the annual expenditure on infrastructure renewals.

Capital expenditure will be concentrated around upgrading water supply networks to meet drinking water standards and provide improved resilience to the network so that the water network is better placed to deal with any potential breaks and maintenance issues. The waste water network will also receive some upgrades to improve performance and will be loan funded to maintain intergenerational balance. Council will also continue with the Russell Park upgrade to provide better facilities for the District.

The maintenance requirements of Council's infrastructural and other assets, as determined from Asset Management Plans or independent consultant's reports, will be funded from rates. Only essential renewals are to be undertaken to achieve an acceptable level of rating for ratepayers.

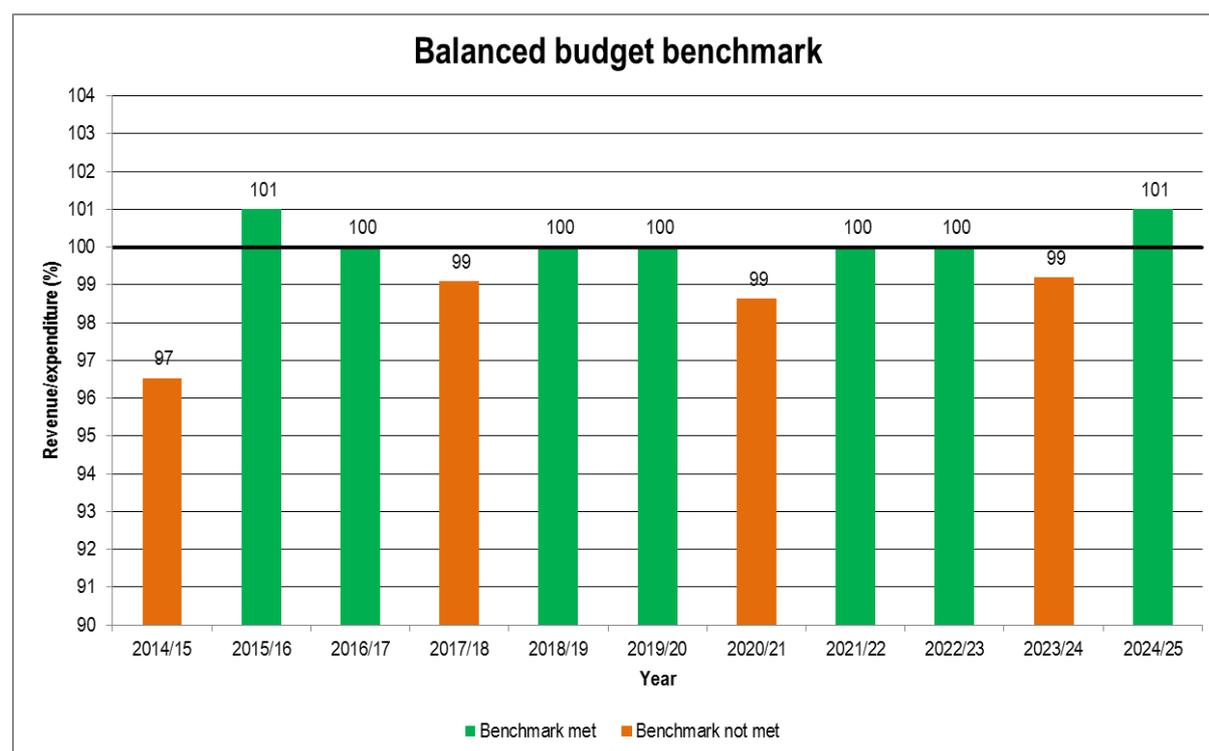
The focus of this LTP is looking after what we have and through this approach Council can deliver affordable rate increases to existing ratepayers for each year of the LTP.

### 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. This view is further supported by the Local Government commissioned report Survey – Asset Management Activities Hawkes Bay Region Local Authorities (20 January 2015).

Therefore the Council Revenue is below Council Expenditure in some years of the LTP as the Expenditure includes Depreciation which is higher than Renewals and Debt Repayment.



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 has worked hard to replenish these reserves for future events. Council is also increasing the Catastrophic Events Fund over the next three years to \$2mill 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 will be funded from Land Transport Rates.

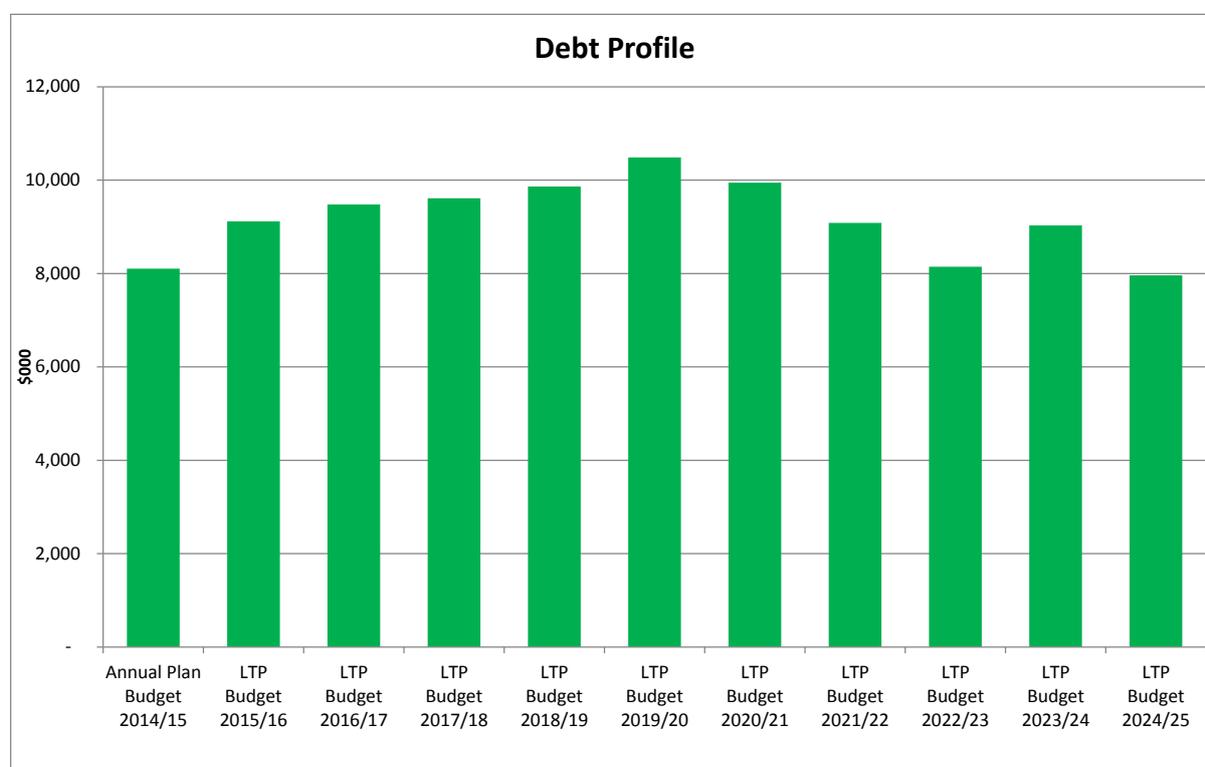
## Debt

Council borrows for capital projects 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 \$8.1m forecast at June 2015. While debt levels are modest, Council is mindful of the communities' ability to pay back any new debt that it may incur through new capital projects. During the course of the LTP, Council projects to incur \$11.37m of new debt and repay \$10.57m.

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



The key drivers for this change in debt are

- upgrades to the water supply to meet drinking water standards
- an alternative water supply to Otane in 2024
- consents and upgrades to wastewater in Otane, Takapau, Waipukurau, Waipawa, Porangahau and Te Paerahi

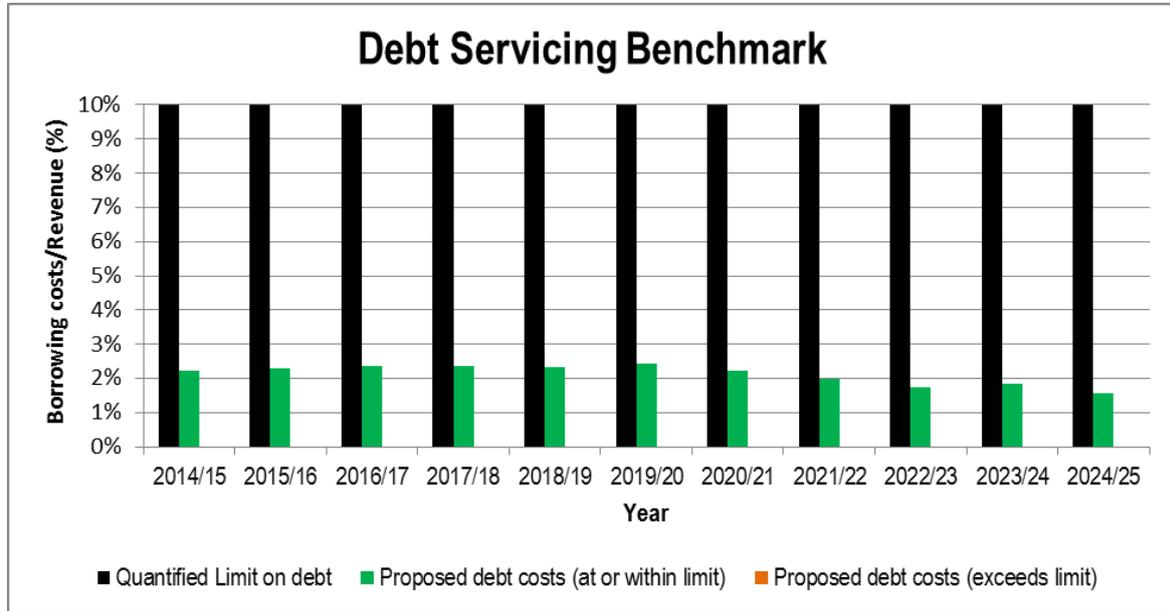
To ensure that Debt Servicing is affordable for our communities the Council has set the following limit:

**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.



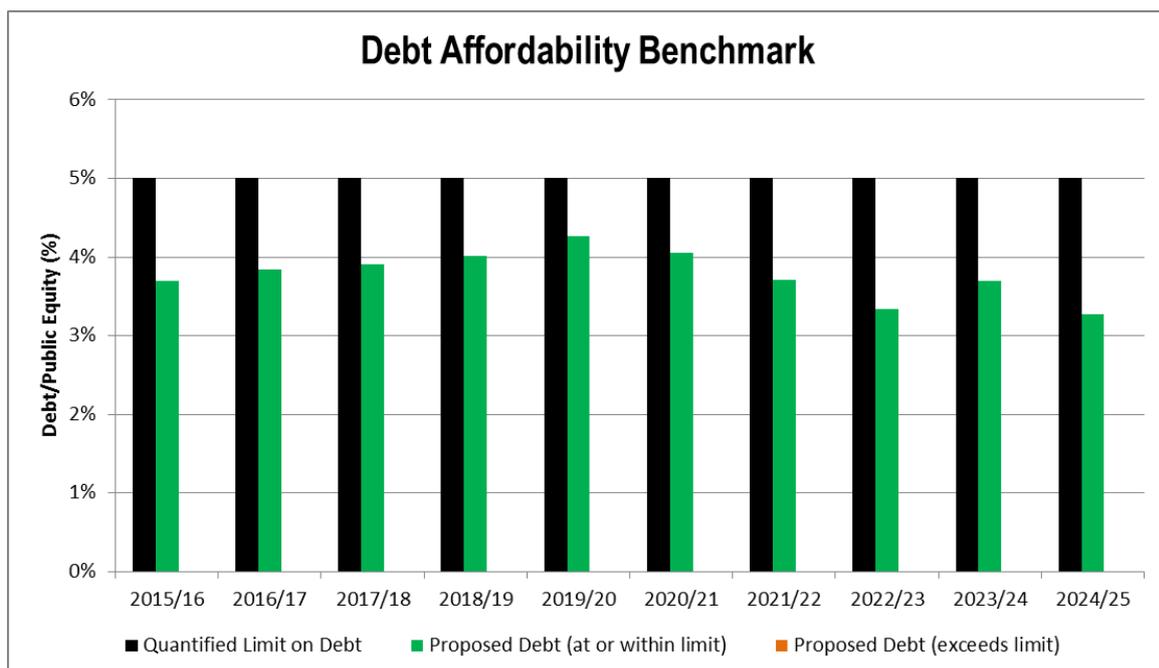
To ensure that Debt is affordable for our current and future ratepayers the Council has set the following limit:

**Limit**

**Debt Affordability**

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

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



## Investments

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

Investments are governed by Council's Investment Policy.

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

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 10% 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.

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 2015-18 period is expected to be approved in August 2015. 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      | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
|--------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| NZTA Subsidy | 6,470   | 6,470   | 6,470   | 6,866   | 7,037   | 7,227   | 7,430   | 7,653   | 7,890   | 8,150   |

### 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 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.

Currently 57.4% of rates are collected on a district wide basis, 32.7% collected as targeted rates from those connected to services, and 9.9% from a Uniform Annual Charge.

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.

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

However, by

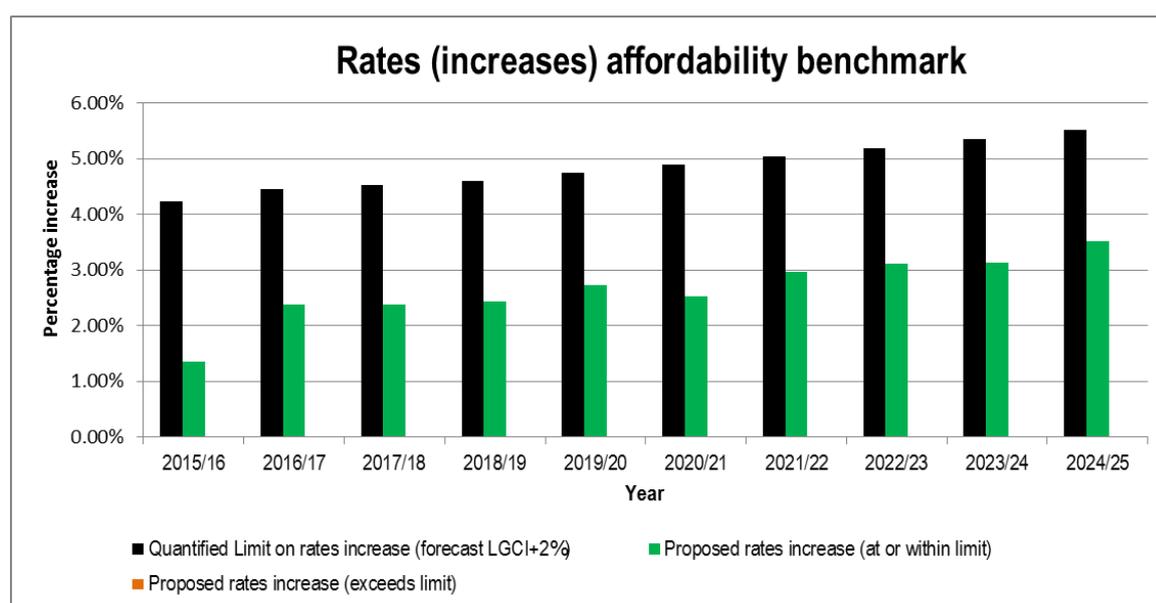
- largely maintaining existing levels of service
- managing capital improvements
- reviewing operating costs

Council has set the following limits on rates -

### Limit

#### Rates Percentage Increases

Rates Increases to existing ratepayers will not exceed the projected Local Government Cost Index plus 2%



The additional 2% 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

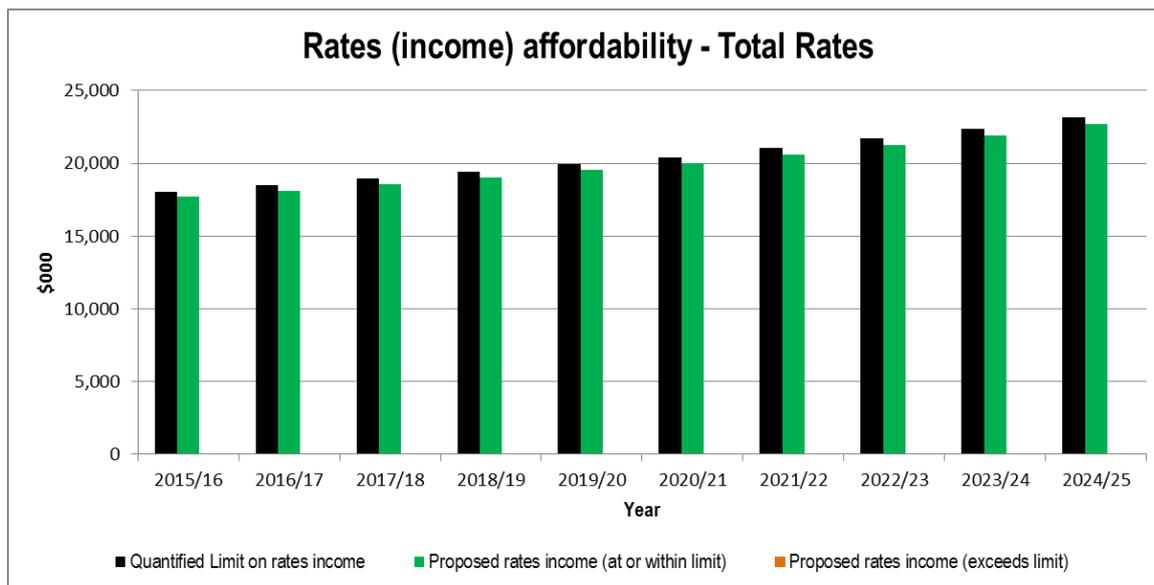
levels of services approved by Council. The limits set for rates increases are the upper limit and Council will work hard to maintain increases to levels below these limits.

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).

**Limit**

**Total Rates**

Total rates to existing ratepayers will not exceed the LTP projected total rates plus 2%



The additional 2% provided in the total rates 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.

## Capital Expenditure planned for the District

| <i>To maintain assets for existing levels of service</i> |              |              |              |              |              |              |              |              |              |              |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|  | 2015/16      | 2016/17      | 2017/18      | 2018/19      | 2019/20      | 2020/21      | 2021/22      | 2022/23      | 2023/24      | 2024/25      |
| Emergency Management                                     | 10           | 10           | 11           | 11           | 11           | 11           | 12           | 12           | 13           | 13           |
| Land Transport   | 7641         | 7647         | 7657         | 8108         | 8319         | 8543         | 8782         | 9046         | 9326         | 9634         |
| Solid Waste  | 86           | 88           | 90           | 93           | 95           | 98           | 101          | 104          | 108          | 112          |
| Water Supplies   | 712          | 1140         | 591          | 608          | 625          | 645          | 665          | 688          | 2485         | 738          |
| Wastewater   | 1570         | 909          | 1389         | 1607         | 2026         | 1017         | 735          | 760          | 787          | 815          |
| Stormwater   | 200          | 205          | 210          | 216          | 222          | 229          | 237          | 245          | 253          | 262          |
| Parks, Reserves & Pools                                  | 175          | 108          | 163          | 123          | 117          | 154          | 124          | 128          | 194          | 136          |
| Public toilets   | 33           | 34           | 35           | 36           | 36           | 38           | 39           | 40           | 41           | 43           |
| Retirement Housing                                       | 35           | 36           | 37           | 38           | 39           | 40           | 41           | 42           | 44           | 45           |
| Libraries  | 93           | 98           | 100          | 103          | 106          | 109          | 112          | 116          | 120          | 124          |
| Theatres, Halls & Museums                                | 428          | 131          | 134          | 137          | 141          | 145          | 150          | 155          | 160          | 165          |
| Cemeteries   | 42           | 43           | 44           | 45           | 47           | 48           | 49           | 51           | 53           | 54           |
| Properties & Buildings                                   | 112          | 110          | 76           | 78           | 80           | 82           | 85           | 87           | 90           | 94           |
| <b>Total</b>   | <b>11136</b> | <b>10558</b> | <b>10537</b> | <b>11203</b> | <b>11864</b> | <b>11160</b> | <b>11131</b> | <b>11473</b> | <b>13674</b> | <b>12235</b> |
| <i>To improve the level of service</i>                   |              |              |              |              |              |              |              |              |              |              |
|  | 2015/16      | 2016/17      | 2017/18      | 2018/19      | 2019/20      | 2020/21      | 2021/22      | 2022/23      | 2023/24      | 2024/25      |
| Land Transport   | 299          | 299          | 299          | 317          | 325          | 334          | 343          | 354          | 365          | 377          |
| Parks, Reserves & Pools                                  | 274          | 271          | 225          | 55           | 55           | -            | 59           | -            | 63           | -            |
| <b>Total</b>   | <b>572</b>   | <b>570</b>   | <b>524</b>   | <b>372</b>   | <b>381</b>   | <b>334</b>   | <b>402</b>   | <b>354</b>   | <b>427</b>   | <b>377</b>   |

These include –

|  | 2015/16     | 2016/17     | 2017/18    | 2018/19    | 2019/20     | 2020/21    | 2021/22   | 2022/23  | 2023/24     | 2024/25  |
|--|-------------|-------------|------------|------------|-------------|------------|-----------|----------|-------------|----------|
| Waipukurau Resilience and Drinking Water Upgrades                    | 150         | 564         |            |            |             |            |           |          |             |          |
| Alternate Supply to Otane  |             |             |            |            |             |            |           |          | 1773        |          |
| Waipuk Wastewater Pump Station and Waipawa Mains Wastewater Resource | 849         | 272         |            | 287        |             | 305        |           |          |             |          |
| Consents and Treatment   | 100         |             | 736        | 649        | 1335        |            |           |          |             |          |
| Russel Park Upgrades   | 199         | 271         | 172        | 55         |             |            |           |          |             |          |
| Cycleways  | 50          |             | 52         |            | 55          |            | 59        |          | 63          |          |
| Waipukurau War Memorial Earthquake Strengthening                     | 300         |             |            |            |             |            |           |          |             |          |
| <b>Total</b>   | <b>1648</b> | <b>1108</b> | <b>961</b> | <b>991</b> | <b>1390</b> | <b>305</b> | <b>59</b> | <b>-</b> | <b>1836</b> | <b>-</b> |

## Rating Base Information

|                               | Actual  | Estimate |         |         |         |         |         |         |         |         |         |         |
|-------------------------------|---------|----------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|                               | 2013/14 | 2014/15  | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
| <b>Number of rating units</b> | 7,569   | 7,699    | 7,726   | 7,753   | 7,780   | 7,807   | 7,834   | 7,861   | 7,888   | 7,915   | 7,942   | 7,969   |

## 2. Infrastructure Strategy

### Introduction

This strategy sets out the Central Hawkes 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 life<sup>1</sup>.

The Central Hawke's Bay District covers an area of 3260 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 first infrastructure strategy prepared to meet the new requirements of section 101B of the Local Government Act 2002 (LGA). Section 101B took effect on 8<sup>th</sup> August 2014 and requires Councils to prepare an infrastructure strategy that identifies:

- Significant infrastructure issues facing the Central Hawkes 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 Hawkes Bay Regional Council.

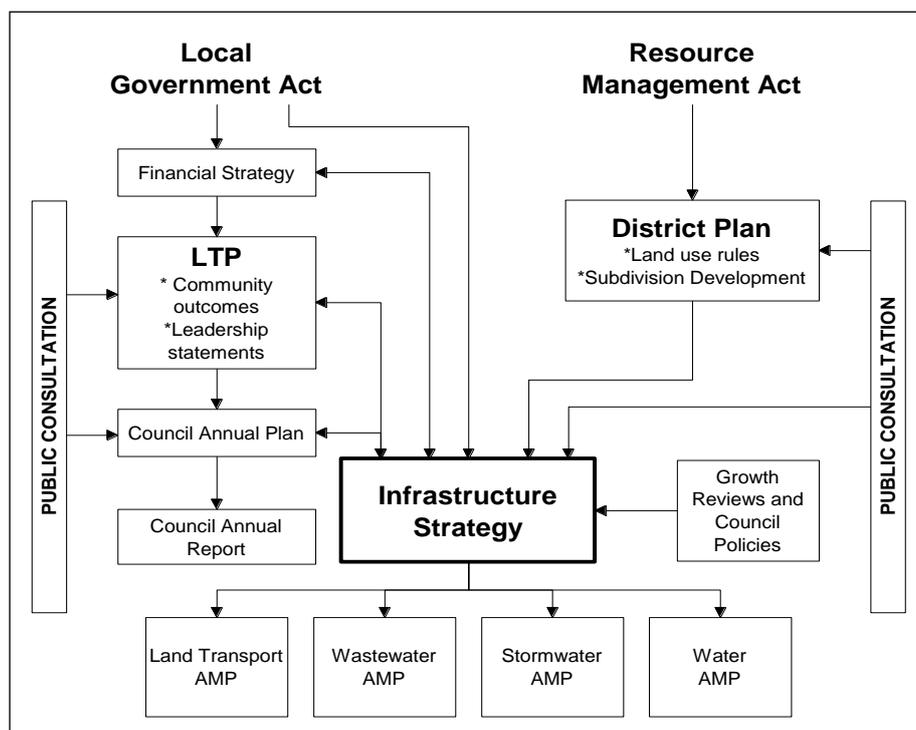
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<sup>1</sup> National Infrastructure Plan, 2011, <http://www.infrastructure.govt.nz/plan/2011>

## 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 to increase will be challenging. 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**

Projections suggest that growth in residential housing in our district will be modest. 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 our current approach is:

- to encourage utilisation of existing infrastructure where existing capacity allows
- not to extend existing networks beyond our existing supply boundaries
- not provide for new services in urban areas which are currently un-serviced

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 decrease over the next 30 years and most of our infrastructure has sufficient capacity to meet current demand we intend to plan for and maintain existing assets or build new infrastructure with little redundant or spare capacity. We 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).

### **Take a “just-in-time” approach to the delivery of infrastructure**

Given that there is some level of uncertainty around future growth and demand for infrastructure we intend to take a “just-in-time” approach to delivery if additional infrastructure is likely to be required. This approach ensures that our investment in infrastructure only occurs when we have a reasonable level of certainty that predicted growth or increases in demand will occur. To do this we will need to monitor growth and demand for infrastructure and services so that we can time infrastructure provision to align with the timing of demand or growth.

### **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. Projections suggest that while the number of houses is expected to increase over the next 30 years, our population will decline. It could be difficult to reduce the costs in the future as our population declines and this could result in affordability issues.

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# Central Hawke's Bay District – Te Taiwhenua 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 Whangaehu 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.

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 Hawkes Bay over the coming years, with changes to wind and weather patterns, sea level rises, increased flood risk and frequency of extreme weather events predicted<sup>2</sup>. 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 Hawkes 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.

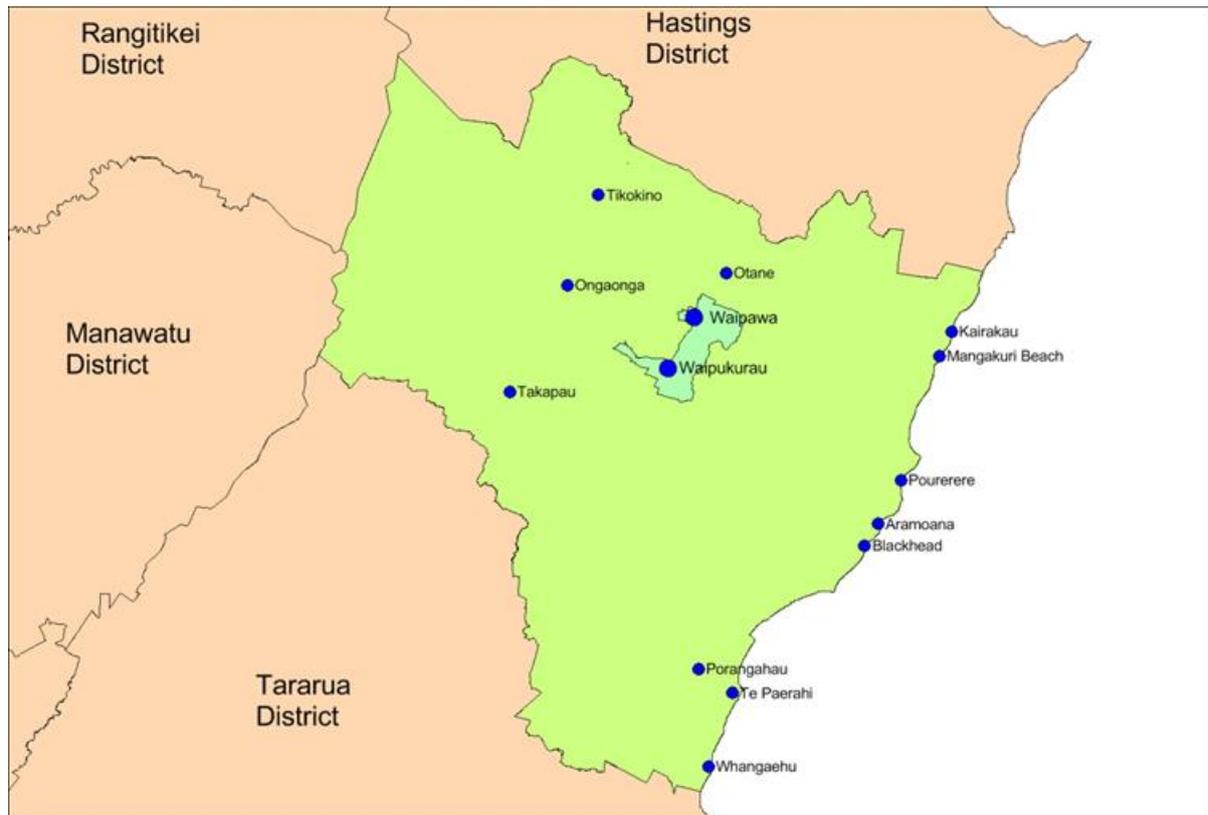
## Changing Environmental Standards and Legal Obligations

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 Otane, Takapau, Porangahau and Te Paerahi.

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<sup>2</sup> <http://www.mfe.govt.nz/default/files/preparing-for-climate-change-guide-for-local-govt.pdf>

## The District



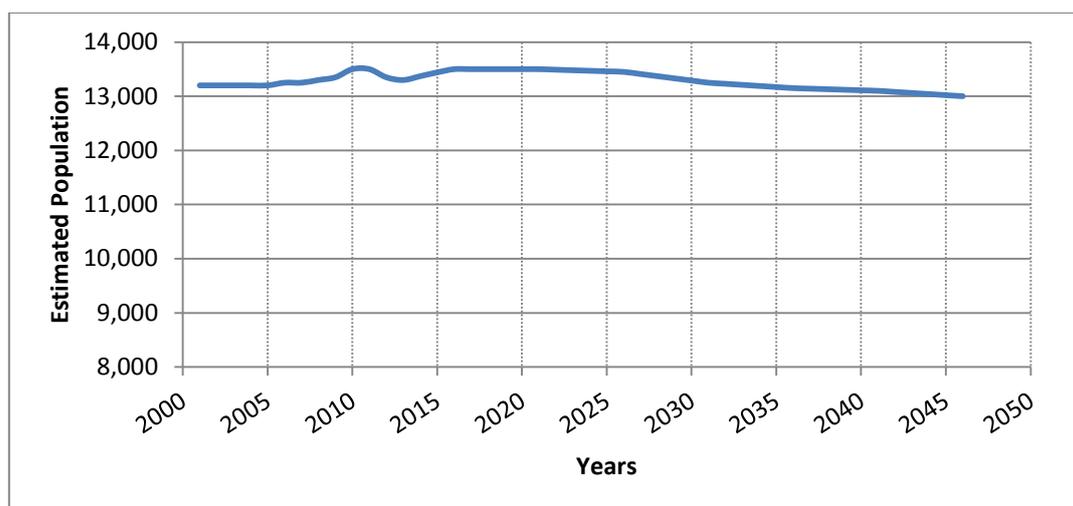
## Our People

### Population Change

Understanding the characteristics of our current population 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 Hawkes Bay District has a population of around 13,300 (2013 Census). Based on past trends, population projections suggest that our district will experience modest growth (around 1.1% in total across the district) over the next 10 years but that our population is likely to decline over the following 20 years. By 2045, projections suggest that around 13,000 people will live in the district, slightly fewer than now.

Projections suggest that over the next 30 years, the population in all of our townships will decrease at a similar rate.



### Demographic Change

Like many parts of New Zealand, our population is ageing. Currently around 20% of our population is over the age of 65 and the median age of our population is 42 years of age. By 2045, around 36% of our population is expected to be over the age of 65 and the median age of our population will be around 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](#) and [Onga Onga](#). In addition there are several beach townships including Kairakau, Pourerere, Blackhead and Te Paerahi.

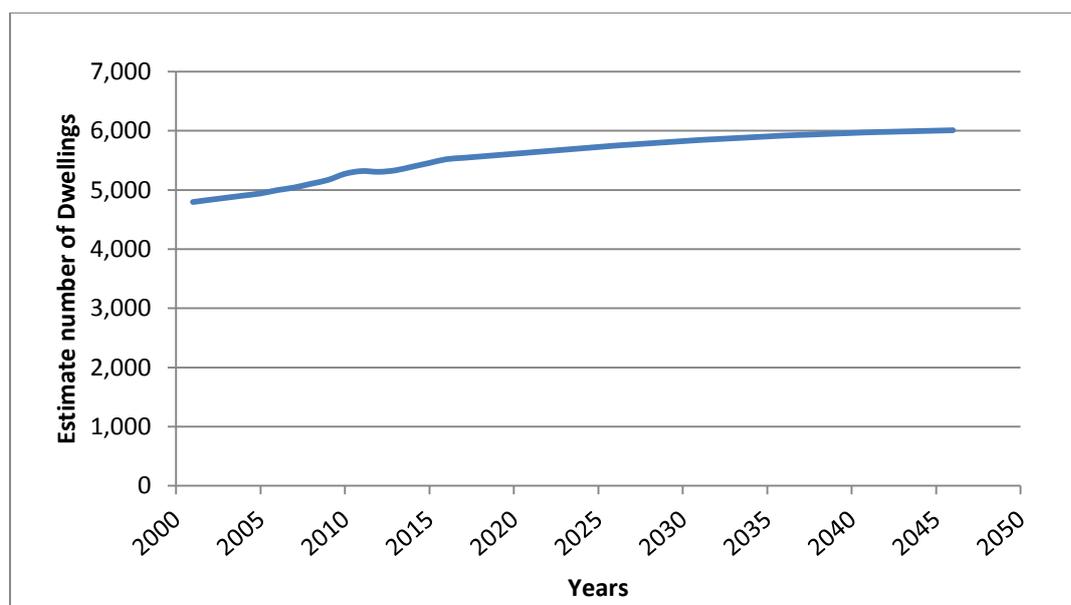
Approximately 45% of the District's population lives in the urban areas. The main towns of Waipukurau and Waipawa house 3,912 and 2,058 residents respectively. Of the rural townships the villages of Takapau and Otane have the highest populations with approximately 500 - 600 people in each settlement.

### Household Growth

Over the next 30 years the number of houses, across the District, is expected to increase by around 10% in total - or an increase of approximately 540 new houses. While the total number of new dwellings in each of our townships will differ, projections suggest that over the next 30 years all of our townships will experience some growth in housing numbers.

This increase in the number of houses, while our population is declining, is the result of more people living alone, smaller household sizes and social changes around family and household formation.

As the number of houses in the District grows, it is likely that some of these dwellings will require connections for services like water, wastewater and stormwater. This means Council has to plan for new infrastructure to meet this demand, where capacity in existing infrastructure does not exist. It is however expected that these additional dwellings will have fewer occupants and that these smaller households, particularly single person households, may be less able to absorb increased costs of service.



### 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, pipfruit, 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.

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## Overview of our Infrastructure Assets

### 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.

### 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.

### Stormwater

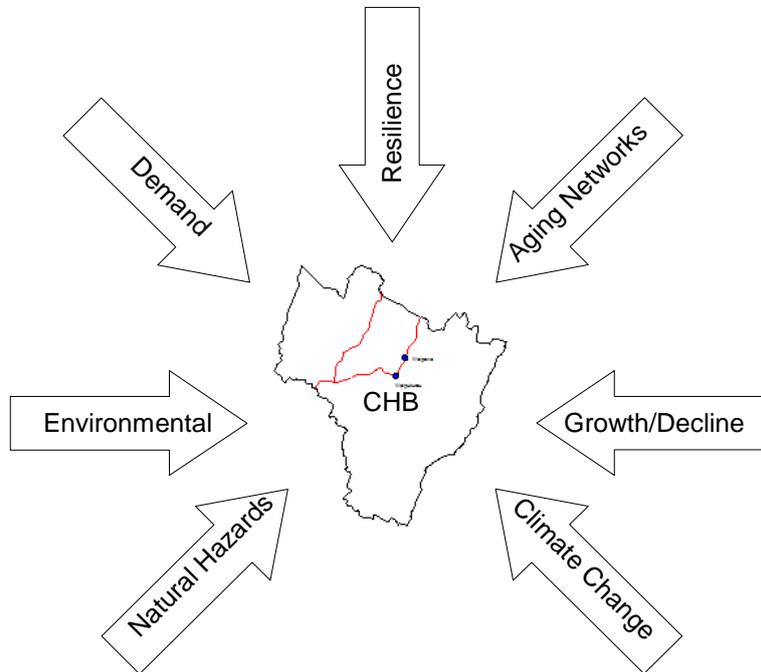
Council collects and disposes of stormwater in the built up areas of Central Hawke's Bay District. The stormwater network consists of two separate systems servicing the two main towns of Waipawa and Waipukurau. There are also six smaller networks providing varying levels of coverage for the townships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

### 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.

## 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; water supply, wastewater. 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.

| Wastewater                          |  |   |  |
|-------------------------------------|--|---|--|
| Significant Infrastructure Issues   |  | Principle Options for Managing the Issues   | Implications   |
| Infrastructure Age and Condition    | 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>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> |
| Increasing Standards: Environmental | The Hawkes Bay Regional Council (HBRC) is proposing to change environmental standards for the Tukituki catchment (Plan Change 6), for example around the amount of water that we are allowed to take and around discharging to water and land. HBRC also plans to set new water quality and allocation limits for groundwater from rivers, and increase minimum river flows. | 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.   | Upgrading wastewater networks to meet new environmental standards could be costly.   |

| Wastewater   |  |   |
|--|--|---|
| Significant Infrastructure Issues  | Principle Options for Managing the Issues  | Implications  |
| <p style="text-align: center;"><b>Increasing Standards: Environmental</b></p> <p>Over the next 30 years a number of resource consents relating to our wastewater networks will need to be renewed.</p> <p>Our 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"> <li>• <b>Otane Treatment pond</b> consent expires in September 2015</li> <li>• <b>Takapau Treatment pond</b> consent expires in September 2018</li> <li>• <b>Porangahau Town Treatment pond</b> consent is due for renewal in May 2021</li> <li>• <b>Te Paerahi Treatment pond</b> consent expires in September 2021 and we know that there is some local objection to the continuing land based discharge approach</li> </ul> | <p>To meet new consent conditions Council is currently undertaking upgrades to the Waipukurau and Waipawa treatment facilities.</p> <p>Based on the higher consent condition imposed for the Waipukurau and Waipawa pond Council is planning for major works over the next ten year period for the Otane, Takapau, Porangahau and Te Paerahi schemes.</p> <p>Council will design and implement appropriate and cost effective wastewater solutions to ensure compliance with consent conditions.</p> <p>Council will also continue to work with the local Community to find an acceptable solution to the treatment of wastewater.</p> | <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> |

| Wastewater                                |   |  |  |
|---|---|--|--|
| Significant Infrastructure Issues         | Principle Options for Managing the Issues   | Implications   |  |
| <b>Stormwater Inflow and Infiltration</b> | <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"> <li>• of the age or condition of our assets</li> <li>• the design of some of our networks means that stormwater infiltration is more common irrespective of asset age and condition</li> </ul> <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>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>Where stormwater infiltration is the result of leaking pipes, Councils main response is the use of the latest pipe lining technology. This not only protects the pipe lines from infiltration but extends the useful life of the network. Where this is not a practical option, pipeline replacement is considered.</p> <p>For areas such as the commercial centre of Waipukurau, the relining of the main trunk line may not be a practical due to the construction of a number of buildings over the mains. This will require the design of an alternative route which could require land purchases and the redesign of existing infrastructure.</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"> <li>• Our ability to maintain service levels</li> <li>• The condition and sustainability of our network, resulting in unplanned service interruptions and increased maintenance and renewals cost</li> </ul> <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  |
| <p><b>Network growth</b></p> <p>Projections suggest residential growth in our district will be modest. 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"> <li>to encourage utilisation of existing infrastructure where existing capacity allows</li> <li>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)</li> <li>not provide for new services in areas which are currently un-serviced</li> </ul> <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><b>Levels of Service</b></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 bottle necks 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 style="text-align: center;"><b>Natural Hazards</b></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"> <li>• Monitor and assess the risk of natural hazards on our existing assets</li> <li>• Where new infrastructure is planned the potential risk of natural hazards, such as earthquakes and flooding is considered when determining location and design</li> <li>• 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</li> </ul> <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"> <li>• has ensured that its insurances are adequate to ensure Council has adequate cover over all infrastructure assets</li> <li>• maintains a catastrophe reserve fund which can be used to undertake a prioritised program of repairs</li> </ul> | <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> |

| Wastewater                        |   |  |   |
|-----------------------------------|---|--|---|
| Significant Infrastructure Issues | Principle Options for Managing the Issues   | Implications   |   |
| <b>Climate Change</b>             | <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"> <li>• Large volumes of stormwater entering our networks which may be unable to treat the resulting volume of wastewater</li> <li>• our wastewater assets being damaged, for example by flooding</li> </ul> | <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"> <li>• Council could breach the discharge limits set allowed under our resource consents</li> <li>• it could have a negative impact on our natural environment and water quality</li> <li>• it could have a negative impact on public health</li> </ul> |

| <b>Water Supply</b>                        |  |  |   |
|--|--|--|---|
| <b>Significant Infrastructure Issues</b>   | <b>Principle Options for Managing the Issues</b>   | <b>Implications</b>  |   |
| <b>Infrastructure Age and Condition</b>    | <p>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.</p>  | <p>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.</p> <p>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 AWTP, 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.</p>   | <p>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.</p> <p>There may also be increased operational costs with responding to the breakages as well as major leakages.</p>   |
| <b>Increasing Standards: Environmental</b> | <p>The Hawkes Bay Regional Council is proposing to change the environmental standards for the Tukituki catchment (Plan Change 6), 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.</p> <p>This may have the effect of reducing the quantities of water that can be extracted for town supplies, particularly reducing the peak flow rates.</p> <p>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.</p> | <p>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.</p> <p>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.</p> <p>We have started discussions with the Hawkes Bay Regional Investment Company (HBRIC) for potentially purchasing bulk water from the proposed Ruataniwha Water Storage Scheme (RWSS) for our four main towns to enable growth, meet summer demand and improve security of supply.</p> <p>We will continue to monitor our water demand as well as undertaking more detailed growth analysis to understand growth patterns better.</p> | <p>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.</p> <p>If the RWSS does not go ahead and we do not purchase bulk water from RWSS, water restrictions in the summer period will continue and may lengthen in duration.</p> |

| Water Supply   |   |   |
|--|---|---|
| Significant Infrastructure Issues  | Principle Options for Managing the Issues   | Implications  |
| <p><b>Increasing Standards: Public Health</b></p> <p>Our water supply schemes currently comply with Drinking Water Standards (DWS) 2002 but do not comply with the DWS 2005 (revised 2008).</p> <p>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.</p>  | <p>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:</p> <ul style="list-style-type: none"> <li>• The Waipukurau and Waipawa water supply schemes are being upgraded over the next two years with new UV treatment units.</li> <li>• We have been able to secure additional funding from Central Government to assist with undertaking these upgrades. This will reduce the financial impact on our communities.</li> <li>• We are planning to undertake a prioritised programme of improvements for the Kairakau and Pourerere water treatment schemes.</li> </ul> | <p>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.</p>  |
| <p><b>Network growth beyond existing supply boundaries</b></p> <p>Projections suggest residential growth in our district will be modest. 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"> <li>• to encourage utilisation of existing infrastructure where existing capacity allows</li> <li>• 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)</li> <li>• not provide for new services in areas which are currently un-serviced</li> </ul> <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> |

| Water Supply   |  |   |
|--|--|---|
| Significant Infrastructure Issues  | Principle Options for Managing the Issues  | Implications  |
| <p><b>Network Resilience</b></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"> <li>• Damage resulting from the work undertaken in the road corridor</li> <li>• Asset failure</li> <li>• The impact of natural hazard events</li> </ul> <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"> <li>• 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.</li> <li>• 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.</li> <li>• We are taking resilience into account in our discussions with HBRIC around the potential supply of bulk water to our four main townships.</li> </ul> | <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> |
| <p><b>Natural Hazards: seismic</b></p> <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"> <li>• We check and action any leaks that may arise after earthquake activity as part of our emergency response plans.</li> <li>• We use flexible water pipelines so that there is less likelihood of failure.</li> <li>• We ensure that our water reservoirs are able to cope with seismic risk.</li> <li>• We have set up a catastrophic events fund to mitigate the financial impacts of natural disasters.</li> </ul>  | <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>              |

| Water Supply   |   |  |
|--|---|--|
| Significant Infrastructure Issues  | Principle Options for Managing the Issues   | Implications   |
| <p><b>Natural Hazards: coastal impacts</b></p> <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 Hawkes 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"> <li>• Monitoring and assessing the risk of coastal hazards on our existing water supply assets</li> <li>• 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</li> </ul> | <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>                            |
| <p><b>Security of Supply</b></p> <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"> <li>• Sound leakage management practices are in place to ensure water is not wasted unnecessarily.</li> <li>• 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.</li> <li>• We will continue our discussions with HBRIC investigating the potential supply of bulk water to our four townships that will eliminate the drought variable.</li> <li>• We will continue to apply for resource consents for enhanced or extended water take in a timely manner.</li> </ul>   | <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> |

| Stormwater  |   |  |
|---|---|--|
| Significant Infrastructure Issues   | Principal options for response  | Implications   |
| <p><b>Capacity Constraints</b></p> <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"> <li>• 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</li> <li>• Ensuring that new developments do not make the effect any worse than pre development state through use of retention tanks or similar devices</li> </ul>                                   | <p>If our stormwater network in Waipukurau cannot drain sufficiently and in a timely manner to Lake Hatuma this may impact on:</p> <ul style="list-style-type: none"> <li>• Our ability to maintain flood protection service levels for the Racecourse and this may have an economic impact for their business</li> <li>• Future development may be stopped or reduced due to the capacity constraints</li> <li>• It may be uneconomic for future development to implement the mitigation measures to pre development state for effective stormwater management</li> </ul> |
| <p><b>Stormwater Inflow and Infiltration</b></p> <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.</p> <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>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>  |

| 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"> <li>• develop and put in place and test Emergency Response Plans as well as working with our neighbouring Councils for resources</li> <li>• 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</li> <li>• ensure that our road drainage is adequate and proactively manage and maintain road drainage to protect the integrity of our roads</li> </ul> | <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> |

| Transport                         |  |  |   |
|-----------------------------------|--|--|---|
| Significant Infrastructure Issues | Principle Options for Managing the Issues  | Implications   |   |
| <b>Demand Management</b>          | <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"> <li>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</li> <li>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</li> <li>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.</li> </ul> | <p>Our main responses include:</p> <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> </ul> | <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  |
| <b>Changing Standards</b> | <p>NZTA are implementing 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.</p> <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>Our main responses include:</p> <ul style="list-style-type: none"> <li>• We will work collaboratively with NZTA recognising that this process is still subject to refinement.</li> <li>• We will collaborate with similar sized Councils to make submissions to ensure the impact of the proposed changes have minimal impact on our District.</li> <li>• We will start to analyse at a high level to understand the impact across our network in terms of customer levels of service.</li> </ul> | <p>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> <p>At this stage we have not quantified this and any subsequent financial impact.</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 \$941 million. 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 2015 and 2045.

| Infrastructure Activity | Operational Expenditure | Capital Expenditure  |
|-------------------------|-------------------------|----------------------|
| Land transport          | \$618 million           | \$371 million        |
| Water supply            | \$140 million           | \$52 million         |
| Wastewater              | \$153 million           | \$51 million         |
| Stormwater and drainage | \$25 million            | \$10 million         |
| <b>Total</b>            | <b>\$935 million</b>    | <b>\$483 million</b> |

Over the next 30 years we expect that:

- Given future growth estimates there is limited 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 to cater for modest growth in households.
- 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 the following sections of this strategy.

The following figure shows expected capital expenditure across the four types of infrastructure assets for the period from 2015 to 2045 by expenditure category.

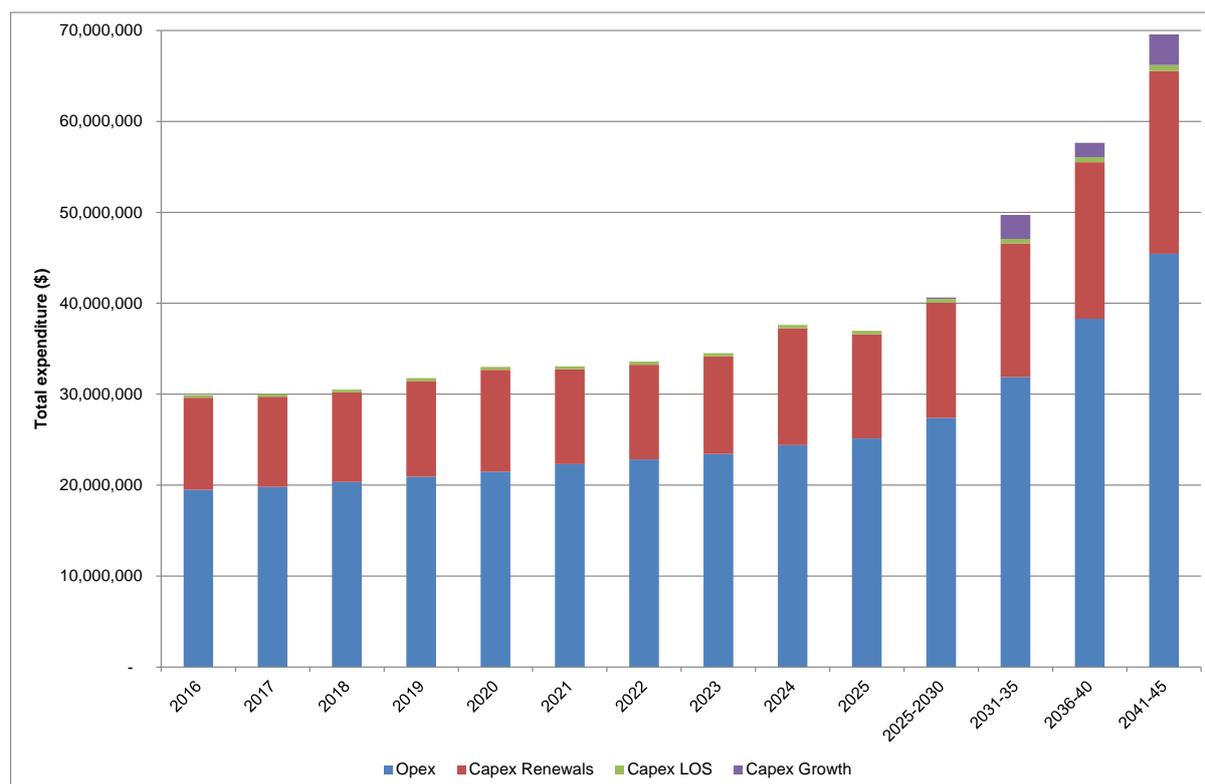


Figure 1: Summary of 30 year total expenditure

Source: 2015 LTP budget (as at 26 February 2015) (2025-2045 5 year averages)

## 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.

| Project   | Description   | Timing    | Estimated Cost (Inflated)         |
|---|---|-----------|-----------------------------------|
| Wastewater: Mt Herbert Road pumping station renewal |   |           |                                   |
| Most Likely Scenario                                | Replacement of the Mt Herbert main pumping station due to poor asset condition.   | 2015/16   | \$1.05 million                    |
| Transport: Minor improvements programme             |   |           |                                   |
| Most Likely Scenario                                | Programme of minor transport improvements to resolve safety issues on an annual basis.  | 2015-045  | \$14 million over 30 year period  |
| 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. | 2015-2045 | \$357 million over 30 year period |

|  |  |                    |                                      |
|--|--|--------------------|--------------------------------------|
| 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.                    | 2016/17 to 2020/21 | \$1.7 million over five year period  |
| Programme 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.               | 2017/18 to 2019/20 | \$3.7 million over three year period |
| Water Supply: Alternative supply to Otane              |  |                    |                                      |
| Most Likely Scenario                                   | Project for larger trunk main for an alternative supply for Otane to improve security.   | 2023/24            | \$1.7 million                        |
| Waipawa Water Supply: New reticulation                 |  |                    |                                      |
| Most Likely Scenario                                   | A project for new reticulation to provide additional flows around Waipawa to meet demand.  | 2029/30 to 2034/35 | \$1.6 million                        |
| Waipukurau Water Supply: Takapau Road 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.                                     | 2032/33 to 2033/34 | \$1.5 million over two year period   |
| Water Supply: Treatment plant at Coughlan Road/Pumping |  |                    |                                      |
| Most Likely Scenario                                   | Project to provide an alternative water supply route to Waipukurau as currently only served by an existing single source supply and to allow for future development. | 2033/34            | \$2.7 million                        |
| Wastewater industrial servicing                        |  |                    |                                      |
| Most Likely Scenario                                   | Wastewater project to enable growth for the industrial area of Waipukurau with additional wastewater infrastructure.   | 2034/35            | \$3.3 million                        |
| Waipukurau Water Supply: Increase/Improve reticulation |  |                    |                                      |
| Most Likely Scenario                                   | Project to provide additional flows around Waipukurau to meet demand.  | 2034/35 to 2037/38 | \$2.9 million over four year period  |
| 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.                          | 2034/35            | \$1.7 million                        |
| Waipukurau Water Supply: Porangahau Road Reticulation  |  |                    |                                      |
| Most Likely Scenario                                   | The project to allow for development of the rural area of Porangahau and Racecourse Road loop adjacent to the town as it continues to be subdivided.                 | 2036/37 to 2037/38 | \$3.4 million over two year period   |
| Wastewater: Racecourse Road extension                  |  |                    |                                      |
| Most Likely Scenario                                   | Wastewater project to service the rural area of Racecourse Road, Waipukurau, as area becomes subdivided.   | 2037/38            | \$1.7 million                        |

|  |   |         |               |
|--|---|---------|---------------|
| Waipukurau Water Supply: New water main to town      |   |         |               |
| Most Likely Scenario                                 | Project to enable the resilience of Waipukurau network. | 2041/42 | \$6.5 million |
| Waipukurau Water Supply: Reticulation to Hatuma Road |   |         |               |
| Most Likely Scenario                                 | Project to provide new reticulation to Hatuma Road.     | 2042/43 | \$1.8 million |

## 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 still considering whether it will upgrade to meet the Drinking Water Standards 2005 (revised 2008) or will develop a Water Safety Plan to mitigate public health risks.

Council's water supply assets are valued at around \$57 million (total replacement cost as at 30 June 2014). Council's water supply networks include six treatment plants that distribute water through 187 km of pipeline, 51 reservoirs and 8 pump stations.

Over the next 30 years we expect that:

- Operational expenditure including the labour costs, depreciation, 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 including upgrading the SH2 pumping station. The pump station works includes new pumping configuration to provide greater range of flow rates. This is planned to be undertaken in 2016/17 and estimated cost at \$0.56 million.
- Further expenditure on maintaining service levels is planned in 2026/27 with water treatment at Kairakau and Pourerere townships. The 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 \$1.77 million to provide an alternative supply for the Otane township and later with a new main into town in 2032/33 to use the additional water.
- We intend to install reticulation for the Waipawa township to provide additional flows to meet demand initially in 2029/30 then further reticulation in 2034/35 (estimated at \$2.5 million in total).
- Most of the growth related water supply infrastructure is planned for Waipukurau estimated at \$19.6 million in total with the works programme starting in 2032/33. A significant project is to provide a second supply for the District's largest township at Coughlan Road including treatment plant and pumping station. The new reticulation will provide additional flows for the town to meet demand in particular for enabling industrial development.

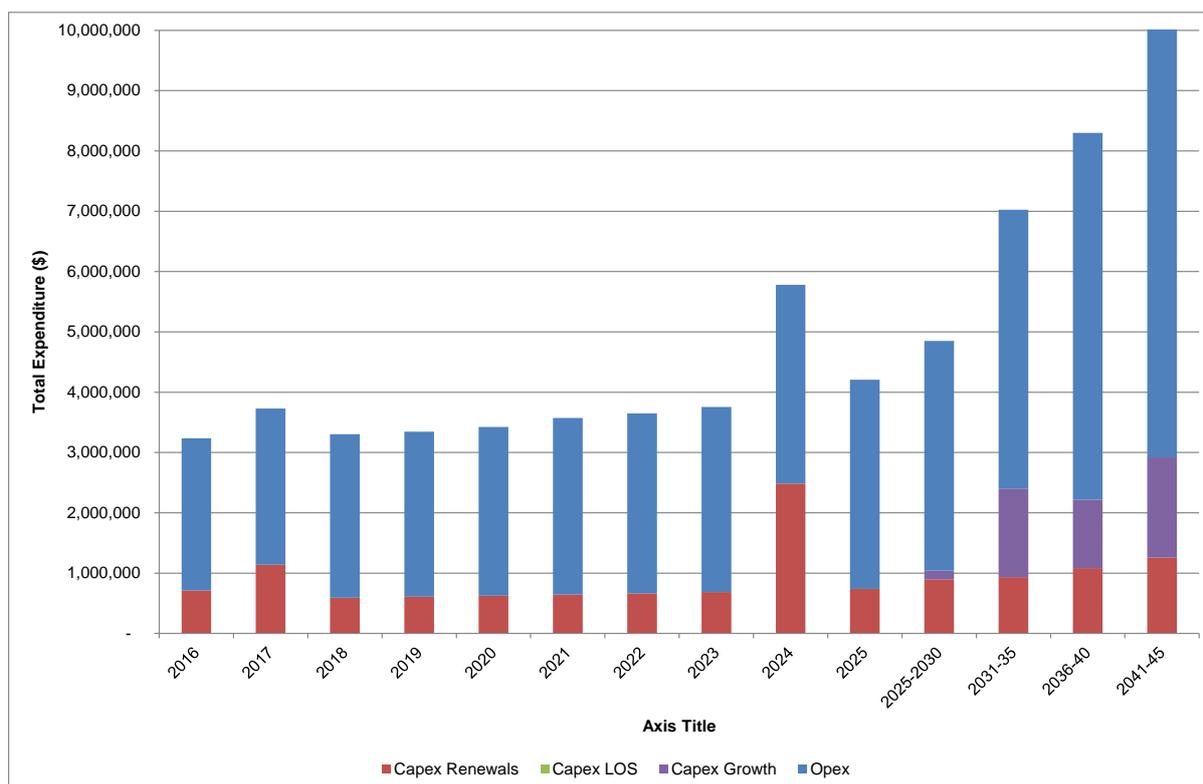


Figure 2: Summary of 30 year water supply expenditure

Source: 2015 LTP budget (as at 25 February 2015) (2025-2045 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 \$80 million (total replacement cost as at 30 June 2014). Council's wastewater networks include 104 kilometres of pipeline, around 997 manholes and 11 pump stations.

Over the next 30 years we expect that:

- Operational expenditure including the labour costs, depreciation, materials and maintenance accounts for most of the wastewater expenditure at about 75 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 and Takapau in the first 3 years. Specific renewal projects in the first 6 years are the Mt Herbert Road Pumping Station renewal and Waipawa trunk main renewal (estimated at \$0.85 million and \$0.86 million respectively).
- Expenditure on maintaining service levels is planned in the first 10 years and relates to meeting the higher standards for consent requirements estimated at \$2.8 million 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 \$5.6 million 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. We also plan to reticulate the small townships of Onga Onga and Tikokino that are currently on septic tanks in the last ten year period estimated at \$8.5 million in total.

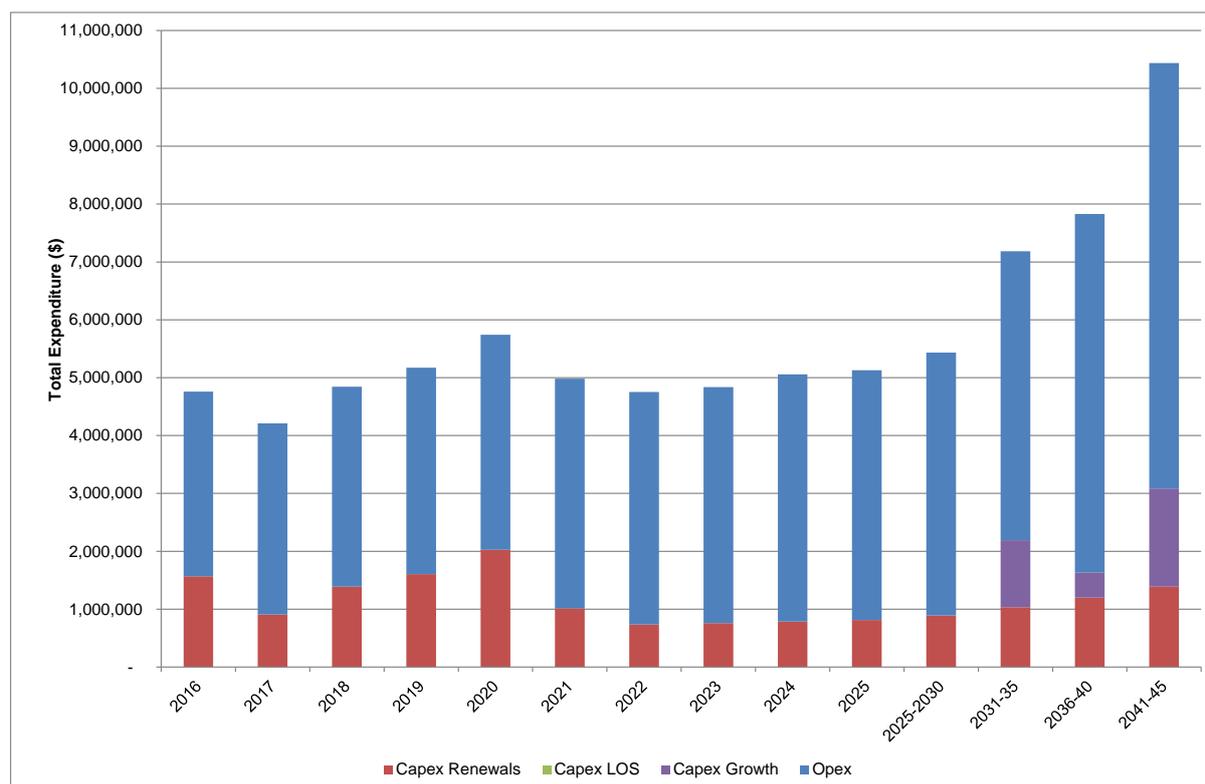


Figure 3: Summary of 30 year wastewater expenditure

Source: 2015 LTP budget (as at 25 February 2015) (2025-2045 5 year averages)

## 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 \$24 million (total replacement cost as at 30 June 2014). Council's stormwater networks include 39 km of pipeline, 612 manholes, 266 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 55 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. Council also manages some minor 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.

Over the next 30 years we expect that:

- Operational expenditure including the labour costs, depreciation, materials and maintenance accounts for most of the stormwater expenditure at about 72 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.

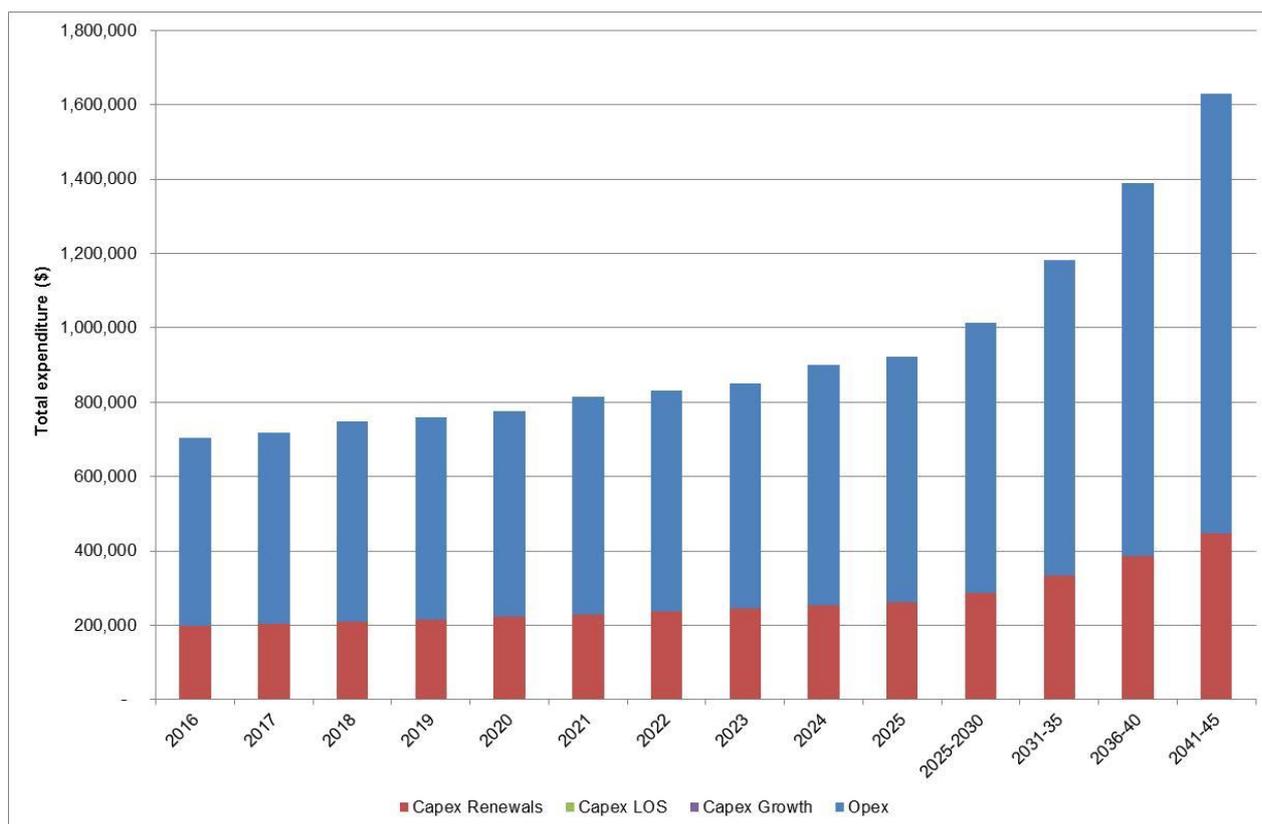


Figure 4: Summary of 30 year stormwater expenditure

Source: 2015 LTP budget (as at 25 February 2015)

## 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 \$780 million (total replacement cost as at 30 June 2014 excluding land under roads).

Over the next 30 years we expect that:

- Operational expenditure including the labour costs, depreciation, materials and maintenance accounts for most of the transport expenditure at about 62 percent.
- There will be no significant vested assets expected for the next 30 years from developers.
- There will be no growth driven related roading infrastructure planned and funded by Council.
- Expenditure on service level improvements is for minor improvements to resolve safety issues and is constant over the 30 year period (estimated at around \$14 million 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 \$357 million in total for the 30 year period.

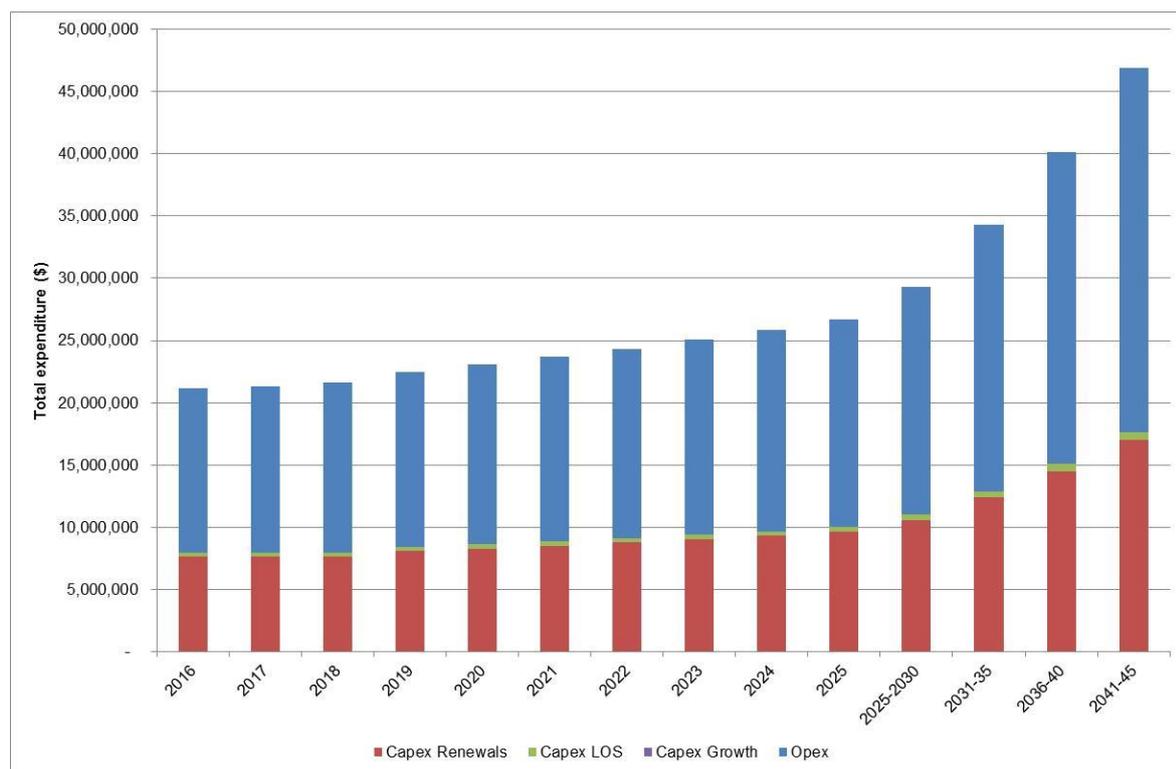


Figure 5: Summary of 30 year transport expenditure

Source: 2015 LTP budget (as at 26 February 2015)

## 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.

- The impact of the RWSS has been excluded from the Infrastructure Strategy. If the RWSS is given the go head, it is likely that an amendment to the LTP will be required. The amended LTP and Infrastructure Strategy will be updated for the increased costs and capital requirements to meet the increase in demand for services.
- 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 CHB District Long-Term 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 political 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 2014 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 – 2014 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 Technical Services, Utilities, Land Transport and Financial Services Departments, as well as staff from the Facilities Management Contractor
  - Inspection and condition rating of some of the key assets is still required 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.

## Implications of Uncertainty

Council is facing the most uncertain times in its history, with the prospects of reducing population, amalgamation on the one hand and the prospects of a game changing irrigation scheme which is projected to increase the population by some 18% over the next 30 years plus. This makes decision making very difficult and is compounded by recent events in the Far North where Council has made decisions on expected growth only to find economic climate has changed the playing field and the predicted growth has not eventuated.

In Engineering terms we are looking at an uncertain future and when coupled with the ageing infrastructure, the long term planning not only becomes difficult but critical to the success of the community. In this document Council has explored only one of the two possible scenarios, the status quo where the future looks like a time of declining population but increasing numbers of dwellings.

In this scenario we as Council Engineers are faced with the scenario of reduced population but increasing demand for Council services such as water, wastewater and stormwater. To make this scenario more complex, is the impact of changing weather patterns resulting in potentially less users to pay for a more expensive stormwater management systems.

The other alternative scenario predicted for the district is the expected increase in population and or demand for infrastructure from the proposed RWSS dam. Here Council is faced with a positive growth period of unknown quantity. This effect makes it very difficult to accurately predict growth requirements as the number of possible outcomes that the growth can bring are numerous. To help rationalise these option we have looked at building on existing infrastructure where possible and recommended projects that best support a more sustainable and robust infrastructure.

### **3. 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.

### List of Significant Assumptions

(Last updated: 26 June 2015)

| Forecasting Assumption  | Risk              | Likelihood of Occurrence | Financial Effect | Effect of Uncertainty |             |             |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |   |  |          |   |
|---|-------------------|--------------------------|------------------|-----------------------|-------------|-------------|--------|------|------|------|------|------|--------|------|------|------|------|------|--------|------|------|------|------|------|--------|------|------|------|------|------|--------|------|------|------|------|------|--------|------|------|------|------|------|--------|------|------|------|------|------|--------|------|------|------|------|------|--------|------|------|------|------|------|---|--|----------|---|
| <b>KEY ASSUMPTIONS</b>  |                   |                          |                  |                       |             |             |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |   |  |          |   |
| <p><b>Inflation</b> - Business and Economic Research Ltd (BERL) provides independent Local Government Cost Index (LGCI). The numbers used are the confirmed figures from October 2014. The FM Contract rate is BERL Overall times 2% every three years due to expected increases in contract rates.</p> <table border="1"> <thead> <tr> <th></th> <th>BERL Overall LGCI</th> <th>BERL Road</th> <th>BERL Energy</th> <th>BERL Staff</th> <th>FM Contract</th> </tr> </thead> <tbody> <tr> <td>Jun-17</td> <td>2.45</td> <td>1.40</td> <td>3.80</td> <td>1.90</td> <td>4.50</td> </tr> <tr> <td>Jun-18</td> <td>2.53</td> <td>2.20</td> <td>3.90</td> <td>2.00</td> <td>2.53</td> </tr> <tr> <td>Jun-19</td> <td>2.61</td> <td>2.40</td> <td>4.10</td> <td>2.10</td> <td>2.61</td> </tr> <tr> <td>Jun-20</td> <td>2.75</td> <td>2.50</td> <td>4.30</td> <td>2.20</td> <td>4.81</td> </tr> <tr> <td>Jun-21</td> <td>2.90</td> <td>2.70</td> <td>4.50</td> <td>2.30</td> <td>2.90</td> </tr> <tr> <td>Jun-22</td> <td>3.04</td> <td>2.80</td> <td>4.70</td> <td>2.40</td> <td>3.04</td> </tr> <tr> <td>Jun-23</td> <td>3.19</td> <td>3.00</td> <td>4.90</td> <td>2.50</td> <td>5.25</td> </tr> <tr> <td>Jun-24</td> <td>3.36</td> <td>3.10</td> <td>5.10</td> <td>2.60</td> <td>3.36</td> </tr> <tr> <td>Jun-25</td> <td>3.53</td> <td>3.30</td> <td>5.30</td> <td>2.70</td> <td>3.53</td> </tr> </tbody> </table> |                   | BERL Overall LGCI        | BERL Road        | BERL Energy           | BERL Staff  | FM Contract | Jun-17 | 2.45 | 1.40 | 3.80 | 1.90 | 4.50 | Jun-18 | 2.53 | 2.20 | 3.90 | 2.00 | 2.53 | Jun-19 | 2.61 | 2.40 | 4.10 | 2.10 | 2.61 | Jun-20 | 2.75 | 2.50 | 4.30 | 2.20 | 4.81 | Jun-21 | 2.90 | 2.70 | 4.50 | 2.30 | 2.90 | Jun-22 | 3.04 | 2.80 | 4.70 | 2.40 | 3.04 | Jun-23 | 3.19 | 3.00 | 4.90 | 2.50 | 5.25 | Jun-24 | 3.36 | 3.10 | 5.10 | 2.60 | 3.36 | Jun-25 | 3.53 | 3.30 | 5.30 | 2.70 | 3.53 | That inflation will be significantly higher than projected. These are national figures, with insufficient data to prepare robust local figures. |  | Moderate | May mean improvement projects will be delayed/cancelled or levels of service reduced. |
|   | BERL Overall LGCI | BERL Road                | BERL Energy      | BERL Staff            | FM Contract |             |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |   |  |          |   |
| Jun-17  | 2.45              | 1.40                     | 3.80             | 1.90                  | 4.50        |             |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |   |  |          |   |
| Jun-18  | 2.53              | 2.20                     | 3.90             | 2.00                  | 2.53        |             |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |   |  |          |   |
| Jun-19  | 2.61              | 2.40                     | 4.10             | 2.10                  | 2.61        |             |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |   |  |          |   |
| Jun-20  | 2.75              | 2.50                     | 4.30             | 2.20                  | 4.81        |             |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |   |  |          |   |
| Jun-21  | 2.90              | 2.70                     | 4.50             | 2.30                  | 2.90        |             |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |   |  |          |   |
| Jun-22  | 3.04              | 2.80                     | 4.70             | 2.40                  | 3.04        |             |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |   |  |          |   |
| Jun-23  | 3.19              | 3.00                     | 4.90             | 2.50                  | 5.25        |             |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |   |  |          |   |
| Jun-24  | 3.36              | 3.10                     | 5.10             | 2.60                  | 3.36        |             |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |   |  |          |   |
| Jun-25  | 3.53              | 3.30                     | 5.30             | 2.70                  | 3.53        |             |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |        |      |      |      |      |      |   |  |          |   |

| Forecasting Assumption  | Risk   | Likelihood of Occurrence        | Financial Effect      | Effect of Uncertainty   |       |      |  |                            |                       |   |                 |                 |  |
|---|--|---------------------------------|-----------------------|---|-------|------|--|----------------------------|-----------------------|---|-----------------|-----------------|--|
| <p><b>Population Growth –</b><br/>Population growth has been allowed for at a rate equivalent to the medium projection made by Statistics NZ. (Source: Central Hawke's Bay District Long Term Growth 'Environment' and Outlook 2014-2046 Report)– currently 13,370 (2014).</p> <table border="1"> <thead> <tr> <th>2013</th> <th>2025</th> <th></th> </tr> </thead> <tbody> <tr> <td>13,300</td> <td>13460</td> <td>1.2%</td> </tr> </tbody> </table> | 2013   | 2025                            |                       | 13,300  | 13460 | 1.2% | <p>That population growth is higher than predicted.</p> <p>That population growth is lower than predicted.</p> | <p>Low</p> <p>Moderate</p> | <p>Low</p> <p>Low</p> | <p>Will put pressure on Council to provide additional infrastructure and services. Small increases can be covered, but extensions into new subdivisions will be costly.</p> <p>May put pressure on Council to maintain existing infrastructure and services while the rating base falls.</p> <p>Official population projections are based on a standard set of variables that do not tend to change quickly (fertility, mortality and migration).</p> |                 |                 |  |
| 2013  | 2025   |                                 |                       |   |       |      |  |                            |                       |   |                 |                 |  |
| 13,300  | 13460  | 1.2%                            |                       |   |       |      |  |                            |                       |   |                 |                 |  |
| <p><b>Population and Age Breakdown -</b></p> <table border="1"> <thead> <tr> <th></th> <th>Total population</th> <th>% above 65 years</th> </tr> </thead> <tbody> <tr> <td>2013</td> <td>13300</td> <td>17.6</td> </tr> <tr> <td>2025</td> <td>13460</td> <td>26.0</td> </tr> </tbody> </table>   |  | Total population                | % above 65 years      | 2013  | 13300 | 17.6 | 2025   | 13460                      | 26.0                  | <p>There will be a decline in the ability to pay measures, with more people on fixed incomes.</p>   | <p>Moderate</p> | <p>Moderate</p> | <p>Levels of service could be at risk.</p> |
|   | Total population   | % above 65 years                |                       |   |       |      |  |                            |                       |   |                 |                 |  |
| 2013  | 13300  | 17.6                            |                       |   |       |      |  |                            |                       |   |                 |                 |  |
| 2025  | 13460  | 26.0                            |                       |   |       |      |  |                            |                       |   |                 |                 |  |
| <p><b>Housing Growth –</b><br/>Total new Households per year: 62 to 2015, 27 to 2025<br/><br/>This is based on housing growth not declining with 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 Growth 'Environment' and Outlook 2014-2046 Report)</p>   | <p>That housing growth is higher than predicted.</p> <p>That housing growth is lower than predicted.</p> | <p>Moderate</p> <p>Moderate</p> | <p>Low</p> <p>Low</p> | <p>Will put pressure on Council to provide additional infrastructure.</p> <p>Lower number of ratepayers to fund Council activities. Affordable Levels of service are at risk.</p> |       |      |  |                            |                       |   |                 |                 |  |
| <p><b>Economic Growth</b><br/>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.</p>   | <p>That the number of businesses and employees reduces.</p>  | <p>Moderate</p>                 | <p>Low</p>            | <p>Lower affordability, decrease in rate payers</p>   |       |      |  |                            |                       |   |                 |                 |  |

| Forecasting Assumption   | Risk   | Likelihood of Occurrence | Financial Effect   | Effect of Uncertainty   |
|--|--|--------------------------|--|---|
| <p><b>RWSS</b> – The RWSS will have a significant impact on the District, but remains dependent on the successful completion of all resource consents, funding for the project and water uptake contracts signed.</p> <p>There is no provision in this LTP for any impact from this scheme.</p>  | That increased infrastructure including roads, will be required, without a corresponding increase in income.                           | Moderate                 | Low  | <p>Will put pressure on Council to provide additional infrastructure and levels of service could be at risk.</p> <p>An amended LTP will be required if the RWSS goes ahead.</p>   |
| <p><b>Amalgamation</b> – There is no provision in this LTP for any impact from amalgamation as if the amalgamation does not go ahead, the current LTP would remain in place for Central Hawke’s Bay.</p>   | N/A  | N/A                      | N/A  |   |
| <p><b>Climate Change and Natural Disasters</b> - Climate change predictions are that storm events will become more frequent and more intense.</p>  | Emergency work is required that exceeds normal budgets and the Catastrophic and Adverse Events fund.                                   | Low to Moderate          | High   | <p>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.</p> <p>Council also holds funds in Reserve to assist in payment of Council’s share of any such event.</p> |
| <p><b>Earthquake strengthening</b> - 2 Council owned buildings have been identified as requiring earthquake strengthening - Waipukurau Memorial Hall and Waipukurau Library. After Engineering Assessment - The Waipukurau Memorial hall is 21% of New Building Standard (NBS), The Waipukurau Library is 12% NBS. The upgrades to the Waipukurau Memorial Hall and Waipukurau Library have been included in the 201/15 Annual Plan and the LTP.</p> | The cost to upgrade the Waipukurau Memorial hall and the Waipukurau Library to the New Building Standard may be higher than projected. | Moderate                 | Moderate   | The costs of upgrading the Waipukurau Memorial Hall and Waipukurau Library are more than budgeted and require a review of the timing and funding of the project.  |
| <p><b>Interest Rates</b> – Interest on debt is calculated at 7% per annum. Interest on investments is calculated at 3% per annum.</p> <p>In both cases the interest rate assumed is based on a mix of age and maturity to provide an average rate.</p>   | Interest rates will be significantly higher than projected.  | Low                      | A change of 1% on external interest cost would increase costs by \$130k. | The cost of debt servicing of many ‘big ticket’ items in the Long Term Plan may be underestimated.  |

| Forecasting Assumption  | Risk   | Likelihood of Occurrence       | Financial Effect            | Effect of Uncertainty   |
|---|--|--------------------------------|-----------------------------|---|
| <p><b>New Zealand Transport Agency subsidy (NZTA) –</b><br/>Subsidy rates and criteria will remain the same or similar.</p> <p>Level of funding will increase by BERL</p>   | <p>The subsidy rate may fall, reducing the amount of subsidy paid to Council.</p> <p>The level of funding from NZTA increase at a lower rate than BERL</p> | Low for 3 years, then moderate | Moderate                    | <p>The subsidy is the largest source of Council revenue after rates and is projected at a base rate of 60%. This is set for until 2023, then will be reviewed within the Hawke's Bay Region.</p> <p>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.</p> |
| <p><b>One Network Road Classification</b> - 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 requires Council's to transition to the new classifications over the next 3 years, with the requirement for it to be fully implemented by the National Land Transport 2018-21 programme. As the impacts are yet unknown there is no provision in this LTP for any impact from the ONRC.</p> | <p>The minimum level of service for our roads may reduce and therefore the amount of subsidy paid to Council.</p>  | Moderate                       | Moderate to High            | <p>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.</p>   |
| <p><b>Fuel Costs and road resealing costs</b> - based on BERL figures at present, but likely to increase all costs.</p>   | <p>May increase more than forecast, flowing through to other costs.</p>  | Moderate                       | Moderate                    | <p>This could result in increasing both operational and capital costs and affecting the timing of projects or levels of service.</p>  |
| <p><b>Funding Sources</b><br/>Council is dependent on a number of sources of income through fees and charges. These are usually levied on a user pays basis.</p>  | <p>User charges may not be achievable.</p>   | Moderate in some activities    | Moderate in some activities | <p>This may occur through changes in major businesses or reduction of revenue without the ability to reduce costs, especially in landfill income.</p> <p>There are significant increases in Regulatory user charges forecast in this LTP to reduce the level of general rate to support these Activities. However Council is confident that these increases are achievable.</p>   |

| Forecasting Assumption  | Risk  | Likelihood of Occurrence          | Financial Effect | Effect of Uncertainty  |
|---|---|-----------------------------------|------------------|--|
| <b>Revaluation</b> – Annual BERL figures have been used to estimate changes in asset valuation for calculating depreciation.  | A revaluation may alter the depreciation expense.                                       | Moderate                          | Low              | Although actual renewals may vary from the BERL estimates, this will have an Income Statement (but not cash effect) as maintenance of infrastructure is funded based on asset management plans.  |
| <b>Depreciation</b> – based on BERL figures as above. New capital works will be depreciated according to their expected life for utilities and roading.<br>Landfill capital improvements will not increase depreciation for rating, as it has a finite asset life and post closure costs are covered. | That depreciation is not being collected at the correct level.                          | Moderate                          | Low              | Ratepayers are faced with loans and debt servicing costs to replace existing assets at the end of their lives.   |
| <b>Asset Life</b> – the useful life of assets is as recorded in Asset Management Plans.   | Assets wear out earlier than expected.  | Low                               | Low              | 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.  |
| <b>Contracts</b> – there may be significant variations in terms of price from the re-tendering of operations and maintenance contracts other than that allowed for in the FM Contract inflation rate.   | There is a significant variation in price from re-tendering contracts.                  | Low year 1-3<br>Medium years 4-10 | Low<br>Medium    | Tenders are currently more competitive than in previous years. 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. |
| <b>Renewal Works Costs</b> – Renewals to replace existing assets is based on <ul style="list-style-type: none"> <li>Asset management plans</li> <li>Consultants' advice</li> </ul>  | The real cost of renewals exceeds the budgeted amount.                                  | Moderate                          | Moderate         | Ratepayers are required to fund additional costs to maintain the level of service.   |
| <b>Capital Works Costs</b> – 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.  |

| Forecasting Assumption   | Risk  | Likelihood of Occurrence | Financial Effect | Effect of Uncertainty  |
|--|---|--------------------------|------------------|--|
| <b>Central Government Reform</b> - There will be no effect of central government-initiated structural reforms in areas such as land transport, emergency management, or further devolution.  | There will be structural reforms initiated by central government that impact on local government. | 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.  |
| <b>No changes to government funding regimes</b> – including petrol tax and grant schemes.  | Central government will remove or alter funding schemes.  | Low to Moderate          | Low to Moderate  | The Council receives approximately \$135,000 as our local share of petrol tax, \$14,000 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. |
| <b>No changes to legislation</b> likely to increase the cost of service delivery.  | Legislation introduces costs to Council – not all of which are recoverable through user charges.  | Moderate                 | Moderate         | Asset Management Plans take account of known legislative changes – but the passing on of central government costs without the ability to recover these costs in user charges will have a direct impact on the rating base.   |
| <b>Levels of Service</b> - No changes to levels of service are proposed, either in terms of increasing or reducing them so that they 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 level of service.   |
| <b>Shared services of Hawke's Bay Councils</b><br>Further investigations of various forms of shared services continue, but no effects have been predicted in this LTP.   | N/A   | N/A                      | N/A              |  |

| Forecasting Assumption   | Risk   | Level of Uncertainty | Effect of Uncertainty  |
|--|--|----------------------|--|
| <b>FINANCIAL ASSUMPTIONS</b>   |  |                      |  |
| <b>Term of loans</b> – future loans are dependent on the liquidity of financial markets at that time.  | That banks will not lend money   | Low                  | Non availability of capital may restrict planned capital projects.   |
| <b>Securities Amendment Act</b> – This will allow the Council the option of borrowing on its own account.  | Interest rates may be cheaper than 7% during the life of the LTP.                          |                      | Reduced cost of borrowing.   |
| <b>Property values</b> - Relative property values used for rating basis remain constant throughout the district over the 10 years of the plan.   | Some parts of Central Hawke's Bay may have larger increases in rateable value than others. | Low                  | 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. |
| <b>Vested Assets</b> – No vesting of assets has been included in the LTP.  | n/a  | n/a                  | n/a  |
| <b>Goods and Services Tax (GST)</b> – GST is excluded from all financial statements, with the exception of accounts receivable and payable, and the funding impact statement.<br><br>GST cannot be claimed on the Retirement Housing Activity. | n/a  | n/a                  | n/a  |
| <b>Rates Increases</b> The expected annual rates increase charged by the Council to activities incurring rates over the next 10 years will be based on BERL.   | Rates are significantly higher than projected.   | Low                  | Low impact as rates costs do not make up a major proportion of total costs.  |
| <b>Insurance</b> – Insurance costs are based on 2013/14 costs of renewal - \$301k plus annual BERL increases with no effect of 3 yearly revaluations.  | That these costs are significantly higher than budgeted.                                   | High                 | Insurance may be targeted to cover only key assets to reduce costs.  |

| Forecasting Assumption   | Risk   | Level of Uncertainty                       | Effect of Uncertainty   |
|--|--|--|---|
| <b>ACTIVITY SPECIFIC ASSUMPTIONS</b>   |  |  |   |
| <b>Knowledge Base</b> – that consultants employed to prepare Asset Management Plans are expert and experienced at producing Asset Management Plans.  | 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.   |
| <b>Regulatory Services Changes</b><br>No changes in Building Control, Food Premises and Liquor Regulations have been included.   | Central Government legislation causes increased operating costs to Council.  | Low  | Increased costs required to be met from increased user charges or rates   |
| <b>Growth in Roading Use</b> - (Source: Roading AMP prepared by Opus)<br>Arterial and Distributor routes (Opus AMP): Increase per annum<br>Average daily traffic 2%<br>Heavy vehicles 3% - 5%                  | The assumptions allowed are insufficient.  | Low  | Data is collected from regular traffic count surveys. Traffic use is increasing higher than population/housing as it is independent of population and is driven more by economic growth, tourism etc.   |
| <b>Bridge Renewal</b> - As part of the annual bridge condition survey three bridges have been identified as requiring further work. Further surveys could identify more bridges requiring additional spending. | This may change the funding requirement from ratepayers.   | Low- first 5 years<br>Mod - second 5 years | Ratepayers are required to fund additional costs to maintain the level of service.  |
| <b>Landfill operation costs</b><br>The Council is selling landfill space to offset the operating costs of the landfill. This LTP assumes that the income level remains as budgeted.                            | Budgeted sales are not achieved  | Low to Moderate                            | Council does have exposure to external sales income, the relatively small pool of potential customers, the economic down turn, the increases in recycling and the long term contracts that our potential customers have with their current landfills. |

## **4. Community Outcomes**

Councils exist, under legislation, 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.

To achieve this purpose, the Council has developed Community Outcomes that focus on what the Council can achieve for our Community.

The Community Outcomes and how these meet the purpose of Local Government, are summarised below -

|   | Community Outcome  | Council Contribution by Activity to meet the Community Outcomes |                               |                   |                                |                  |               |               |                      |        |                |
|---|--|---|-------------------------------|-------------------|--------------------------------|------------------|---------------|---------------|----------------------|--------|----------------|
|   |  | Leadership, Governance, Consultation                            | Economic & Social Development | District Planning | Landuse & Subdivision Consents | Building Control | Public Health | Animal Health | Emergency Management | Bylaws | Land Transport |
| <b><i>Social and Cultural – A healthy, safe place to live</i></b>         | Safe and healthy communities through a range of Council regulatory responsibilities.                 | √   |                               |                   |                                | √                | √             | √             | √                    | √      |                |
|   | Risks to public health are identified and appropriately managed                                      | √   |                               |                   |                                | √                | √             | √             | √                    | √      | √              |
| <b><i>Social and Cultural– A desirable place to live</i></b>              | People are involved in their local community and have a vision for their future                      | √   | √                             |                   |                                |                  |               |               |                      |        |                |
|   | People have a range of opportunities to participate in leisure, cultural and learning activities     | √   |                               |                   |                                |                  |               |               |                      |        |                |
|   | Our historic and cultural heritage is protected for future generations                               | √   |                               |                   |                                |                  |               |               |                      |        |                |
| <b><i>Economic – A place with a thriving economy</i></b>                  | Central Hawke’s Bay District is well promoted as a good place to do business and visit               | √   | √                             | √                 | √                              |                  |               |               |                      |        |                |
|   | Central Hawke’s Bay District has an efficient and affordable roading, waste and water infrastructure | √   |                               |                   |                                |                  |               |               |                      |        | √              |
| <b><i>Environmental – A place that is environmentally responsible</i></b> | We plan to develop sustainably and with minimal environmental impact                                 | √   |                               | √                 | √                              |                  |               |               |                      |        |                |
|   | We encourage recycling, and manage the rest in a sustainable way.                                    | √   |                               |                   |                                |                  |               |               |                      |        |                |
|   | We plan and manage water use and wastewater disposal to minimize the effect on the environment       | √   |                               |                   |                                |                  |               |               |                      |        |                |

|  | Community Outcome  | Council Contribution by Activity to meet the Community Outcomes |       |            |            |       |                |                    |           |                  |            |                      |
|--|--|---|-------|------------|------------|-------|----------------|--------------------|-----------|------------------|------------|----------------------|
|  |  | Solid Waste   | Water | Wastewater | Stormwater | Parks | Public Toilets | Retirement Housing | Libraries | Theatres & Halls | Cemeteries | & Property Buildings |
| <b>Social and Cultural – A healthy, safe place to live</b>         | Safe and healthy communities through a range of Council regulatory responsibilities.                 |   |       |            |            |       |                |                    |           |                  |            |                      |
|  | Risks to public health are identified and appropriately managed                                      | √   | √     | √          | √          |       | √              | √                  |           |                  | √          | √                    |
| <b>Social and Cultural – A desirable place to live</b>             | People are involved in their local community and have a vision for their future                      |   |       |            |            | √     |                | √                  |           | √                | √          | √                    |
|  | People have a range of opportunities to participate in leisure, cultural and learning activities     |   |       |            |            | √     |                |                    | √         | √                |            |                      |
|  | Our historic and cultural heritage is protected for future generations                               |   |       |            |            | √     |                |                    |           | √                | √          |                      |
| <b>Economic – A place with a thriving economy</b>                  | Central Hawke’s Bay District is well promoted as a good place to do business and visit               |   |       |            |            | √     |                |                    | √         | √                |            |                      |
|  | Central Hawke’s Bay District has an efficient and affordable roading, waste and water infrastructure | √   | √     | √          | √          |       |                |                    |           |                  |            |                      |
| <b>Environmental – A place that is environmentally responsible</b> | We plan to develop sustainably and with minimal environmental impact                                 |   |       |            |            |       |                |                    |           |                  |            |                      |
|  | We encourage recycling, and manage the rest in a sustainable way.                                    | √   |       |            |            |       |                |                    |           |                  |            |                      |
|  | We plan and manage water use and wastewater disposal to minimize the effect on the environment       |   | √     | √          | √          |       |                |                    |           |                  |            |                      |

## 5. Groups of Activities

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

1. Community Leadership
2. Planning and Regulatory
3. Land Transport
4. Solid Waste
5. Water Services
6. Wastewater (Sewerage)
7. Stormwater
8. Recreation and Community Facilities

These eight groups cover twenty separate activities as follows:

### **Community Leadership Group**

1. Leadership, Governance and Consultation
2. Economic and Social Development

### **Planning and Regulatory Group**

3. District Planning
4. Land Use and Subdivision Consents
5. Building Control
6. Public Health
7. Animal Control
8. Emergency Management and Bylaws

### **Land Transport Group**

9. Land Transport

### **Solid Waste Group**

10. Solid Waste

### **Water Supplies Group**

11. Water Supplies

### **Wastewater (Sewerage) Group**

12. Wastewater (Sewerage)

### **Stormwater Group**

13. Stormwater

### **Recreation and Community Facilities Group**

14. Parks, Reserves and Swimming Pools
15. Public Toilets
16. Retirement Housing
17. Libraries
18. Theatre, Halls and Museums
19. Cemeteries
20. Property and Buildings

To keep the information clear within the Long Term Plan, the financial information including the capital projects is being presented without the impacts of the RWSS or Amalgamation being included.

# Community Leadership Group

## Leadership Governance and Consultation

### What does this activity involve?

The Leadership, Governance and Consultation Activity include the following components:

- Facilitating Council decision making by running elections, holding meetings and maintaining standing committees to ensure the good governance of the District, providing information to elected representatives, secretarial support, minute taking, and providing notice of meetings.
- All local authorities now have more stringent consultation requirements, in addition the public and elected members demand better communication and information flows both to and from the public.
- Council provides and administers grant and scholarship schemes to provide individuals and groups with financial assistance.

### 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.

| <b>Community Outcomes that this activity contributes to</b>  |
|--|
| Safe and healthy communities through a range of Council regulatory responsibilities                  |
| Risks to public health are identified and appropriately managed                                      |
| People are involved in their local community and have a vision for their future                      |
| People have a range of opportunities to participate in leisure, cultural and learning activities     |
| Our historic and cultural heritage is protected for future generations                               |
| Central Hawke's Bay District is well promoted as a good place to do business and visit               |
| Central Hawke's Bay District has an efficient and affordable roading, waste and water infrastructure |
| We plan to develop sustainably and with minimal environmental impact                                 |
| We encourage recycling, and manage the rest in a sustainable way                                     |
| We plan and manage water use and wastewater disposal to minimize the effect on the environment       |

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

- Changes to Local Government structures through Central Government change
- Changes to Hawke's Bay Local Government structures through mutual agreements
- Devolution of Central Government functions
- Increasing burden of legislation change which impact on Local Government
- Change which might arise through the development of a Memorandum of Understanding with Tangata Whenua

### **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.

| <b>Leadership, Governance and Consultation</b>   |   |   |                         |
|--|---|---|-------------------------|
| <b>Level of Service</b>  | <b>What will we deliver?</b>  | <b>How will we measure our success?</b>   | <b>Target 2015/2025</b> |
| Advocate on local, regional and national issues for the Central Hawke's Bay District   | Advocacy on appropriate Central Hawke's Bay Community issues  | Number of formal submissions to Central Government, Local Government NZ and similar advocacy institutions | 5 submissions           |
| Develop Policy and make decisions for the benefit of the Central Hawke's Bay Community | Council and Committee meetings  | Number of annual meetings   | 16                      |
| Communicate and consult with the Central Hawke's Bay Community on key issues           | Statements of Proposal requiring consultation using Special Consultative Procedures to be made available on the Council website, at Council libraries and offices, and to be discussed in public meetings | Meet statutory requirements   | 100% compliance         |
| Meet Local Government Act 2002 statutory reporting requirements                        | Production of Annual Plans, Annual Reports and Long Term Plans  | Meet statutory deadlines  | 100% compliance         |

## Economic and Social Development

### What does this activity involve?

Economic and social development within Central Hawke's Bay is undertaken by or with a number of outside organisations on behalf of Council. These organisations include:

- CHB Promotions Inc. - including the operation of the District's Visitor Information Centre, and business promotion.
- Department of Internal Affairs – funds a Community Development Coordinator based at the Waipawa council offices, supervised by Council. Community Development focuses on analysing and facilitating strategies that help existing organisations address identified strands of Community Development, Hapu Development, Positive Ageing, Economic Development, Youth Development and Safer Communities.
- Joint study of Hawke's Bay's economic and social performance, by the five Hawke's Bay Councils.
- Part of Business Hawke's Bay Advisory Group, which includes representatives from Regional and Local Councils, Food HB and Work and Income Department.
- Hawke's Bay Tourism – regional and local visitor attraction.

Council's role also includes:

- Development of a Central Hawke's Bay Economic Development Strategy.
- Rates postponement policy includes provision for a Rates Holiday to assist existing ratepayers to establish businesses which support Council's economic development initiatives.
- Implementing a Positive Ageing Strategy adopted in 2011.
- Implementation of a Youth Strategy for Central Hawke's Bay.
- Implementation of Safer CHB Strategic Plan.
- Council will be working with Central Government, in particular the Ministry of Social Development (MSD), to consult with communities and help MSD develop social service support plans and Community Response forums.
- Development of opportunities for the district that may come from the Ruataniwha Water Storage Scheme.

Community Development projects included:

- Safer CHB – Safe Communities
  - Pan Pacific Accreditation – June 2012
  - Strategy development
  - Annual Report signed off by Safe Communities Foundation NZ
  - Part funded by ACC
- Youth Development.
  - Strategy developed and adopted by Council
  - Implementation Plan developed and currently being implemented
  - Youth contract with Connecting for Youth Employment
- Positive Ageing
  - Strategy developed with implementation ongoing
  - Working to bring strategy under Safer CHB and the Positive Aging Trust
- Economic Development
  - Strategy developed with implementation ongoing
  - Work streams identified include Business Development and Community Support, Tourism and Employment and Education.
  - Business Growth programme – working with Icehouse and Business Hawke's Bay.

## Why are we involved?

| Community Outcomes that this activity contributes to                                   |
|--|
| People are involved in their local community and have a vision for their future        |
| Central Hawke's Bay District is well promoted as a good place to do business and visit |

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

- International and national economy, and in particular the rural sector
- Changes in tourist and visitor activity
- Central Government desire to work with Councils to develop local social solutions
- Developing the Council / Taiwhenua relationship
- Ageing population

## What impact will changes in demand have on this activity?

### Economic Development

Council's role is one of direct funding of agencies. Principally CHB Promotions Inc are required to meet special contractual obligations. The future level of funding available could impact on the levels of service provided.

### Social Development

There will be continued demand in this area with the current economic climate. Council is primarily a facilitator in this area and will continue with this role.

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

There are no significant negative effects arising from the 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.

| <b>Economic and Social Development</b>          |                              |   |   |
|---|------------------------------|---|---|
| <b>Level of Service</b>                         | <b>What will we deliver?</b> | <b>How will we measure our success?</b>   | <b>Target 2015/2025</b>   |
| CHB Promotions fulfils its contract obligations | Funding for CHB Promotions   | Contractual objectives are met including: <ul style="list-style-type: none"> <li>• Linking activities with HB Tourism Regional Strategy</li> <li>• Increase visitor spend annually</li> <li>• Running 3 successful events annually</li> <li>• Increase the availability of Visitor Information</li> </ul>                         | Activities are aligned to the HB Tourism Regional Strategy<br>Increase in the annually reported visitor spend<br>3 successful events held over Spring, Christmas and Easter<br>Information is available in 5 different mediums additional to the information centre |
| Community Development projects completed        | Oversight of project         | Project plan milestones including: <ul style="list-style-type: none"> <li>• Implement the Central Hawke's Bay Economic Development Strategy</li> <li>• Implement the Positive Ageing Strategy</li> <li>• Implement the Youth Strategy for Central Hawke's Bay</li> <li>• Developing the Council/Taiwhenua relationship</li> </ul> | Milestones met  |

## Funding impact statement for 2015/2025 - Community Leadership Group

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

|   | Annual Plan<br>2015<br>\$000 | Year 1<br>2016<br>\$000 | Year 2<br>2017<br>\$000 | Year 3<br>2018<br>\$000 | Year 4<br>2019<br>\$000 | Year 5<br>2020<br>\$000 | Year 6<br>2021<br>\$000 | Year 7<br>2022<br>\$000 | Year 8<br>2023<br>\$000 | Year 9<br>2024<br>\$000 | Year 10<br>2025<br>\$000 |
|---|------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|--------------------------|
| <b>Sources of operating funding</b>                                     |                              |                         |                         |                         |                         |                         |                         |                         |                         |                         |                          |
| General rates, uniform annual general charges and rates penalties       | 723                          | 742                     | 759                     | 781                     | 795                     | 816                     | 840                     | 857                     | 880                     | 909                     | 932                      |
| Targeted rates  | 25                           | 26                      | 26                      | 27                      | 28                      | 28                      | 29                      | 30                      | 31                      | 32                      | 33                       |
| Subsidies and grants for operating purposes                             | 24                           | 24                      | 25                      | 25                      | 26                      | 27                      | 27                      | 28                      | 29                      | 30                      | 31                       |
| 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                        |
| <b>Total operating funding</b>  | <b>772</b>                   | <b>792</b>              | <b>810</b>              | <b>833</b>              | <b>849</b>              | <b>871</b>              | <b>896</b>              | <b>915</b>              | <b>940</b>              | <b>971</b>              | <b>996</b>               |
| <b>Applications of operating funding</b>                                |                              |                         |                         |                         |                         |                         |                         |                         |                         |                         |                          |
| Payments to staff and suppliers   | 552                          | 554                     | 565                     | 578                     | 590                     | 604                     | 618                     | 634                     | 651                     | 669                     | 689                      |
| Finance costs   | 0                            | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                        |
| Other operating funding applications                                    | 220                          | 238                     | 245                     | 255                     | 259                     | 267                     | 278                     | 281                     | 289                     | 302                     | 307                      |
| <b>Total applications of operating funding</b>                          | <b>772</b>                   | <b>792</b>              | <b>810</b>              | <b>833</b>              | <b>849</b>              | <b>871</b>              | <b>896</b>              | <b>915</b>              | <b>940</b>              | <b>971</b>              | <b>996</b>               |
| <b>Surplus (deficit) of operating funding</b>                           | <b>0</b>                     | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                 |
| <b>Sources of capital funding</b>                                       |                              |                         |                         |                         |                         |                         |                         |                         |                         |                         |                          |
| 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                        |
| <b>Total sources of capital funding</b>                                 | <b>0</b>                     | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                 |
| <b>Applications of capital funding</b>                                  |                              |                         |                         |                         |                         |                         |                         |                         |                         |                         |                          |
| 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   | 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                        |
| <b>Total application of capital funding</b>                             | <b>0</b>                     | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                 |
| <b>Surplus (deficit) of capital funding</b>                             | <b>0</b>                     | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                 |
| <b>Funding balance</b>  | <b>0</b>                     | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                 |

### 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 goal is to implement the Resource Management Act 1991.

The District Plan became Operative on 1 May 2003 after extensive consultation with the community. A rolling review of the District Plan commenced in 2008/2009.

Council has 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.

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  |
|---|
| We plan to develop sustainably and with minimal environmental impact  |
| Central Hawke's Bay District is well promoted as a good place to do business and visit – we plan to facilitate growth and development, in a managed way |

### 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. This may arise from the proposed water storage dam and associated development.

### 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 have occurred, e.g. climate change, as well as national and regional plans. These 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.

| <b>District Planning</b>           |   |   |   |
|------------------------------------|---|---|---|
| <b>Level of Service</b>            | <b>What will we deliver?</b>  | <b>How will we measure our success?</b>                               | <b>Target 2015/2025</b>   |
| Full review of the District Plan   | District Plan reviewed within required timeframes                     | Milestones met to complete new plan for notification                  | New plan notified in 2016/17  |
| Ongoing monitoring of the Plan     | Compliance<br>Effectiveness of revised Plan<br>Updates for new issues | Modifications, updates carried out as required                        | Modifications, updates carried out as required                                |
| Tukituki Catchment Proposal (RWSS) | Certify management plans  | Certification of management plans provided within approved timeframes | Within 20 working days  |
|                                    | Participation in and or contribution to advisory boards/ groups       | Participation in preparation of additional management plans           | All milestones met  |
|                                    | Compliance with consent conditions                                    | Monitoring against the consent conditions                             | Conditions monitored and reported on commencement of the building of the RWSS |

## 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 which includes provision and administration of the District Plan under the Resource Management Act 1991.

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

| Community Outcomes that this activity contributes to                                   |
|--|
| Central Hawke's Bay District is well promoted as a good place to do business and visit |
| We plan to develop sustainably and with minimal environmental impact                   |

### 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
- 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. Indications are that demand will remain steady rather than show marked growth.
- The proposed water storage dam would impact on consenting workload, if it was to proceed.

### 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.

| <b>Land Use and Subdivision Consents</b>   |  |  |  |
|--|--|--|--|
| <b>Level of Service</b>  | <b>What will we deliver?</b>                 | <b>How will we measure our success?</b>  | <b>Target 2015/2025</b>                            |
| Legislative timeframes and other requirements are fulfilled  | Processing of planning and resource consents | Completion of resource consents and other development applications within statutory timeframes | 100% compliance with statutory timeframes          |
| Planning complaints are responded to efficiently and effectively in a manner that is fair to all parties | Response rate to complaints                  | Response times to complaints   | All complaints responded to within 10 working days |

## 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 documents 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                                |
|---|
| Safe and healthy communities through a range of Council regulatory responsibilities |
| Risks to public health are identified and appropriately managed                     |

### 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. Indications are that demand will remain steady rather than show marked growth.

### 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.

| <b>Building Control</b>  |   |  |  |
|--|---|--|--|
| <b>Level of Service</b>  | <b>What will we deliver?</b>  | <b>How will we measure our success?</b>  | <b>Target 2015/2025</b>                                  |
| Process PIMs, LIMs, CCCs and building consents in an efficient and timely manner | Processing of PIMs, LIMs, CCCs and building consents  | All of PIMs, LIMs, CCCs and building consents issued within statutory timeframes | 100% compliance with statutory timeframes                |
| Ensure the safety of buildings through the BWOF regime                           | Monitor buildings for which the BWOF regime applies   | Advice to owners (or their agents) of BWOF liability issues                      | Advise within one month of BWOF expiry of non compliance |
| Carry out building inspections in a compliant manner                             | Site inspections of buildings   | Audit of inspection records against the inspection regime                        | 95% compliance   |
| Provide advice and education on building matters                                 | Respond to building enquiries and provision of relevant information through Council's website and offices | Customer satisfaction survey (annual survey of building consent applicants)      | 90% satisfaction   |

## 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 has been taken over by 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                                |
|---|
| Safe and healthy communities through a range of Council regulatory responsibilities |
| Risks to public health are identified and appropriately managed                     |

### 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 of Liquor and Food legislation will affect the demand for public health services as new legislative requirements are implemented and enforced.
- Population and business growth. There is an overall expectation of a slight decline in population growth in the District with a corresponding minor decrease 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 there is not expected to 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.

| <b>Public Health</b>  |  |   |   |
|---|--|---|---|
| <b>Level of Service</b>   | <b>What will we deliver?</b>   | <b>How will we measure our success?</b>   | <b>Target 2015/2025</b>                           |
| Provide an assurance that premises supplying food and licensed premises selling/supplying liquor, meet required standards | Environmental health monitoring programme – safe food, sanitary standards, liquor licensing conditions | Annual inspection programme for compliance with Food Act 2014 and follow up procedures for non-compliant premises | 100% completion                                   |
| Provide advice on environmental health matters and respond to complaints  | Requests for advice/investigations and responses to complaints   | Responses to complaints   | All complaints responded to within 5 working days |

## 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.
- Roadside grazing and wandering stock are controlled to avoid risks to public safety.

| Community Outcomes that this activity contributes to   |
|--|
| Safe and healthy communities through a range of Council regulatory responsibilities – through dog registration |
| Risks to public health are identified and appropriately managed  |

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

- The retirement of the existing Animal Control Officer may create a need to provide an alternate after hours service.
- Initiation of a training programme for a new Animal Control Officer.
- Changes resulting from a review of the Impounding Act 1956.
- 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?

There is unlikely to be any significant change in demand for animal control.

### 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.

| <b>Animal Control</b>  |   |   |                               |
|--|---|---|-------------------------------|
| <b>Level of Service</b>                                      | <b>What will we deliver?</b>  | <b>How will we measure our success?</b>                 | <b>Target 2015/2025</b>       |
| Provide education and advice on dog control to the community | Education and advice to ensure owners of animals keep their pets registered and under control   | Number of dogs registered                               | >95% of known dogs registered |
| Control of stock on roads and public places                  | By responding to stock on roads causing a hazard to traffic and managing roadside stock grazing | Response to all complaints and requests within 24 hours | 100% response rate            |

---

## Emergency Management & Bylaws

### What does this activity involve?

#### Emergency Management

Council is required to meet its responsibilities under the Civil Defence Emergency Management Act 2002 and the Forest and Rural Fires Act 1977. The activity goals are to provide an effective Civil Defence and Rural Fire organisation to minimize the effects of disasters.

Civil Defence Centre's and Rural Fire forces are established throughout the District. Central Hawke's Bay District Council is an active member of the Hawke's Bay Civil Defence Emergency Management Group.

Civil Defence is now carried out through a Memorandum of Understanding with Hawke's Bay Regional Council. They employ one officer based in Central Hawke's Bay to carry out education of the community.

#### Bylaws

Council is required to implement Council Bylaws.

The activity goals are to ensure that all controlled activities are managed in a manner appropriate to local requirements with the least possible intervention in the private lives of residents.

### Why are we involved?

#### Emergency Management

Council is statutorily required to provide these services through the Civil Defence Emergency Management Act 2002 and Forest and Rural Fires Act 1977

Through this activity:

- To provide a network of trained volunteers with appropriate resources.
- To promote a safer, more resilient community by enabling communities to prepare for and reduce the threat of fire and natural disaster

#### Bylaws

To improve community safety through the enforcement of Council Bylaws.

| Community Outcomes that this activity contributes to                                |
|---|
| Safe and healthy communities through a range of Council regulatory responsibilities |
| Risks to public health are identified and appropriately managed                     |

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

#### Emergency Management

- Maintaining a trained network of volunteers
- Community preparedness
- Effectiveness of planning
- Any changes initiated by Central Government

#### Bylaws

The key issues likely to impact on this activity will flow from legislative changes and the requirement to review all current bylaws.

## **What impact will changes in demand have on this activity?**

### Emergency Management

Demand on this activity is dependent on an event actually happening. Climate change may increase the severity of events such as drought, floods and fires.

### Bylaws

There is not expected to be any significant change in demand for these activities.

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

There are no significant negative effects arising from these activities. The aim of Civil Defence and Rural Fire is to reduce the impact of a disaster on the social and economic wellbeing of communities.

## 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.

| <b>Emergency Management</b>   |   |   |   |
|---|---|---|---|
| <b>Level of Service</b>   | <b>What will we deliver?</b>  | <b>How will we measure our success?</b>                       | <b>Target 2015/2025</b>                       |
| Emergency responders are suitably trained and equipped to respond to disaster | RF – annual exercise, volunteer training programme  | RF – fire teams training levels                               | RF – rural fire teams meet industry standards |
| <b>Bylaws</b>   |   |   |   |
| <b>Level of Service</b>   | <b>What will we deliver?</b>  | <b>How will we measure our success?</b>                       | <b>Target 2015/2025</b>                       |
| Enforcement – through education – of Council bylaws and related legislation   | Enforcement of regulated activities with the least possible intervention on private lives | Response to all complaints and requests within 5 working days | 100% compliance                               |

## Funding impact statement for 2015/2025 - 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      |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|   | 2015         | 2016         | 2017         | 2018         | 2019         | 2020         | 2021         | 2022         | 2023         | 2024         | 2025         |
|   | \$000        | \$000        | \$000        | \$000        | \$000        | \$000        | \$000        | \$000        | \$000        | \$000        | \$000        |
| <b>Sources of operating funding</b>                                     |              |              |              |              |              |              |              |              |              |              |              |
| General rates, uniform annual general charges and rates penalties       | 859          | 976          | 1,047        | 1,061        | 1,075        | 1,088        | 1,136        | 1,139        | 1,186        | 1,205        | 1,250        |
| 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   | 655          | 712          | 697          | 715          | 734          | 754          | 776          | 799          | 825          | 852          | 882          |
| 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 | 12           | 10           | 10           | 10           | 11           | 11           | 11           | 12           | 12           | 13           | 13           |
| <b>Total operating funding</b>  | <b>1,526</b> | <b>1,698</b> | <b>1,754</b> | <b>1,786</b> | <b>1,820</b> | <b>1,852</b> | <b>1,923</b> | <b>1,950</b> | <b>2,023</b> | <b>2,070</b> | <b>2,146</b> |
| <b>Applications of operating funding</b>                                |              |              |              |              |              |              |              |              |              |              |              |
| Payments to staff and suppliers   | 1,147        | 1,332        | 1,378        | 1,393        | 1,421        | 1,441        | 1,495        | 1,517        | 1,578        | 1,605        | 1,673        |
| Finance costs   | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            |
| Other operating funding applications                                    | 330          | 356          | 366          | 383          | 388          | 400          | 417          | 421          | 433          | 453          | 460          |
| <b>Total applications of operating funding</b>                          | <b>1,477</b> | <b>1,688</b> | <b>1,744</b> | <b>1,776</b> | <b>1,809</b> | <b>1,841</b> | <b>1,912</b> | <b>1,938</b> | <b>2,011</b> | <b>2,058</b> | <b>2,133</b> |
| <b>Surplus (deficit) of operating funding</b>                           | <b>49</b>    | <b>10</b>    | <b>10</b>    | <b>10</b>    | <b>11</b>    | <b>11</b>    | <b>11</b>    | <b>12</b>    | <b>12</b>    | <b>12</b>    | <b>13</b>    |
| <b>Sources of capital funding</b>                                       |              |              |              |              |              |              |              |              |              |              |              |
| 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            |
| <b>Total sources of capital funding</b>                                 | <b>0</b>     |
| <b>Applications of capital funding</b>                                  |              |              |              |              |              |              |              |              |              |              |              |
| 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  | 10           | 10           | 10           | 10           | 11           | 11           | 11           | 12           | 12           | 13           | 13           |
| Increase (decrease) in reserves   | 39           | 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            |
| <b>Total application of capital funding</b>                             | <b>49</b>    | <b>10</b>    | <b>10</b>    | <b>10</b>    | <b>11</b>    | <b>11</b>    | <b>11</b>    | <b>12</b>    | <b>12</b>    | <b>13</b>    | <b>13</b>    |
| <b>Surplus (deficit) of capital funding</b>                             | <b>(49)</b>  | <b>(10)</b>  | <b>(10)</b>  | <b>(10)</b>  | <b>(11)</b>  | <b>(11)</b>  | <b>(11)</b>  | <b>(12)</b>  | <b>(12)</b>  | <b>(13)</b>  | <b>(13)</b>  |
| <b>Funding balance</b>  | <b>0</b>     |

### Renewal and Capital Works Programme

Upgrades of firefighting equipment are planned as part of the renewal programme.

# 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

Risks to public health are identified and appropriately managed

Central Hawke’s Bay District has an efficient and affordable roading infrastructure

## 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)   |
|-----------------|------------|------------|--------------|
| <b>Sealed</b>   | 68         | 794        | <b>862</b>   |
| <b>Unsealed</b> | 2          | 401        | <b>403</b>   |
| <b>Total</b>    | 70         | 1,195      | <b>1,264</b> |

## Asset Valuation at June 2014:

| Asset                                    | Optimised Replacement Cost | Optimised Depreciated Replacement Cost | Annual Depreciation    |
|--|----------------------------|--|------------------------|
| Land                                     | \$37,782,749               | \$37,782,749                           | <i>Not depreciated</i> |
| Formation                                | \$313,359,411              | \$313,359,411                          | <i>Not depreciated</i> |
| Pavement Surface                         | \$26,817,786               | \$6,839,983                            | \$2,087,032            |
| Pavement Unsealed Wearing Course         | \$9,089,514                | \$1,298,502                            | \$1,298,502            |
| Pavement Structure                       | \$225,409,976              | \$171,473,685                          | \$1,860,275            |
| Drainage                                 | \$48,823,082               | \$24,205,416                           | \$717,158              |
| Surface Water Channel                    | \$23,643,779               | \$13,668,477                           | \$496,756              |
| Footpaths                                | \$8,495,799                | \$2,833,975                            | \$188,458              |
| Crossings                                | \$4,768,800                | \$1,887,402                            | \$160,402              |
| Signs                                    | \$1,654,669                | \$653,667                              | \$105,795              |
| Traffic Facilities                       | \$3,009                    | \$1,505                                | \$201                  |
| Markings                                 | \$385,664                  | \$91,123                               | \$91,123               |
| Railings                                 | \$638,570                  | \$359,167                              | \$21,243               |
| Bridges, Culvert Bridges and Bridge Rail | \$108,527,871              | \$54,594,122                           | \$1,194,134            |
| Minor Structures                         | \$337,801                  | \$287,009                              | \$2,815                |
| Retaining Walls                          | \$5,867,414                | \$4,063,929                            | \$132,817              |
| Street Lighting                          | \$1,455,563                | \$547,201                              | \$77,690               |
| Roundabouts                              | \$481,679                  | \$481,679                              | \$57,455               |
| <b>Total</b>                             | <b>\$817,543,136</b>       | <b>\$634,429,002</b>                   | <b>\$8,491,856</b>     |

### 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

### 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.

| <b>Land Transport</b>  |  |  |   |
|--|--|--|---|
| <b>Level of Service</b>  | <b>What will we deliver?</b>   | <b>How will we measure our success?</b>                                  | <b>Target 2015/2025</b>   |
| <b>Road Safety</b><br>Roads that are increasingly safer  | Inspections, monitoring and improvements as required   | By using the NZTA accident reporting system to produce an annual report  | A reducing trend in the annual number of fatalities and serious injuries where road factors (not weather) were a contributing factor. |
| <b>Road Condition</b><br>The average quality of ride on a sealed local road network, measured by smooth travel exposure  | Road surface repairs and renewals  | By annually determining the smooth travel exposure                       | To show results within the requirements of the One Road Network Classification system   |
| <b>Road maintenance:</b><br>The percentage of the sealed local road network that is resurfaced.  | A programme of re-seals based on the requirements as noted in the field and the forward work programme | By dividing the number of km sealed by the number of km of sealed road   | To re-seal at least 7% of the sealed road network   |
| <b>Footpaths:</b><br>The percentage of footpaths within a territorial authority district that fall within the level of service or service standard for the condition of footpaths that is set out in the territorial authority's relevant document (such as its annual plan, activity management plan, asset management plan, annual works program or long term plan). | Inspections, monitoring and a programme of repairs and renewals  | By reviewing the footpath inventory annually and assessing its condition | At least 20% of the footpaths in excellent condition and no more than 10% of the footpaths in poor condition measured annually        |

|  |  |   |  |
|--|--|---|--|
| <p><b>Response to service requests:</b><br/>The percentage of customer service requests relating to roads and footpaths to which the territorial authority responds within the time frame specified in the long term plan.</p> | <p>Timely response to public enquiries</p> | <p>Monthly reporting from the Request for Services system</p> | <p>To respond to 85% of the service requests within 15 days.</p> |
|--|--|---|--|

## Funding impact statement for 2015/2025 - Land Transport

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        |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|   | 2015           | 2016           | 2017           | 2018           | 2019           | 2020           | 2021           | 2022           | 2023           | 2024           | 2025           |
|   | \$000          | \$000          | \$000          | \$000          | \$000          | \$000          | \$000          | \$000          | \$000          | \$000          | \$000          |
| <b>Sources of operating funding</b>                                     |                |                |                |                |                |                |                |                |                |                |                |
| General rates, uniform annual general charges and rates penalties       | 6,295          | 6,186          | 6,243          | 6,250          | 6,444          | 6,568          | 6,633          | 6,852          | 7,006          | 7,241          | 7,536          |
| Targeted rates  | 78             | 59             | 59             | 59             | 5              | 0              | 0              | 0              | 0              | 0              | 0              |
| Subsidies and grants for operating purposes                             | 2,152          | 1,969          | 1,969          | 1,969          | 2,089          | 2,141          | 2,199          | 2,261          | 2,328          | 2,401          | 2,480          |
| Fees, charges   | 10             | 14             | 14             | 14             | 15             | 15             | 15             | 16             | 17             | 17             | 18             |
| 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 | 140            | 135            | 138            | 142            | 146            | 150            | 154            | 159            | 164            | 169            | 175            |
| <b>Total operating funding</b>  | <b>8,675</b>   | <b>8,363</b>   | <b>8,423</b>   | <b>8,434</b>   | <b>8,699</b>   | <b>8,874</b>   | <b>9,001</b>   | <b>9,288</b>   | <b>9,515</b>   | <b>9,828</b>   | <b>10,209</b>  |
| <b>Applications of operating funding</b>                                |                |                |                |                |                |                |                |                |                |                |                |
| Payments to staff and suppliers   | 4,455          | 3,718          | 3,725          | 3,735          | 3,947          | 4,045          | 4,154          | 4,270          | 4,398          | 4,534          | 4,683          |
| Finance costs   | 17             | 13             | 9              | 5              | 0              | 0              | 0              | 0              | 0              | 0              | 0              |
| Other operating funding applications                                    | 849            | 917            | 944            | 985            | 998            | 1,031          | 1,073          | 1,086          | 1,117          | 1,167          | 1,186          |
| <b>Total applications of operating funding</b>                          | <b>5,321</b>   | <b>4,648</b>   | <b>4,678</b>   | <b>4,725</b>   | <b>4,945</b>   | <b>5,076</b>   | <b>5,227</b>   | <b>5,356</b>   | <b>5,515</b>   | <b>5,701</b>   | <b>5,869</b>   |
| <b>Surplus (deficit) of operating funding</b>                           | <b>3,354</b>   | <b>3,715</b>   | <b>3,745</b>   | <b>3,709</b>   | <b>3,754</b>   | <b>3,798</b>   | <b>3,774</b>   | <b>3,932</b>   | <b>4,000</b>   | <b>4,127</b>   | <b>4,340</b>   |
| <b>Sources of capital funding</b>                                       |                |                |                |                |                |                |                |                |                |                |                |
| Subsidies and grants for capital expenditure                            | 4,364          | 4,501          | 4,501          | 4,501          | 4,777          | 4,896          | 5,028          | 5,169          | 5,324          | 5,489          | 5,670          |
| Development and financial contributions                                 | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              |
| Increase (decrease) in debt   | (61)           | (47)           | (50)           | (54)           | (5)            | 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              |
| <b>Total sources of capital funding</b>                                 | <b>4,303</b>   | <b>4,455</b>   | <b>4,451</b>   | <b>4,447</b>   | <b>4,772</b>   | <b>4,896</b>   | <b>5,028</b>   | <b>5,169</b>   | <b>5,324</b>   | <b>5,489</b>   | <b>5,670</b>   |
| <b>Applications of capital funding</b>                                  |                |                |                |                |                |                |                |                |                |                |                |
| Capital expenditure   |                |                |                |                |                |                |                |                |                |                |                |
| - to meet additional demand   | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              |
| - to improve the level of service                                       | 533            | 299            | 299            | 299            | 317            | 325            | 334            | 343            | 354            | 365            | 377            |
| - to replace existing assets  | 6,874          | 7,641          | 7,647          | 7,657          | 8,108          | 8,319          | 8,543          | 8,783          | 9,046          | 9,326          | 9,634          |
| Increase (decrease) in reserves   | 250            | 230            | 250            | 200            | 100            | 50             | (75)           | (25)           | (75)           | (75)           | 0              |
| Increase (decrease) of investments                                      | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              |
| <b>Total application of capital funding</b>                             | <b>7,657</b>   | <b>8,170</b>   | <b>8,196</b>   | <b>8,156</b>   | <b>8,525</b>   | <b>8,694</b>   | <b>8,802</b>   | <b>9,101</b>   | <b>9,324</b>   | <b>9,616</b>   | <b>10,011</b>  |
| <b>Surplus (deficit) of capital funding</b>                             | <b>(3,354)</b> | <b>(3,715)</b> | <b>(3,745)</b> | <b>(3,709)</b> | <b>(3,754)</b> | <b>(3,798)</b> | <b>(3,774)</b> | <b>(3,932)</b> | <b>(4,000)</b> | <b>(4,127)</b> | <b>(4,340)</b> |
| <b>Funding balance</b>  | <b>0</b>       |

## **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 grading, 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.

Benching unstable slopes and ensuring safety concerns are dealt with effectively through maintenance intervention has lowered the accident rates on the network.

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 and re-metalling road surfaces, structures and major drainage.

All of the renewals are based 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.

### **Other Capital**

As it is more important to maintain what we have rather than expand the network Council has decided that there are no new seal extensions or creation of new roads within this LTP.

## 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

### 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

| <b>Community Outcomes that this activity contributes to</b>                       |
|---|
| Risks to public health are identified and appropriately managed                   |
| Central Hawke's Bay District has an efficient and affordable waste infrastructure |
| We encourage recycling, and manage the rest in a sustainable way                  |

### 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

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.

## 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.

| <b>Solid Waste</b>  |   |  |  |
|---|---|--|--|
| <b>Level of Service</b>   | <b>What will we deliver?</b>  | <b>How will we measure our success?</b>                  | <b>Target 2015/2025</b>  |
| Provide reliable and responsive kerbside collection services  | Kerbside collection services completed on the designated day at a regular time                                    | Number of complaints about the service                   | Less than 2 missed collections per month recorded in the Request For Service system                                    |
| Ensure that the community are very satisfied with Council's Solid Waste services and facilities     | Provide services and facilities that the community want and that the majority of the community are satisfied with | Through Council's biennial community satisfaction survey | More than 90% of survey respondents are satisfied or very satisfied with Council's Solid Waste services and facilities |
| CHB waste to be diverted from landfill through provision of reuse, recycling and compost programmes | Operation of transfer station with green waste disposal options, and recycling centres                            | Achieve waste diversion targets                          | Volume of waste from transfer stations to landfill <2500 tonne per year  |
| Environmental effects reduced through compliance with Resource Consents for the landfill            | Compliance with Resource Consents for the landfill  | Compliance with Resource Consents for the landfill       | 100% compliance  |

## Funding impact statement for 2015/2025 - Solid Waste

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

|   | Annual Plan<br>2015<br>\$000 | Year 1<br>2016<br>\$000 | Year 2<br>2017<br>\$000 | Year 3<br>2018<br>\$000 | Year 4<br>2019<br>\$000 | Year 5<br>2020<br>\$000 | Year 6<br>2021<br>\$000 | Year 7<br>2022<br>\$000 | Year 8<br>2023<br>\$000 | Year 9<br>2024<br>\$000 | Year 10<br>2025<br>\$000 |
|---|------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|--------------------------|
| <b>Sources of operating funding</b>                                     |                              |                         |                         |                         |                         |                         |                         |                         |                         |                         |                          |
| General rates, uniform annual general charges and rates penalties       | 1,293                        | 1,246                   | 1,293                   | 1,331                   | 1,374                   | 1,447                   | 1,484                   | 1,514                   | 1,563                   | 1,565                   | 1,605                    |
| Targeted rates  | 213                          | 219                     | 231                     | 237                     | 243                     | 257                     | 265                     | 273                     | 290                     | 300                     | 310                      |
| Subsidies and grants for operating purposes                             | 43                           | 43                      | 43                      | 43                      | 43                      | 43                      | 43                      | 43                      | 43                      | 43                      | 43                       |
| Fees, charges   | 1,015                        | 900                     | 923                     | 944                     | 970                     | 997                     | 1,026                   | 1,057                   | 1,090                   | 1,127                   | 1,167                    |
| 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                        |
| <b>Total operating funding</b>  | <b>2,564</b>                 | <b>2,408</b>            | <b>2,490</b>            | <b>2,555</b>            | <b>2,630</b>            | <b>2,744</b>            | <b>2,818</b>            | <b>2,887</b>            | <b>2,986</b>            | <b>3,035</b>            | <b>3,125</b>             |
| <b>Applications of operating funding</b>                                |                              |                         |                         |                         |                         |                         |                         |                         |                         |                         |                          |
| Payments to staff and suppliers   | 1,775                        | 1,786                   | 1,854                   | 1,904                   | 1,968                   | 2,066                   | 2,122                   | 2,182                   | 2,281                   | 2,352                   | 2,430                    |
| Finance costs   | 170                          | 140                     | 138                     | 134                     | 131                     | 126                     | 121                     | 115                     | 107                     | 100                     | 96                       |
| Other operating funding applications                                    | 252                          | 273                     | 281                     | 293                     | 297                     | 307                     | 319                     | 323                     | 332                     | 347                     | 352                      |
| <b>Total applications of operating funding</b>                          | <b>2,197</b>                 | <b>2,199</b>            | <b>2,273</b>            | <b>2,331</b>            | <b>2,396</b>            | <b>2,499</b>            | <b>2,562</b>            | <b>2,620</b>            | <b>2,720</b>            | <b>2,799</b>            | <b>2,878</b>             |
| <b>Surplus (deficit) of operating funding</b>                           | <b>367</b>                   | <b>209</b>              | <b>217</b>              | <b>224</b>              | <b>234</b>              | <b>245</b>              | <b>256</b>              | <b>267</b>              | <b>266</b>              | <b>236</b>              | <b>247</b>               |
| <b>Sources of capital funding</b>                                       |                              |                         |                         |                         |                         |                         |                         |                         |                         |                         |                          |
| 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   | (213)                        | (72)                    | (78)                    | (84)                    | (91)                    | (99)                    | (107)                   | (115)                   | (112)                   | (78)                    | (84)                     |
| 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                        |
| <b>Total sources of capital funding</b>                                 | <b>(213)</b>                 | <b>(72)</b>             | <b>(78)</b>             | <b>(84)</b>             | <b>(91)</b>             | <b>(99)</b>             | <b>(107)</b>            | <b>(115)</b>            | <b>(112)</b>            | <b>(78)</b>             | <b>(84)</b>              |
| <b>Applications of capital funding</b>                                  |                              |                         |                         |                         |                         |                         |                         |                         |                         |                         |                          |
| 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  | 89                           | 86                      | 88                      | 89                      | 92                      | 95                      | 98                      | 101                     | 104                     | 108                     | 112                      |
| Increase (decrease) in reserves   | 65                           | 51                      | 51                      | 51                      | 51                      | 51                      | 51                      | 51                      | 50                      | 51                      | 51                       |
| Increase (decrease) of investments                                      | 0                            | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                        |
| <b>Total application of capital funding</b>                             | <b>154</b>                   | <b>137</b>              | <b>139</b>              | <b>140</b>              | <b>143</b>              | <b>146</b>              | <b>149</b>              | <b>152</b>              | <b>154</b>              | <b>159</b>              | <b>163</b>               |
| <b>Surplus (deficit) of capital funding</b>                             | <b>(367)</b>                 | <b>(209)</b>            | <b>(217)</b>            | <b>(224)</b>            | <b>(234)</b>            | <b>(245)</b>            | <b>(256)</b>            | <b>(267)</b>            | <b>(266)</b>            | <b>(236)</b>            | <b>(247)</b>             |
| <b>Funding balance</b>  | <b>0</b>                     | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                 |

### **Renewal Works Programmes**

Renewals include:

- Replacing old litter bins and maintaining current bins.
- Transfer stations including repairing fences, drives, pits, kiosks, 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**

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

# Water Supply

## What does this activity involve?

With regard to the provision of potable water, Councils have the obligation to identify where such a service is required, and to either provide it directly themselves, or to maintain an overview of the supply if it is provided by others.

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

The water quality at Takapau fully meets the New Zealand Drinking Water Standards 2005/08. The other supplies meet all other requirements except for Protozoa. Government has passed legislation making NZDWS compliance mandatory and this will require the installation of Ultra Violet treatment plants at some sites. Comprehensive Water Safety Plans have been 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.

## Why are we involved?

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.

| <b>Community Outcomes that this activity contributes to</b>  |
|--|
| Risks to public health are identified and appropriately managed  |
| Central Hawke's Bay District has an efficient and affordable water infrastructure – by ensuring continuity of supply |
| We plan and manage water use to minimize the effect on the environment – through measures to manage water demand     |

## 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  | Pipes          | Valves     | Hydrants   | Pump Stations | Reservoirs | Tanks     | Treatment Stations |
|--------------|--------------|----------------|------------|------------|---------------|------------|-----------|--------------------|
|              | Number       | metres         | Number     | Number     | Number        | Number     | Number    | Number             |
| Waipukurau   | 2,173        | 69,880         | 300        | 311        | 1             | 2          | 1         | 1                  |
| Waipawa      | 981          | 52,390         | 111        | 189        | 2             | 2          | 2         | 2                  |
| Otane        | 273          | 18,470         | 66         | 33         | 1             |            | 2         |                    |
| Takapau      | 272          | 16,380         | 44         | 51         | 1             | 1          | 12        | 1                  |
| Porangahau   | 110          | 10,290         | 32         | 22         |               |            | 5         |                    |
| Te Paerahi   | 133          | 6,360          | 45         | 17         | 1             |            | 15        | 1                  |
| Kairakau     | 84           | 3,220          | 9          | 2          | 3             |            | 8         | 3                  |
| Pourerere    | 5            | 6,120          |            |            |               |            | 7         |                    |
| <b>Total</b> | <b>4,031</b> | <b>183,110</b> | <b>607</b> | <b>625</b> | <b>9</b>      | <b>5</b>   | <b>52</b> | <b>8</b>           |

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

- Water supplies must meet the New Zealand Drinking Water Standards 2005 by 30 June 2015. Considerable expenditure on treatment upgrades is necessary 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 means that no allowance has been included to meet future growth demands in the district. Because few improvements are included in this LTP, increased development contributions cannot be raised to help fund future required improvements.
- Investigation to expand the current supply zones into the growing rural lifestyle areas.

## What impact will changes in demand have on this activity?

- Although domestic growth is considered stable and demand is not expected to increase, demand from other users (industrial and commercial) would result in the need for substantial infrastructure upgrading and for more infrastructure. However the lack of funding for future infrastructural improvements to meet potential demand means that development contributions cannot be raised to help fund any these improvements.
- Climate change and changes to agricultural activities may see Council competing for water resources with others. However Council's main 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 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 water 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.
- 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 changing legislative environment especially in regards to Drinking Water Standards.

## 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.

| <b>Water Supply</b>  |   |   |   |
|--|---|---|---|
| <b>Level of Service</b>  | <b>What will we deliver?</b>  | <b>How will we measure our success?</b>   | <b>Target 2015/2025</b>   |
| Compliance with Drinking Water Standard (DWS)  | Upgrading all water systems to ensure compliance with DWS<br><br>Monitoring and testing of supplied water to ensure DWS compliance  | Compliance with DWS as set out by the DHB   | 100% continued compliance with regard to sampling and monitoring.                       |
| Safety of Drinking Water   | Council's drinking water supply complies with Part 4 of the drinking water standards (bacteria compliance criteria) by 2017<br><br>Council's drinking water supply complies with Part 5 of the drinking water standards (protozoal compliance criteria) by 2020 | The extent to which the local authorities drinking water supply complies with:<br><br>a) Part 4 of the drinking water standards (bacteria compliance criteria)<br><br>b) Part 5 of the drinking water standards (protozoal compliance criteria) | Bacteria compliance criteria by 2017<br><br>Protozoal compliance criteria by 2020       |
| Ensure compliance with resource consents and the sustainable management of the water takes | Ongoing monitoring and compliance<br><br>Manage the water takes in periods of low flow in the districts rivers  | Number of resource consent breaches   | No more than minor breaches (ie not sufficient to attract a fine) of consent conditions |

|   |  |   |   |
|---|--|---|---|
| <p>Demand Management</p> <p>An agreed direction with the community and HBRC on managing water usage</p> | <p>Have in place an approved Water Management and Conservation Strategy</p>  | <p>The average consumption of drinking water per day per resident within the district.</p>  | <p>The average consumption of drinking water per day per water connection is less than 1.80m<sup>3</sup></p>  |
| <p>Continuity of supply</p>   | <p>Work with our contractor to ensure a continuous improvement in outages caused through leaks/breaks/pump failure</p>   | <p>Outages caused through leaks, breaks, pump failures, etc are repaired within contractual time frames and recorded for analysis in monthly reports</p>  | <p>95% of faults fixed within contracted timeframes</p>   |
| <p>Fault Response Times</p>   | <p>Where the local authority attends a call out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured:</p> | <p>a) Attendance for urgent call outs: from the time that the Local Authority receives notification to the time the service personnel reaches the site</p> <p>b) 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.</p> <p>c) Attendance for non-urgent call outs: from the time that the Local Authority receives notification to the time the service personnel reaches the site</p> <p>d) 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.</p> | <p>Target response time to an urgent callout ≤ 2 hours</p> <p>Target resolution time to an urgent callout ≤ 12 hours</p> <p>Target response time to a non-urgent callout ≤ 6 hours</p> <p>Target resolution time to a non-urgent callout ≤ 72 hours</p> |

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|                       |   |   |   |
|-----------------------|---|---|---|
| Customer Satisfaction | Drinking water that tastes and looks satisfactory | The total number of complaints received by the local authority about any of the following:<br>a) Drinking water clarity<br>b) Drinking water taste<br>c) Drinking water odour<br>d) Drinking water pressure or flow<br>e) Continuity of supply<br>f) The local authority's response to any of these issues. | Number of complaints relating to drinking water received per annum $\leq 5$ per 1000 connections to the local authority's networked reticulation system |
|-----------------------|---|---|---|

## Funding impact statement for 2015/2025 - Water Supply

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

|   | Annual Plan<br>2015<br>\$000 | Year 1<br>2016<br>\$000 | Year 2<br>2017<br>\$000 | Year 3<br>2018<br>\$000 | Year 4<br>2019<br>\$000 | Year 5<br>2020<br>\$000 | Year 6<br>2021<br>\$000 | Year 7<br>2022<br>\$000 | Year 8<br>2023<br>\$000 | Year 9<br>2024<br>\$000 | Year 10<br>2025<br>\$000 |
|---|------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|--------------------------|
| <b>Sources of operating funding</b>                                     |                              |                         |                         |                         |                         |                         |                         |                         |                         |                         |                          |
| General rates, uniform annual general charges and rates penalties       | 0                            | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                        |
| Targeted rates  | 2,504                        | 2,616                   | 2,627                   | 2,725                   | 2,759                   | 2,756                   | 2,846                   | 2,922                   | 3,008                   | 3,189                   | 3,378                    |
| 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                        |
| <b>Total operating funding</b>  | <b>2,504</b>                 | <b>2,616</b>            | <b>2,627</b>            | <b>2,725</b>            | <b>2,759</b>            | <b>2,756</b>            | <b>2,846</b>            | <b>2,922</b>            | <b>3,008</b>            | <b>3,189</b>            | <b>3,378</b>             |
| <b>Applications of operating funding</b>                                |                              |                         |                         |                         |                         |                         |                         |                         |                         |                         |                          |
| Payments to staff and suppliers   | 1,079                        | 1,068                   | 1,110                   | 1,141                   | 1,174                   | 1,225                   | 1,264                   | 1,307                   | 1,369                   | 1,420                   | 1,476                    |
| Finance costs   | 157                          | 175                     | 188                     | 194                     | 178                     | 170                     | 166                     | 160                     | 154                     | 211                     | 270                      |
| Other operating funding applications                                    | 514                          | 555                     | 571                     | 596                     | 604                     | 624                     | 650                     | 657                     | 676                     | 707                     | 718                      |
| <b>Total applications of operating funding</b>                          | <b>1,750</b>                 | <b>1,798</b>            | <b>1,869</b>            | <b>1,931</b>            | <b>1,956</b>            | <b>2,019</b>            | <b>2,080</b>            | <b>2,125</b>            | <b>2,199</b>            | <b>2,337</b>            | <b>2,464</b>             |
| <b>Surplus (deficit) of operating funding</b>                           | <b>754</b>                   | <b>818</b>              | <b>758</b>              | <b>794</b>              | <b>803</b>              | <b>737</b>              | <b>766</b>              | <b>797</b>              | <b>809</b>              | <b>852</b>              | <b>914</b>               |
| <b>Sources of capital funding</b>                                       |                              |                         |                         |                         |                         |                         |                         |                         |                         |                         |                          |
| Subsidies and grants for capital expenditure                            | 0                            | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                        |
| Development and financial contributions                                 | 0                            | 25                      | 25                      | 25                      | 25                      | 25                      | 25                      | 25                      | 25                      | 25                      | 25                       |
| Increase (decrease) in debt   | 453                          | (56)                    | 332                     | (253)                   | (145)                   | (112)                   | (121)                   | (132)                   | (121)                   | 1,634                   | (176)                    |
| 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                        |
| <b>Total sources of capital funding</b>                                 | <b>453</b>                   | <b>(31)</b>             | <b>357</b>              | <b>(228)</b>            | <b>(120)</b>            | <b>(87)</b>             | <b>(96)</b>             | <b>(107)</b>            | <b>(96)</b>             | <b>1,659</b>            | <b>(151)</b>             |
| <b>Applications of capital funding</b>                                  |                              |                         |                         |                         |                         |                         |                         |                         |                         |                         |                          |
| Capital expenditure   |                              |                         |                         |                         |                         |                         |                         |                         |                         |                         |                          |
| - to meet additional demand   | 0                            | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                        |
| - to improve the level of service                                       | 655                          | 150                     | 564                     | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 1,773                   | 0                        |
| - to replace existing assets  | 551                          | 562                     | 576                     | 591                     | 608                     | 625                     | 645                     | 665                     | 688                     | 712                     | 738                      |
| Increase (decrease) in reserves   | 0                            | 75                      | (25)                    | (25)                    | 75                      | 25                      | 25                      | 25                      | 25                      | 25                      | 25                       |
| Increase (decrease) of investments                                      | 0                            | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                        |
| <b>Total application of capital funding</b>                             | <b>1,206</b>                 | <b>787</b>              | <b>1,115</b>            | <b>566</b>              | <b>683</b>              | <b>650</b>              | <b>670</b>              | <b>690</b>              | <b>713</b>              | <b>2,510</b>            | <b>763</b>               |
| <b>Surplus (deficit) of capital funding</b>                             | <b>(754)</b>                 | <b>(818)</b>            | <b>(758)</b>            | <b>(794)</b>            | <b>(803)</b>            | <b>(737)</b>            | <b>(765)</b>            | <b>(797)</b>            | <b>(809)</b>            | <b>(851)</b>            | <b>(914)</b>             |
| <b>Funding balance</b>  | <b>0</b>                     | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                 |

### Water Meter Rates

As a water conservation measure, Council are targeting high users and installing water meters where necessary. Apart from conserving water, these measures should delay the need for infrastructure expansion. 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.

### 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

In order to achieve an acceptable rating level for ratepayers, only the essential improvement works necessitated by legislative requirements will be undertaken. This means that only water treatment improvements to meet the New Zealand Drinking Water Standards 2005 will be funded and carried out.

Significant capital works included in the LTP 2015/25 are:

| <b>Project</b>  | <b>Estimated Cost</b> |
|---|-----------------------|
| Waipukurau Water Main State Highway 2 extension to Douglas Street, 2016 | \$150,000             |
| Waipukurau Water - alternative supply 2017                              | \$563,750             |
| Otane water supply – alternative supply 2024                            | \$1,773,401           |
| <b>Total</b>  | <b>\$2,487,151</b>    |

## 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 station and treatment plants are renewed as necessary and as funding allows.

Major new works planned are replacement of the Mt Herbert Road pumping station wetwell, renewal of the Waipawa main trunk sewer, and upgrading of wastewater treatment at Otane, Takapau, Porangahau and Te Paerahi to meet higher resource consent requirements.

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

### Why are we involved?

The Wastewater Activity provide benefits to the community through reliable, safe, effective and efficient management of collection 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.

| <b>Community Outcomes that this activity contributes to</b>                            |
|--|
| Risks to public health are identified and appropriately managed                        |
| Central Hawke's Bay District has an efficient and affordable wastewater infrastructure |
| We plan and manage wastewater disposal to minimize the effect on the environment       |

## What are the significant assets managed through this activity

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

|              | Connections  | Pipes          | Manholes     | Pump Stations | Treatment Plants |
|--------------|--------------|----------------|--------------|---------------|------------------|
|              | Number       | metres         | Number       | Number        | Number           |
| Waipukurau   | 1,931        | 52,440         | 563          | 5             | 1                |
| Waipawa      | 855          | 29,000         | 240          | 2             | 1                |
| Otane        | 251          | 9,800          | 87           |               | 1                |
| Takapau      | 197          | 8,370          | 55           | 1             | 1                |
| Porangahau   | 104          | 3,050          | 33           | 1             | 1                |
| Te Paerahi   | 125          | 4,750          | 26           | 2             | 1                |
| <b>Total</b> | <b>3,463</b> | <b>107,410</b> | <b>1,005</b> | <b>11</b>     | <b>6</b>         |

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

- Changes in the demographic make of the District and its impact on the provision of this activity.
- Consent Renewals – Council will be facing the renewal of a number of discharge consents for the smaller systems like Otane and Takapau. The changes to the management of the environment brought about by HBRC Plan Change 6 will make these renewals challenging.
- Mt Herbert Pump Station up grade.
- The impact of Aging 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 expected to remain stable, but changes in industrial growth and other subdivision development may require a reassessment of wastewater options.
- Growth in Otane may require the treatment plant to be upgraded.
- 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 would reduce Trade Waste income without a proportional reduction in operating costs.

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

*Social* – Oxidation ponds can create periodic foul odours during times of disruption of the biological processes. These incidences have been few, but can be significant.

*Environmental* –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 will help reduce the 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 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.

## 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.

| <b>Wastewater</b>                        |   |   |   |
|--|---|---|---|
| <b>Level of Service</b>                  | <b>What will we deliver?</b>  | <b>How will we measure our success?</b>   | <b>Target 2015/2025</b>   |
| Ensure compliance with resource consents | <p>Compliance with the territorial authorities resource consents for discharge from the wastewater treatment plants measured by the number of:</p> <ul style="list-style-type: none"> <li>a) Abatement notices</li> <li>b) Infringement notices</li> <li>c) Enforcement orders</li> <li>d) Convictions</li> </ul> <p>Received in relation to these resource consents.</p> | <p>Number of abatement notices received each month.</p> <p>Number of infringement notices received each month.</p> <p>Number of enforcement orders received each month.</p> <p>Number of convictions received each month.</p> <p>Number of abatement notices received in the year.</p> <p>Number of infringement notices received in the year.</p> <p>Number of enforcement orders received in the year.</p> <p>Number of convictions received in the year.</p> | <p>Number of abatement notices received each month: 0</p> <p>Number of infringement notices received each month: 0</p> <p>Number of enforcement orders received each month: 0</p> <p>Number of convictions received each month: 0</p> <p>Number of abatement notices received in the year: 0</p> <p>Number of infringement notices received in the year: 0</p> <p>Number of enforcement orders received in the year: 0</p> <p>Number of convictions received in the year: 0</p> |

|                       |  |   |  |
|-----------------------|--|---|--|
| Continuity of service | Ongoing inspection, maintenance, upgrade and renewal   | The number of dry weather and total sewerage overflows from the Council's sewerage systems.   | Less than 100 total overflows per annum per 1000 sewerage connections to the total sewerage systems .<br>Less than 30 dry weather overflows per annum per 1000 sewerage connections to the total sewerage systems.             |
|                       | Where Council attends to sewage overflows resulting from a blockage or other fault in the Council sewerage systems, the following median response times measured | <p>a) Attendance time: from the time that Council receives notification to the time that service personnel reach the site</p> <p>b) Resolution time: from the time that Council receives notification to the time that service personnel confirm resolution of the blockage or other fault.</p> | <p>Target response time to a callout:<br/>Sewerage Blockages ≤ 1 hour<br/>Other Sewerage Faults ≤ 1 hour</p> <p>Target resolution time to a callout:<br/>Sewerage Blockages ≤ 4 hours<br/>Other Sewerage Faults ≤ 24 hours</p> |
| Customer Satisfaction | A sewerage system that can be taken for granted by customers.  | <p>The total number of complaints received by Council about any of the following:</p> <p>a) Sewage odour<br/>b) Sewerage system faults<br/>c) Sewerage system blockages<br/>d) Council's response to issues with its sewerage systems.</p>  | Number of complaints received per annum ≤ 10 per 1000 sewerage connections to the total sewerage systems   |

## Funding impact statement for 2015/2025 - Wastewater

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

|   | Annual Plan<br>2015<br>\$000 | Year 1<br>2016<br>\$000 | Year 2<br>2017<br>\$000 | Year 3<br>2018<br>\$000 | Year 4<br>2019<br>\$000 | Year 5<br>2020<br>\$000 | Year 6<br>2021<br>\$000 | Year 7<br>2022<br>\$000 | Year 8<br>2023<br>\$000 | Year 9<br>2024<br>\$000 | Year 10<br>2025<br>\$000 |
|---|------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|--------------------------|
| <b>Sources of operating funding</b>                                     |                              |                         |                         |                         |                         |                         |                         |                         |                         |                         |                          |
| General rates, uniform annual general charges and rates penalties       | 0                            | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                        |
| Targeted rates  | 2,662                        | 2,723                   | 2,854                   | 2,979                   | 3,126                   | 3,325                   | 3,425                   | 3,601                   | 3,780                   | 3,798                   | 3,901                    |
| Subsidies and grants for operating purposes                             | 0                            | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                        |
| Fees, charges   | 107                          | 149                     | 154                     | 157                     | 162                     | 165                     | 171                     | 176                     | 182                     | 188                     | 195                      |
| 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                        |
| <b>Total operating funding</b>  | <b>2,769</b>                 | <b>2,872</b>            | <b>3,008</b>            | <b>3,136</b>            | <b>3,288</b>            | <b>3,490</b>            | <b>3,596</b>            | <b>3,777</b>            | <b>3,962</b>            | <b>3,986</b>            | <b>4,096</b>             |
| <b>Applications of operating funding</b>                                |                              |                         |                         |                         |                         |                         |                         |                         |                         |                         |                          |
| Payments to staff and suppliers   | 946                          | 998                     | 1,032                   | 1,060                   | 1,090                   | 1,131                   | 1,166                   | 1,204                   | 1,255                   | 1,301                   | 1,350                    |
| Finance costs   | 565                          | 551                     | 589                     | 616                     | 666                     | 735                     | 781                     | 775                     | 754                     | 729                     | 700                      |
| Other operating funding applications                                    | 426                          | 459                     | 471                     | 494                     | 501                     | 517                     | 538                     | 544                     | 560                     | 584                     | 594                      |
| <b>Total applications of operating funding</b>                          | <b>1,937</b>                 | <b>2,008</b>            | <b>2,092</b>            | <b>2,170</b>            | <b>2,257</b>            | <b>2,383</b>            | <b>2,485</b>            | <b>2,523</b>            | <b>2,569</b>            | <b>2,614</b>            | <b>2,644</b>             |
| <b>Surplus (deficit) of operating funding</b>                           | <b>832</b>                   | <b>864</b>              | <b>916</b>              | <b>966</b>              | <b>1,031</b>            | <b>1,108</b>            | <b>1,111</b>            | <b>1,254</b>            | <b>1,393</b>            | <b>1,372</b>            | <b>1,452</b>             |
| <b>Sources of capital funding</b>                                       |                              |                         |                         |                         |                         |                         |                         |                         |                         |                         |                          |
| Subsidies and grants for capital expenditure                            | 0                            | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                        |
| Development and financial contributions                                 | 0                            | 76                      | 76                      | 76                      | 76                      | 76                      | 76                      | 76                      | 76                      | 76                      | 76                       |
| Increase (decrease) in debt   | (223)                        | 706                     | (7)                     | 423                     | 576                     | 917                     | (169)                   | (519)                   | (558)                   | (585)                   | (637)                    |
| 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                        |
| <b>Total sources of capital funding</b>                                 | <b>(223)</b>                 | <b>782</b>              | <b>69</b>               | <b>499</b>              | <b>652</b>              | <b>993</b>              | <b>(93)</b>             | <b>(443)</b>            | <b>(482)</b>            | <b>(509)</b>            | <b>(561)</b>             |
| <b>Applications of capital funding</b>                                  |                              |                         |                         |                         |                         |                         |                         |                         |                         |                         |                          |
| Capital expenditure   |                              |                         |                         |                         |                         |                         |                         |                         |                         |                         |                          |
| - to meet additional demand   | 0                            | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                        |
| - to improve the level of service                                       | 0                            | 949                     | 272                     | 736                     | 936                     | 1,335                   | 305                     | 0                       | 0                       | 0                       | 0                        |
| - to replace existing assets  | 609                          | 621                     | 637                     | 653                     | 671                     | 691                     | 712                     | 735                     | 760                     | 787                     | 815                      |
| Increase (decrease) in reserves   | 0                            | 76                      | 76                      | 76                      | 76                      | 76                      | 1                       | 76                      | 151                     | 76                      | 76                       |
| Increase (decrease) of investments                                      | 0                            | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                        |
| <b>Total application of capital funding</b>                             | <b>609</b>                   | <b>1,646</b>            | <b>985</b>              | <b>1,465</b>            | <b>1,683</b>            | <b>2,102</b>            | <b>1,018</b>            | <b>811</b>              | <b>911</b>              | <b>863</b>              | <b>891</b>               |
| <b>Surplus (deficit) of capital funding</b>                             | <b>(832)</b>                 | <b>(864)</b>            | <b>(916)</b>            | <b>(966)</b>            | <b>(1,031)</b>          | <b>(1,108)</b>          | <b>(1,111)</b>          | <b>(1,254)</b>          | <b>(1,393)</b>          | <b>(1,371)</b>          | <b>(1,452)</b>           |
| <b>Funding balance</b>  | <b>0</b>                     | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                 |

### 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 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 wastewater depreciation account.

### Capital Works

Significant capital works projects in the LTP 2015/25 are:

| <b>Project</b>                                  | <b>Estimated Cost</b> |
|---|-----------------------|
| Treatment Plant upgrade, Otane 2018             | \$730,990             |
| Treatment Plant upgrade, Takapau 2020           | \$772,634             |
| Treatment Plant upgrade Poranghau 2019          | \$648,658             |
| Treatment Plant upgrade, Te Paerahi 2020        | \$667,469             |
| Waipukurau Mt Herbert Road pumping station 2016 | \$849,000             |
| Waipawa Main Trunk Renewal 2017-2021            | \$864,763             |
| <b>Total</b>                                    | <b>\$4,533,514</b>    |

## 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 Tuki Tuki River through a number of systems including the Pah Flat Stream, or to the south and east to the Mangatarata Stream system.

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.

### 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.

| <b>Community Outcomes that this activity contributes to</b>                                    |
|--|
| Risks to public health are identified and appropriately managed                                |
| Central Hawke's Bay District has an efficient and affordable water infrastructure              |
| We plan and manage water use and wastewater disposal to minimize the effect on the environment |

### What are the significant assets managed through this activity

|              | Inlet/Outlet Structures | Pipes         | Manholes   | Open Drains   | V Drains   | Ponding Areas | Retention Dams |
|--------------|-------------------------|---------------|------------|---------------|------------|---------------|----------------|
|              | Number                  | Metres        | Number     | Metres        | Metres     | Number        | Number         |
| Waipukurau   | 129                     | 25,740        | 402        | 10,190        |            | 3             |                |
| Waipawa      | 120                     | 10,740        | 141        | 4,420         | 819        |               | 1              |
| Otane        | 3                       | 180           |            | 140           |            |               |                |
| Takapau      | 2                       | 60            | 1          | 800           |            |               |                |
| Porangahau   | 8                       | 2,220         | 69         | 300           |            |               |                |
| Te Paerahi   | 1                       | 330           |            |               |            |               |                |
| Kairakau     | 4                       | 380           | 6          | 500           |            |               |                |
| Blackhead    | 1                       | 140           | 1          | 70            |            |               |                |
| <b>Total</b> | <b>268</b>              | <b>39,790</b> | <b>620</b> | <b>16,420</b> | <b>819</b> | <b>3</b>      | <b>1</b>       |

### 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 that would address known flooding areas and 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 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.
- Changing rainfall intensities will require assessment and determination of alternative stormwater options.
- Domestic populations are expected to remain stable, but changes in industrial growth and other subdivision development may 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.

### **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 that could reduce or eliminate some flooding problems cannot be funded in the term of this LTP and therefore will not be built.
- The requirements of the Hawke's Bay Regional Council in future resource consents for stormwater 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 stormwater 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.
- Increased frequency of excessive rainfall events that can cause flooding.
- The changing legislative 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.

| <b>Storm Water</b>                                      |  |   |  |
|---|--|---|--|
| <b>Level of Service</b>                                 | <b>What will we deliver?</b>   | <b>How will we measure our success?</b>   | <b>Target 2015/2025</b>  |
| Maintain stormwater systems to design levels            | Ongoing inspection, maintenance, upgrades and renewal  | Number of reported incidences of surface ponding, or flooding of properties each year                               | No more than 5 incidences in a 1 in 5 year rainfall event for residential areas, as a result of the stormwater network |
|   |  | Number of premises flooded due to direct failure of council network   | No premises flooded due to direct failure of council network   |
| Fault Response Times                                    | Where Council attends to flooding events resulting from a Council stormwater systems, the following median response times measured | Attendance time: from the time that Council receives notification to the time that service personnel reach the site | Target response time to an urgent callout $\leq$ 2 hours   |
| Meet customer requests in a timely and efficient manner | Respond to customer queries and complaints   | All blockages and other faults repaired within contract timeframes  | 100% of faults fixed within timeframes   |
| Customer Satisfaction                                   | A stormwater system that can be taken for granted by customers.  | The total number of complaints received by Council about the performance of the stormwater systems                  | Number of complaints received per annum $\leq$ 5 per 1000 stormwater connections to the total stormwater systems       |

## Funding impact statement for 2015/2025 - 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      |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|   | 2015         | 2016         | 2017         | 2018         | 2019         | 2020         | 2021         | 2022         | 2023         | 2024         | 2025         |
|   | \$000        | \$000        | \$000        | \$000        | \$000        | \$000        | \$000        | \$000        | \$000        | \$000        | \$000        |
| <b>Sources of operating funding</b>                                     |              |              |              |              |              |              |              |              |              |              |              |
| General rates, uniform annual general charges and rates penalties       | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            |
| Targeted rates  | 447          | 467          | 480          | 494          | 505          | 521          | 537          | 551          | 569          | 579          | 597          |
| 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            |
| <b>Total operating funding</b>  | <b>447</b>   | <b>467</b>   | <b>480</b>   | <b>494</b>   | <b>505</b>   | <b>521</b>   | <b>537</b>   | <b>551</b>   | <b>569</b>   | <b>579</b>   | <b>597</b>   |
| <b>Applications of operating funding</b>                                |              |              |              |              |              |              |              |              |              |              |              |
| Payments to staff and suppliers   | 140          | 149          | 153          | 157          | 161          | 166          | 171          | 176          | 182          | 189          | 195          |
| Finance costs   | 9            | 12           | 12           | 12           | 11           | 11           | 10           | 9            | 8            | 7            | 7            |
| Other operating funding applications                                    | 91           | 98           | 101          | 105          | 107          | 110          | 115          | 116          | 119          | 125          | 127          |
| <b>Total applications of operating funding</b>                          | <b>240</b>   | <b>259</b>   | <b>266</b>   | <b>274</b>   | <b>279</b>   | <b>287</b>   | <b>296</b>   | <b>301</b>   | <b>310</b>   | <b>320</b>   | <b>329</b>   |
| <b>Surplus (deficit) of operating funding</b>                           | <b>207</b>   | <b>208</b>   | <b>214</b>   | <b>220</b>   | <b>226</b>   | <b>234</b>   | <b>242</b>   | <b>250</b>   | <b>259</b>   | <b>258</b>   | <b>268</b>   |
| <b>Sources of capital funding</b>                                       |              |              |              |              |              |              |              |              |              |              |              |
| Subsidies and grants for capital expenditure                            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            |
| Development and financial contributions                                 | 0            | 6            | 6            | 6            | 6            | 6            | 6            | 6            | 6            | 6            | 6            |
| Increase (decrease) in debt   | 86           | (8)          | (9)          | (9)          | (10)         | (11)         | (12)         | (13)         | (14)         | (5)          | (6)          |
| 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            |
| <b>Total sources of capital funding</b>                                 | <b>86</b>    | <b>(2)</b>   | <b>(3)</b>   | <b>(4)</b>   | <b>(5)</b>   | <b>(5)</b>   | <b>(6)</b>   | <b>(8)</b>   | <b>(9)</b>   | <b>1</b>     | <b>0</b>     |
| <b>Applications of capital funding</b>                                  |              |              |              |              |              |              |              |              |              |              |              |
| Capital expenditure   |              |              |              |              |              |              |              |              |              |              |              |
| - to meet additional demand   | 95           | 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  | 199          | 200          | 205          | 210          | 216          | 222          | 229          | 237          | 245          | 253          | 262          |
| Increase (decrease) in reserves   | (1)          | 6            | 6            | 6            | 6            | 6            | 6            | 6            | 6            | 6            | 6            |
| Increase (decrease) of investments                                      | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            |
| <b>Total application of capital funding</b>                             | <b>293</b>   | <b>206</b>   | <b>211</b>   | <b>216</b>   | <b>222</b>   | <b>228</b>   | <b>235</b>   | <b>242</b>   | <b>251</b>   | <b>259</b>   | <b>268</b>   |
| <b>Surplus (deficit) of capital funding</b>                             | <b>(207)</b> | <b>(208)</b> | <b>(214)</b> | <b>(220)</b> | <b>(226)</b> | <b>(234)</b> | <b>(242)</b> | <b>(250)</b> | <b>(259)</b> | <b>(258)</b> | <b>(268)</b> |
| <b>Funding balance</b>  | <b>0</b>     |

**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 environmental and management requirements.

**Renewal Works**

Within the Council's stormwater assets, the oldest components of the stormwater systems are 59 years old. With a theoretical life of 80 years it is still 21 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**

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

# Recreation and Community Facilities Group

## Parks, Reserves and Pools

### What does this activity involve?

Council provides parks, reserves, swimming pools and camping grounds for the leisure use of the community.

- Council actively maintains 48 parks, reserves, war memorials and the Waipawa Memorial Pool. These are maintained through a Facilities Management (FM) contract.
- Council provides funding to the CHB Community Trust which owns and operates the A W Parsons Heated pool in Waipukurau.
- Camping Grounds are operated by the lessees of each camping ground.

Council also provide financial assistance to:

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

### Why are we involved?

Where vested under the Reserves Act 1977, Council is statutorily required to manage these Reserves. The Resource Management Act 1991 and Council's District Plan require any esplanade strips or reserves created to be administered under the Reserves Act.

| <b>Community Outcomes that this activity contributes to</b>                                      |
|--|
| People are involved in their local community   |
| People have a range of opportunities to participate in leisure, cultural and learning activities |
| Our historic and cultural heritage is protected for future generations                           |
| Central Hawke's Bay District is well promoted as a good place to visit                           |

### What are the significant assets managed through this Activity

- Parks and Reserves
- Pool
- Camping grounds
- War Memorials
- Playgrounds and Skate Park

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

Limited funding available for –

- Upgrading surfaces for Coronation Park and Russell Park. This may result in grounds being closed for extended periods in winter
- The limited availability of rate funding for any major maintenance of the Waipawa Memorial Pool.

This may result in the closure of facilities until community funding can be found

Other key Issues

- Blackhead Holiday Park lease expires in 2016.
- Need for an all-weather playing surface at Russell Park. Council is assisting with facilitating such a project and will provide limited funding.
- Maintaining playing surfaces as national standards and community expectations increase.

**What impact will changes in demand have on this activity?**

The ability to respond to changes in demand is limited by available rates funding. Other sources of funding would be required.

**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.

| <b>Parks, Reserves and Pools</b>  |  |   |  |
|---|--|---|--|
| <b>Level of Service</b>   | <b>What will we deliver?</b>                                 | <b>How will we measure our success?</b>                   | <b>Target 2015/2025</b>                                  |
| Parks (including sports grounds), war memorials and pools are well maintained | Contractors will be employed to manage these facilities      | Independent audit of management contract – twice per year | Contractors are meeting requirements                     |
|   |  | All requests for service are completed within timeframes  | 100% of requests for service completed within timeframes |
| Residents and visitors have access to affordable beach accommodation          | Provision of camp grounds under lease agreements             | Current lease agreements                                  | Lease arrangements met                                   |
| Swimming Pool facilities are available to the community                       | Suitable range of opening hours to maintain community access | Opening hours   | Facilities are open for advertised or contracted hours   |

## Public Toilets

### What does this activity involve?

Council is required by community expectation to provide public conveniences for the use of the public within the district. Council operates 23 permanent public toilets, as well as temporary toilets for freedom camping.

A refurbishment program is now in place with the objective of upgrading two to three toilet blocks each year.

### Why are we involved?

To provide and maintain public toilets which contribute to public hygiene

| Community Outcomes that this activity contributes to            |
|---|
| Risks to public health are identified and appropriately managed |

### What are the significant assets managed through this Activity?

|                                     |   |
|-------------------------------------|---|
| Otane Hall                          | Onga Onga (at Onga Onga Museum)               |
| Otane Rec Ground                    | Forest Gate Domain                            |
| Tikokino Hall                       | White Domain - Porangahau                     |
| Nelly Jull Park, Waipawa            | Te Paerahi changing shed                      |
| Coronation Park (Tararua) - Waipawa | Te Paerahi freedom camping area               |
| Waipawa Cemetery                    | Blackhead Beach                               |
| Madge Hunter Park, Waipawa          | Aramoana Beach                                |
| Motor cross - Waipukurau            | Pourerere Beach                               |
| Railway Esplanade – Waipukurau      | Kairakau Beach Northern                       |
| Post Office Corner - Waipukurau     | Kairakau Beach camp ground                    |
| A'Deane Park - Waipukurau           | Takapau Town                                  |
| Russell Park - Waipukurau           | Pourerere portaloos (Christmas holidays only) |

This activity is provided through the following services:

- cleaning and restocking of consumables
- minor repairs and repair of vandalism
- re-painting and upgrading as required

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

- Peak demand levels in high use locations, such as beaches.

### What impact will changes in demand have on this activity?

No changes expected

### 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.

| <b>Public Toilets</b>                   |   |   |  |
|---|---|---|--|
| <b>Level of Service</b>                 | <b>What will we deliver?</b>  | <b>How will we measure our success?</b>                   | <b>Target 2015/2025</b>                                  |
| Clean facilities provided to the public | Provision of facilities and regular cleaning of facilities in key locations | Independent audit of management contract – twice per year | Contractors are meeting requirements                     |
|   |   | All requests for service completed within timeframes      | 100% of requests for service completed within timeframes |
| Public toilets are will maintained      | Maintenance and upgrades carried out as needed                              | Upgrades carried out as required                          | Activity completed                                       |

## Retirement Housing

### What does this activity involve?

Retirement Housing is provided for people aged 60 and over, who don't own property.

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

- The flats are managed and let by Council staff. Each tenant has a separate tenancy agreement with Council.
- Grounds maintenance and property management of the retirement housing is carried out by contract through a Facilities Management Contract.
- Day to day maintenance, refurbishing or upgrading of the buildings is carried out by contractors and is managed by Council staff.

### 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            |
|---|
| Risks to public health are identified and appropriately managed |
| People are involved in their local community                    |

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

- Increased demand for units
- The demographics of an ageing population
- Increasing the affordable retirement housing available in the district, either with Council or an outside provider as landlord

### What impact will changes in demand have on this activity?

Demand is currently high with full occupancy and a waiting list. The ageing population in the District living on fixed income is expected to increase this 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.

| <b>Retirement Housing</b>              |                              |   |   |
|--|------------------------------|---|---|
| <b>Level of Service</b>                | <b>What will we deliver?</b> | <b>How will we measure our success?</b> | <b>Target 2015/2025</b>   |
| Units are fully occupied               | Units meet demand            | Occupancy rates                         | 95% occupancy   |
| Quality units are provided for tenants | Provision of housing units   | 6 monthly inspection completed          | Ensure that both parties meet their obligations under the Residential Tenancies Act 1986. |

## 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 and the Waipukurau Library which is situated in a temporary leased premise while the Council owned building in Waipukurau is being earthquake strengthened. 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](http://www.chbdc.govt.nz). The buildings are operated and maintained under the Properties and Buildings activity.
- The library service offers access to a range of information resources and material for reading for pleasure and relaxation which includes various fiction and nonfiction collections, Maori non-fiction collections, children and youth sections, magazines, large print, talking books, , DVDs, interloans free broadband internet access/wifi through Aotearoa Peoples Network Kaharoa and access to eBooks through the consortium NZLibs
- The library service is a keen facilitator of community initiatives, the most successful being the 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
- 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?

The libraries provide venues where the Community can meet, read and study, 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   |
|--|
| People have a range of opportunities to participate in leisure, cultural and learning activities |
| Central Hawke's Bay District is well promoted as a good place to visit                           |

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

- Demographic change, particularly an ageing population
- Changes in information technology, including increased digitisation
- Community expectations on levels of service, including opening hours, education and other services

### What impact will changes in demand have on this activity?

The Central Hawke's Bay population is relatively static and the overall demand for library services is not expected to grow substantially. However the nature of the community expectations of library services will likely change requiring changes to the nature of collections and improvements to facilities. Libraries will be in a transition period for some years, needing to support traditional book-based services while at the same time moving their library services online and mobile with all services complimenting each other.

### 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.

| <b>Libraries</b>   |  |   |                                 |
|--|--|---|---------------------------------|
| <b>Level of Service</b>  | <b>What will we deliver?</b>   | <b>How will we measure our success?</b> | <b>Target 2015/2025</b>         |
| Availability of Library Services                                       | Libraries will be open specified hours to the public and through the Council website   | Opening hours                           | Minimum of 3950 hours per annum |
| Quality, safe and up to date library facilities and materials provided | Carry out a work program which ensure library fitouts and assets are adequately maintained<br><br>Buying and providing up to date publications and databases | User satisfaction surveys – biennial    | 90% satisfaction levels         |
| Provide active education/recreational programs and other services      | Children's holiday programs and other reader services  | Number of holiday and other programs    | Four provided annually          |

## 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. The theatre is maintained jointly by council staff and the contractor, with Council providing funding for renewal or replacement of assets

**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 or replacement of assets.

**Community Halls** managed by Committees: Otane, Tikokino, Onga Onga, Takapau, Elsthorpe, Wallingford and Waipukurau Memorial Hall.

In addition three halls not owned 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).

**Halls leased to Community Groups:** Argyll, Porangahau and Otawahao Halls.

**Museums** – CHB Settlers Museum, managed by a committee and Onga Onga Museum, where a grant is provided.

### Why are we involved?

The halls are provided as places where the community can meet for community events, meetings and leisure activities. Museums meet the historic and cultural needs of the community.

| Community Outcomes that this activity contributes to   |
|--|
| People are involved in their local community   |
| People have a range of opportunities to participate in leisure, cultural and learning activities |
| Our historic and cultural heritage is protected for future generations                           |
| Central Hawke's Bay District is well promoted as a good place to visit                           |

### 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 ongoing maintenance
- Availability of rate funding to maintain district halls
- The earthquake strengthening and upgrade of the Waipukurau Memorial Hall.

### **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.

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.

| <b>Theatres, Halls and Museums</b>   |   |  |   |
|--|---|--|---|
| <b>Level of Service</b>  | <b>What will we deliver?</b>                  | <b>How will we measure our success?</b>                            | <b>Target 2015/2025</b>                       |
| Theatres and halls provide a community focus and promote their heritage        | Communities are managing their own facilities | Proportion of community halls managed by community hall committees | 100%  |
| Theatres, halls and CHB Settler's Museum provide safe places for the community | Building inspections                          | Monthly Building Warrant of Fitness (BWF) checks are carried out   | All Council owned facilities have current BWF |

## 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.

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                   |
|--|
| Risks to public health are identified and appropriately managed        |
| People are involved in their local community                           |
| Our historic and cultural heritage is protected for future generations |

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

- Ageing population
- Trend towards cremation rather than burial
- Development of the Central Hawke's Bay District Cemetery in Waipawa.
- Closure of District Cemeteries for burials as they become full.

### What impact will changes in demand have on this activity?

- There is sufficient space in cemeteries for the foreseeable future
- Ashes plots.

### 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.

| <b>Cemeteries</b>  |   |   |  |
|--|---|---|--|
| <b>Level of Service</b>  | <b>What will we deliver?</b>  | <b>How will we measure our success?</b>                   | <b>Target 2015/2025</b>                                      |
| Well maintained and attractive facilities provided to the public | Maintenance of lawn plots and grounds to contract specifications, with capital work programs to maintain the assets | Independent audit of management contract – twice per year | Contractors are meeting their requirements                   |
|  |   | All requests for service completed within timeframes      | 100% of requests for service are completed within timeframes |
| Accurate and complete historical records available to the public | Burial records will be maintained on the internet   | All burial records available to be viewed on the internet | 100%   |

## Properties 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   |
|--|
| Risks to public health are identified and appropriately managed – by ensuring the safety of public buildings |
| People are involved in their local community   |

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

- Lack of room for expansion in Council's main administration building

### What impact will changes in demand have on this activity?

- Any increases in Council staffing requirements will require additional administration accommodation
- The ongoing maintenance costs of some buildings may increase over time, which may require additional community support for their maintenance.
- Council have not planned for any changes in levels of service which 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.

| <b>Properties and Buildings</b>      |  |  |  |
|--------------------------------------|--|--|--|
| <b>Level of Service</b>              | <b>What will we deliver?</b>   | <b>How will we measure our success?</b>                            | <b>Target 2015/2025</b>                    |
| Ensure safe buildings for public use | Building inspections   | Monthly Building Warrant of Fitness (BWOFF) checks are carried out | All Council buildings have a current BWOFF |
| Affordable services                  | All properties not required for Council or community use will be leased where possible | Lease income   | Achieve 4% of the total funding required   |

## Funding impact statement for 2015/2025 - 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      |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|   | 2015         | 2016         | 2017         | 2018         | 2019         | 2020         | 2021         | 2022         | 2023         | 2024         | 2025         |
|   | \$000        | \$000        | \$000        | \$000        | \$000        | \$000        | \$000        | \$000        | \$000        | \$000        | \$000        |
| <b>Sources of operating funding</b>                                     |              |              |              |              |              |              |              |              |              |              |              |
| General rates, uniform annual general charges and rates penalties       | 2,655        | 2,772        | 2,842        | 2,958        | 3,007        | 3,085        | 3,199        | 3,263        | 3,344        | 3,520        | 3,581        |
| Targeted rates  | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            |
| Subsidies and grants for operating purposes                             | 16           | 15           | 15           | 16           | 16           | 16           | 17           | 17           | 18           | 18           | 19           |
| Fees, charges   | 410          | 429          | 439          | 449          | 460          | 472          | 485          | 499          | 514          | 530          | 548          |
| 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            | 5            | 5            | 5            | 6            | 6            | 6            | 6            | 6            | 7            | 7            |
| <b>Total operating funding</b>  | <b>3,081</b> | <b>3,221</b> | <b>3,301</b> | <b>3,428</b> | <b>3,489</b> | <b>3,579</b> | <b>3,707</b> | <b>3,785</b> | <b>3,882</b> | <b>4,075</b> | <b>4,155</b> |
| <b>Applications of operating funding</b>                                |              |              |              |              |              |              |              |              |              |              |              |
| Payments to staff and suppliers   | 2,096        | 1,958        | 2,008        | 2,058        | 2,122        | 2,194        | 2,256        | 2,335        | 2,412        | 2,491        | 2,590        |
| Finance costs   | 93           | 142          | 169          | 183          | 188          | 187          | 184          | 181          | 176          | 173          | 169          |
| Other operating funding applications                                    | 396          | 427          | 440          | 460          | 466          | 481          | 500          | 506          | 520          | 544          | 553          |
| <b>Total applications of operating funding</b>                          | <b>2,585</b> | <b>2,527</b> | <b>2,617</b> | <b>2,701</b> | <b>2,776</b> | <b>2,862</b> | <b>2,940</b> | <b>3,022</b> | <b>3,108</b> | <b>3,208</b> | <b>3,312</b> |
| <b>Surplus (deficit) of operating funding</b>                           | <b>496</b>   | <b>694</b>   | <b>684</b>   | <b>726</b>   | <b>713</b>   | <b>717</b>   | <b>767</b>   | <b>763</b>   | <b>774</b>   | <b>867</b>   | <b>843</b>   |
| <b>Sources of capital funding</b>                                       |              |              |              |              |              |              |              |              |              |              |              |
| Subsidies and grants for capital expenditure                            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            |
| Development and financial contributions                                 | 0            | 4            | 4            | 4            | 4            | 4            | 4            | 4            | 4            | 4            | 4            |
| Increase (decrease) in debt   | 601          | 488          | 173          | 111          | (72)         | (73)         | (128)        | (82)         | (134)        | (83)         | (161)        |
| 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            |
| <b>Total sources of capital funding</b>                                 | <b>601</b>   | <b>492</b>   | <b>177</b>   | <b>115</b>   | <b>(68)</b>  | <b>(69)</b>  | <b>(124)</b> | <b>(78)</b>  | <b>(130)</b> | <b>(79)</b>  | <b>(157)</b> |
| <b>Applications of capital funding</b>                                  |              |              |              |              |              |              |              |              |              |              |              |
| Capital expenditure   |              |              |              |              |              |              |              |              |              |              |              |
| - to meet additional demand   | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            |
| - to improve the level of service                                       | 80           | 574          | 271          | 225          | 55           | 55           | 0            | 59           | 0            | 63           | 0            |
| - to replace existing assets  | 1,102        | 617          | 559          | 589          | 560          | 565          | 616          | 599          | 618          | 702          | 662          |
| Increase (decrease) in reserves   | (84)         | (5)          | 31           | 28           | 30           | 28           | 27           | 27           | 25           | 23           | 24           |
| Increase (decrease) of investments                                      | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            |
| <b>Total application of capital funding</b>                             | <b>1,097</b> | <b>1,186</b> | <b>861</b>   | <b>841</b>   | <b>645</b>   | <b>648</b>   | <b>643</b>   | <b>685</b>   | <b>644</b>   | <b>788</b>   | <b>686</b>   |
| <b>Surplus (deficit) of capital funding</b>                             | <b>(496)</b> | <b>(694)</b> | <b>(684)</b> | <b>(726)</b> | <b>(713)</b> | <b>(717)</b> | <b>(767)</b> | <b>(763)</b> | <b>(774)</b> | <b>(867)</b> | <b>(843)</b> |
| <b>Funding balance</b>  | <b>0</b>     |

## Renewals and Capital

| Account  | LTP Budget 2015/16 | LTP Budget 2016/17 | LTP Budget 2017/18 | LTP Budget 2018/19 | LTP Budget 2019/20 | LTP Budget 2020/21 | LTP Budget 2021/22 | LTP Budget 2022/23 | LTP Budget 2023/24 | LTP Budget 2024/25 |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Parks Reserves and Swimming Pools</b>   |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Reserves Renewals - upgrade gardens, maintain trees in all parks and reserves, repair or replace seats and picnic tables | 89                 | 66                 | 67                 | 79                 | 71                 | 73                 | 75                 | 78                 | 80                 | 83                 |
| Reserve projects - Russell Park  | 199                | 271                | 173                | 55                 | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  |
| Reserve Projects - Cycleways   | 50                 | 0                  | 52                 | 0                  | 55                 | 0                  | 59                 | 0                  | 63                 | 0                  |
| War Memorial Renewals  | 8                  | 8                  | 8                  | 9                  | 9                  | 9                  | 9                  | 10                 | 10                 | 10                 |
| Camping Grounds Renewals   | 50                 | 26                 | 26                 | 27                 | 28                 | 28                 | 29                 | 30                 | 31                 | 32                 |
| Waipawa Baths Renewals - repairs to pumps, filters, gardens, plumbing and electrical                                     | 28                 | 8                  | 61                 | 9                  | 9                  | 44                 | 10                 | 10                 | 73                 | 11                 |
| Waipawa Baths Project - Sprinkler equipment  | 25                 | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  |
|  | <b>449</b>         | <b>379</b>         | <b>388</b>         | <b>178</b>         | <b>172</b>         | <b>154</b>         | <b>182</b>         | <b>128</b>         | <b>257</b>         | <b>136</b>         |
| <b>Public Toilets</b>  |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Renewal of two to three toilet blocks per year   | 33                 | 34                 | 35                 | 35                 | 36                 | 38                 | 39                 | 40                 | 41                 | 43                 |
|  | <b>33</b>          | <b>34</b>          | <b>35</b>          | <b>35</b>          | <b>36</b>          | <b>38</b>          | <b>39</b>          | <b>40</b>          | <b>41</b>          | <b>43</b>          |
| <b>Retirement Housing</b>  |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| General Renewals   | 35                 | 36                 | 37                 | 38                 | 39                 | 40                 | 41                 | 42                 | 44                 | 45                 |
|  | <b>35</b>          | <b>36</b>          | <b>37</b>          | <b>38</b>          | <b>39</b>          | <b>40</b>          | <b>41</b>          | <b>42</b>          | <b>44</b>          | <b>45</b>          |
| <b>Libraries</b>   |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| General Renewals   | 11                 | 11                 | 11                 | 11                 | 12                 | 12                 | 12                 | 13                 | 13                 | 14                 |
| Purchase of books and other materials  | 82                 | 87                 | 89                 | 92                 | 94                 | 97                 | 100                | 103                | 106                | 110                |
|  | <b>93</b>          | <b>98</b>          | <b>100</b>         | <b>103</b>         | <b>106</b>         | <b>109</b>         | <b>112</b>         | <b>116</b>         | <b>120</b>         | <b>124</b>         |
| <b>Theatre Halls and Museums</b>   |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| General Renewals - District Halls  | 40                 | 41                 | 42                 | 43                 | 44                 | 46                 | 47                 | 48                 | 50                 | 52                 |
| General Renewals - Civic Theatre   | 25                 | 26                 | 26                 | 27                 | 28                 | 28                 | 29                 | 30                 | 31                 | 32                 |
| General Renewals - CHB Municipal Theatre   | 53                 | 44                 | 45                 | 46                 | 47                 | 48                 | 50                 | 52                 | 53                 | 55                 |
| General Renewals - Waipukurau Memorial Hall  | 10                 | 10                 | 11                 | 11                 | 11                 | 11                 | 12                 | 12                 | 13                 | 13                 |
| Waipukurau Memorial Hall / Library Earthquake Strengthening  | 300                | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  |
|  | <b>428</b>         | <b>120</b>         | <b>123</b>         | <b>127</b>         | <b>130</b>         | <b>134</b>         | <b>138</b>         | <b>142</b>         | <b>147</b>         | <b>152</b>         |
|  | <b>0</b>           |
| <b>Cemeteries</b>  |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| General Renewals   | 42                 | 43                 | 44                 | 45                 | 47                 | 48                 | 49                 | 51                 | 53                 | 54                 |
|  | <b>42</b>          | <b>43</b>          | <b>44</b>          | <b>45</b>          | <b>47</b>          | <b>48</b>          | <b>49</b>          | <b>51</b>          | <b>53</b>          | <b>54</b>          |
|  | <b>0</b>           |
| <b>Property and Buildings</b>  |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| General Renewals - Library Buildings   | 25                 | 26                 | 26                 | 27                 | 28                 | 28                 | 29                 | 30                 | 31                 | 32                 |
| General Renewals - Council Administration Building   | 73                 | 70                 | 35                 | 36                 | 37                 | 38                 | 39                 | 40                 | 41                 | 43                 |
| General Renewals - Community Rooms   | 3                  | 3                  | 4                  | 4                  | 4                  | 4                  | 4                  | 4                  | 4                  | 4                  |
| General Renewals - District Property   | 11                 | 11                 | 11                 | 12                 | 12                 | 12                 | 13                 | 13                 | 13                 | 14                 |
|  | <b>112</b>         | <b>110</b>         | <b>76</b>          | <b>78</b>          | <b>80</b>          | <b>82</b>          | <b>85</b>          | <b>87</b>          | <b>90</b>          | <b>94</b>          |
| <b>Grand Total</b>   | <b>1,191</b>       | <b>820</b>         | <b>803</b>         | <b>604</b>         | <b>609</b>         | <b>604</b>         | <b>646</b>         | <b>606</b>         | <b>752</b>         | <b>649</b>         |

## **6. Financial Forecasts**

The Council's LTP is a 10 year plan that covers the period 1st July 2015 to 30 June 2025. (These financial reports are GST exclusive).

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 Council is adopting the PBE Standards for the first time. 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).

## Prospective Statement of Comprehensive Income

|   | Annual<br>Plan<br>2015<br>\$000 | Note | Year 1<br>2016<br>\$000 | Year 2<br>2017<br>\$000 | Year 3<br>2018<br>\$000 | Year 4<br>2019<br>\$000 | Year 5<br>2020<br>\$000 | Year 6<br>2021<br>\$000 | Year 7<br>2022<br>\$000 | Year 8<br>2023<br>\$000 | Year 9<br>2024<br>\$000 | Year 10<br>2025<br>\$000 |
|---|---------------------------------|------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|--------------------------|
| <b>Revenue</b>  |                                 |      |                         |                         |                         |                         |                         |                         |                         |                         |                         |                          |
| Rates revenue   | 17,755                          |      | 18,129                  | 18,561                  | 19,003                  | 19,467                  | 19,997                  | 20,505                  | 21,116                  | 21,776                  | 22,460                  | 23,249                   |
| Interest and dividends                                    | 450                             |      | 456                     | 467                     | 479                     | 491                     | 505                     | 520                     | 535                     | 553                     | 571                     | 591                      |
| Subsidies and grants                                      | 6,600                           |      | 6,552                   | 6,552                   | 6,554                   | 6,951                   | 7,123                   | 7,315                   | 7,518                   | 7,743                   | 7,981                   | 8,243                    |
| Development contributions                                 | 0                               |      | 111                     | 111                     | 111                     | 111                     | 111                     | 111                     | 111                     | 111                     | 111                     | 111                      |
| Other revenue   | 2,349                           |      | 2,397                   | 2,402                   | 2,487                   | 2,572                   | 2,607                   | 2,682                   | 2,772                   | 2,835                   | 2,959                   | 3,058                    |
| Other gains/(losses)                                      | 0                               |      | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                        |
| <b>Total revenue</b>                                      | <b>27,154</b>                   |      | <b>27,645</b>           | <b>28,093</b>           | <b>28,634</b>           | <b>29,592</b>           | <b>30,343</b>           | <b>31,133</b>           | <b>32,052</b>           | <b>33,018</b>           | <b>34,082</b>           | <b>35,252</b>            |
| <b>Expenditure</b>  |                                 |      |                         |                         |                         |                         |                         |                         |                         |                         |                         |                          |
| Personnel costs   | 3,312                           |      | 3,740                   | 3,814                   | 3,893                   | 3,976                   | 4,067                   | 4,161                   | 4,262                   | 4,370                   | 4,485                   | 4,608                    |
| Depreciation and amortisation                             | 11,472                          |      | 11,974                  | 12,276                  | 12,699                  | 12,961                  | 13,301                  | 13,863                  | 14,191                  | 14,542                  | 15,094                  | 15,351                   |
| Finance costs   | 600                             |      | 638                     | 663                     | 673                     | 690                     | 734                     | 696                     | 636                     | 570                     | 632                     | 558                      |
| Other operating expenses                                  | 11,317                          |      | 11,013                  | 11,270                  | 11,517                  | 11,907                  | 12,298                  | 12,726                  | 13,044                  | 13,540                  | 14,035                  | 14,495                   |
| <b>Total operating expenditure</b>                        | <b>26,701</b>                   |      | <b>27,365</b>           | <b>28,023</b>           | <b>28,782</b>           | <b>29,534</b>           | <b>30,400</b>           | <b>31,446</b>           | <b>32,133</b>           | <b>33,022</b>           | <b>34,246</b>           | <b>35,012</b>            |
| <b>Operating surplus/(deficit) before tax</b>             | <b>453</b>                      |      | <b>280</b>              | <b>70</b>               | <b>(148)</b>            | <b>58</b>               | <b>(57)</b>             | <b>(313)</b>            | <b>(81)</b>             | <b>(4)</b>              | <b>(164)</b>            | <b>240</b>               |
| Income tax expense  | 0                               |      | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                        |
| <b>Net surplus/(deficit) after tax</b>                    | <b>453</b>                      |      | <b>280</b>              | <b>70</b>               | <b>(148)</b>            | <b>58</b>               | <b>(57)</b>             | <b>(313)</b>            | <b>(81)</b>             | <b>(4)</b>              | <b>(164)</b>            | <b>240</b>               |
| <b>Other comprehensive income</b>                         |                                 |      |                         |                         |                         |                         |                         |                         |                         |                         |                         |                          |
| Gains on the revaluation of property, plant and equipment | 2,538                           |      | 7,632                   | 14,887                  | 14,325                  | 15,948                  | 24,833                  | 18,791                  | 19,992                  | 31,724                  | 23,387                  | 25,641                   |
| <b>Total other comprehensive income</b>                   | <b>2,538</b>                    |      | <b>7,632</b>            | <b>14,887</b>           | <b>14,325</b>           | <b>15,948</b>           | <b>24,833</b>           | <b>18,791</b>           | <b>19,992</b>           | <b>31,724</b>           | <b>23,387</b>           | <b>25,641</b>            |
| <b>Total comprehensive income for the year</b>            | <b>2,991</b>                    |      | <b>7,912</b>            | <b>14,957</b>           | <b>14,177</b>           | <b>16,006</b>           | <b>24,776</b>           | <b>18,478</b>           | <b>19,911</b>           | <b>31,720</b>           | <b>23,223</b>           | <b>25,881</b>            |

## Prospective Statement of Changes in Equity

|   | Annual<br>Plan<br>2015<br>\$000 | Note | Year 1<br>2016<br>\$000 | Year 2<br>2017<br>\$000 | Year 3<br>2018<br>\$000 | Year 4<br>2019<br>\$000 | Year 5<br>2020<br>\$000 | Year 6<br>2021<br>\$000 | Year 7<br>2022<br>\$000 | Year 8<br>2023<br>\$000 | Year 9<br>2024<br>\$000 | Year 10<br>2025<br>\$000 |
|---|---------------------------------|------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|--------------------------|
| <b>Opening Equity Balance</b>   | 747,820                         |      | 750,811                 | 758,723                 | 773,680                 | 787,858                 | 803,864                 | 828,640                 | 847,118                 | 867,029                 | 898,749                 | 921,972                  |
| Total comprehensive income for the year   | 2,991                           |      | 7,912                   | 14,957                  | 14,178                  | 16,006                  | 24,776                  | 18,478                  | 19,911                  | 31,720                  | 23,223                  | 25,881                   |
| <b>Closing Equity Balance</b>   | <b>750,811</b>                  |      | <b>758,723</b>          | <b>773,680</b>          | <b>787,858</b>          | <b>803,864</b>          | <b>828,640</b>          | <b>847,118</b>          | <b>867,029</b>          | <b>898,749</b>          | <b>921,972</b>          | <b>947,853</b>           |
| <b>Components of Equity</b>   |                                 |      |                         |                         |                         |                         |                         |                         |                         |                         |                         |                          |
| <b>Ratepayers Equity at the beginning of the Year</b>   | 246,266                         |      | 246,632                 | 246,662                 | 246,290                 | 245,832                 | 245,603                 | 245,338                 | 244,809                 | 244,498                 | 244,220                 | 243,865                  |
| Net Surplus/(Deficit) for the Year  | 366                             |      | 30                      | (371)                   | (458)                   | (229)                   | (265)                   | (529)                   | (311)                   | (278)                   | (355)                   | (17)                     |
| <b>Ratepayers Equity at end of Year</b>   | <b>246,632</b>                  |      | <b>246,662</b>          | <b>246,290</b>          | <b>245,832</b>          | <b>245,603</b>          | <b>245,338</b>          | <b>244,809</b>          | <b>244,498</b>          | <b>244,220</b>          | <b>243,865</b>          | <b>243,848</b>           |
| <b>Special Funds at the beginning of the Year</b>   | 4,223                           |      | 4,309                   | 4,560                   | 5,002                   | 5,402                   | 5,688                   | 5,897                   | 6,113                   | 6,343                   | 6,617                   | 6,808                    |
| Transfers to (from) Special Funds   | 86                              |      | 251                     | 442                     | 400                     | 286                     | 209                     | 216                     | 230                     | 274                     | 191                     | 257                      |
| <b>Special Funds at the end of the Year</b>   | <b>4,309</b>                    |      | <b>4,560</b>            | <b>5,002</b>            | <b>5,402</b>            | <b>5,688</b>            | <b>5,897</b>            | <b>6,113</b>            | <b>6,343</b>            | <b>6,617</b>            | <b>6,808</b>            | <b>7,065</b>             |
| <b>Trust Funds at the beginning of the Year</b>   | 195                             |      | 195                     | 195                     | 195                     | 195                     | 195                     | 195                     | 195                     | 195                     | 195                     | 195                      |
| Transfers to (from) Trust Funds   | 0                               |      | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                        |
| <b>Trust Funds at the end of the Year</b>   | <b>195</b>                      |      | <b>195</b>               |
| <b>Revaluation Reserves at the beginning of the Year</b>  | 497,136                         |      | 499,674                 | 507,306                 | 522,193                 | 536,429                 | 552,377                 | 577,210                 | 596,001                 | 615,993                 | 647,717                 | 671,104                  |
| Transfers to (from) Revaluation Reserves  | 2,538                           |      | 7,632                   | 14,887                  | 14,236                  | 15,948                  | 24,833                  | 18,791                  | 19,992                  | 31,724                  | 23,387                  | 25,641                   |
| <b>Revaluation Reserves at the end of the Year</b>  | <b>499,674</b>                  |      | <b>507,306</b>          | <b>522,193</b>          | <b>536,429</b>          | <b>552,377</b>          | <b>577,210</b>          | <b>596,001</b>          | <b>615,993</b>          | <b>647,717</b>          | <b>671,104</b>          | <b>696,745</b>           |
| <b>Total Equity at end of Year</b>  | <b>750,810</b>                  |      | <b>758,723</b>          | <b>773,680</b>          | <b>787,858</b>          | <b>803,863</b>          | <b>828,640</b>          | <b>847,118</b>          | <b>867,029</b>          | <b>898,749</b>          | <b>921,972</b>          | <b>947,853</b>           |
| * 1 July 2014 Opening Balance Sheet has been reforecast for the 2014/15 Annual Plan based on 30 June 2014 Actuals and expected performance for 2014/15. |                                 |      |                         |                         |                         |                         |                         |                         |                         |                         |                         |                          |

## Prospective Balance Sheet

|   | Annual Plan    | Year 1         | Year 2         | Year 3         | Year 4         | Year 5         | Year 6         | Year 7         | Year 8         | Year 9         | Year 10        |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|   | 2015           | 2016           | 2017           | 2018           | 2019           | 2020           | 2021           | 2022           | 2023           | 2024           | 2025           |
|   | Note           |                |                |                |                |                |                |                |                |                |                |
|   | \$000          | \$000          | \$000          | \$000          | \$000          | \$000          | \$000          | \$000          | \$000          | \$000          | \$000          |
| <b>Assets</b>   |                |                |                |                |                |                |                |                |                |                |                |
| <b>Current assets</b>   |                |                |                |                |                |                |                |                |                |                |                |
| Cash and cash equivalents   | 3,036          | 3,005          | 2,718          | 2,647          | 2,598          | 2,530          | 2,455          | 2,432          | 2,411          | 2,380          | 2,356          |
| Accounts receivable - exchange  | 318            | 331            | 339            | 348            | 357            | 367            | 377            | 389            | 401            | 415            | 429            |
| Accounts receivable - non exchange  | 2,568          | 2,678          | 2,744          | 2,813          | 2,886          | 2,966          | 3,052          | 3,146          | 3,246          | 3,355          | 3,474          |
| Prepayments   | 289            | 302            | 309            | 317            | 325            | 334            | 344            | 354            | 366            | 378            | 391            |
| Other financial assets  | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              |
| Stock on Hand   | 2              | 2              | 2              | 2              | 2              | 2              | 2              | 2              | 2              | 2              | 2              |
| <b>Total current assets</b>   | <b>6,213</b>   | <b>6,318</b>   | <b>6,112</b>   | <b>6,127</b>   | <b>6,169</b>   | <b>6,199</b>   | <b>6,229</b>   | <b>6,324</b>   | <b>6,426</b>   | <b>6,530</b>   | <b>6,649</b>   |
| <b>Non-current assets</b>   |                |                |                |                |                |                |                |                |                |                |                |
| Shares in Infracon  | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              |
| Shares in Local Government Insurance  | 32             | 32             | 32             | 32             | 32             | 32             | 32             | 32             | 32             | 32             | 32             |
| Shares in Hawkes Bay LASS   | 1              | 1              | 1              | 1              | 1              | 1              | 1              | 1              | 1              | 1              | 1              |
| Property, plant and equipment   | 754,043        | 761,728        | 775,661        | 788,609        | 803,490        | 827,531        | 844,226        | 861,796        | 890,990        | 913,695        | 936,979        |
| Term Investments  | 5,461          | 6,773          | 8,508          | 9,989          | 11,487         | 12,949         | 14,307         | 15,857         | 17,492         | 18,981         | 20,592         |
| <b>Total non-current assets</b>   | <b>759,537</b> | <b>768,534</b> | <b>784,202</b> | <b>798,631</b> | <b>815,009</b> | <b>840,513</b> | <b>858,566</b> | <b>877,687</b> | <b>908,515</b> | <b>932,709</b> | <b>957,604</b> |
| <b>Total assets</b>   | <b>765,750</b> | <b>774,852</b> | <b>790,314</b> | <b>804,758</b> | <b>821,178</b> | <b>846,712</b> | <b>864,795</b> | <b>884,010</b> | <b>914,941</b> | <b>939,239</b> | <b>964,253</b> |
| <b>Liabilities</b>  |                |                |                |                |                |                |                |                |                |                |                |
| <b>Current liabilities</b>  |                |                |                |                |                |                |                |                |                |                |                |
| Accounts payable  | 4,679          | 4,810          | 4,910          | 4,997          | 5,114          | 5,202          | 5,298          | 5,413          | 5,511          | 5,652          | 5,794          |
| Provisions  | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              |
| Employee entitlements   | 271            | 283            | 290            | 297            | 305            | 313            | 322            | 332            | 343            | 354            | 367            |
| Borrowings  | 1,160          | 667            | 2,000          | 684            | 0              | 0              | 0              | 0              | 0              | 0              | 0              |
| <b>Total current liabilities</b>  | <b>6,110</b>   | <b>5,760</b>   | <b>7,200</b>   | <b>5,978</b>   | <b>5,419</b>   | <b>5,516</b>   | <b>5,620</b>   | <b>5,745</b>   | <b>5,854</b>   | <b>6,006</b>   | <b>6,161</b>   |
| <b>Non-current liabilities</b>  |                |                |                |                |                |                |                |                |                |                |                |
| Provisions for Landfill Closure   | 1,884          | 1,920          | 1,956          | 1,994          | 2,031          | 2,070          | 2,109          | 2,149          | 2,190          | 2,232          | 2,274          |
| Borrowings  | 6,945          | 8,448          | 7,478          | 8,928          | 9,864          | 10,486         | 9,948          | 9,086          | 8,147          | 9,029          | 7,964          |
| <b>Total non-current liabilities</b>  | <b>8,829</b>   | <b>10,368</b>  | <b>9,434</b>   | <b>10,921</b>  | <b>11,895</b>  | <b>12,556</b>  | <b>12,057</b>  | <b>11,235</b>  | <b>10,337</b>  | <b>11,261</b>  | <b>10,239</b>  |
| <b>Total liabilities</b>  | <b>14,939</b>  | <b>16,128</b>  | <b>16,634</b>  | <b>16,900</b>  | <b>17,314</b>  | <b>18,072</b>  | <b>17,677</b>  | <b>16,980</b>  | <b>16,191</b>  | <b>17,267</b>  | <b>16,400</b>  |
| <b>Equity</b>   |                |                |                |                |                |                |                |                |                |                |                |
| Retained earnings   | 750,811        | 758,724        | 773,680        | 787,858        | 803,864        | 828,640        | 847,118        | 867,030        | 898,749        | 921,972        | 947,853        |
| Other reserves  | 0              |                |                |                |                |                |                |                |                |                |                |
| <b>Total equity</b>   | <b>750,811</b> | <b>758,724</b> | <b>773,680</b> | <b>787,858</b> | <b>803,864</b> | <b>828,640</b> | <b>847,118</b> | <b>867,030</b> | <b>898,749</b> | <b>921,972</b> | <b>947,853</b> |
| <b>Total Liabilities and Equity</b>   | <b>765,750</b> | <b>774,852</b> | <b>790,314</b> | <b>804,758</b> | <b>821,178</b> | <b>846,712</b> | <b>864,795</b> | <b>884,010</b> | <b>914,941</b> | <b>939,239</b> | <b>964,253</b> |
| * 1 July 2014 Opening Balance Sheet has been reforecast for the 2014/15 Annual Plan based on 30 June 2014 Actuals and expected performance for 2014/15. |                |                |                |                |                |                |                |                |                |                |                |

## Prospective Cash Flow Statement

|  | Annual<br>Plan<br>2015<br>\$000 | Note | Year 1<br>2016<br>\$000 | Year 2<br>2017<br>\$000 | Year 3<br>2018<br>\$000 | Year 4<br>2019<br>\$000 | Year 5<br>2020<br>\$000 | Year 6<br>2021<br>\$000 | Year 7<br>2022<br>\$000 | Year 8<br>2023<br>\$000 | Year 9<br>2024<br>\$000 | Year 10<br>2025<br>\$000 |
|--|---------------------------------|------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|--------------------------|
| <b>Cash flows from operating activities</b>                              |                                 |      |                         |                         |                         |                         |                         |                         |                         |                         |                         |                          |
| Cash was provided from:  |                                 |      |                         |                         |                         |                         |                         |                         |                         |                         |                         |                          |
| Receipts from rates revenue  | 17,755                          |      | 18,129                  | 18,561                  | 19,003                  | 19,467                  | 19,997                  | 20,505                  | 21,116                  | 21,776                  | 22,460                  | 23,250                   |
| Interest received  | 450                             |      | 456                     | 467                     | 479                     | 491                     | 505                     | 520                     | 535                     | 553                     | 571                     | 591                      |
| Dividend received  | 0                               |      | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                        |
| Receipts from other revenue  | 8,949                           |      | 9,060                   | 9,065                   | 9,152                   | 9,634                   | 9,842                   | 10,108                  | 10,402                  | 10,689                  | 11,052                  | 11,412                   |
| Cash was disbursed to:   |                                 |      |                         |                         |                         |                         |                         |                         |                         |                         |                         |                          |
| Payments to suppliers and employees                                      | (14,629)                        |      | (14,753)                | (15,044)                | (15,410)                | (15,883)                | (16,365)                | (16,887)                | (17,307)                | (17,908)                | (18,520)                | (19,103)                 |
| Interest paid  | (600)                           |      | (638)                   | (663)                   | (673)                   | (690)                   | (734)                   | (696)                   | (636)                   | (570)                   | (632)                   | (558)                    |
| Income tax paid  | 0                               |      | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                        |
| Goods and services tax (net)   | 0                               |      | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                        |
| <b>Net cash from operating activities</b>                                | <b>11,925</b>                   |      | <b>12,254</b>           | <b>12,386</b>           | <b>12,551</b>           | <b>13,019</b>           | <b>13,245</b>           | <b>13,550</b>           | <b>14,110</b>           | <b>14,538</b>           | <b>14,931</b>           | <b>15,592</b>            |
| <b>Cash flows from investing activities</b>                              |                                 |      |                         |                         |                         |                         |                         |                         |                         |                         |                         |                          |
| Cash was provided from:  |                                 |      |                         |                         |                         |                         |                         |                         |                         |                         |                         |                          |
| Proceeds from sale of property, plant and equipment                      | 0                               |      | 42                      | 22                      | 48                      | 70                      | 37                      | 38                      | 49                      | 26                      | 57                      | 53                       |
| Proceeds from investments  | 0                               |      | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                        |
| Cash was disbursed to:   |                                 |      |                         |                         |                         |                         |                         |                         |                         |                         |                         |                          |
| Purchase of investment   | 0                               |      | (1,312)                 | (1,735)                 | (1,481)                 | (1,497)                 | (1,462)                 | (1,358)                 | (1,551)                 | (1,634)                 | (1,490)                 | (1,610)                  |
| Purchase of intangible assets  | 0                               |      | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                        |
| Purchase of property, plant and equipment                                | (11,458)                        |      | (12,026)                | (11,323)                | (11,322)                | (11,894)                | (12,510)                | (11,767)                | (11,768)                | (12,011)                | (14,411)                | (12,995)                 |
| <b>Net cash from investing activities</b>                                | <b>(11,458)</b>                 |      | <b>(13,296)</b>         | <b>(13,036)</b>         | <b>(12,755)</b>         | <b>(13,321)</b>         | <b>(13,935)</b>         | <b>(13,087)</b>         | <b>(13,270)</b>         | <b>(13,621)</b>         | <b>(15,844)</b>         | <b>(14,552)</b>          |
| <b>Cash flows from financing activities</b>                              |                                 |      |                         |                         |                         |                         |                         |                         |                         |                         |                         |                          |
| Cash was provided from:  |                                 |      |                         |                         |                         |                         |                         |                         |                         |                         |                         |                          |
| Proceeds from borrowing  | 3,594                           |      | 2,170                   | 1,030                   | 2,133                   | 937                     | 623                     | 0                       | 0                       | 0                       | 882                     | 0                        |
| Cash was disbursed to:   |                                 |      |                         |                         |                         |                         |                         |                         |                         |                         |                         |                          |
| Repayment of borrowings  | (2,655)                         |      | (1,160)                 | (667)                   | (2,000)                 | (684)                   | 0                       | (538)                   | (862)                   | (939)                   | 0                       | (1,065)                  |
| <b>Net cash from financing activities</b>                                | <b>939</b>                      |      | <b>1,010</b>            | <b>363</b>              | <b>133</b>              | <b>253</b>              | <b>623</b>              | <b>(538)</b>            | <b>(862)</b>            | <b>(939)</b>            | <b>882</b>              | <b>(1,065)</b>           |
| Net (decrease)/increase in cash, cash equivalents and bank overdrafts    | 1,406                           |      | (31)                    | (287)                   | (71)                    | (49)                    | (68)                    | (75)                    | (22)                    | (21)                    | (31)                    | (24)                     |
| Cash, cash equivalents and bank overdrafts at the beginning of the year  | 1,630                           |      | 3,036                   | 3,005                   | 2,718                   | 2,647                   | 2,598                   | 2,530                   | 2,455                   | 2,432                   | 2,411                   | 2,380                    |
| <b>Cash, cash equivalents and bank overdrafts at the end of the year</b> | <b>3,036</b>                    |      | <b>3,005</b>            | <b>2,718</b>            | <b>2,647</b>            | <b>2,598</b>            | <b>2,530</b>            | <b>2,455</b>            | <b>2,432</b>            | <b>2,411</b>            | <b>2,380</b>            | <b>2,356</b>             |

## Prospective Movement of Reserves Statement

|   | Annual<br>Plan<br>2015<br>\$000 | Year 1<br>2016<br>\$000 | Year 2<br>2017<br>\$000 | Year 3<br>2018<br>\$000 | Year 4<br>2019<br>\$000 | Year 5<br>2020<br>\$000 | Year 6<br>2021<br>\$000 | Year 7<br>2022<br>\$000 | Year 8<br>2023<br>\$000 | Year 9<br>2024<br>\$000 | Year 10<br>2025<br>\$000 |
|---|---------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|--------------------------|
| <b>Reserves held for Emergency Purposes</b>         |                                 |                         |                         |                         |                         |                         |                         |                         |                         |                         |                          |
| Opening Balance                                     | 2,215                           | 2,301                   | 2,531                   | 2,837                   | 3,172                   | 3,367                   | 3,468                   | 3,571                   | 3,678                   | 3,789                   | 3,902                    |
| Transfers to Reserves                               | 86                              | 230                     | 306                     | 335                     | 195                     | 101                     | 103                     | 107                     | 111                     | 114                     | 117                      |
| Transfer From Reserves                              | 0                               | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                        |
| <b>Closing Balance</b>                              | <b>2,301</b>                    | <b>2,531</b>            | <b>2,837</b>            | <b>3,172</b>            | <b>3,367</b>            | <b>3,468</b>            | <b>3,571</b>            | <b>3,678</b>            | <b>3,789</b>            | <b>3,902</b>            | <b>4,019</b>             |
| <b>Reserves held for Future Asset Purchases</b>     |                                 |                         |                         |                         |                         |                         |                         |                         |                         |                         |                          |
| Opening Balance                                     | 1,700                           | 1,647                   | 1,758                   | 1,888                   | 1,944                   | 2,027                   | 2,126                   | 2,229                   | 2,344                   | 2,497                   | 2,564                    |
| Transfers to Reserves                               | 7                               | 111                     | 130                     | 85                      | 83                      | 99                      | 103                     | 115                     | 153                     | 68                      | 194                      |
| Transfer From Reserves                              | (60)                            | 0                       | 0                       | (27)                    | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | (64)                     |
| <b>Closing Balance</b>                              | <b>1,647</b>                    | <b>1,758</b>            | <b>1,888</b>            | <b>1,944</b>            | <b>2,027</b>            | <b>2,126</b>            | <b>2,229</b>            | <b>2,344</b>            | <b>2,497</b>            | <b>2,564</b>            | <b>2,694</b>             |
| <b>Reserves held for Future Operational Costs</b>   |                                 |                         |                         |                         |                         |                         |                         |                         |                         |                         |                          |
| Opening Balance                                     | 311                             | 262                     | 269                     | 277                     | 286                     | 294                     | 303                     | 312                     | 322                     | 331                     | 341                      |
| Transfers to Reserves                               | 1                               | 7                       | 8                       | 9                       | 8                       | 9                       | 9                       | 8                       | 9                       | 10                      | 10                       |
| Transfer From Reserves                              | (50)                            | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                        |
| <b>Closing Balance</b>                              | <b>262</b>                      | <b>269</b>              | <b>277</b>              | <b>286</b>              | <b>294</b>              | <b>303</b>              | <b>312</b>              | <b>322</b>              | <b>331</b>              | <b>341</b>              | <b>351</b>               |
| <b>Reserves held for Repayment of Maturing Debt</b> |                                 |                         |                         |                         |                         |                         |                         |                         |                         |                         |                          |
| Opening Balance                                     | 197                             | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                        |
| Transfers to Reserves                               |                                 |                         |                         |                         |                         |                         |                         |                         |                         |                         |                          |
| Transfer From Reserves                              | (197)                           | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                        |
| <b>Closing Balance</b>                              | <b>0</b>                        | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                 |
| <b>Total Reserve Funds</b>                          | <b>4,210</b>                    | <b>4,558</b>            | <b>5,002</b>            | <b>5,402</b>            | <b>5,688</b>            | <b>5,897</b>            | <b>6,112</b>            | <b>6,344</b>            | <b>6,617</b>            | <b>6,807</b>            | <b>7,064</b>             |

**Emergency Funds include**

Catastrophic Events Fund and the Adverse Events Fund, to fund Council's share of any natural disaster or costs of an unforeseen natural event, and the Rural Fires Reserve which has been set aside to provide for non-recoverable costs incurred by Council fighting rural fires.

**Reserves held toward future asset purchases includes**

Proceeds from the sale of Council owned infrastructure and land and buildings, are held in the Capital Projects Fund and may be used towards the cost of purchasing or constructing new recreational, cultural or infrastructural assets. Three former Ward funds are held in reserves to allow for the maintenance of recreational, cultural or infrastructural assets. A further reserve is maintained to fund the purchase of Esplanade Reserve land or esplanade strips, when these become available.

**Reserves held to meet future operational costs**

These reserves include:

- Mayor's Fund - \$5,000 per annum to be spent at the discretion of the Mayor
- Rural Fire Reserve – to fund any non-recoverable costs incurred by Council in fighting rural fires
- Retirement Housing Depreciation Reserve Account – held for major maintenance or upgrades of Council's stock of retirement housing
- Elections and By elections – to cover the expense of triennial elections or any by election required
- Administration Reserves – funds carried over from one financial year to the next to match related expenditure
- Landfill External Sales Reserve – holds income received in excess of budget and held in reserve should future budgeted revenue not be achieved
- Roading Reserves – is used to match income and expenditure over the three year tranche of NZTA funding

**Reserves held for repayment of maturing debt**

Funds were transferred to this fund in order to repay maturing debt. This is now managed as part of the Council Treasury function.

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## 7. 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 Council is adopting the PBE Standards for the first time. 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 an 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 changes to the accounting policies include:

- All references to Tamatea have been deleted as this entity has been wound up at June 30<sup>th</sup> 2014
- First-time adoption of PBE Standards. This is the first set of financial statements of Council that are presented in accordance with PBE Standards. Council previously reported in accordance with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) (PBE). The accounting policies adopted in these financial statements are consistent with those of the previous year, except for instances when the accounting or reporting requirements of a PBE standard are different, as outlined below.
  - Disclosure differences arise on the adoption of PBE Standards, specifically in relation to disclosure of revenue from exchange and non-exchange transactions and related party disclosures

- Recognition of revenue from non-exchange transactions – PBE IPSAS 23 *Revenue from non-exchange transactions*. The application of this standard will impact the recognition of revenue. In previous years non-exchange revenue is recognised as services related to the revenue are performed. PBE IPSAS 23 does not allow such recognition. Revenue can only be deferred if there is a performance obligation and an explicit return obligation. There is no financial impact from the adoption of the PBE standards.

## **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

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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**

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 the Prospective Statement of Comprehensive Revenue.

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.

Financial assets acquired principally for the purpose of selling in the short-term or part of a portfolio classified as held for trading are classified as a current asset.

After initial recognition, financial assets in this category are measured at their fair values with gains or losses recognised in the prospective 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 the Prospective Statement of Comprehensive Revenue.

Council's investments in its subsidiary and associate companies are not included in this category as they are held at cost, whereas, this category is to be measured at fair value.

After initial recognition, these investments are measured at their fair value, with gains and losses recognised directly in equity except for impairment losses, which are recognised in the Prospective Statement of Comprehensive Income. On derecognition the cumulative gain or loss previously recognised in equity is recognised in the Prospective Statement of Comprehensive Revenue.

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**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 the Prospective Statement of Comprehensive Revenue.

**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 the Prospective Statement of Comprehensive Revenue. 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.

**Quoted and Unquoted Equity Investments**

For equity investments classified as fair value through equity, a significant or prolonged decline in the fair value of the investment below its cost is considered an indicator of impairment. If such evidence exists for investments at fair value through equity, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the Prospective Statement of Comprehensive Revenue) is removed from equity and recognised in the Prospective Statement of Comprehensive Revenue.

Impairment losses recognised in the Prospective Statement of Comprehensive Income on equity investments are not reversed through the Prospective Statement of Comprehensive Revenue.

**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 the Prospective Statement of Comprehensive Revenue.

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 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.

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

#### 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 Prospective 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 |
|--|-------------|-------------------|
| <b>Operational &amp; Restricted Assets</b> |             |                   |
| Buildings                                  | 5-60        | (1.8%–20%)        |
| Computer equipment                         | 4           | (25%)             |
| Furniture and fittings                     | 10          | (10%)             |

| Asset Category                  | Useful Life | Depreciation Rate |
|---------------------------------|-------------|-------------------|
| 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%)        |
| <b>Infrastructural Assets</b>   |             |                   |
| Rozading                        |             |                   |
| Top surface (seal)              | 15          | (6.7%)            |
| Top surface (unsealed)          | 7           | (14.3%)           |
| Pavement (seal base course)     | 100         | (1.0%–3.33%)      |
| Pavement (unsealed base course) | 100         | (1.0%)            |
| Sub-base (rural)                | 100         | (1.0%)            |
| Sub-base (urban)                | 100         | (1.0%)            |
| Formation                       | 100         | (1.0%)            |
| Stormwater Channel              | 50–80       | (1.25%–2%)        |
| Footpaths                       | 20-80       | (1.25%–5%)        |
| Signs                           | 8           | (12.5%)           |
| Streetlights                    | 20          | (5%)              |
| Bridges                         | 150         | (0.7%)            |
| Sewerage Network                |             |                   |
| Pipes and manholes              | 60-135      | (0.7%–1.7%)       |
| Manholes                        | 100         | (1%)              |
| Treatment ponds and pumps       | 26          | (3.8%)            |
| Flow monitoring equipment       | 10          | (10%)             |
| Stormwater                      |             |                   |
| Pipes                           | 25-100      | (1%-4%)           |
| Manholes                        | 100         | (1%)              |

| Asset Category                  | Useful Life     | Depreciation Rate |
|---------------------------------|-----------------|-------------------|
| Water Network                   |                 |                   |
| Monitoring equipment (hardware) | 10–20           | (5%–10%)          |
| Monitoring equipment (software) | 4               | (25%)             |
| Pipes, hydrants, valves         | 50–100          | (1%–2%)           |
| Treatment plants and pumps      | 20-60           | (1.8%–4.9%)       |
| 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     |
|---------------------------------|---------------|
| <b>Infrastructural Assets</b>   |               |
| Roads (except land under roads) | Annually      |
| Bridges                         | Annually      |
| Sewerage                        | Every 3 years |
| Stormwater                      | Every 3 years |
| Water                           | Every 3 years |
| Land                            | 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 Prospective Statement of Comprehensive Revenue. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the Prospective Statement of Comprehensive Revenue will be recognised first in the Prospective 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 and reviewed by 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 was performed by Registered Valuer, Kerry Stewart BCom VPM PGDip(Com) SNZPI, QV Asset & Advisory and the valuation is effective as at 30 June 2013.

#### Land Under Roads

Land under roads, was valued based on fair value of adjacent land as determined by reference to the Council rating data. Subsequently, this has not been revalued.

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**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 or 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. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

**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:

- Accumulated funds
- 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:

#### **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 Prospective 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 2015-2025.

#### **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.

The purpose of this plan is to consult with the community on the spending priorities outlined within the plan, and may not be appropriate for any other purpose. Following the consultation period there may be changes made to the plan. The final plan will be adopted 19 June 2014.

**Rounding**

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

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## 8. Revenue and Financing Policy

The Revenue and Financing policy is required under Section 103 of the Local Government Act 2002. The policy must be included in full in the LTP and changed only as an amendment to 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 Dividend 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. In setting this policy, Council considers the overall impact of any allocation of liability for revenue needs on the community. Sources are identified for each Council activity, including those that may be used to fund operating and capital expenditure. The General Rates are set on a District Wide basis (not on a differential basis).

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.

## 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 |
|--|---------------|-------------------------------|----------------|----------------------|------------------|
| <b>Community Leadership Group</b>                |               |                               |                |                      |                  |
| Leadership, Governance and Consultation          | ✓             | ✓                             |                | ✓                    |                  |
| Economic and Social Development                  | ✓             | ✓                             | ✓              |                      |                  |
| <b>Planning and Regulatory Group</b>             |               |                               |                |                      |                  |
| District Planning                                | ✓             |                               |                |                      |                  |
| Land Use and Subdivision Consents                | ✓             |                               |                |                      | ✓                |
| Building Control                                 | ✓             |                               |                |                      | ✓                |
| Public Health                                    | ✓             |                               |                |                      | ✓                |
| Animal Control                                   | ✓             |                               |                |                      | ✓                |
| Emergency Management                             | ✓             |                               |                |                      |                  |
| Bylaws   | ✓             |                               |                |                      | ✓                |
| <b>Land Transport Group</b>                      |               |                               |                |                      |                  |
| Land Transport                                   | ✓             |                               | ✓              | ✓                    | ✓                |
| <b>Solid Waste Group</b>                         |               |                               |                |                      |                  |
| Solid Waste                                      | ✓             | ✓                             | ✓              |                      | ✓                |
| <b>Water Supplies Group</b>                      |               |                               |                |                      |                  |
| Water Supplies                                   |               |                               | ✓              |                      | ✓                |
| <b>Wastewater Group</b>                          |               |                               | ✓              |                      | ✓                |
| Wastewater                                       |               |                               |                |                      |                  |
| <b>Stormwater Group</b>                          |               |                               | ✓              |                      |                  |
| Stormwater                                       |               |                               |                |                      |                  |
| <b>Recreation and Community Facilities Group</b> |               |                               |                |                      |                  |
| Parks, Reserves and Swimming Pools               | ✓             | ✓                             |                |                      | ✓                |
| Public Toilets                                   | ✓             |                               |                |                      |                  |
| Retirement Housing                               |               |                               |                |                      | ✓                |
| Libraries  | ✓             | ✓                             |                |                      | ✓                |
| Theatres, Halls and Museums                      | ✓             |                               |                |                      | ✓                |
| Cemeteries                                       | ✓             |                               |                |                      | ✓                |
| Property and Buildings                           | ✓             |                               |                |                      | ✓                |

## 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 |
|--|------------------------|----------------|------------|----------|---------------------------------|
| <b>Community Leadership Group</b>                |                        |                |            |          |                                 |
| Leadership, Governance and Consultation          | No Capital Expenditure |                |            |          |                                 |
| Economic and Social Development                  | No Capital Expenditure |                |            |          |                                 |
| <b>Planning and Regulatory Group</b>             |                        |                |            |          |                                 |
| District Planning                                | No Capital Expenditure |                |            |          |                                 |
| Land Use and Subdivision Consents                | No Capital Expenditure |                |            |          |                                 |
| Building Control                                 | No Capital Expenditure |                |            |          |                                 |
| Public Health                                    | No Capital Expenditure |                |            |          |                                 |
| Animal Control                                   | No Capital Expenditure |                |            |          |                                 |
| Emergency Management                             |                        |                |            |          | ✓                               |
| Bylaws   | No Capital Expenditure |                |            |          |                                 |
| <b>Land Transport Group</b>                      |                        | ✓              | ✓          | ✓        | ✓                               |
| <b>Solid Waste Group</b>                         | ✓                      |                | ✓          | ✓        |                                 |
| <b>Water Supplies Group</b>                      |                        | ✓              | ✓          | ✓        |                                 |
| <b>Wastewater Group</b>                          |                        | ✓              | ✓          | ✓        |                                 |
| <b>Stormwater Group</b>                          |                        | ✓              | ✓          | ✓        |                                 |
| <b>Recreation and Community Facilities Group</b> |                        |                |            |          |                                 |
| Parks, Reserves and Swimming Pools               | ✓                      |                |            | ✓        | ✓                               |
| Public Toilets                                   | ✓                      |                | ✓          | ✓        |                                 |
| Retirement Housing                               |                        |                |            | ✓        | ✓                               |
| Libraries  |                        |                |            | ✓        |                                 |
| Theatres, Halls and Museums                      | ✓                      |                | ✓          | ✓        | ✓                               |
| Cemeteries                                       | ✓                      |                |            | ✓        |                                 |
| Property and Buildings                           | ✓                      |                |            | ✓        |                                 |

## **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 are 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 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
- Department of Internal Affairs –which funds a Community Development Coordinator

#### ***Community Outcomes***

This activity contributes primarily to the following community outcomes:

- People are involved in their local community and have a vision for their future
- Central Hawke's Bay District is well promoted as a good place to do business and visit

#### ***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.

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**Recommended Funding**

Council has agreed on 100% public funding for this activity. Public funding is collected through the Uniform Annual Charge with up to a 20% contribution towards the cost of funding the visitor information centre recovered from commercial properties (i.e. non rural and non-residential).

**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:

- We plan to develop sustainably and with minimal environmental impact, while facilitating growth and development.
- Central Hawke's Bay District is well promoted as a good place to do business and visit – by facilitating growth and development, in a managed way.

**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:

- We plan to develop sustainably and with minimal environmental impact, while facilitating growth and development.
- Central Hawke's Bay District is well promoted as a good place to do business and visit – by facilitating growth and development, in a managed way.

### **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:

- Safe and healthy communities through a range of Council regulatory responsibilities
- Risks to public health are identified and appropriately managed

### **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.

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**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 66-89% 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:

- Safe and healthy communities through a range of Council regulatory responsibilities
- Risks to public health are identified and appropriately managed

**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:

- Safe and healthy communities through a range of Council regulatory responsibilities
- Risks to public health are identified and appropriately managed

### **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.

## **Emergency Management**

### **Description**

Civil Defence includes mitigating, preparing for, responding to and recovering from emergencies and adverse events in a co-ordinated fashion. Close cooperation is maintained with a number of organizations to ensure effective response and recovery.

CHB is a member of the Hawke's Bay Civil Defence Emergency Management Group

There is also a statutory and public expectation that Council will promote and carry out fire control measures. When fire occurs, district resources are required to respond to assist the New Zealand Fire Service. The main aim of Rural Fire is to protect life, property and vegetation from the threat of wildfire. Rural fire involves preparing for fire, reducing the risk of fire, and their impact, preparing a quick initial response and assisting with effective recovery.

### **Community Outcomes**

This activity contributes primarily to the following community outcomes:

- Safe and healthy communities through a range of Council regulatory responsibilities
- Risks to public health are identified and appropriately managed

### **Distributions of benefits**

Benefits from this activity accrue across the wider community, through protection of life and property, and peace of mind through having a system available. Some people may benefit more than others, but this cannot be predicted.

### **Timeframes of benefits**

Ongoing. Benefits occur now through training and preparedness, during an event and following an event through response and recovery.

**Contributors to need for activity**

In some cases, emergencies may be as a result of human actions, such as sabotage, terrorism, negligence around fire or arson.

**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 capital value based general rate. Limited private funding is obtained through grants and cost recovery for rural fire.

**Bylaws****Description**

Council administers and enforces its Bylaws, as well as related regulations such as the Litter Act 1979 and traffic regulations.

**Community Outcomes**

This activity contributes primarily to the following community outcomes:

- Safe and healthy communities through a range of Council regulatory responsibilities
- Risks to public health are identified and appropriately managed

**Distributions of benefits**

Benefits from this activity accrue to the community through the expectation that:

- standards of operation are being met and
- assurance 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 100% funding for this activity. Public funding is collected through the capital value based general rate. There will be a small amount of income derived from parking and litter infringements.

**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:

- Central Hawke's Bay District has an efficient and affordable roading, waste and water infrastructure
- Risks to public health are identified and appropriately managed

### ***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 general rate.

New Zealand Transport Agency funding applies to subsidised roading projects.

Some existing capital expenditure, in this case resulting from the Ruataniwha Street, Waipukurau Improvements in 2001 and the cost of High Street, Waipawa improvements between 2003 and 2005 will be funded by way of loans. The cost of servicing debt will be recovered through a targeted rate of a uniform amount assessed on all rateable property in the Ruataniwha Ward.

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:

- Central Hawke's Bay District has an efficient and affordable roading, waste and water infrastructure
- We encourage recycling, and manage the rest in a sustainable way.
- Risks to public health are identified and appropriately managed

#### ***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 Charge and targeted rates for kerbside recycling and refuse collection. Private funding is derived from fees and charges.

**Water Supplies Group****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:

- Risks to public health are identified and appropriately managed
- Central Hawke's Bay District has an efficient and affordable roading, waste and water infrastructure
- We plan and manage water use and wastewater disposal to minimize the effect on the environment

**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.

**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 a 90% public 10% private funding split for this activity. Public funding is collected through a targeted rate from those connected to water systems with private funding derived from fees and charges.

**Wastewater (Sewerage) Group****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:

- Risks to public health are identified and appropriately managed

- Central Hawke's Bay District has an efficient and affordable roading, waste and water infrastructure
- We plan and manage water use and wastewater disposal to minimize the effect on the environment

***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 a targeted rate and charges.

***Recommended Funding***

Council has agreed on a 95% public 5% private funding split for this activity. Public funding is collected through a targeted rate from those connected to wastewater systems with private funding derived from fees and charges and levies raised through the Trade Waste Bylaw.

## **Stormwater Group**

***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:

- Risks to public health are identified and appropriately managed
- Central Hawke's Bay District has an efficient and affordable roading, waste and water infrastructure
- We plan and manage water use and wastewater disposal to minimize the effect on the environment

***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% public funding for this activity. Public funding is collected through a targeted rate from those within storm water 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:

- People are involved in their local community and have a vision for their future
- People have a range of opportunities to participate in leisure, cultural and learning activities
- Our historic and cultural heritage is protected for future generations
- Central Hawke's Bay District is well promoted as a good place to do business and visit

**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 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:

- Risks to public health are identified and appropriately managed

### ***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:

- People are involved in their local community and have a vision for their future
- Risks to public health are identified and appropriately managed

### ***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.

## **Libraries**

### ***Description***

Libraries include the two libraries in Waipukurau and Waipawa.

### ***Community Outcomes***

This activity contributes primarily to the following community outcomes:

- People have a range of opportunities to participate in leisure, cultural and learning activities
- Central Hawke's Bay District is well promoted as a good place to do business and visit

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***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.

**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:

- People are involved in their local community and have a vision for their future
- People have a range of opportunities to participate in leisure, cultural and learning activities
- Our historic and cultural heritage is protected for future generations
- Central Hawke's Bay District is well promoted as a good place to do business and visit

***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:

- Risks to public health are identified and appropriately managed
- People are involved in their local community
- Our historic and cultural heritage is protected for future generations

### **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:

- Risks to public health are identified and appropriately managed
- People are involved in their local community

### **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 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.

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## 9. Funding Impact Statement

The purpose of the funding impact statement is to provide information about the income and funding streams we 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 each of the years 2015-2025

### Central Hawke's Bay District Council: Funding impact statement for 2015/2025 (whole of council)

|   | Annual Plan<br>2015<br>\$000 | Year 1<br>2016<br>\$000 | Year 2<br>2017<br>\$000 | Year 3<br>2018<br>\$000 | Year 4<br>2019<br>\$000 | Year 5<br>2020<br>\$000 | Year 6<br>2021<br>\$000 | Year 7<br>2022<br>\$000 | Year 8<br>2023<br>\$000 | Year 9<br>2024<br>\$000 | Year 10<br>2025<br>\$000 |
|---|------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|--------------------------|
| <b>Sources of operating funding</b>                                     |                              |                         |                         |                         |                         |                         |                         |                         |                         |                         |                          |
| General rates, uniform annual general charges and rates penalties       | 11,825                       | 12,020                  | 12,283                  | 12,482                  | 12,801                  | 13,110                  | 13,403                  | 13,739                  | 14,097                  | 14,562                  | 15,030                   |
| Targeted rates  | 5,930                        | 6,110                   | 6,278                   | 6,521                   | 6,666                   | 6,887                   | 7,102                   | 7,377                   | 7,678                   | 7,898                   | 8,220                    |
| Subsidies and grants for operating purposes                             | 2,235                        | 2,051                   | 2,052                   | 2,053                   | 2,174                   | 2,227                   | 2,286                   | 2,349                   | 2,418                   | 2,492                   | 2,573                    |
| Fees, charges   | 2,197                        | 2,204                   | 2,227                   | 2,281                   | 2,340                   | 2,404                   | 2,473                   | 2,548                   | 2,627                   | 2,714                   | 2,809                    |
| Interest and dividends from investments                                 | 450                          | 456                     | 467                     | 479                     | 491                     | 505                     | 520                     | 535                     | 553                     | 571                     | 591                      |
| Local authorities fuel tax, fines, infringement fees and other receipts | 152                          | 150                     | 154                     | 158                     | 162                     | 166                     | 171                     | 176                     | 182                     | 188                     | 195                      |
| <b>Total operating funding</b>  | <b>22,789</b>                | <b>22,991</b>           | <b>23,461</b>           | <b>23,974</b>           | <b>24,634</b>           | <b>25,299</b>           | <b>25,955</b>           | <b>26,724</b>           | <b>27,555</b>           | <b>28,425</b>           | <b>29,418</b>            |
| <b>Applications of operating funding</b>                                |                              |                         |                         |                         |                         |                         |                         |                         |                         |                         |                          |
| Payments to staff and suppliers   | 14,629                       | 14,753                  | 15,085                  | 15,410                  | 15,883                  | 16,365                  | 16,888                  | 17,307                  | 17,910                  | 18,520                  | 19,103                   |
| Finance costs   | 600                          | 638                     | 663                     | 673                     | 690                     | 734                     | 696                     | 636                     | 570                     | 632                     | 558                      |
| Other operating funding applications                                    | 0                            | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                        |
| <b>Total applications of operating funding</b>                          | <b>15,229</b>                | <b>15,391</b>           | <b>15,748</b>           | <b>16,083</b>           | <b>16,573</b>           | <b>17,099</b>           | <b>17,584</b>           | <b>17,943</b>           | <b>18,480</b>           | <b>19,152</b>           | <b>19,661</b>            |
| <b>Surplus (deficit) of operating funding</b>                           | <b>7,560</b>                 | <b>7,600</b>            | <b>7,712</b>            | <b>7,891</b>            | <b>8,061</b>            | <b>8,200</b>            | <b>8,371</b>            | <b>8,781</b>            | <b>9,075</b>            | <b>9,273</b>            | <b>9,757</b>             |
| <b>Sources of capital funding</b>                                       |                              |                         |                         |                         |                         |                         |                         |                         |                         |                         |                          |
| Subsidies and grants for capital expenditure                            | 4,365                        | 4,501                   | 4,501                   | 4,501                   | 4,777                   | 4,896                   | 5,028                   | 5,169                   | 5,324                   | 5,489                   | 5,670                    |
| Development and financial contributions                                 | 0                            | 111                     | 111                     | 111                     | 111                     | 111                     | 111                     | 111                     | 111                     | 111                     | 111                      |
| Increase (decrease) in debt   | 938                          | 1,010                   | 363                     | 133                     | 253                     | 623                     | (538)                   | (862)                   | (939)                   | 882                     | (1,065)                  |
| Gross proceeds from sale of assets                                      | 0                            | 42                      | 22                      | 48                      | 70                      | 37                      | 38                      | 49                      | 26                      | 57                      | 53                       |
| Lump sum contributions  | 0                            | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                        |
| <b>Total sources of capital funding</b>                                 | <b>5,303</b>                 | <b>5,664</b>            | <b>4,997</b>            | <b>4,793</b>            | <b>5,211</b>            | <b>5,667</b>            | <b>4,639</b>            | <b>4,467</b>            | <b>4,522</b>            | <b>6,539</b>            | <b>4,769</b>             |
| <b>Applications of capital funding</b>                                  |                              |                         |                         |                         |                         |                         |                         |                         |                         |                         |                          |
| Capital expenditure   |                              |                         |                         |                         |                         |                         |                         |                         |                         |                         |                          |
| - to meet additional demand   | 95                           | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                        |
| - to improve the level of service                                       | 1,269                        | 1,971                   | 1,407                   | 1,260                   | 1,308                   | 1,715                   | 639                     | 402                     | 354                     | 2,201                   | 377                      |
| - to replace existing assets  | 10,094                       | 10,055                  | 9,916                   | 10,061                  | 10,585                  | 10,795                  | 11,128                  | 11,366                  | 11,658                  | 12,211                  | 12,619                   |
| Increase (decrease) in reserves   | 1,405                        | 1,238                   | 1,386                   | 1,363                   | 1,379                   | 1,357                   | 1,243                   | 1,480                   | 1,585                   | 1,400                   | 1,532                    |
| Increase (decrease) of investments                                      | 0                            | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                        |
| <b>Total application of capital funding</b>                             | <b>12,863</b>                | <b>13,264</b>           | <b>12,709</b>           | <b>12,684</b>           | <b>13,272</b>           | <b>13,867</b>           | <b>13,010</b>           | <b>13,248</b>           | <b>13,597</b>           | <b>15,812</b>           | <b>14,526</b>            |
| <b>Surplus (deficit) of capital funding</b>                             | <b>(7,560)</b>               | <b>(7,600)</b>          | <b>(7,712)</b>          | <b>(7,891)</b>          | <b>(8,061)</b>          | <b>(8,200)</b>          | <b>(8,371)</b>          | <b>(8,781)</b>          | <b>(9,075)</b>          | <b>(9,273)</b>          | <b>(9,757)</b>           |
| <b>Funding balance</b>  | <b>0</b>                     | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                 |

## 2015/16 Rates Factors

The table below lists the rate factors for the 2015/16 year (1 July 2015 to 30 June 2016) 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              | Rate Value<br>**    | Amount<br>Sought<br>including GST<br>\$ |
|--|-----------------------------|---------------------------------|----------------------------------|---------------------|---|
| <b>District Wide Rates</b>                   |                             |                                 |                                  |                     |   |
| General                                      | All rateable property       | Uniform                         | Capital Value                    | 0.12                | \$4,574,993                             |
| Uniform Annual General Charge                | All rateable property       | Uniform                         | Fixed Amount per SUIP*           | \$317.31            | \$2,020,926                             |
| District Land Transport                      | All rateable property       | Uniform                         | Land Value                       | 0.31                | \$7,113,637                             |
| <b>Targeted Rates</b>                        |                             |                                 |                                  |                     |   |
| Economic Development                         | Commerical/Industrial       | Uniform                         | Fixed Amount per SUIP*           | \$105.83            | \$29,210                                |
| Ruataniwha Ward Rate for Mainstreet Upgrades | Ruataniwha Urban Ward       | Uniform                         | Fixed Amount per rating unit     | \$24.01             | \$68,220                                |
| Refuse Collection                            | Service Available           | Uniform                         | Fixed Amount per SUIP            | \$15.21             | \$59,956                                |
| Kerbside Recycling Collection                | Service Available           | Uniform                         | Fixed Amount per SUIP            | \$65.26             | \$191,475                               |
| Water Supply                                 | Service Available/Connected | Service Available/Connected     | Fixed Amount per SUIP *          | \$322.20 / \$644.40 | \$2,636,904                             |
| Sewerage                                     | Service Available/Connected | Service Available/Connected/Use | Fixed Amount per SUIP *, per Pan | \$390.94 / \$781.88 | \$3,131,041                             |
| Stormwater                                   | Catchment Area              | Uniform                         | Capital Value                    | 0.09                | \$504,975                               |
| Drainage                                     | Te Aute                     | Classifications                 | Fixed Amount per point           | \$0.44              | \$32,200                                |
| Water by Meter                               | Extraordinary users         | Uniform                         | Fixed Amount per cubic metre     | \$2.30              | \$372,025                               |
| <b>Total Sought</b>                          |                             |                                 |                                  |                     | <b>\$20,735,562</b>                     |

\* Separately used or inhabited part

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

## Rates Samples

| PROPERTY DESCRIPTION |            |           |             |               |         | PROPOSED RATES |          |         |                                 |     |
|----------------------|------------|-----------|-------------|---------------|---------|----------------|----------|---------|---------------------------------|-----|
| Type                 | District   | Value     | 2012 VALUES |               |         | Actual         |          |         | Increase (Decrease)<br>Proposed |     |
|                      |            |           | Land Value  | Capital Value | 2012/13 | 2013/14        | '2014/15 | 2015/16 | \$                              | %   |
| Residential town     | Waipukurau | Low       | 18,000      | 73,000        | 1896    | 2016           | 2014     | 2058    | 44                              | 2.2 |
| Residential town     | Waipukurau | Medium    | 77,000      | 200,000       | 2263    | 2451           | 2457     | 2507    | 50                              | 2.1 |
| Residential town     | Waipukurau | High      | 77,000      | 260,000       | 2386    | 2572           | 2579     | 2634    | 55                              | 2.1 |
| Residential town     | Waipawa    | Low       | 32,000      | 150,000       | 2019    | 2213           | 2214     | 2263    | 49                              | 2.2 |
| Residential town     | Waipawa    | Medium    | 32,000      | 170,000       | 2058    | 2253           | 2255     | 2305    | 50                              | 2.2 |
| Residential town     | Waipawa    | High      | 27,000      | 265,000       | 2238    | 2429           | 2433     | 2491    | 58                              | 2.4 |
| Residential town     | Otane      |           | 60,000      | 205,000       | 1930    | 2138           | 2144     | 2196    | 52                              | 2.4 |
| Residential town     | Porangahau | Low       | 39,000      | 78,000        | 1780    | 1927           | 1928     | 1975    | 47                              | 2.4 |
| Residential town     | Porangahau | High      | 39,000      | 195,000       | 1930    | 2062           | 2067     | 2119    | 52                              | 2.5 |
| Residential town     | Takapau    |           | 21,000      | 116,000       | 1728    | 1915           | 1917     | 1966    | 49                              | 2.6 |
| Residential town     | Takapau    | Lifestyle | 250,000     | 410,000       | 2057    | 2159           | 2215     | 2251    | 36                              | 1.6 |
| Residential town     | Tikokino   |           | 51,000      | 165,000       | 673     | 677            | 680      | 693     | 13                              | 1.9 |
| Beach                | Blackhead  |           | 280,000     | 490,000       | 2118    | 1753           | 1780     | 1797    | 17                              | 1.0 |
| Beach                | Kairakau   |           | 170,000     | 420,000       | 1917    | 1926           | 1977     | 2017    | 40                              | 2.0 |
| Beach                | Mangakuri  |           | 345,000     | 780,000       | 2403    | 2287           | 2325     | 2354    | 29                              | 1.2 |
| Beach                | Te Paerahi | Low       | 185,000     | 260,000       | 2581    | 2584           | 2600     | 2648    | 48                              | 1.9 |
| Beach                | Te Paerahi | Medium    | 285,000     | 520,000       | 3304    | 3190           | 3219     | 3276    | 57                              | 1.8 |
| Rural                | -          | Lower     | 265,000     | 275,000       | 1387    | 1434           | 1464     | 1471    | 7                               | 0.5 |
| Rural                | -          | Lower     | 340,000     | 385,000       | 1721    | 1791           | 1828     | 1837    | 9                               | 0.5 |
| Rural                | -          | Lower     | 245,000     | 275,000       | 1314    | 1373           | 1402     | 1409    | 7                               | 0.5 |
| Rural                | -          | Medium    | 850,000     | 950,000       | 3828    | 4005           | 4090     | 4100    | 10                              | 0.2 |
| Rural                | -          | Medium    | 820,000     | 1,570,000     | 4369    | 4627           | 4728     | 4773    | 45                              | 1.0 |
| Rural                | -          | Medium    | 890,000     | 990,000       | 4014    | 4174           | 4262     | 4273    | 11                              | 0.2 |
| Rural                | Aramoana   | High      | 2,850,000   | 3,375,000     | 12392   | 12929          | 13205    | 13236   | 31                              | 0.2 |
| Rural                | Ruataniwha | High      | 2,975,000   | 3,775,000     | 13188   | 13773          | 14068    | 14113   | 45                              | 0.3 |
| Rural                | Ruahine    | High      | 6,375,000   | 7,000,000     | 27478   | 27911          | 28504    | 28536   | 32                              | 0.1 |
| Rural                | Ruahine    | High      | 1,540,000   | 2,075,000     | 7073    | 7416           | 7575     | 7608    | 33                              | 0.4 |
| Commercial           | Waipukurau |           | 170,000     | 500,000       | 5938    | 6415           | 6457     | 6603    | 146                             | 2.3 |
| Commercial           | Waipawa    |           | 56,000      | 80,000        | 2039    | 2250           | 2251     | 2295    | 44                              | 1.9 |
| Industrial           | Waipukurau |           | 150,000     | 360,000       | 3674    | 3898           | 3879     | 3957    | 78                              | 2.0 |
| <b>CHB District</b>  |            |           |             |               |         |                |          |         | <b>1.36</b>                     |     |

## Rates

The following rates are proposed to be set and assessed on all property within the District for the 2014/2015 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, emergency management and bylaws
- Solid waste
- Parks and reserves, public toilets, theatres and halls, cemeteries, and miscellaneous property costs

For the 2015/16 year this rate will be 0.123 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 on 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 2015/16 year this rate will be \$317.31 (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 2015/16 year this rate will be 0.307 cents per dollar (including GST) based on the land value of all rateable land in the district.

## Targeted Rates

### Definitions:

"Non Residential" is defined by reference to land use codes in the valuation database, being every code other than "residential" or "lifestyle".

"Non Rural" is defined by reference to land use codes in the valuation database, being every code other than 'farming'.

### 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 –

Any part of a rating unit that is, or is able to be, separately used or inhabited by the owner or by any other person or body having the right to use or inhabit that part by virtue of a tenancy, lease, licence or other agreement.

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.

#### 4. Water Supply Rates

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 and a non-potable supply for Pourerere.

The purpose of this rate is to fund the maintenance, operation and capital upgrades of water supplies and treatment in those parts of the District where these systems are provided.

The rate is subject to differentials as follows:

- 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.
- a half charge per separately used or inhabited part of a rating unit which is serviceable for the above locations.

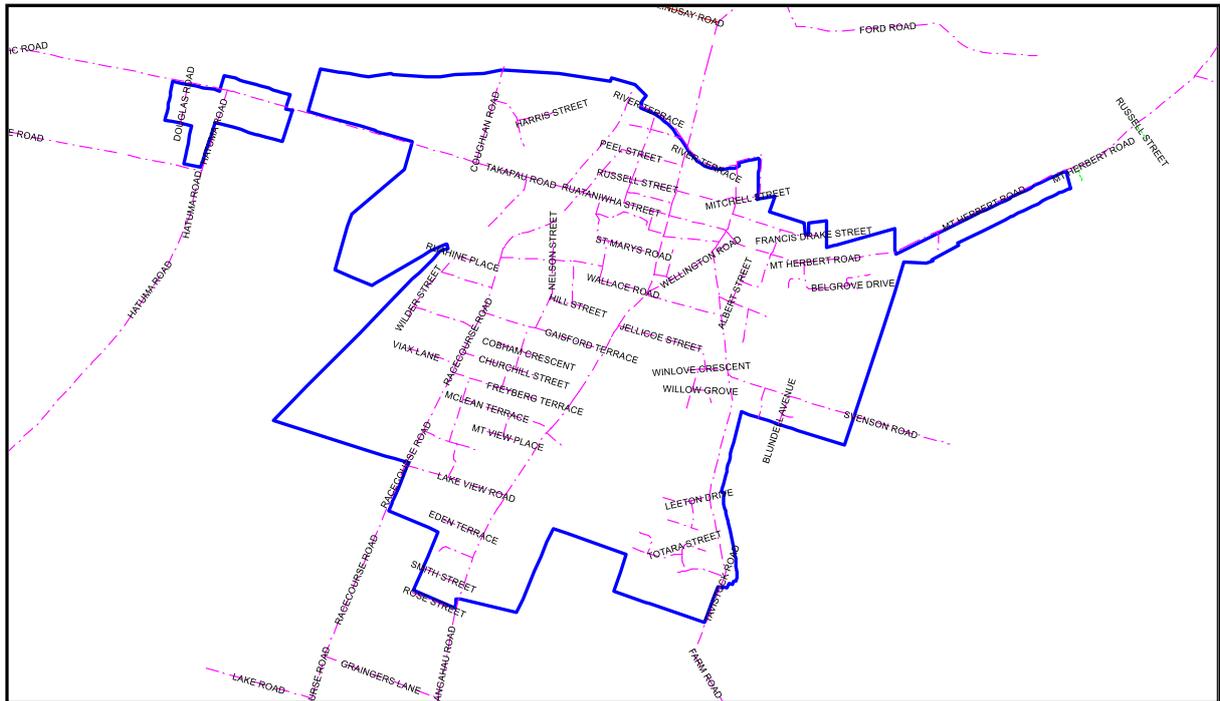
For this rate:

- "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.

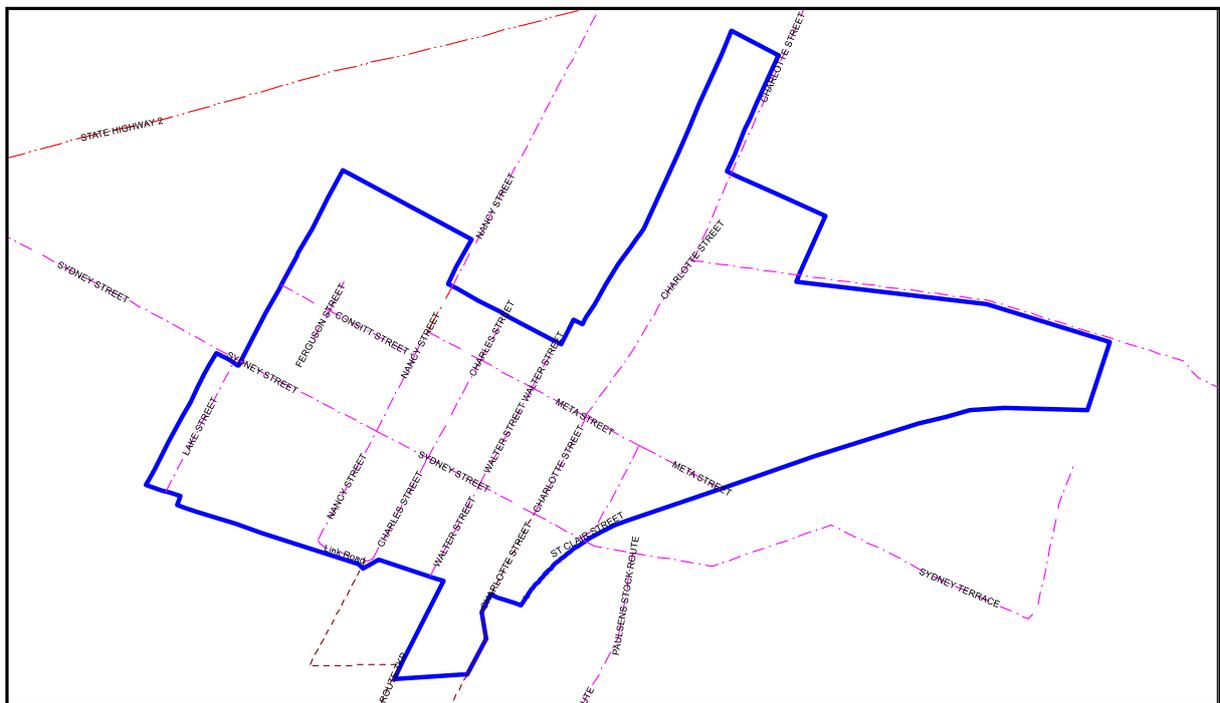
For the 2015/16 year these rates will be:

|   | Charge                     | Water Rate ( incl GST) |
|---|----------------------------|------------------------|
| a | Connected                  | \$644.40               |
| b | Serviceable, not connected | \$322.20               |

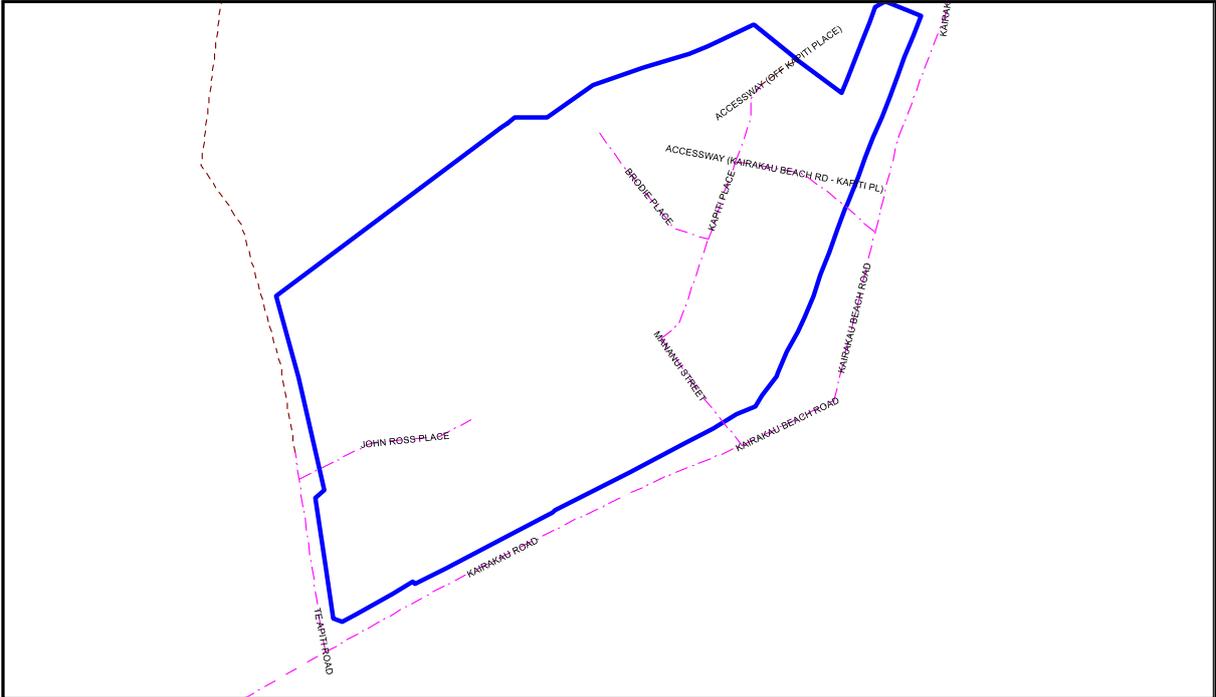




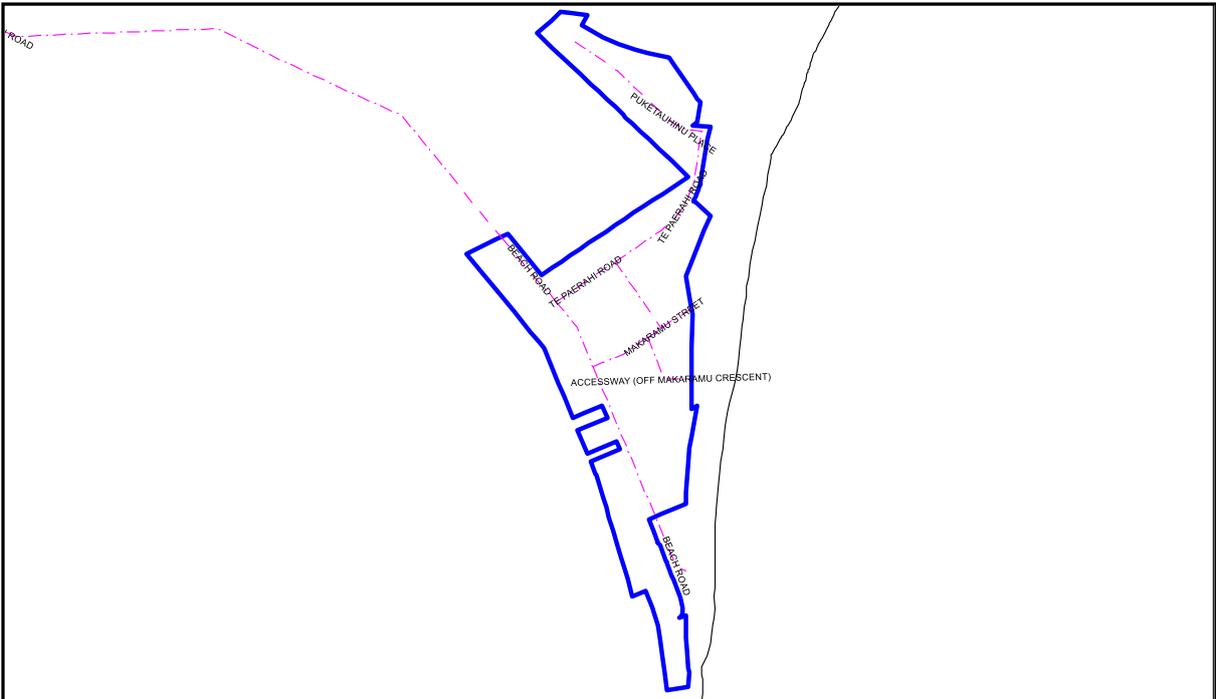
Waipukurau water supply zone



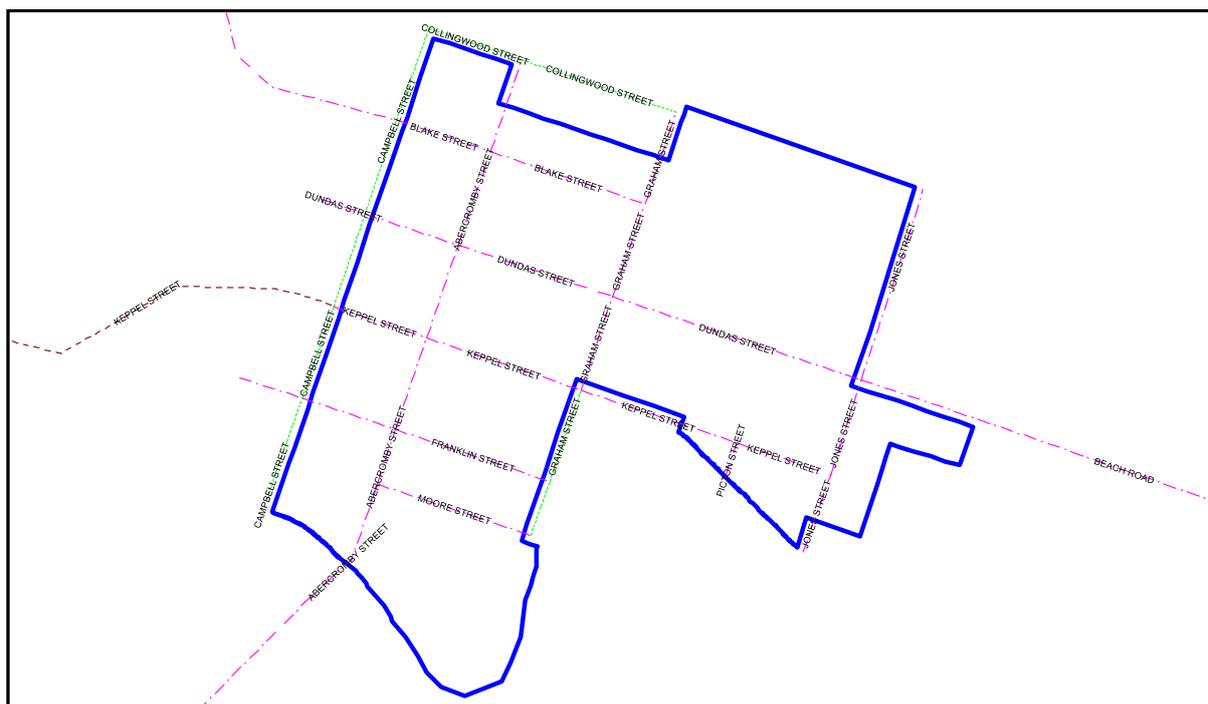
Takapau water supply zone



Kairakau water supply zone



Te Paerahi water supply zone



Porangahau water supply zone

## 5. 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 Operations rate above entitles extraordinary users to the first 300 cubic metres of water without additional charge.

For the 2015/16 year this rate will be \$2.30 per cubic metre (including GST).

## 6 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.

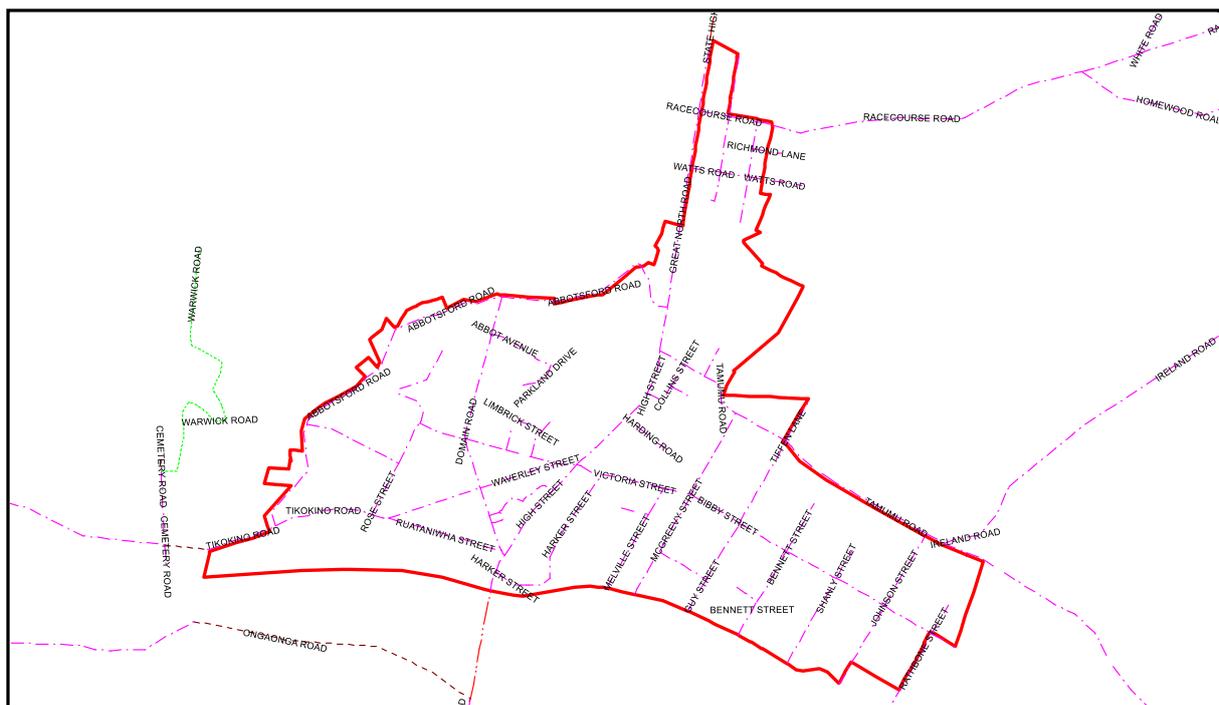
The rate is subject to differentials as follows:

- "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 Club Rebate Remission Policy, and who are connected to the sewerage network, each subsequent pan will be rated at 50% of the Sewerage Operations and Loan Charge.

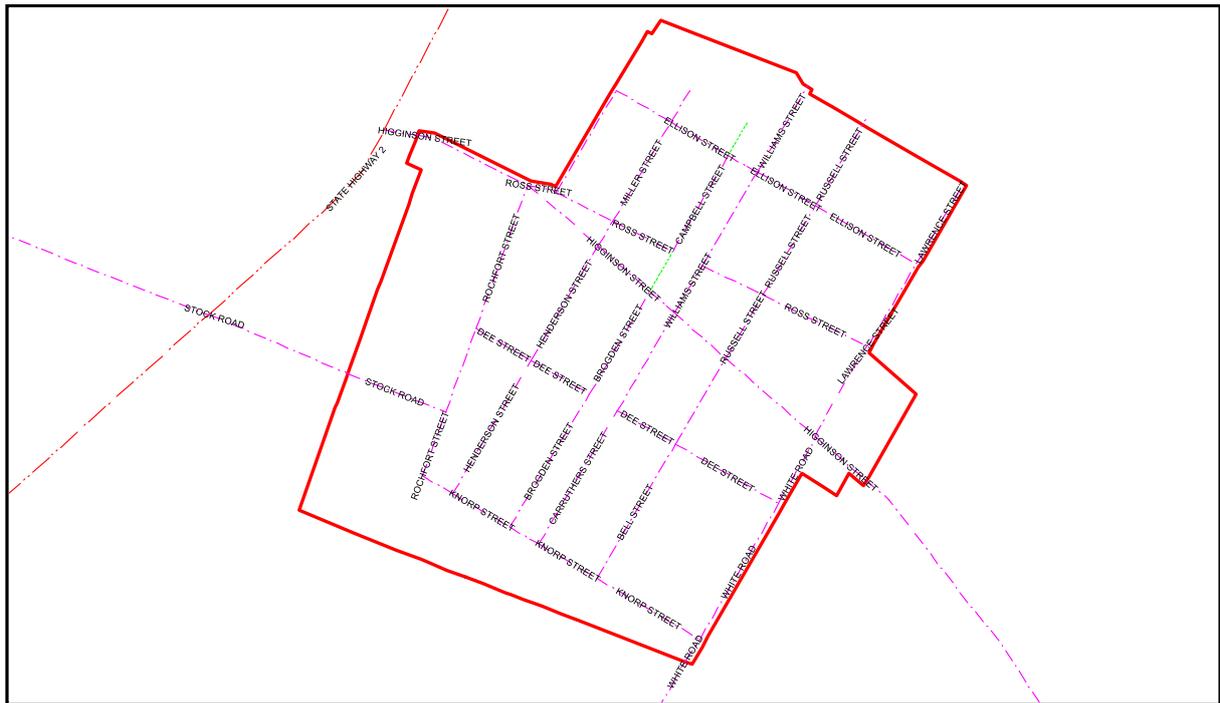
The purpose of this rate is to fund the maintenance, operation and capital upgrades of sewerage collection, treatment and disposal systems in those parts of the District where these systems are provided.

For the 2015/16 year these rates will be:

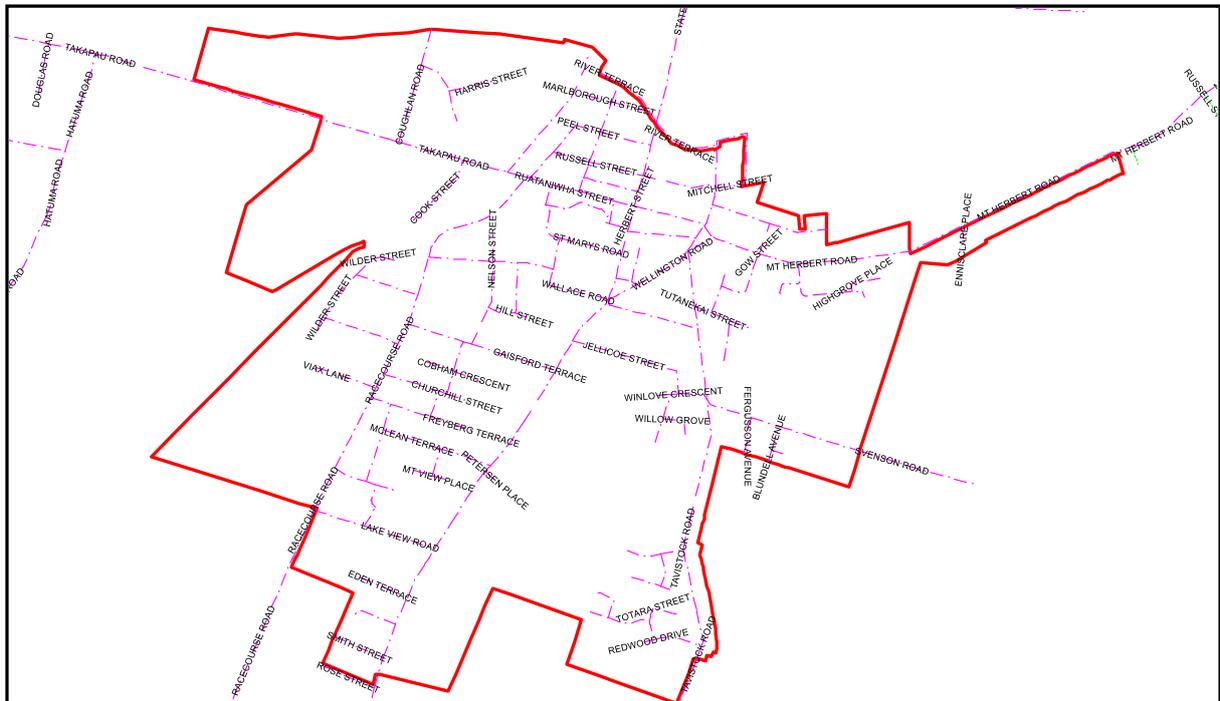
|   | Charge   | Sewerage Rate (incl GST) |
|---|--|--------------------------|
| a | First charge per separately used or inhabited part of a rating unit connected                  | \$781.88                 |
| b | Additional charge per pan after the first  | \$781.88                 |
| c | Serviceable, not connected, per separately used or inhabited part of a rating unit             | \$390.94                 |
| d | Additional charge per pan after the first – commercial accommodation provider, qualifying club | \$390.94                 |



Waipawa sewer operation zone

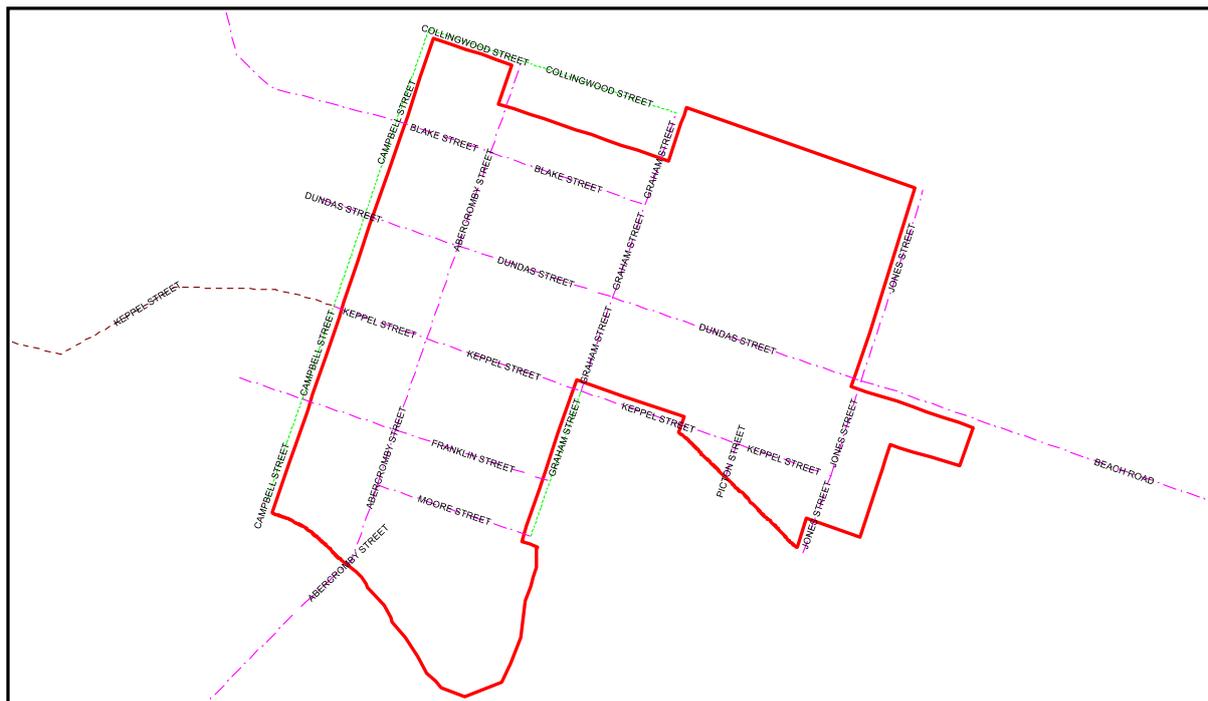


Otane sewer operation zone



Waipukurau sewer operation zone





Porangahau sewer operation zone

**7. 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 2015/16 year this rate will be 0.089 cents per dollar (including GST).

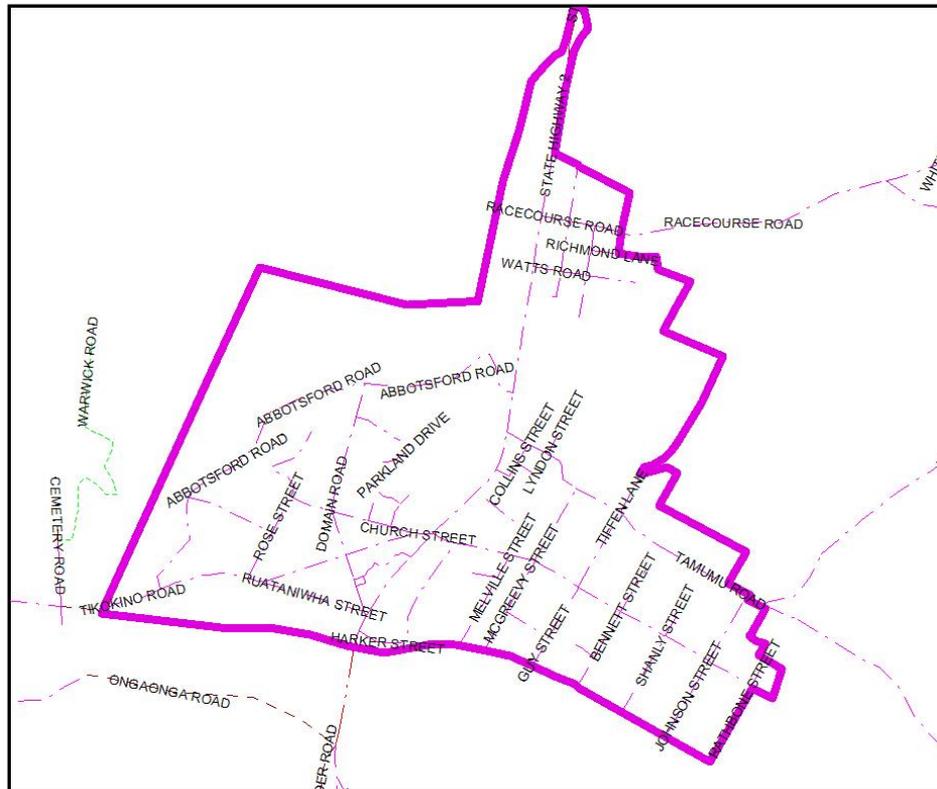
The Waipukurau and Waipawa Stormwater Catchment Areas are defined by reference to stormwater catchment boundary plans held.



**8. 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.

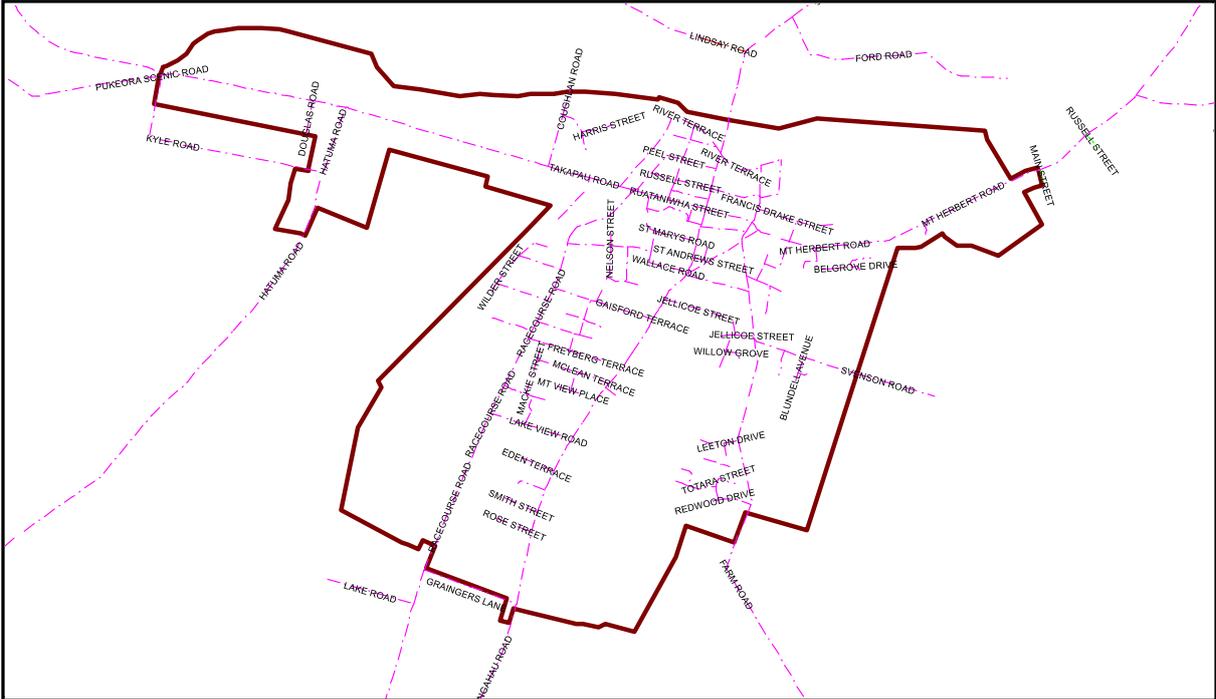
For the 2015/16 year this rate will be \$65.26 (including GST).



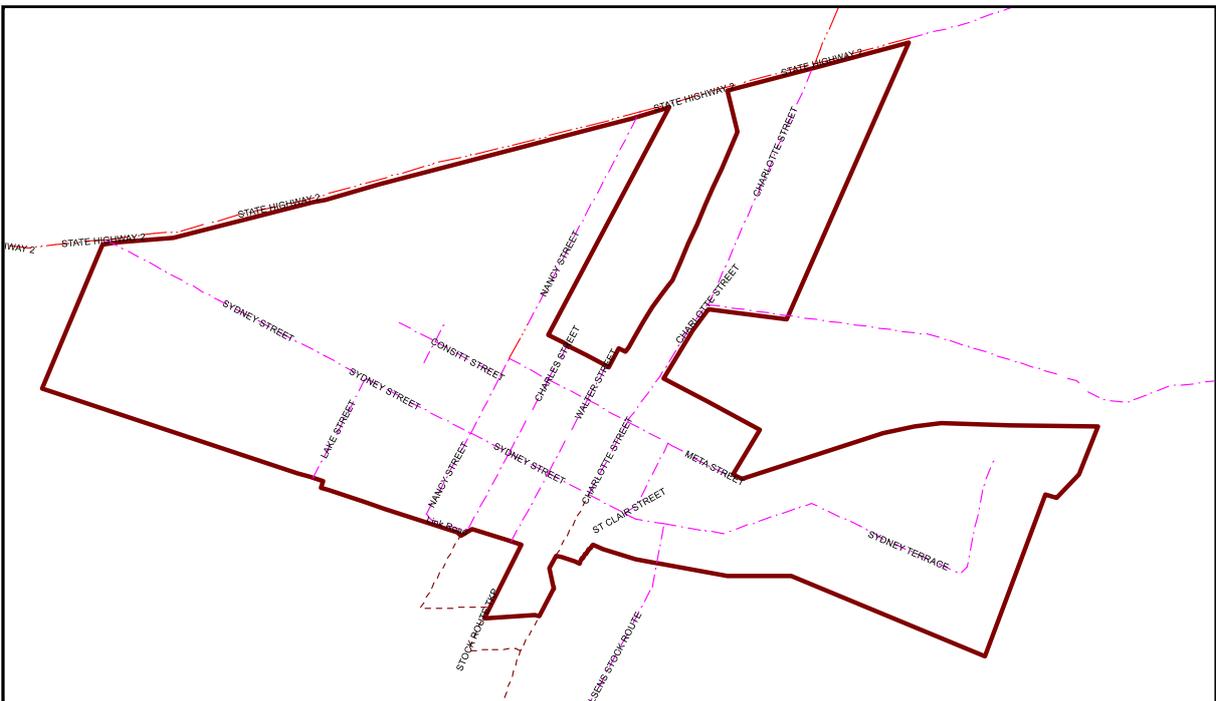
Waipawa kerbside recycling collection zone



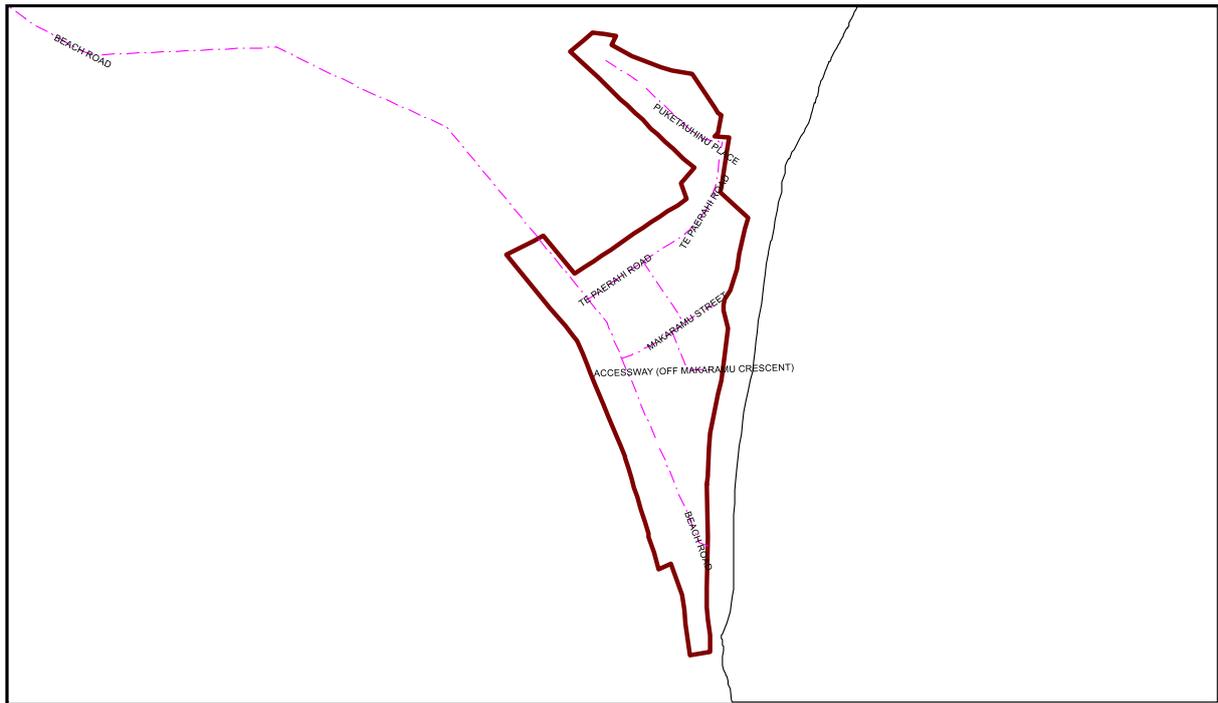




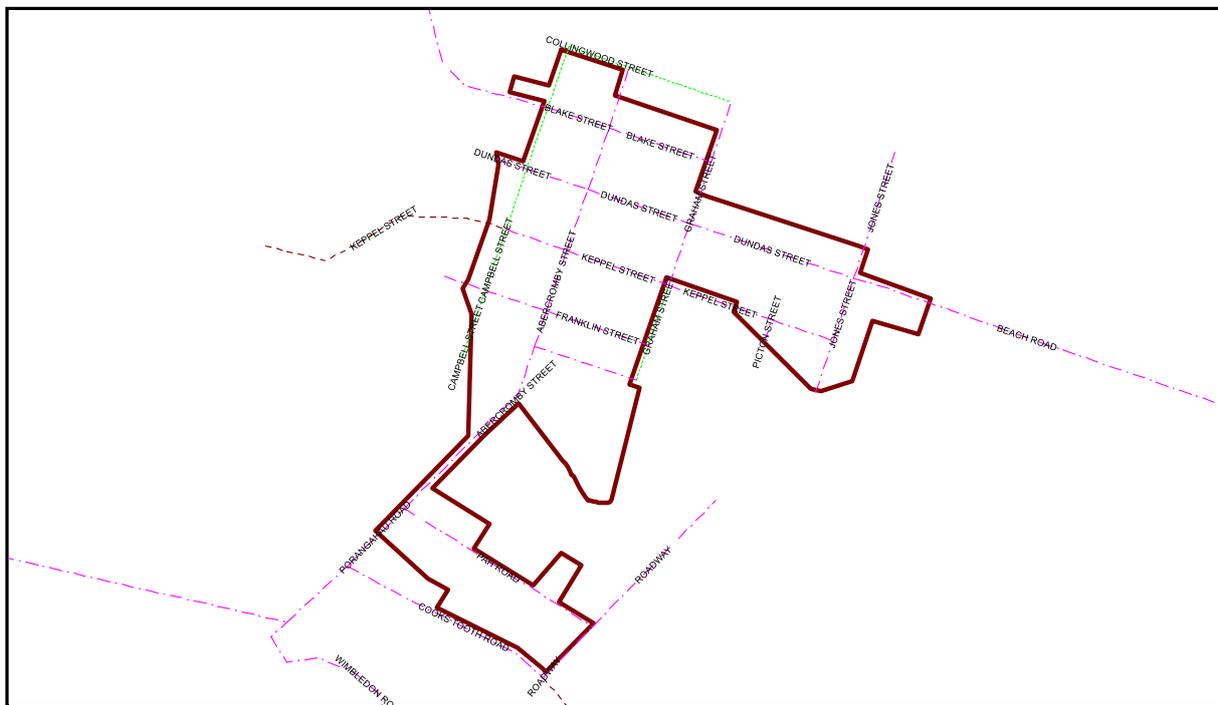
Waipukurau refuse collection zone



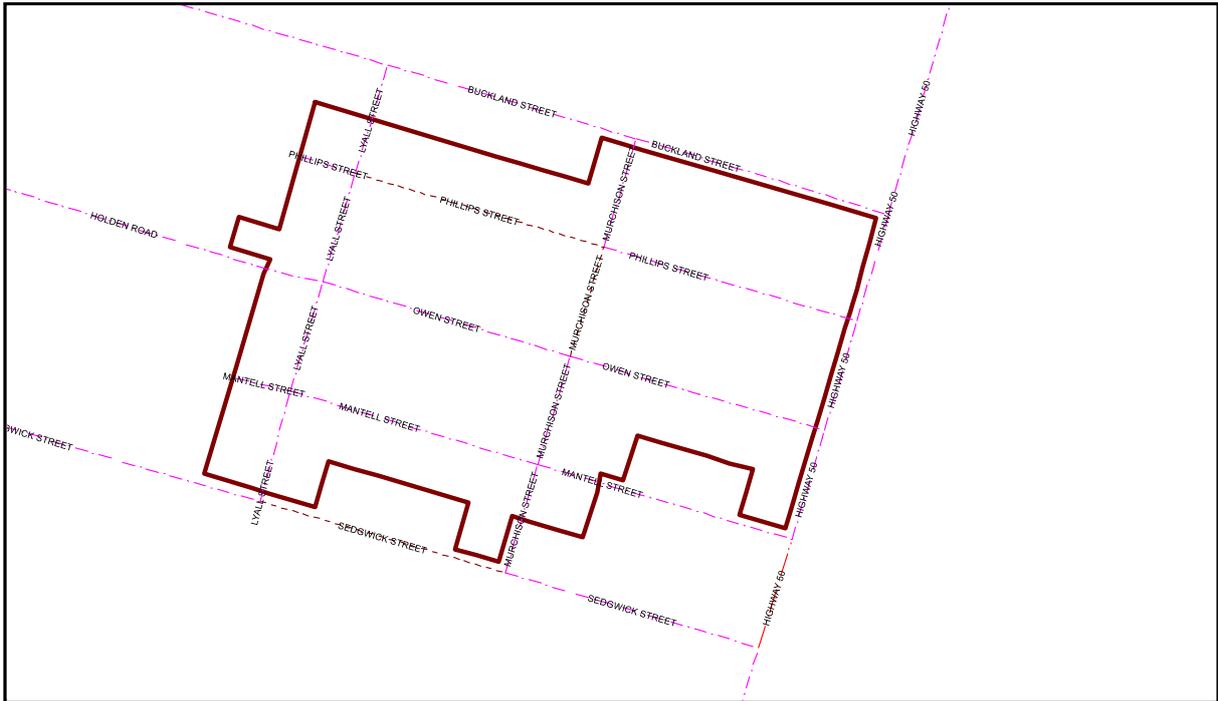
Takapau refuse collection zone



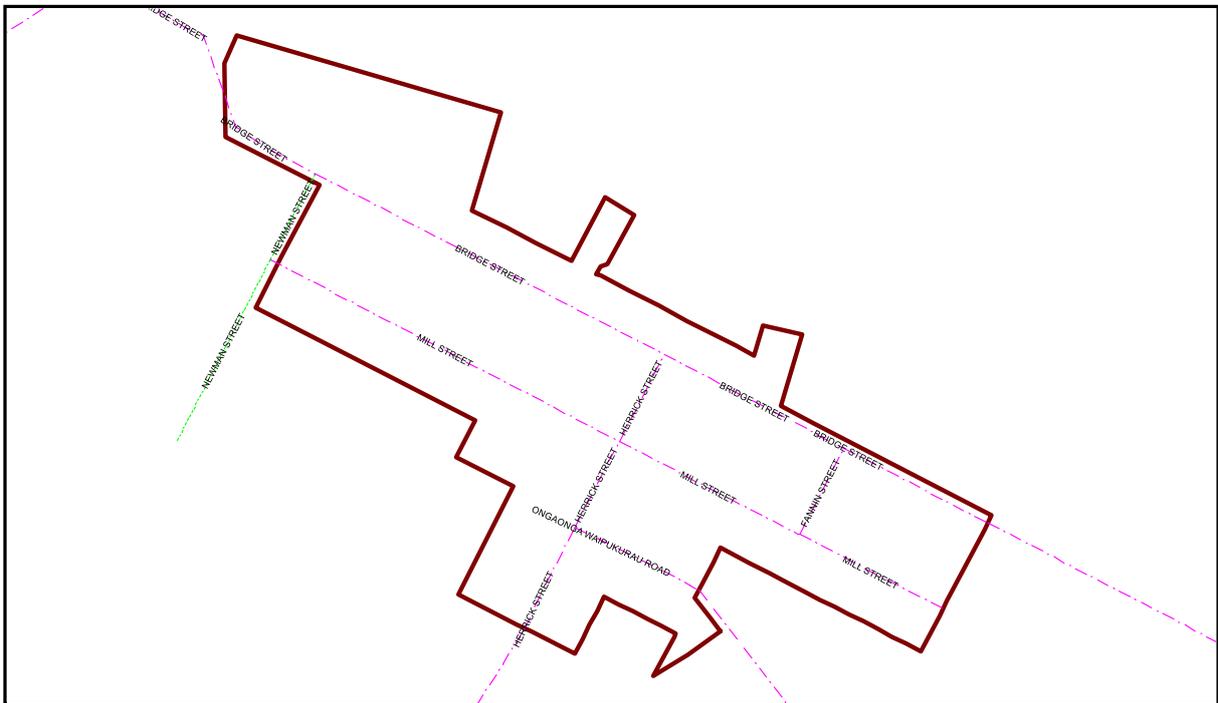
Te Paerahi refuse collection zone



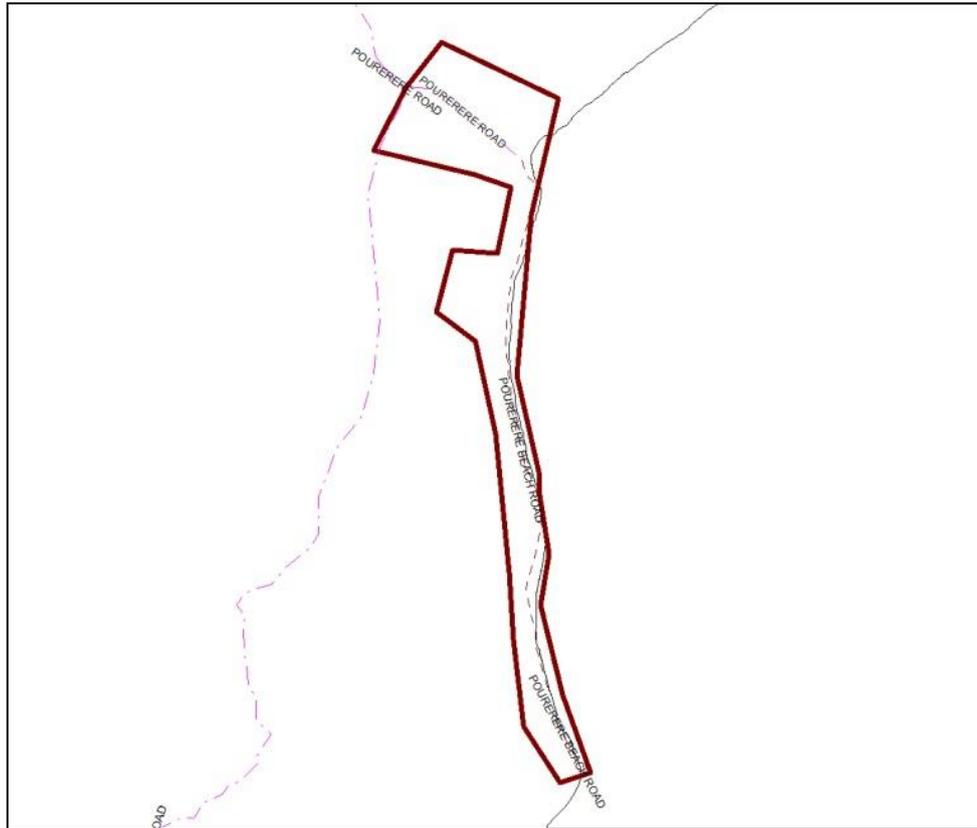
Porangahau refuse collection zone



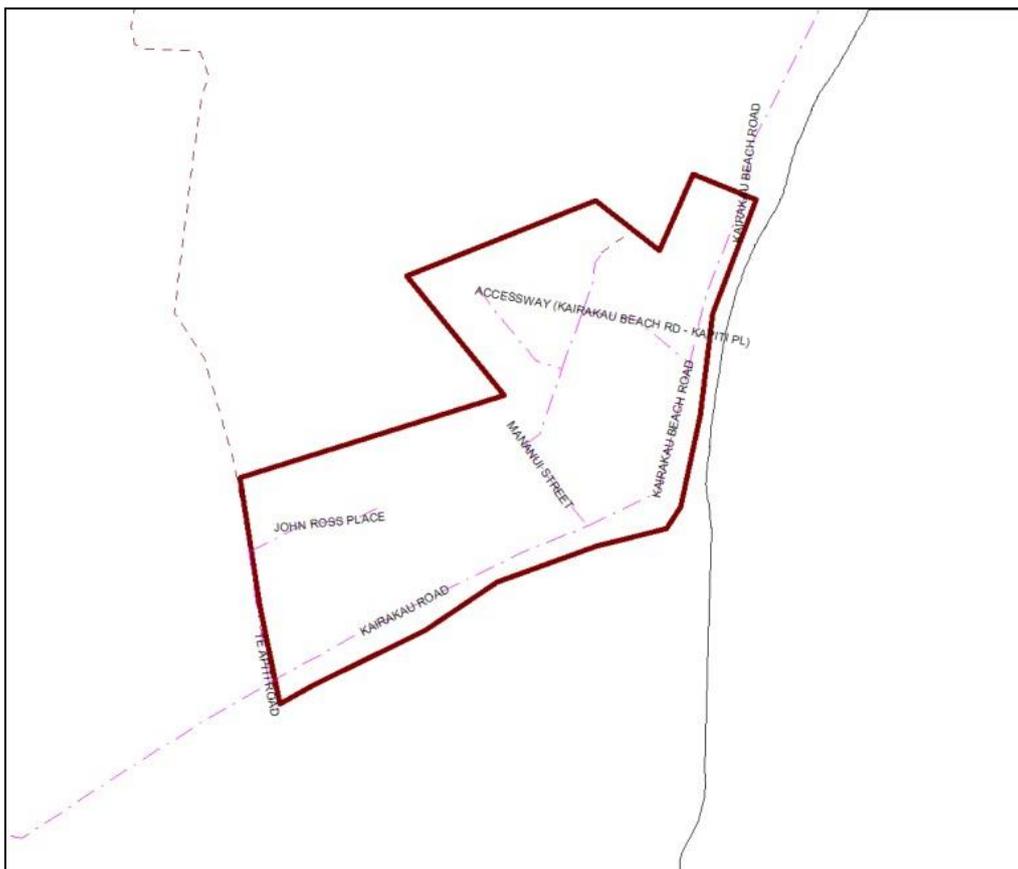
Tikokino refuse collection zone



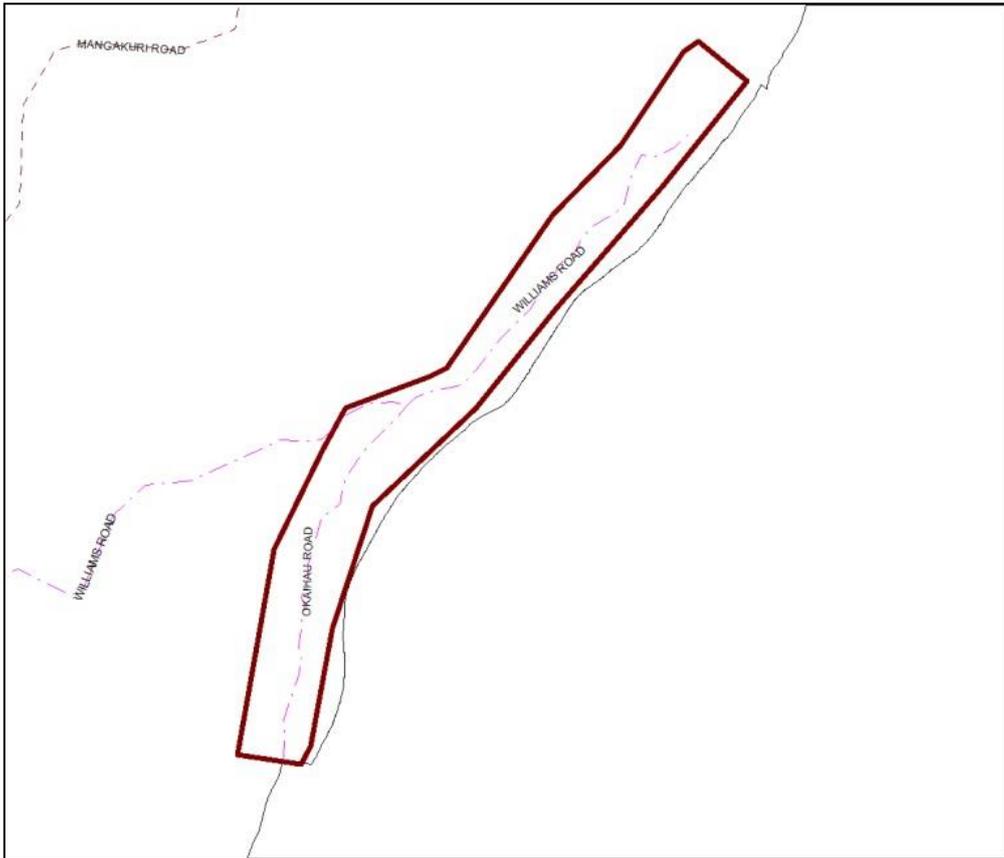
Onga Onga refuse collection zone



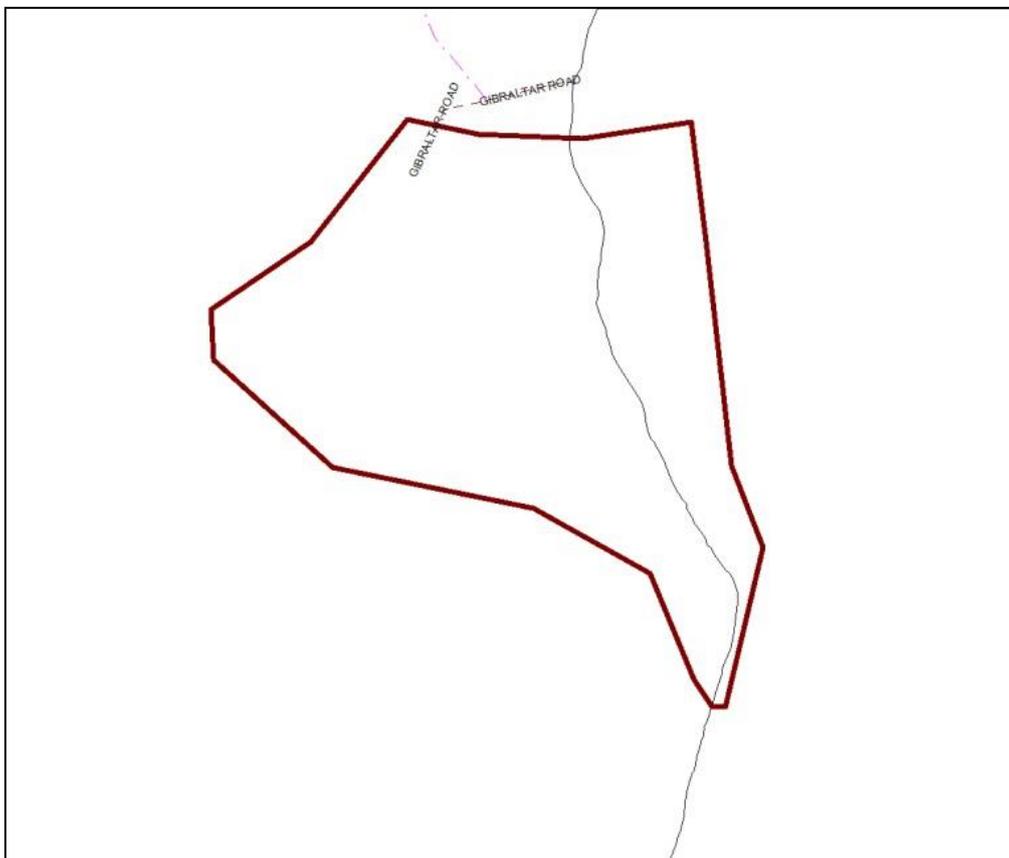
Pourerere Beach refuse collection zone



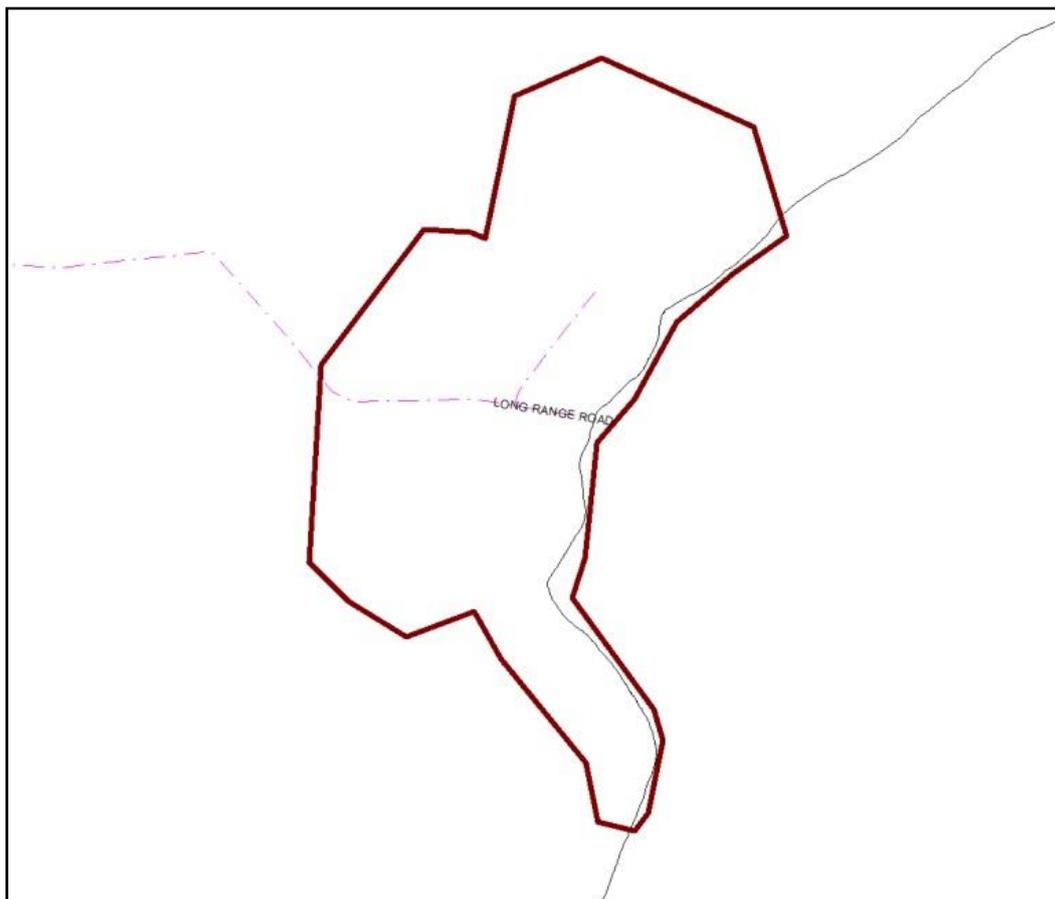
Kairakau Beach refuse collection zone



Mangakuri Beach refuse collection zone



Aramoana Beach refuse collection zone



Blackhead Beach refuse collection zone

**10. Economic Development Rate**

A uniform targeted rate set under section 16 of the Local Government (Rating) Act 2002 to assist in the funding of Economic Development Activities within the district on each separately used or inhabited part of a rating unit that is Non Residential and Non Rural.

For the 2015/16 year this rate will be \$105.83 (including GST).

**11. Ruataniwha Ward Rate for Mainstreet Upgrades**

A uniform targeted rate on all rateable land in the Ruataniwha Ward Urban set under section 16 of the Local Government (Rating) Act 2002 for the purposes of funding the Main Street Waipukurau and Waipawa improvements undertaken between 2001 and 2005.

For the 2015/16 year this rate will be \$24.01 (including GST) per rating unit.

**12. 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 2015/16 is \$32,200.

The amount per point is \$0.44.

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         | \$490.34           |
| 1092000800       | 0                               | 32.83         | 74.69         | 23.42         | 3,817         | \$1,669.62         |
| 1092000900       | 0                               | 0             | 0.83          | 2.15          | 19            | \$8.31             |
| 1092001001       | 77.96                           | 16.65         | 11.94         | 17.95         | 9,361         | \$4,094.66         |
| 1092001100       | 78.22                           | 0             | 15.28         | 39.73         | 8,171         | \$3,573.99         |
| 1092001107       | 0                               | 0             | 10.00         | 61.44         | 334           | \$146.24           |
| 1092001200       | 0                               | 2.88          | 18.35         | 18.86         | 562           | \$245.83           |
| 1092001201       | 0                               | 20.25         | 19.15         | 12.31         | 1,944         | \$850.34           |
| 1092001400       | 0                               | 0             | 0             | 14.16         | 42            | \$18.37            |
| 1092001600       | 0                               | 0             | 0             | 10.12         | 30            | \$13.12            |
| 1092001700       | 38.74                           | 51.06         | 36.24         | 45.12         | 8,638         | \$3,778.41         |
| 1092002100       | 188.81                          | 0             | 0             | 23.93         | 18,953        | \$8,290.36         |
| 1092002200       | 84.02                           | 4.14          | 1.16          | 6.45          | 8,770         | \$3,836.15         |
| 1092002300       | 41.02                           | 5.2           | 20.43         | 22.8          | 4,893         | \$2,140.28         |
| 1092002900       | 0                               | 0             | 0             | 0.81          | 2             | \$0.87             |
| 1092003400       | 0                               | 0             | 8.02          | 6.6           | 140           | \$61.24            |
| 1092005800       | 0                               | 18.63         | 0             | 4.93          | 1,505         | \$658.31           |
| 1092006100       | 0                               | 65.81         | 0             | 15.84         | 5,312         | \$2,323.56         |
| <b>Total</b>     | <b>508.77</b>                   | <b>228.75</b> | <b>224.24</b> | <b>358.25</b> | <b>73,614</b> | <b>\$32,200.00</b> |

## 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 2013.

The objectives of the council's rating policy is to:

- (i) spread the incidence of rates as fairly as possible
- (ii) be consistent in charging rates
- (iii) ensure all ratepayers pay their fair share for council services
- (iv) 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 for the year 1 July 2015 to 30 June 2016. 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 2015           | 20 August 2015                                | 21 August 2015   |
| 2                 | 1 October 2015        | 20 November 2015                              | 21 November 2015 |
| 3                 | 1 January 2016        | 20 February 2016                              | 21 February 2016 |
| 4                 | 1 April 2016          | 20 May 2016                                   | 21 May 2016      |

### **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.

### **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.

Pursuant to Section 58(1)(b) of the Local Government (Rating) Act, a further additional charge of 10% will be added on 1 July 2015 to the amount of rates assessed in previous financial years and remaining unpaid as at 30 June 2015 (Section 58(1)(b)).

## **10. Schedule of Fees and Charges**

### **Leadership and Governance Group**

There are no applicable charges in this activity area.

## Planning and Regulatory Group

| Resource Management   | excl GST                    | GST        | incl GST    |
|---|-----------------------------|------------|-------------|
| <b>Notes:</b>   |                             |            |             |
| <ul style="list-style-type: none"> <li>▪ 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.</li> <li>▪ 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.</li> <li>▪ Extra charges will be applicable for development levies. These will be assessed on a case by case basis. Please contact Council for exact costs.</li> </ul> |                             |            |             |
| <b>Administrative Charges</b>   |                             |            |             |
| Private District Plan Change (Deposit)  | \$13,043.48                 | \$1,956.52 | \$15,000.00 |
| <b>Land Use and Subdivision Consents</b>  |                             |            |             |
| 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    |
| Subdivision Consents (deposit)  | \$869.57                    | \$130.43   | \$1,000.00  |
| 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  | \$130.44                    | \$19.56    | \$150.00    |
| 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   | \$160.87                    | \$24.13    | \$185.00    |
| Inspection Fee – Zone 2   | \$169.57                    | \$25.43    | \$195.00    |
| Inspection Fee – Zone 3   | \$186.96                    | \$28.04    | \$215.00    |
| Inspection Fee – Zone 4   | \$204.35                    | \$30.65    | \$235.00    |
| Inspection Fee – Outside Zone 4   | \$230.44                    | \$34.56    | \$265.00    |
| Hourly charge out rate  | \$108.70                    | \$16.30    | \$125.00    |
| Travel Costs (per km)   | \$0.87                      | \$0.13     | \$1.00      |
| Sale of Liquor Certificate (RMA)  | \$65.22                     | \$9.78     | \$75.00     |

| <b>Noise Complaints</b>  | <b>excl GST</b> | <b>GST</b> | <b>incl GST</b> |
|--|-----------------|------------|-----------------|
| <b>Note:</b>   |                 |            |                 |
| <ul style="list-style-type: none"> <li>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.</li> </ul> |                 |            |                 |
| Seizure charge for noise emission equipment  | \$173.92        | \$26.08    | \$200.00        |
| Repeat Noise Complaints  | \$173.92        | \$26.08    | \$200.00        |
| Call Out Fee   | \$104.35        | \$15.65    | \$120.00        |
| Abatement Notice Fee   | \$52.18         | \$7.82     | \$60.00         |

| <b>Building Consents</b>  |                 |            |                 |
|---|-----------------|------------|-----------------|
| <b>NOTES:</b>   |                 |            |                 |
| <ul style="list-style-type: none"> <li>Building consent deposit payable on application.</li> <li>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.</li> <li>Extra charges will be applicable for development levies. These will be assessed on a case by case basis. Please contact Council for exact costs.</li> <li>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.</li> <li>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.</li> <li>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.</li> <li>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.</li> <li>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.</li> <li>The accreditation fee is to cover continuing Central Government accreditation costs relating to the Building Act 2004.</li> <li>Council intend to introduce a mileage recovery component to the inspection fee.</li> </ul> |                 |            |                 |
| <b>Consent Fees</b>   | <b>excl GST</b> | <b>GST</b> | <b>incl GST</b> |
| Solid Fuel Burner – Free Standing (including accreditation fee) (deposit)   | \$221.74        | \$33.26    | \$255.00        |
| Solid Fuel Burner – In Built (including accreditation fee) (deposit)  | \$304.35        | \$45.65    | \$350.00        |
| Marquee Consent / Inspection Fee (deposit)  | \$313.05        | \$46.95    | \$360.00        |
| Minor plumbing and drainage works including new connections, replacement septic tanks and effluent fields, demolition work and swimming pool fences (deposit)   | \$326.09        | \$48.91    | \$375.00        |
| Dwellings, commercial/industrial buildings and building alterations, repiling and in ground pools (deposit)   | \$1,039.13      | \$155.87   | \$1,195.00      |
| Pole Barn / Garage / Carport / Conservatory under \$20,000 (deposit)  | \$669.57        | \$100.43   | \$770.00        |
| Minor building work (deposit)   | \$326.09        | \$48.91    | \$375.00        |

| <b>Consent Fees continued</b>           | <b>excl GST</b> | <b>GST</b> | <b>incl GST</b> |
|---|-----------------|------------|-----------------|
| Semi Permanent Awnings                  | \$126.09        | \$18.91    | \$145.00        |
| Amendment to building consent - deposit | \$269.57        | \$40.43    | \$310.00        |
| Hourly Processing Fee                   | \$130.44        | \$19.56    | \$150.00        |

| <b>Administrative Charges</b>  | <b>excl GST</b> | <b>GST</b> | <b>incl GST</b> |
|--|-----------------|------------|-----------------|
| Administration Fee – under \$20,000  | \$230.44        | \$34.56    | \$265.00        |
| Administration Fee – over \$20,000   | \$413.05        | \$61.98    | \$475.00        |
| Administration Fee – over \$100,000 and commercial buildings                       | \$539.13        | \$80.87    | \$620.00        |
| Compliance Schedules (BWOFF) administration  | \$108.70        | \$16.30    | \$125.00        |
| Amendments to Compliance Schedules (deposit)                                       | \$108.70        | \$16.30    | \$125.00        |
| Issue of Compliance Schedule   | \$230.44        | \$34.56    | \$265.00        |
| Building Warrant of Fitness Audit Fee (deposit)                                    | \$134.79        | \$20.21    | \$155.00        |
| BRANZ Levy   | Actual cost     |            |                 |
| Inspection Fee – Zone 1  | \$169.57        | \$25.43    | \$195.00        |
| Inspection Fee – Zone 2  | \$178.26        | \$26.74    | \$205.00        |
| Inspection Fee – Zone 3  | \$196.53        | \$29.47    | \$226.00        |
| Inspection Fee – Zone 4  | \$214.79        | \$32.21    | \$247.00        |
| Inspection Fee – Outside Zone 4  | \$241.74        | \$36.26    | \$278.00        |
| Re-Inspection Fee  | Up to Zone Fee  |            |                 |
| Central Government Accreditation Recovery Fee – under \$20,000                     | \$26.96         | \$4.04     | \$31.00         |
| Central Government Accreditation Recovery Fee – under \$100,000                    | \$58.26         | \$8.74     | \$67.00         |
| Central Government Accreditation Recovery Fee – over \$100,000                     | \$107.83        | \$16.17    | \$124.00        |
| Central Government Accreditation Recovery Fee – Commercial                         | \$160.87        | \$24.13    | \$185.00        |
| Section 72 administration (Building subject to natural hazards)                    | \$86.96         | \$13.04    | \$100.00        |
| Section 75 administration and Certification (Building across 2 or more allotments) | \$108.70        | \$16.30    | \$125.00        |
| NZFS Design Review Unit Peer Review of Fire Reports                                | Actual Cost     |            |                 |
| Hourly Charge Out Rate   | \$130.44        | \$19.56    | \$150.00        |
| Travel Costs (per km)  | \$0.87          | \$0.13     | \$1.00          |
| Peer review of engineering reports   | Actual Cost     |            |                 |
| Property File Request  | \$26.09         | \$3.91     | \$30.00         |

| <b>Infringement Fees Schedule 1 of the Building (Infringement Offences, Fees, and Forms) Regulations 2007</b> |   | <b>excl GST</b> | <b>GST</b> | <b>incl GST</b> |
|---|---|-----------------|------------|-----------------|
| s40   | Failing to comply with the requirement that building work must be carried out in accordance with a building consent   | \$869.57        | \$130.43   | \$1,000.00      |
| s42   | Failing to apply for a certificate of acceptance for urgent building work as soon as practicable after completion of building work.                                   | \$434.79        | \$65.21    | \$500.00        |
| s85(1)  | Person who is not licensed building practitioner carrying out restricted building work without supervision of licensed building practitioner with appropriate licence | \$652.18        | \$97.82    | \$750.00        |
| s85(2)(a)   | Licensed building practitioner carrying out restricted building work without appropriate licence  | \$434.79        | \$65.21    | \$500.00        |
| s85(2)(b)   | Licensed building practitioner supervising restricted building work without appropriate licence   | \$434.79        | \$65.21    | \$500.00        |
| s101  | Failing to comply with the requirement to obtain a compliance schedule  | \$217.39        | \$32.61    | \$250.00        |
| s108(5)(aa)   | Failing to supply territorial authority with a building warrant of fitness  | \$217.39        | \$32.61    | \$250.00        |
| s108(5)(a)  | Failing to display a building warrant of fitness required to be displayed   | \$217.39        | \$32.61    | \$250.00        |
| s108(5)(b)  | Displaying a false or misleading building warrant of fitness  | \$869.57        | \$130.43   | \$1,000.00      |
| s108(5)(c)  | Displaying a building warrant of fitness other than in accordance with section 108  | \$869.57        | \$130.43   | \$1,000.00      |
| s116B(1)(a)   | Using, or knowingly permitting the use of, a building for a use for which it is not safe or not sanitary  | \$1,304.35      | \$195.65   | \$1,500.00      |
| s116B(1)(b)   | Using, or knowingly permitting the use of, a building that has inadequate means of escape from fire   | \$1,739.13      | \$260.87   | \$2,000.00      |
| s124  | Failing to comply with a notice, within the time stated in the notice, requiring work to be carried out on a dangerous, earthquake-prone, or insanitary building      | \$869.57        | \$130.43   | \$1,000.00      |
| s128A(2)  | Using or occupying a building, or permitting another person to do so, contrary to a territorial authority's hoarding, fence, or notice                                | \$1,739.13      | \$260.87   | \$2,000.00      |
| s168  | Failing to comply with a notice to fix  | \$869.57        | \$130.43   | \$1,000.00      |
| s314(1)   | Person holding himself or herself out as being licensed to do or supervise building work or building inspection work while not being so licensed                      | \$434.79        | \$65.21    | \$500.00        |
| s362D(4)  | Failing to provide prescribed disclosure information  | \$434.79        | \$65.21    | \$500.00        |
|   | Failing to provide prescribed checklist   | \$434.79        | \$65.21    | \$500.00        |
| s362F(4)  | Failing to have a written contract as prescribed  | \$434.79        | \$65.21    | \$500.00        |
| s362T(4)  | Failing to provide prescribed information or documentation to specified persons   | \$434.79        | \$65.21    | \$500.00        |
| s363  | Using, or permitting use of, building having no consent or code compliance certificate or certificate for public use for premises for public use                      | \$1,304.35      | \$195.65   | \$1,500.00      |
| s367  | Wilfully obstructing, hindering, or resisting a person executing powers conferred under the Act or its regulations  | \$434.79        | \$65.21    | \$500.00        |
| s368  | Wilfully removing or defacing a notice published under the Act or inciting another person to do so  | \$434.79        | \$65.21    | \$500.00        |

| GIS Map Information  |    | excl GST | GST     | incl GST |
|--|----|----------|---------|----------|
| <b>Every Day Map Requests (No Photograph) – Note – A request that involves less than 15 minutes to produce</b>   |    |          |         |          |
|  | 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  |
| <b>Every Day Map Requests (With Photograph) – Note – A request that involves less than 15 minutes to produce</b>   |    |          |         |          |
|  | 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  |
| <b>Special Map Request Charges</b>   |    |          |         |          |
| <b>Note:</b>   |    |          |         |          |
| <ul style="list-style-type: none"> <li>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.</li> </ul> |    |          |         |          |
| Hourly charge out rate   |    | \$130.44 | \$19.56 | \$150.00 |
| Minimum charge for specialist maps   |    | \$65.22  | \$9.78  | \$75.00  |

| Information Memoranda   |  | excl GST | GST     | incl GST |
|---|--|----------|---------|----------|
| Property Information Memoranda  |  | \$260.87 | \$39.13 | \$300.00 |
| 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  |  | \$130.44 | \$19.56 | \$150.00 |

| <b>Miscellaneous Consents</b>  | <b>excl GST</b>                  | <b>GST</b> | <b>incl GST</b> |
|--|----------------------------------|------------|-----------------|
|  |                                  |            |                 |
| Certificate of Public Use  | \$304.35                         | \$45.65    | \$350.00        |
|  | Plus actual and reasonable costs |            |                 |
| Certificate of Acceptance  | \$317.39                         | \$47.61    | \$365.00        |
|  | Plus actual and reasonable costs |            |                 |
| Applications for Change of use of a building   | \$347.83                         | \$52.17    | \$400.00        |
|  | 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   | \$134.79                         | \$20.21    | \$155.00        |
| Hourly charge out rate   | \$130.44                         | \$19.56    | \$150.00        |

| <b>Swimming Pool Fences</b>                        | <b>excl GST</b> | <b>GST</b> | <b>incl GST</b> |
|--|-----------------|------------|-----------------|
|  |                 |            |                 |
| Compliance Inspection for existing fence (deposit) | \$173.92        | \$26.08    | \$200.00        |

| <b>Registration of Premises</b>  | <b>excl GST</b> | <b>GST</b> | <b>incl GST</b> |
|--|-----------------|------------|-----------------|
| <b>Annual Registration of Premises</b>   |                 |            |                 |
| Food premises / Food control plans   | \$304.35        | \$45.65    | \$350.00        |
| Prepacked food only/low risk   | \$173.92        | \$26.08    | \$200.00        |
| Premises required to be inspected but not registered. Inspection by request.   | \$173.92        | \$26.08    | \$200.00        |
| Re-inspection for failure to comply / failure of CAR   | \$130.44        | \$19.56    | \$150.00        |
| Registration of person/entity using registered premises  | \$43.48         | \$6.52     | \$50.00         |
| 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        |
| Animal Sale Yards  | \$173.92        | \$26.08    | \$200.00        |
| Transfer of Registration   | \$86.96         | \$13.04    | \$100.00        |
| Registration of event on public / open space   | \$65.22         | \$9.78     | \$75.00         |
| Mobile Shop  | \$173.92        | \$26.08    | \$200.00        |
| Street tables and chairs   | \$173.92        | \$26.08    | \$200.00        |
| Food Control Plans (Administration)  | \$130.44        | \$19.56    | \$150.00        |
| Food Control Plans (Audit and Inspection) hourly rate  | \$130.44        | \$19.56    | \$150.00        |
| Food Control – Transition Registration   | \$173.92        | \$26.08    | \$200.00        |
| Verification Charge Food Control Plans hourly rate   | \$130.44        | \$19.56    | \$150.00        |

| <b>Liquor</b>   | <b>excl GST</b> | <b>GST</b> | <b>incl GST</b> |
|---|-----------------|------------|-----------------|
| <b>Note:</b>  |                 |            |                 |
| ▪ Fees set by Regulation under Sale and Supply of Alcohol Act 2012              |                 |            |                 |
| <b>Application Fees</b>   |                 |            |                 |
| 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      |
| <b>Annual Fees</b>  |                 |            |                 |
| 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      |
| <b>Special Licence Applications</b>   |                 |            |                 |
| 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         |
| <b>Other Applications</b>   |                 |            |                 |
| Managers Certificate Application  | \$275.00        | \$41.25    | \$316.25        |
| Temporary Authority / Temporary Licence   | \$258.00        | \$38.70    | \$296.70        |
| Variation to licence  | \$130.44        | \$19.56    | \$150.00        |
| 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)   | \$60.87         | \$9.13     | \$70.00         |
| District Licensing Committee Costs  | At actual costs |            |                 |

| <b>Hawkers, Pedlars, Itinerant Traders, Markets and Street Stalls</b> | <b>excl GST</b>           | <b>GST</b> | <b>incl GST</b> |
|---|---------------------------|------------|-----------------|
| <b>Trading Licence (Public Places)</b>                                |                           |            |                 |
| Application and Licence Fee per annum - seasonal                      | \$173.91                  | \$26.08    | \$200.00        |
| Itinerant Trader  | \$173.91                  | \$26.08    | \$200.00        |
| Lease/Rent of private land or buildings                               | \$173.91                  | \$26.08    | \$200.00        |
| Markets – Event Organisers – seasonal                                 | \$65.22                   | \$9.78     | \$75.00         |
| Markets – Food Stall Holder – seasonal                                | \$21.74                   | \$3.26     | \$25.00         |
| Street Stalls, Raffle Days, Street Collections – Non Commercial       | No permit fee is required |            |                 |

| <b>Vehicle Stands</b>                          | <b>excl GST</b> | <b>GST</b> | <b>incl GST</b> |
|--|-----------------|------------|-----------------|
| <b>LICENCES FOR VEHICLE STANDS ON STREETS:</b> |                 |            |                 |
| <b>Omnibus and Taxicabs</b>                    |                 |            |                 |
| Application                                    | \$173.92        | \$26.08    | \$200.00        |
| Annual Rental                                  | \$100.00        | \$15.00    | \$115.00        |

| <b>Advertising Signs</b>   | <b>excl GST</b>          | <b>GST</b> | <b>incl GST</b> |
|--|--------------------------|------------|-----------------|
| <b>Hoardings and Signs</b>   |                          |            |                 |
| Application and Permit   | As for building consents |            |                 |
| Annual Licence Fees (per m <sup>2</sup> or part thereof per month) | \$1.74                   | \$0.26     | \$2.00          |

| <b>Amusement Devices and Shooting Galleries</b>  | <b>excl GST</b> | <b>GST</b> | <b>incl GST</b> |
|--|-----------------|------------|-----------------|
| <b>Note:</b>   |                 |            |                 |
| <ul style="list-style-type: none"> <li>▪ The Permit Fee for Amusement Devices is in addition to any Ground Rental etc that may be required.</li> </ul> |                 |            |                 |
| <b>Amusement Devices Permit Fees</b>   |                 |            |                 |
| For one device, for the first 7 days of proposed operation or part thereof   | \$17.39         | \$2.61     | \$20.00         |
| For each additional device operated by the same owner, for the first 7 days or part thereof  | \$4.35          | \$0.65     | \$5.00          |
| For each device for each further period of 7 days or part thereof  | \$2.61          | \$0.39     | \$3.00          |

| <b>Class 4 Gaming Licensing</b>      | <b>excl GST</b> | <b>GST</b> | <b>incl GST</b> |
|--------------------------------------|-----------------|------------|-----------------|
| <b>Note:</b>                         |                 |            |                 |
| ▪ Pursuant to the Gambling Act 2003. |                 |            |                 |
| Application Fee                      | \$186.96        | \$28.04    | \$215.00        |
| License Inspection Fee               | \$130.44        | \$19.56    | \$150.00        |

| <b>Skateboard and Bicycle Confiscation</b>     | <b>excl GST</b> | <b>GST</b> | <b>incl GST</b> |
|--|-----------------|------------|-----------------|
| Return of confiscated skateboards and bicycles | \$43.48         | \$6.52     | \$50.00         |

| <b>Animal Control</b>   | <b>excl GST</b> | <b>GST</b> | <b>incl GST</b> |
|---|-----------------|------------|-----------------|
| <b>Early Payment Discount:</b>  |                 |            |                 |
| A discount of <b>\$10.00</b> is only available for those registrations paid prior to 1 <sup>st</sup> August each year.  |                 |            |                 |
| <b>Note:</b>  |                 |            |                 |
| ▪ Proportionate fees apply for Dog Registration from 1 <sup>st</sup> August for all dogs legally required to be registered from that date and pups that turn 3 months of age after that date. |                 |            |                 |
| <b>Dog Registration</b>   |                 |            |                 |
| 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         |
| Dangerous Dog   | \$434.78        | \$65.22    | \$500.00        |
| Penalty for payment received after 1 August   | \$17.39         | \$2.61     | \$20.00         |
| <b>Dog Impounding</b>   |                 |            |                 |
| First impounding  | \$40.00         | \$6.00     | \$46.00         |
| Second impounding   | \$53.05         | \$7.95     | \$61.00         |
| Third impounding  | \$106.96        | \$16.04    | \$123.00        |
| Daily charge  | \$12.61         | \$1.89     | \$14.50         |
| After hours opening fee   | \$35.66         | \$5.34     | \$41.00         |
| <b>Other charges</b>  |                 |            |                 |
| Microchipping   | \$26.09         | \$3.91     | \$30.00         |
| Replacement tags  | \$2.61          | \$0.39     | \$3.00          |
| 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         |

| <b>Ranging Charges</b>  |          |         |          |
|---|----------|---------|----------|
| <b>Note:</b>  |          |         |          |
| ▪ Pursuant to the Impounding Act 1955.  |          |         |          |
| Staff attendance at incidents of stock on roads including State Highways (per hour) | \$130.44 | \$19.56 | \$150.00 |
| Travel Costs (per km)   | \$0.87   | \$0.13  | \$1.00   |
| Minimum charge  | \$86.96  | \$13.04 | \$100.00 |

| <b>Impounding fees for stock (excluding dogs)</b>  | <b>excl GST</b> | <b>GST</b> | <b>incl GST</b> |
|--|-----------------|------------|-----------------|
| <b>Note:</b>   |                 |            |                 |
| ▪ Trespass rates shall be additional and as described in the Regulations to the Impounding Amendment Act 1980. |                 |            |                 |
| Impounding for every animal per day  | \$7.39          | \$1.11     | \$8.50          |
| Sustenance for every animal per day  | \$7.39          | \$1.11     | \$8.50          |
| Notice to owner by post or delivery  | \$7.39          | \$1.11     | \$8.50          |
| 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 droving]  | At cost         |            |                 |
| Minimum charge for any impounding  | \$104.35        | \$15.65    | \$120.00        |
| Minimum Charge for second and subsequent impounding of stock from same owner -additional fee.                  | \$156.53        | \$23.47    | \$180.00        |

| <b>Stock Droving</b>                  | <b>excl GST</b> | <b>GST</b> | <b>incl GST</b> |
|---------------------------------------|-----------------|------------|-----------------|
| <b>Stock Droving Fees</b>             |                 |            |                 |
| Non Ratepayers (fee per day of drove) | \$71.31         | \$10.69    | \$82.00         |
| Ratepayer (fee per day of drove)      | No Charge       |            |                 |
| <b>Holding Paddock Fees</b>           |                 |            |                 |
| All users (fee per night per paddock) | \$57.83         | \$8.67     | \$66.50         |

| <b>Emergency Management</b>  | <b>excl GST</b> | <b>GST</b> | <b>incl GST</b> |
|------------------------------|-----------------|------------|-----------------|
| <b>Emergency Management</b>  |                 |            |                 |
| Fire Permit Inspection       | No Charge       |            |                 |
| Travel Costs (per km)        | No Charge       |            |                 |
| Attendance at bylaw breaches | \$173.92        | \$26.08    | \$200.00        |

## Land Transport Group

| <b>Vehicle Crossings</b>   | <b>excl GST</b> | <b>GST</b> | <b>incl GST</b> |
|--|-----------------|------------|-----------------|
| <b>Notes:</b>  |                 |            |                 |
| <ul style="list-style-type: none"> <li>▪ 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.</li> <li>▪ 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.</li> <li>▪ Bond is refundable.</li> <li>▪ 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.</li> <li>▪ Extra charges will be applicable for development levies. These will be assessed on a case by case basis. Please contact Council for exact costs.</li> </ul> |                 |            |                 |
| Administration Fee payable at time of Vehicle Crossing application   | \$165.22        | \$24.78    | \$190.00        |
| Bond Administration Fee  | \$46.96         | \$7.04     | \$54.00         |

| <b>Plans and Consents</b>                    | <b>excl GST</b> | <b>GST</b> | <b>incl GST</b> |
|--|-----------------|------------|-----------------|
| Generic Traffic Management Plan (annual fee) | \$1,304.35      | \$195.65   | \$1,500.00      |
| Individual Traffic Management Plan           | \$49.57         | \$7.43     | \$57.00         |
| Corridor Access Request                      | \$105.22        | \$15.78    | \$121.00        |
| Generic Overweight Permit                    | \$165.22        | \$24.78    | \$190.00        |
| Individual Overweight Permit                 | \$105.22        | \$15.78    | \$121.00        |

| <b>Temporary Road Closure</b>          | <b>excl GST</b> | <b>GST</b> | <b>incl GST</b> |
|--|-----------------|------------|-----------------|
| Application                            | \$330.44        | \$49.56    | \$380.00        |
| Road Inspection Staff (per inspection) | \$215.66        | \$32.34    | \$248.00        |
| Travel Costs (per km)                  | \$0.87          | \$0.13     | \$1.00          |

| <b>Road Stopping</b> | <b>excl GST</b> | <b>GST</b> | <b>incl GST</b> |
|----------------------|-----------------|------------|-----------------|
| Application          | \$1,513.05      | \$226.95   | \$1,740.00      |

| <b>Livestock Crossing Permit</b> | <b>excl GST</b> | <b>GST</b> | <b>incl GST</b> |
|----------------------------------|-----------------|------------|-----------------|
| Application                      | \$165.22        | \$24.78    | \$190.00        |

| <b>Licence to Occupy – Road Reserve</b>   | <b>excl GST</b> | <b>GST</b> | <b>incl GST</b> |
|---|-----------------|------------|-----------------|
| <b>Note:</b>  |                 |            |                 |
| <ul style="list-style-type: none"> <li>▪ Pursuant to section 150 of the Local Government Act 2002.</li> </ul> |                 |            |                 |
| Application Fee   | \$215.66        | \$32.34    | \$248.00        |
| Annual Licence Fee (up to one acre (4000m <sup>2</sup> ))   | \$53.92         | \$8.08     | \$62.00         |
| Annual Licence Fee (larger than one acre (4000m <sup>2</sup> ))   | \$99.13         | \$14.87    | \$114.00        |

## 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 0.2m<sup>3</sup> 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 \$3.50/tonne carbon credits (GST exempt).

| <b>Refuse and Greenwaste</b>  | <b>excl GST</b>  | <b>Carbon credits</b> | <b>Waste Min Levy</b> | <b>GST</b>      | <b>incl GST</b> |
|---|--|-----------------------|-----------------------|-----------------|-----------------|
| <b>Landfill</b> (minimum charge of \$60.00)   |  |                       |                       |                 |                 |
| Standard Refuse (per tonne)   | \$120.87   | \$3.50                | \$10.00*              | \$18.13         | \$142.50        |
| Special/Difficult Refuse (per tonne)  | Actual Costs of disposal (Min standard refuse rate charge) |                       |                       |                 |                 |
| <b>Transfer Station - Refuse</b>  |  |                       |                       |                 |                 |
|   | <b>excl GST</b>  | <b>Waste Min Levy</b> | <b>GST</b>            | <b>incl GST</b> |                 |
| Car   | \$10.44  | \$0.65*               | \$1.56                | \$12.00         |                 |
| Van or ute with a contained load being either a Wheelie bin/drum/small wool sack/up to 2 bags | \$10.44  | \$0.65*               | \$1.56                | \$12.00         |                 |
| Utilities and Vans  | \$20.87  | \$1.58*               | \$3.13                | \$24.00         |                 |
| Trailers up to 2.0m long up to 1m high  | \$20.87  | \$1.58*               | \$3.13                | \$24.00         |                 |
| Utilities and Trailers up to 2.0m loaded above 1m high (per 0.5m)                             | \$10.44  | \$0.65*               | \$1.56                | \$12.00         |                 |
| Trailers up to 2.6m long up to 1m high  | \$31.31  | \$2.27*               | \$4.69                | \$36.00         |                 |
| Trailers up to 2.6m loaded above 1m high (per 0.5m)   | \$20.87  | \$1.58*               | \$3.13                | \$24.00         |                 |
| Trailers larger than above  | Per cubic metre rate                                       |                       |                       |                 |                 |
| Flat Deck Truck   | Landfill or measured m <sup>3</sup> rate                   |                       |                       |                 |                 |
| Other Truck   | Landfill or a pre agreed m <sup>3</sup> rate               |                       |                       |                 |                 |
| Per cubic metre (compacted)   | \$69.57  | \$4.18*               | \$10.43               | \$80.00         |                 |

| <b>Transfer Station – Refuse continued</b>         | <b>excl GST</b>               | <b>Waste Min Levy</b> | <b>GST</b> | <b>incl GST</b> |
|--|-------------------------------|-----------------------|------------|-----------------|
| 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   |                       |            |                 |

| <b>Transfer Station – Greenwaste</b>                              | <b>excl GST</b>                | <b>GST</b> | <b>incl GST</b> |
|---|--------------------------------|------------|-----------------|
| Car   | \$6.09                         | \$0.91     | \$7.00          |
| Wheeler bin/ drum/ small wool sack / up to 2 bags                 | \$6.09                         | \$0.91     | \$7.00          |
| Utilities and Vans  | \$10.44                        | \$1.56     | \$12.00         |
| Trailers up to 2.0m long up to 1m high                            | \$10.44                        | \$1.56     | \$12.00         |
| 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                            | \$20.87                        | \$3.13     | \$24.00         |
| Trailers up to 2.6m loaded above 1m high (per 0.5m)               | \$10.44                        | \$1.56     | \$12.00         |
| Trailers larger than above  | Per cubic metre rate           |            |                 |
| Flat Deck Truck   | Measured m <sup>3</sup> rate   |            |                 |
| Other Truck   | Pre agreed m <sup>3</sup> 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                       | \$3.48                           | \$0.52 | \$4.00  |
| Motorcycle                | \$1.74                           | \$0.26 | \$2.00  |
| 4x4                       | \$5.22                           | \$0.78 | \$6.00  |
| Truck                     | \$7.83                           | \$1.17 | \$9.00  |
| Tractor                   | \$22.18                          | \$3.32 | \$25.50 |
| 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

| <b>Water Supply</b>  | <b>excl GST</b>   | <b>GST</b> | <b>incl GST</b> |
|--|-------------------|------------|-----------------|
| <b>Charges for Water</b>   |                   |            |                 |
| <b>Notes:</b>  |                   |            |                 |
| <ul style="list-style-type: none"> <li>▪ Extraordinary users may be charged by private arrangement with Council.</li> <li>▪ Quarterly water billing will apply for metered water users.</li> <li>▪ Extra charges will be applicable for development levies. These will be assessed on a case by case basis. Please contact Council for exact costs.</li> </ul> |                   |            |                 |
| Tankered water (taken from standpipes) per m <sup>3</sup>  | \$3.04            | \$0.46     | \$3.50          |
| <b>Note:</b>   |                   |            |                 |
| <i>- for information only as this charge is a rate and is set as a rate</i>  |                   |            |                 |
| Water to metered properties per m <sup>3</sup>   | \$2.00            | \$0.30     | \$2.30          |
| <b>Common Charges</b>  |                   |            |                 |
| <b>Note:</b>   |                   |            |                 |
| <ul style="list-style-type: none"> <li>▪ 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.</li> </ul>  |                   |            |                 |
| Application fee  | \$108.70          | \$16.30    | \$125.00        |
| Inspection fee   | \$108.70          | \$16.30    | \$125.00        |
| Debt Recovery – hourly rate  | \$108.70          | \$16.30    | \$125.00        |
| Restrictor Fee   | \$217.39          | \$32.61    | \$250.00        |
|  | Plus actual costs |            |                 |
| Disconnections and Reconnections   | Contractors cost  |            |                 |
| Reconnection following Council imposed disconnection   | Contractors cost  |            |                 |
| New Connections  | Contractors cost  |            |                 |

## Wastewater (Sewerage) Group

| Sewerage  | excl GST           | GST  | incl GST   |                 |
|---|--------------------|--|------------|-----------------|
| <b>New Connections</b>  |                    |  |            |                 |
| <b>Notes:</b>   |                    |  |            |                 |
| <ul style="list-style-type: none"> <li>▪ Sewerage connections must be installed by a contractor approved by the Council for the installation of sewerage connections. Connections at the applicant's expense.</li> <li>▪ <b>Note:</b> Extra charges will be applicable for development levies. These will be assessed on a case by case basis. Please contact Council for exact costs.</li> </ul> |                    |  |            |                 |
| Application fee   | \$108.70           | \$16.30  | \$125.00   |                 |
| Inspection fee  | \$108.70           | \$16.30  | \$125.00   |                 |
| <b>Existing Connections</b>   |                    |  |            |                 |
| <b>Note:</b>  |                    |  |            |                 |
| <ul style="list-style-type: none"> <li>▪ Work and repair to existing connections to Council sewer main. All physical work associated with repair at applicant's expense.</li> </ul>   |                    |  |            |                 |
| Inspection fee  | \$108.70           | \$16.30  | \$125.00   |                 |
| <b>Discharge of Trade Waste</b>   |                    |  |            |                 |
| <b>Note:</b>  |                    |  |            |                 |
| <ul style="list-style-type: none"> <li>▪ 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.</li> </ul>  |                    |  |            |                 |
| <b>B Trade Waste Charges</b>  |                    |  |            |                 |
| <b>Category</b>   | <b>Description</b> | <b>excl GST</b>  | <b>GST</b> | <b>incl GST</b> |
| B1  | Volume             | Payment based on the volume discharged \$/m <sup>3</sup>   |            |                 |
|   | Waipukurau         | \$0.17   | \$0.02     | \$0.19          |
|   | Waipawa            | \$0.17   | \$0.02     | \$0.19          |
| B3  | Suspended solids   | Payment based on the mass of suspended solids \$/kg        |            |                 |
|   | Waipukurau ISS     | \$0.98   | \$0.14     | \$1.12          |
|   | VSS                | \$0.12   | \$0.01     | \$0.13          |
|   | Waipawa ISS        | \$1.26   | \$0.18     | \$1.44          |
|   | VSS                | \$0.17   | \$0.02     | \$0.19          |
| B4  | Organic loading    | Biochemical oxygen demand or chemical oxygen demand \$/kg. |            |                 |
|   | Waipukurau         | \$1.31   | \$0.19     | \$1.50          |
|   | Waipawa            | \$0.83   | \$0.12     | \$0.95          |
| B5  | Nitrogen           | Payment based on the defined form(s) of nitrogen \$/kg.    |            |                 |
|   | Waipukurau         | \$1.96   | \$0.29     | \$2.25          |
|   | Waipawa            | \$1.74   | \$0.26     | \$2.00          |
| B6  | Phosphorous        | Payment based on the defined form(s) of phosphorous \$/kg. |            |                 |
|   | Waipukurau         | \$6.48   | \$0.97     | \$7.45          |
|   | Waipawa            | \$5.23   | \$0.78     | \$6.01          |
| <b>Tankered Waste Charges</b>   |                    |  |            |                 |
| Tankered Wastes (per tanker load)   | \$102.61           | \$15.39  | \$118.00   |                 |

## Storm Water Group

| <b>Storm Water</b>  | <b>excl GST</b> | <b>GST</b> | <b>incl GST</b> |
|---|-----------------|------------|-----------------|
| <b>New Connections</b>  |                 |            |                 |
| <b>Note:</b>  |                 |            |                 |
| <ul style="list-style-type: none"> <li>▪ 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.</li> </ul>    |                 |            |                 |
| Application fee   | \$108.70        | \$16.30    | \$125.00        |
| Inspection fee  | \$108.70        | \$16.30    | \$125.00        |
| <b>Existing Connections</b>   |                 |            |                 |
| <b>Note:</b>  |                 |            |                 |
| <ul style="list-style-type: none"> <li>▪ 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.</li> </ul> |                 |            |                 |
| Inspection fee  | \$108.70        | \$16.30    | \$125.00        |

## Recreation and Community Facilities

| <b>Parks and Reserves</b>  | <b>excl GST</b> | <b>GST</b> | <b>incl GST</b> |
|--|-----------------|------------|-----------------|
| <b>Note:</b>   |                 |            |                 |
| <ul style="list-style-type: none"> <li>Fees for Parks and Reserves are set and collected under the FM Contract.</li> </ul>   |                 |            |                 |
| <b>Pourerere Beach Freedom Camping</b>   |                 |            |                 |
| <b>Note:</b>   |                 |            |                 |
| <ul style="list-style-type: none"> <li>For permits issued for a one week period between the 20th December and 6th February each summer. At all other times <b>no</b> fee applies.</li> </ul> |                 |            |                 |
| Booking Administration Fee   | \$30.44         | \$4.56     | \$35.00         |

| <b>Library Charges</b>  | <b>excl GST</b>  | <b>GST</b>         | <b>incl GST</b>     |
|---|--|--------------------|---------------------|
| <b>Notes:</b>   |  |                    |                     |
| <ul style="list-style-type: none"> <li>All residents of Central Hawke's Bay have free membership.</li> <li>Charges are reduced at librarian's discretion as books and magazines get older.</li> </ul> |  |                    |                     |
| <b>Rental Books</b>   |  |                    |                     |
| Hardback  | \$0.87   | \$0.13             | \$1.00              |
| Paperback   | \$0.71   | \$0.11             | \$0.90              |
| Trade paperback   | \$0.87   | \$0.13             | \$1.00              |
| Magazines   | \$0.61   | \$0.09             | \$0.70              |
| 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)  | \$5.66 -<br>\$21.31  | \$0.84 -<br>\$3.19 | \$6.50 -<br>\$24.50 |
| Books for Sale  | Librarians discretion  |                    |                     |
| Lost books  | Charged at replacement cost (purchase price minus discount (if any), plus 30% administration charge) |                    |                     |
| <b>Other Charges</b>  |  |                    |                     |
| DVDs per week   | \$4.35   | \$0.65             | \$5.00              |

| <b>Photocopying / Printing</b>   |         |        |         |
|--|---------|--------|---------|
| <b>Note:</b>   |         |        |         |
| <ul style="list-style-type: none"> <li>▪ There is no discount if the customer has supplied their own paper.</li> </ul> |         |        |         |
| A4 Single Sided per sheet  | \$0.18  | \$0.02 | \$0.20  |
| A4 Double Sided per sheet  | \$0.35  | \$0.05 | \$0.40  |
| 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  | \$2.18  | \$0.32 | \$2.50  |
| A1 Single Sided per sheet  | \$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  | \$8.70  | \$1.30 | \$10.00 |
| <b>Laminating</b>  |         |        |         |
| A4 size  | \$1.74  | \$0.26 | \$2.00  |
| A3 size  | \$3.48  | \$0.52 | \$4.00  |
| <b>Miscellaneous</b>   |         |        |         |
| Replacement Library Cards  | \$2.61  | \$0.39 | \$3.00  |
| Book Covering  | \$2.61  | \$0.39 | \$3.00  |
| Bond for temporary membership  | \$17.39 | \$2.61 | \$20.00 |
| Road Code Bond   | \$8.70  | \$1.30 | \$10.00 |

## Cemeteries and Crematoria

### Notes:

- Ex Service Personnel No charges are made for plots or niches for ex service personnel and their spouses/partners (as defined by the Veterans Affairs) in the Veterans 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.

| <b>Burial Plot Fees</b>  | <b>excl GST</b>  | <b>GST</b> | <b>incl GST</b> |
|--|--|------------|-----------------|
| Burial Plots - adult   | \$565.22   | \$84.78    | \$650.00        |
| 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)<br>(caskets up to 400mm x 340mm) | No charge  |            |                 |
| Ashes or Crematorium Berm  | \$180.00   | \$27.00    | \$207.00        |
| Crematorium Garden Plot  | \$222.61   | \$33.39    | \$256.00        |
| Crematorium Family Garden Area (8 plots)   | \$1,785.22   | \$267.78   | \$2,053.00      |
| Crematorium Family Garden Area (10 plots)  | \$2,231.31   | \$334.69   | \$2,566.00      |
| <b>Interment Fees</b>  |  |            |                 |
| Standard – including public holidays and weekends  | \$617.39   | \$92.61    | \$710.00        |
| Children 12 & Under and Stillborn - including public holidays and weekends   | No charge  |            |                 |
| Ashes  | \$156.53   | \$23.47    | \$180.00        |
| <b>Miscellaneous Charges</b>   |  |            |                 |
| Permits for headstones   | \$37.39  | \$5.61     | \$43.00         |
| Permits for plaques  | \$19.13  | \$2.87     | \$22.00         |
| Permits for renovations  | No charge  |            |                 |
| Search Fee   | \$33.05  | \$4.95     | \$38.00         |
| <b>Disinterment and Re-interment</b>   | Every disinterment and/or re-interment shall be at a fee set by the Council based on actual cost plus 20%. |            |                 |

| <b>Council Chamber</b>   | <b>excl GST</b> | <b>GST</b> | <b>incl GST</b> |
|--|-----------------|------------|-----------------|
| <b>Note:</b>   |                 |            |                 |
| <ul style="list-style-type: none"> <li>▪ 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.</li> </ul> |                 |            |                 |
| Minimum Charge   | \$52.18         | \$7.82     | \$60.00         |
| Hourly Charge  | \$26.09         | \$3.91     | \$30.00         |

| <b>Retirement Housing</b>   | <b>excl GST</b>   | <b>GST</b> | <b>incl GST</b> |          |
|---|-------------------|------------|-----------------|----------|
| <b>Notes:</b>   |                   |            |                 |          |
| <ul style="list-style-type: none"> <li>▪ 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.</li> <li>▪ New tenancies that occur during the year, may be negotiated at rentals which exceed the below.</li> <li>▪ Rentals are reviewed annually.</li> </ul> |                   |            |                 |          |
| Kingston Place Waipawa or Ruahine Place<br>Waipukurau (per week)  | Single Occupancy  | \$88.70    | \$13.30         | \$102.00 |
|   | Married Occupancy | \$96.53    | \$14.47         | \$111.00 |
| Wellington Road Waipukurau (per week)   | Single Occupancy  | \$101.74   | \$15.26         | \$117.00 |
|   | Married Occupancy | \$111.31   | \$16.69         | \$128.00 |

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# 11. Rates Remission and Postponement Policies

## *Community Contribution Remission Policy*

### OBJECTIVE OF THE POLICY

To assist clubs that 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 any branch of art.
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 where a club licence under the Sale of Liquor Act 1989 is in force.
4. The policy will not apply to organisations that engage in the above mentioned sporting or community services, as a secondary purpose only.
5. The policy shall apply to such organisations as approved by the Chief Financial Officer and the Chief Executive, as meeting the relevant criteria.
6. The extent of any remission to any qualifying organisation shall be as determined by the Chief Financial Officer and the Chief Executive.
7. 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).
8. 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 Club Rebate Remission Policy will be reviewed every 3 years as part of the triennial Long Term Plan Process.

## ***Club Rebate Remission Policy***

### **OBJECTIVE OF THE POLICY**

To facilitate the ongoing provision of non-commercial community services and recreational opportunities for the District.

### **CONDITIONS AND CRITERIA**

The 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 any branch of art.
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 Chief Financial Officer 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.
8. The Community Contribution Remission Policy will be reviewed every 3 years as part of the triennial Long Term Plan Process.

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## ***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 Maori Freehold Land Policy***

### **The Policy**

The Central Hawke's Bay District Council recognises the complex problems involved when dealing with Maori land, and has formulated a policy (the Maori 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 Maori 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**

Maori 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 Maori Land Register is as follows:

- It must be Maori 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.

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## ***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.
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 Maori 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.

## 12. Development Contributions Policy

### Background

Central Hawke's Bay District Council (CHBDC) plays a significant role in facilitating and coordinating development and providing infrastructure in a timely and affordable manner. It is an essential part of CHBDC business to take into account the social, economic, and cultural interests of people and communities to meet reasonably foreseeable needs of future generations. This is a strategic role that individuals, the community, the private sector or central government cannot fulfil alone. The effects of growth require CHBDC to incur capital expenditure acting on behalf of the wider community to provide new or additional network or community infrastructure. Development contributions are a funding tool through which new development is specifically targeted and required to contribute to the capital cost of network and community infrastructure resulting from growth.

CHBDC is required to have a range of financial and funding policies to provide predictability and certainty about sources and levels of funding for future sustainability of the District. These include a policy on development contributions under section 102(2)(d) of the Local Government Act 2002.

Under this development contributions policy a development contribution will be payable for any development which creates an additional unit of demand within:

- all catchments in the district for water, wastewater and stormwater; and
- in the Waipukurau catchments for play equipment on Russell Park; and
- for a new cycleway between Waipawa and Waipukurau.

No contributions are sought for community centres, halls, public toilets or reserves. Existing facilities are deemed adequate to provide for the potential future demand created through growth under both scenarios.

### Growth Prediction

CHBDC has had a report prepared by Sean Bevin to provide an Assessment of "Central Hawkes Bay District Long-Term Growth Environment and Outlook 2014-2046" (Bevin Report) to guide long-term infrastructural, asset management and development contribution strategies and policies. The Bevin Report analysed two scenarios:

- Scenario 1: the economic growth outlook for the CHBD for the Long-Term Plan (LTP) period 2015-2025 and for the following 21 year period based on historical growth trends excluding the potential impacts resulting from the implementation of the RWSS and;
- Scenario 2: which takes into account the above baseline growth outlook and the full implementation of the RWSS as currently envisaged by Butcher Partners and Nimmo Bell Ltd as prepared for the Hawkes Bay Regional Investment Company.

Under Scenario 1, there is minimal population growth: 13,300 to 13,500 (1.1% over the 2013-2026 period) and then the population proceeds to decline (from 13,300 to 13,000 (2013-2046). Despite this minimal growth, the property rate base of the district expands as is the number of household units. This appears to be activity created through an increased demand for rural lifestyle, urban and coastal living.

Over 2013 to 2026, the Scenario 1 number of households in the District is projected to increase from the 2013 Census figure of 5,333 to 5,750, that is, a gain of 417 or approximately 8%. This compares with the figure of 11.1% for 2001-2013. Over 2026-2046, further household growth of 266 or 4.6% is projected. The District projections take into account the historical trend in household numbers, falling levels of household occupancy due to social changes in the community and projected population growth in the area. Highest household growth in numerical terms over the 2013-2046 period is projected for the Elsthorpe-Flemington, Waipukurau, Waipawa and Tikokino CAUs.

Under Scenario 2, the population is projected to increase from 13,300 in 2013 to 14,850 in 2026. This projected level of population growth would be needed to generate the local workforce required for the RWSS construction stage and to meet the additional demand for on-farm labour and support services created by RWSS. A

population of 16,370 is anticipated in 2046. Under Scenario 2, the number of District households is projected to increase from 5,333 in 2013 to 6,000 in 2026 and 6,820 in 2046. The gain over the full projection period is therefore 1,487 or 28%. The total number of District households in Year 2046 under Scenario 2 is projected to be up 810 or 13.5% on the Scenario 1 total. Highest household growth in numerical terms again over the 2013-2046 period is projected for the Elsthorpe-Flemington, Waipukurau, Waipawa and Tikokino CAUs.

## Growth Implications for Network and Community Infrastructure

The need for new infrastructure or upgraded capacity for existing infrastructure in Scenario 1 described above is largely driven by but not limited to the following factors:

- There is a demand for infill housing primarily in the more urbanised areas. For the period 2013-2026 household growth is anticipated to be about 8%. Although more houses are being built this does not necessarily translate into more people residing in an area. Fewer people per household are projected by Statistics New Zealand. This is probably due to the ageing population. People, as they age, are moving from the rural environment to the urban. In many cases, parents move into smaller more urbanised properties and farms are either sold or transferred within the family. The district's population neither substantially grows nor declines, but does result in an increase in household units and in the number of ratable properties. This results in a shift in demand for housing and infrastructure. This follows a national trend where areas may have a projected decrease in population but there may be a projected increase in households. This places pressure on existing infrastructure and generates the additional demand for new infrastructure in certain areas.
- There is some demand for "greenfield" development within existing settlements and supply catchments. This is driven by similar factors as those for infill housing.
- There is an actual and anticipated demand for housing in coastal settlements for holiday homes. The demand for coastal housing has been relatively stable for some time. This appears to be attributable to the slowdown caused by the recession. There is still however demand for coastal land and this tends to focus on existing settlements in order to meet the requirements of the Regional Policy Statement and the District Plan. An economic recovery may well result in increased demand for land and consequential impact on infrastructure.
- Some potential exists for larger scale industrial development in Waipukurau, particularly if there is an upturn in the economic environment.
- The regulatory environment is changing and requires higher standards of infrastructure. As on-site wastewater treatment systems age and begin to fail on the fringes of reticulated areas, there is a demand to connect to reticulated infrastructure. This either places pressure on existing infrastructure by demanding increased capacity or may require the development of new infrastructure.
- Climate change in future has the potential to create a demand for larger capacity stormwater systems to cope with increased intensity and duration of rainfall. This also needs to be considered in conjunction with increased demand for stormwater treatment systems in the urban areas and coastal areas as a result of increased impermeable surfaces from greenfield and infill development. In this policy however, no major capital stormwater works are proposed, so contributions will not be levied - except in the case of an extraordinary user creating a need for more stormwater infrastructure.
- The community infrastructure contribution is taken to provide for new or upgraded play equipment in the Waipawa and Waipukurau catchments as a result of greenfields residential development and urban infill housing.
- The need for new infrastructure or upgraded capacity for existing infrastructure in Scenario 2, described above, is largely driven by factors in Scenario 1 plus the additional anticipated circumstances.

- The construction work and supporting reticulation for the RWSS and the farming land catchment is almost all located in the Tikokino Central Area Unit (CAU) of the District. It is therefore assumed that there will be increased demand for worker accommodation and support infrastructure both pre and post construction. This may have an impact on infrastructure requiring increase in capacity of the existing infrastructure and development of new infrastructure.
- There is likely to be significantly enhanced business opportunities for construction, engineering, irrigation, transport storage and community and retail services. Although there is adequate industrial land available for the LTP period, there is likely to be increased pressure on existing infrastructure to cope with increased demand for infrastructural services. Commercial demand is likely to be in Waipukurau, Elsthorpe-Flemington and Tikokino CAU's

## **Demand Summary**

Based on the assumptions and scenarios posed in the Bevin Report and outlined in Section 3 Growth Implications for Network and Community Infrastructure contributions for new or expanded infrastructure (including community infrastructure) is anticipated in the following geographic catchments.

## **Water Infrastructure**

| <b>WAIPUKURAU CATCHMENT</b>   |
|---|
| <p>Improve reticulation network by increasing pipe size<br/> <i>Remove the constriction from the existing Network <b>plus</b> expand the pipework for additional capacity to allow of future development.</i></p> |
| <p>Waipukurau Pukeora pumping station second supply<br/> <i>Install new pumping system to allow for additional capacity required from the expected development.</i></p>   |
| <p>Waipukurau water treatment installation<br/> <i>New treatment plant</i></p>  |
| <p>Upgrade/size existing Takapau Rd Main<br/> <i>Addition pipe work will be installed to allow for the projected increase in demand for water along Takapau Rd.</i></p>   |
| <p>Improve reticulation network by increasing pipe size<br/> <i>Remove the constriction from the existing Network <b>plus</b> expand the pipework for additional capacity to allow of future development.</i></p> |
| <b>WAIPAWA CATCHMENT</b>  |
| <p>Waipawa water treatment installation (net of subsidy)<br/> <i>New treatment plant</i></p>  |
| <p>Improve reticulation network by increasing pipe size<br/> <i>Remove the constriction from the existing Network <b>plus</b> expand the pipework for additional capacity to allow of future development.</i></p> |
| <b>TAKAPAU CATCHMENT</b>  |
| <p>Nil</p>  |
| <b>OTANE CATCHMENT</b>  |
| <p>Construct a new main into town via White Rd<br/> <i>This project will future proof the supply to town plus increase the supply to allow for new development.</i></p>   |

## Wastewater Infrastructure

|  |
|--|
| <b>WAIPUKURAU CATCHMENT</b>  |
| Upgrade Mt Herbert Road pumping station<br><i>Increase capacity to allow additional user onto the network.</i> |
| <b>WAIPAWA CATCHMENT</b>   |
| Waipawa trunk main renewal<br><i>Increase capacity to allow for the expansion of the system for new users.</i> |
| <b>TAKAPAU CATCHMENT</b>   |
| Takapau wastewater treatment upgrade<br><i>Provide additional treatment capacity for new users.</i>            |
| <b>OTANE CATCHMENT</b>   |
| Otane wastewater treatment upgrade<br><i>Provide additional treatment capacity for new users.</i>              |
| <b>PORANGAHAU CATCHMENT</b>  |
| Porangahau wastewater treatment upgrade<br><i>Provide additional treatment capacity for new users.</i>         |
| <b>TE PAERAHI CATCHMENT</b>  |
| Te Paerahi wastewater treatment upgrade<br><i>Provide additional treatment capacity for new users.</i>         |

## Stormwater Infrastructure

|                             |
|-----------------------------|
| <b>WAIPUKURAU CATCHMENT</b> |
| Nil                         |
| <b>WAIPAWA CATCHMENT</b>    |
| Nil                         |

## Land Transport

|   |
|---|
| <b>LAND TRANSPORT</b>   |
| Cycleways – Creation of a new cycleway between Waipawa and Waipukurau.<br><i>This project is to provide cycle access between the two towns. The driver in this scenario is the changing residential population requires more access to open space activities and good access to places of employment and social facilities.</i> |

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## Purpose

The key purpose of the development contributions policy is to ensure that new growth funds infrastructure needed to support new residents and business, and those who cause the need for and benefit from that infrastructure fund a fair share of the cost of infrastructure to meet that growth. Funding should therefore be sourced from the community or communities that benefit from the development. Development contributions are not a tool to fund the cost of maintaining infrastructure or changing levels of service for existing users. Those costs will be met from other sources.

## Principals and Approach

The primary involvement of CHBDC in the development process is to ensure that the social, economic, environmental and cultural wellbeing of the community is provided for. While driven by demand, the level of service is directed by the community outcomes contained in the LTP. CHBDC is therefore not directly in the business of developing commercial or industrial, housing or tourism ventures but instead is required to provide for sustainable development by setting appropriate standards.

Development that results in additional dwellings, buildings and activity, in turn impacts on CHBDC's services infrastructure. This impact must be recognised and mitigated. Those causing the impact should meet the costs associated with upgrading infrastructure where that upgrading occurs due to development pressure. Where costs can be identified as a result of development impact, they should be quantified. Such costs should then be borne by those who generated them. The market by itself will not achieve the coordinated response required to develop the networks.

A fair and equitable approach needs to be taken to fund the provision of infrastructure having regard to existing and future populations. The existing population has already made a considerable investment in services. Those initiating new development benefit from connecting to or using existing services and should pay their fair share of capital expenditure.

A development contribution may be required in relation to developments if the effect of the development is to require new or additional assets or assets of increased capacity and where as a consequence CHBDC incurs capital expenditure. The effect of a development includes the effect that a development may have in combination with another development.

A development contribution may also be collected and used to pay for expenditure already incurred by CHBDC in anticipation of capital costs. These effects have been quantified or will be quantified and used to calculate development contributions for specific services.

To enable a simple application of the policy CHBDC has set the minimum basic standard for demand as an equivalent household unit (EHU). Any activity that in CHBDC's opinion uses CHBDC's network infrastructure to a greater extent than that of a single household unit will be assessed in multiples of household units as covered under the section headed "Extraordinary Users" in this policy.

## Adoption, Implementation and Review

Following CHBDC adopting this policy, is anticipated that the policy will be updated in 3 yearly intervals, or at shorter periods if CHBDC deems it necessary to take account of:

- changes to the assumptions around which the development contributions policy has been established;
- changes if the RWSS results in different effects from those anticipated by the Bevin Report;
- changes resulting from the phasing in of new or amended strategic plans or documents;
- changes in central government legislation or Regional Council policy;
- change in the rate of population or dwelling growth or the pattern or location of development;
- addition or deletion of a growth related capital project or other changes in the capital works programme;
- changes to the operative District Plan or variations to the proposed District Plan that affect changes in zone or residential density;

- significant changes in cost assumptions for infrastructure;
- correction of errors or omissions in the infrastructural cost estimates;
- incorporating any relevant actual costs of completed projects;
- any changes resulting from developer agreements and consequent cost apportionment; or
- any other matters CHBDC considers relevant.

## **Limitations to the Application of Development Contributions**

CHBDC will not require a development contribution in the following cases:

- Where it has, under Section 108(2)(a) of the RMA, 1991 imposed a condition on a resource consent in relation to the same development for the same purpose; or
- Where the developer will fund or otherwise provide for the same network or community infrastructure
- Where CHBDC has already required a development contribution for the same purpose or work
- Where CHBDC has received or will receive funding from a third party for those works.

## **Requirements for and Use of Development Contributions**

Nothing in this policy will prevent CHBDC from requiring, as a condition of resource consent, the provision of works and services internal to or on the boundaries of the development site in order to connect it to existing infrastructural services, except where such works are provided for in the LTP. These works may include but not be limited to, services connections, private vehicle crossings extension of roading or utilities infrastructure, etc. In some cases, CHBDC may agree to vest new assets in CHBDC additional infrastructure in lieu of development contributions, but this will be assessed on a case by case basis.

CHBDC will use development contributions only for the purpose for which they were intended. Where CHBDC anticipates funding from a third party for any part of the growth component of the infrastructure then this proportion will be excluded from the total estimated growth component funded by development contributions.

### **Roading**

The Central Hawke's Bay road network is extensive servicing a relatively low population, has severe geotechnical conditions and is subject to weather extremes. The network itself is generally of a high standard and of a high value. No major roading capital expenditure is anticipated. It is however possible that this will need to be revised in the event of an increase in truck and other heavy vehicle movements, in future, resulting from increased primary production supported by water from the RWSS.

Provision is made for development contributions to be taken for a cycleway between Waipukurau and Waipawa. This is driven by new lots created by subdivision, the erection of new residential units, additions to existing residential dwellings where the size and scale of habitable rooms are increased. A development contribution for the cycleway will be required at resource consent stage prior to the land use or subdivision consent for residential purposes being exercised. In circumstances where a new or expanded activity is a permitted activity under the rules in the District plan a development contribution will be required from residential users at building consent stage. Construction work or connection to the network will not be permitted unless the contribution has been paid.

In the event of significant subdivision development all changes to the road network directly caused by the development (internally and/or externally) are to be completed by the developer at the developers' expense based on the criteria set out in the NZS 4404 and Hastings District Council Engineering Code of Practice 2011.

### **Water, Wastewater and Stormwater**

A water, wastewater and stormwater contribution is required in the identified catchments to address the overall impact of growth on CHBDC infrastructure.

The cost of new or expanded water, wastewater and stormwater infrastructure has been estimated and surplus capacity in the network has been identified. New connection costs are then calculated on the basis of an existing/new user split for reticulation and headworks. The payment of the contribution by new users will put them on an equal basis with existing users. All users then have an equal financial interest in the network. This enables the cumulative effect of additional connections joining the system and either depleting the networks spare capacity or resulting in demand for new infrastructure. An appropriate level of service to the community is then maintained.

All changes to the utility network directly caused by the development (internally or externally) are to be constructed by the developer at the developers' expense and completed to CHBDC standards. The developer will therefore meet the full actual cost of the water supply, wastewater or stormwater disposal system to the development.

Contributions for water, wastewater and stormwater will be used for the works identified in but can generally be described as:

- increasing the capacity of pipes, pumps, and storage, treatment and disposal facilities;
- providing new pipes, pumps, and storage, treatment and disposal facilities;
- extension of piped infrastructure to service additional areas;
- increasing the capacity of drains, culverts and other structures;
- extension of the drainage network to service other areas;
- land purchase and easements;
- purchase of new playground equipment
- modelling networks to assess the impact of development.

Any development outside of the identified catchments has not been anticipated as part of the existing reticulation network. Any request to extend services or infrastructure outside of the determined areas will need to be specifically assessed through a separate development agreement.

The purpose of the contribution is to address the cumulative change in standards required as an effect of incremental subdivision or development.

### **Reserves**

No contributions will be taken for reserves as it is anticipated that the existing reserve network is adequate to provide for growth.

### **Community Infrastructure**

Community infrastructure in the form of new or additional playground equipment is required for the neighbourhood reserves in the Waipukurau. This is to accommodate the growth in these catchments caused by new residential lots created by subdivision, the erection of new residential units, additions to existing residential dwellings where the size and scale of habitable rooms are increased.

## **Timing, Invoicing and Payment of Contributions**

CHBDC will assess whether development contributions are payable when:

- a resource consent is granted (for either a subdivision or land use consent);
- a building consent is granted;
- a certificate of acceptance is issued for work situated in its district; and
- an authorisation for a service connection is granted.

Contributions will be levied at the resource consent stage for either subdivision or land use consents granted under the RMA, 1991. Where a new activity or expanded activity permitted by the District Plan occurs the development contribution will be payable at Building Consent stage or at connection to the network. This is considered appropriate for:

- Practicality of implementation and efficient cost collection
- Economies of scale in implementation costs
- Fairness
- Provides best and most accurate means of calculating development cost, facilitating project management and allocating budgets.

Final payment of the contribution will need to occur prior to the issue of the Section 224 completion certificate under the RMA, 1991. For development, final calculation, invoicing and payment will need to occur on uplifting the Resource Consent. For permitted activities calculation, invoicing and payment will need to occur on uplifting the Building Consent or on request for a connection to the network.

## **Remission, Postponement, Refunds, Non-Payment and Reimbursement**

### **Non Payment of Development Contributions and Refunds**

The provisions of sections 208 and 209 LGA 2002 shall apply. Until payment of a development contribution is received CHBDC may:

- if a development contribution was required when a resource consent was granted:
  - withhold the section 224(c) RMA certificate (if the resource consent was a subdivision consent)
  - prevent the commencement of a resource consent under the RMA
- if a development contribution was required when a building consent was granted, CHBDC may withhold the code compliance certificate under the Building Act 2004
- Where a contribution is required at connection stage withhold the service connection.

CHBDC will refund contributions in the following circumstances:

- if a resource consent lapses, under section 125 of the Resource Management Act 1991;
- if a resource consent is surrendered, under section 138 of the RMA 1991;
- if the building consent under the Building Act 2004 is withdrawn;
- if the development for which the resource consent or building consent was granted does not proceed; or
- if CHBDC does not provide the infrastructure for which the contribution was required.

Retention of a portion of the contribution incurred by CHBDC may be retained in accordance with section 209(2) of the Local Government Act 2002. The refund will generally be of the payment made plus interest earned less 1% of the total for administration.

### **Reimbursement**

Reimbursement may be considered in circumstances where a developer undertakes to construct works upon resolution of CHBDC and has requested through the LTP or annual plan process or through a signed developer agreement that reimbursement be provided where:

- the project has been built and satisfactorily completed at the time the request is assessed by CHBDC;
- the project has been committed through the letting of a contract at the time the request is assessed by CHBDC and evidence is provided to CHBDC of that contractual obligation; or
- CHBDC has accepted that the development confers some public benefit.

Where reimbursement has been provided for in the LTP or Annual Plan budget, payment will be made to the developer as subdivision occurs, or earlier should CHBDC resolve. The timing of a re-imbursements will be specifically stipulated in any develop agreement.

Development contributions will be required at the subdivision stage or development stage and only for the infrastructure outlined.

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## **Transitional Provisions**

It is proposed that this Policy will apply to applications for resource consent, building consent or service connection received after 30 June 2015.

In all other cases, CHBDC will apply the provisions of the previous Development Contributions Policy.

## **Private Development Agreements**

CHBDC reserves the discretion to enter into a Private Development Agreement with a developer for the provision of infrastructure to meet the special needs of development. This scenario is anticipated in circumstances where significant developments occur and require new capital expenditure to cater for growth and no budgeted capital expenditure has been provided and no development contribution has been set or the development requires a level of service of a type or scale that is not readily assessed in terms of units of demand.

CHBDC may enter into a developer agreement if:

- the developer has requested in writing that CHBDC enter into an agreement with the developer; or
- CHBDC has requested in writing that the developer enter into an agreement with CHBDC.

The developer must provide information to CHBDC on the demands of the development including detailed calculations in terms of units of demand.

The agreement must state departures from the standard process and calculations and the reasons for entering the agreement. The agreement must also specify land to be vested in CHBDC, works to be undertaken on or off-site, timeframes for when infrastructure will be provided and financial contributions for the provision or upgrading of existing services.

CHBDC may:

- accept the request;
- accept the request in part;
- decline the request; or
- accept the request subject to any agreed amendments.

CHBDC must provide the developer with written notice of its decision and the reasons for it.

A developer who receives a request from CHBDC to enter into a developer agreement may in a written response to CHBDC accept the request in whole or part subject to any agreed amendments or decline the request.

## **Reconsideration and Objections Process**

The Local Government Act 2002 requires CHBDC to provide a mechanism for:

- reconsideration of requirement for development contributions; and
- objection to assessed amount of development contributions.

### **Reconsideration**

An applicant may request a reconsideration of a development contribution to correct any errors in calculation or resolve any misunderstandings around the design or location of a development.

The applicant may request CHBDC to reconsider the development contribution if the applicant has grounds to believe that:

- the development contribution was incorrectly calculated or assessed under this policy;
- CHBDC incorrectly applied this policy; or
- the information used to assess the applicant's development against this policy, or the way CHBDC recorded or used it when requiring a contribution, was incomplete or contained errors.

A request for reconsideration must be made in writing stating which of the above matters the applicant believes CHBDC erred on, and decided according to the following procedure:

The written request shall be considered by the Chief Executive Officer in discussion with the Delegations Committee. The applicant will be advised in writing of the decision and any amendments.

The request must be made within 10 working days after the date on which the application received notice or invoice for payment of the development contribution.

Reconsideration cannot be requested if the applicant has already lodged an objection.

### **Objection**

An applicant may lodge an objection with CHBDC for a review by an independent commissioner/s.

The applicant may object if there are grounds to believe CHBDC:

- failed to properly take into account features of the development that would substantially reduce the demand on CHBDC's infrastructure;
- required a development contribution for community facilities not required by, or related to, the applicant's development;
- required a development contribution in breach of section 200 of the Local Government Act 2002; or
- incorrectly applied this development contributions policy to the applicant's development.

The commissioner's decision is binding on both parties.

The following costs incurred by CHBDC shall be recovered from the applicant:

- costs incurred during selection, engagement and employment of the development contributions commissioner/s;
- administrative support costs of the objections process; and
- costs incurred preparing for, organising and holding the hearing (fees and allowances for witnesses appearing at the hearing to be paid by the party on behalf the witness is called).

### **Lodgement of an Objection**

The objector must lodge an objection within 15 working days after the date on which the objector received a notice from CHBDC on the total development contribution required. If an objector has received notice of an outcome of a reconsideration (as detailed above), the 15 day working period begins on the day after the date the objector received the notice of the reconsideration outcome.

The objection must:

- be in writing;
- set out the grounds and reasons for the objection;

- 
- the relief sought; and
  - whether the objector wishes to be heard on the objection.

CHBDC may, at its discretion, allow an objection notice to be served after the 15 day working period if it is satisfied exceptional circumstances exist.

The objector may withdraw their notice of objection by service of the withdrawal on CHBDC and any development contributions commissioner appointed to decide the objection.

### **Selection of Development Contributions Commissioners**

CHBDC must, as soon as practicable following receipt of an objection notice, select no more than 3 development contributions commissioners to decide the objection.

The development contribution commissioners must:

- be selected from persons named in a register appointed by the Minister;
- not be an elected member or employee of CHBDC;
- not be a board member, shareholder, owner, or contractor of the objector;
- in the opinion of CHBDC have collectively or individually have the skills, knowledge and experience to:
  - a. conduct a fair and appropriate hearing; and
  - b. understand and determine the principal matters in contention.

If CHBDC selects more than one commissioner, it shall appoint one of them as the Chairperson.

### **Development Contributions Commissioners to set Date of Exchange for Evidence**

The commissioners must give parties notice of the date by which briefs of evidence relating to the objection must be exchanged. The briefs of evidence shall be exchanged not less than 10 working days before:

- commencement of the hearing; or
- if there is no hearing, a date fixed by the commissioners.

Statements of **evidence** referred to in a brief of evidence must be provided to:

- each appointed commissioner;
- CHBDC; and
- the objector.

### **Obligation to Hold A Hearing**

A hearing on an objection need not be held if the objector does not wish to be heard, or has agreed that no hearing is required. A hearing is also not required if the commissioners are satisfied having regard to the nature of the objection and the evidence already provided that they are able to determine the objection without a hearing.

### **Hearing date and notice**

If a hearing is to be held the commissioners must fix the date, time and place of the hearing. Notice of the hearing must be served on CHBDC and the objector at least 5 working days before the date of the hearing.

### **Replies to brief of evidence where no hearing is held**

If no hearing is held, a development contributions commissioner may direct that that CHBDC and the objector provide written replies to each other's evidence and provide copies of those replies to the commissioners. The

direction shall stipulate the period within which written replies must be served on the commissioners, CHBDC and the objector.

### **Development Contribution Objection Hearings**

If a hearing is required it must be held at the date, time and place specified above. The commissioners must establish a process that is appropriate and fair in the circumstances and avoids unnecessary formality and where appropriate recognises tikanga Maori. The hearing does not need to be held in public.

### **Decisions on Objections**

The Commissioners must give a decision in writing irrespective whether a hearing is held. The decision must:

- uphold all or part of the objection; or
- dismiss all or part of the objection.

The decision may quash, or require that amendments be made to, the requirement for a development contribution. The decision must state:

- the reasons for the decision;
- a summary of the issues that were contention; and
- the relevant provisions of CHBDC's development contributions policy that required the contribution; and
- a summary of the evidence presented.

The decision may not direct a change to a development contributions policy but may pass comment on the policy.

Written copies of the Commissioners decision must be served on the objector and CHBDC.

The decision must be given within 15 working days after the end of the hearing, or if no hearing is held, the last day of the commissioner's consideration of the evidence.

## **Development Contributions Calculations and Assumptions**

This section outlines the specific contribution required for each of the following assets:

- Roading including cycleways
- Water
- Stormwater
- Wastewater
- Community infrastructure.

Contributions methodology can be briefly described as:

- Assess capital expenditure for growth on an asset by asset basis per geographic catchment area based on Scenario 1
- Apportion capital expenditure for growth by calculating the anticipated population growth for each Central Area Unit in the Bevin report. This is then apportioned on a per EHU basis to derive the contribution amount.

### **GST**

Development contributions specified in Appendix B are exclusive of GST at the current rate.

## **Land Transport**

The calculation formula is:

$$C = (\text{Capital Works} - \text{Contributions by other sources}) \times \text{New User Share} / \text{Est no. of new users over 10 years}$$

### **Assumptions for Land Transport**

The assumptions in the formula are:

- A contribution towards the costs is anticipated from other sources most likely New Zealand Transport Authority. This amount will be deducted from the capital cost prior to the contribution being calculated.
- Contributions for the cycleway will only be sought from residential growth
- The combined split between ratepayers and NZTA is expected to be 93% with developer contributions making up 7% of the cost.
- The geographic catchment is shown on the Maps attached as Appendix A2 and the summarised development contributions table for the two scenarios is in Appendix B.

### **Cycleways**

As a result of growth CHBDC will need to spend \$250,000 on the cycleway between Waipukurau and Waipawa. CHBDC having considered s101(3) matters considers \$17,500 of capital expenditure should be recovered through development contributions in Scenario 1. The appropriate unit of demand is an EHU. The CHBDC anticipates that over the next 10 years there will be 170 units of demand and, therefore the development contribution per unit of demand is \$102.90.

## **Water, Wastewater and Stormwater Formula and Assumptions**

The formula applied to residential users for a single new domestic connection for water, wastewater and stormwater is:

$$C = (\text{Capital Works for catchment} \times \text{New User Share}) / \text{Est. no of new users over 10 years}$$

### **Assumptions for Water, Wastewater and Stormwater**

- The calculations take into account where new or expanded infrastructure is required. The total cost is apportioned over the maximum number of new users equating to a \$ value per lot.
- Where an extraordinary user constitutes a significant percentage of the total network usage that user will have its development contribution assessed up to an equivalent number of residential connections.
- The maximum number of lots possible is the maximum number of lots allowable under the District Plan for the site(s) being developed.
- The ratepayer contribution is expected to be 93% with developer contributions making up 7% of the cost.
- The respective geographic catchments are shown on the Maps attached as Appendix A1 and the summarised development contributions table for the two scenarios is in Appendix B.

### **Wastewater Waipukurau**

As a result of growth CHBDC will need to spend \$4,697,437. CHBDC having considered s101(3) matters considers \$328,820 of capital expenditure should be recovered through development contributions in Scenario 1. The appropriate unit of demand is an EHU. The CHBDC anticipates that over the next 10 years there will be 112 units of demand and, therefore the development contribution per unit of demand is \$2,936.

### **Wastewater Waipawa**

As a result of growth CHBDC will need to spend \$3,612,427. CHBDC having considered s101(3) matters considers \$252,870 of capital expenditure should be recovered through development contributions in Scenario 1. The appropriate unit of demand is an EHU. The CHBDC anticipates that over the next 10 years there will be 58 units of demand and, therefore the development contribution per unit of demand is \$4,360.

### **Wastewater Otane**

As a result of growth CHBDC will need to spend \$700,000. CHBDC having considered s101(3) matters considers \$49,000 of capital expenditure should be recovered through development contributions in Scenario 1. The appropriate unit of demand is an EHU. The CHBDC anticipates that over the next 10 years there will be 16 units of demand and, therefore the development contribution per unit of demand is \$3,063.

### **Wastewater Takapau**

As a result of growth CHBDC will need to spend \$700,000. CHBDC having considered s101(3) matters considers \$49,000 of capital expenditure should be recovered through development contributions in Scenario 1. The appropriate unit of demand is an EHU. The CHBDC anticipates that over the next 10 years there will be 15 units of demand and, therefore the development contribution per unit of demand is \$4,200.

### **Wastewater Porangahau**

As a result of growth CHBDC will need to spend \$600,000. CHBDC having considered s101(3) matters considers \$4,200.00 of capital expenditure should be recovered through development contributions. The appropriate unit of demand is an EHU. The CHBDC anticipates that over the next 10 years there will be 10 units of demand (EHU) and, therefore the development contribution per unit of demand is \$4,200.

### **Wastewater Te Paerahi**

As a result of growth CHBDC will need to spend \$600,000. CHBDC having considered s101(3) matters considers \$4,200.00 of capital expenditure should be recovered through development contributions. The appropriate unit of demand is an EHU. The CHBDC anticipates that over the next 10 years there will be 10 units of demand (EHU) and, therefore the development contribution per unit of demand is \$4,200.

### **Water Waipukurau**

As a result of growth CHBDC will need to spend \$1,627,929. CHBDC having considered s101(3) matters considers \$113,955 of capital expenditure should be recovered through development contributions in Scenario 1. The appropriate unit of demand is an EHU. The CHBDC anticipates that over the next 10 years there will be 112 units of demand and, therefore the development contribution per unit of demand is \$1,017.

### **Water Waipawa**

As a result of growth CHBDC will need to spend \$554,941. CHBDC having considered s101(3) matters considers \$38,846 of capital expenditure should be recovered through development contributions in Scenario 1. The appropriate unit of demand is an EHU. The CHBDC anticipates that over the next 10 years there will be 58 units of demand and, therefore the development contribution per unit of demand is \$670.

### **Water Otane**

As a result of growth CHBD will need to spend \$1,400,000. CHBDC having considered s101(3) matters considers \$98,000 of capital expenditure should be recovered through development contributions in Scenario 1.

The appropriate unit of demand is an EHU. The CHBDC anticipates that over the next 10 years there will be 27 units of demand (EHU) and, therefore the development contribution per unit of demand is \$6,125.

### **Stormwater Waipukurau**

As a result of growth CHBD will need to spend \$95,000. CHBDC having considered s101(3) matters considers \$6,650 of capital expenditure should be recovered through development contributions in Scenario 1. The appropriate unit of demand is an EHU. The CHBDC anticipates that over the next 10 years there will be 13 units of demand (EHU) and, therefore the development contribution per unit of demand is \$512.

### **Extraordinary Users for Water, Wastewater and Stormwater**

Extraordinary users (EU) are all users other than standard residential users whose water usage, wastewater generation or stormwater runoff is expected to exceed that of a standard residential user. Extraordinary users include agriculture, industrial, commercial and institutional. If usage is not expected to exceed standard residential user requirements, then the standard residential development contribution will apply. Where the usage exceeds those of a standard residential unit development contributions (DC) will be calculated on an equivalent household unit basis.

Based on modelling and knowledge of CHBDC's infrastructure the standard residential demand is:

Water – 820 litres per residential unit per day

Wastewater – 615 litres per residential unit per day

Stormwater – 430 litres per residential unit

The extraordinary user will need to provide CHBDC with modelling calculations to determine their anticipated demand. This demand will be reduced to EHU and multiplied by the development contribution figure for water, wastewater and stormwater set out in Appendix B and Section 12.4 above.

### **Community Infrastructure**

The formula is:

$C = (\text{Capital Works} - \text{Contributions by other sources}) \times \text{New User Share} / \text{Est no. of new users over 10 years}$

### **Assumptions for Community Infrastructure**

The assumptions in the formula are:

- Development contributions will be taken only from residential development in Waipukurau and Waipawa
- The total cost is apportioned over the maximum number of new users equating to a \$ value per lot.
- The ratepayer contribution is expected to be 93% with developer contributions making up 7% of the cost.

### **District Community Infrastructure**

As a result of growth CHBDC will need to spend \$568,500 on Russell Park play equipment. CHBDC having considered s101(3) matters considers \$39,795 of capital expenditure should be recovered through development contributions. The appropriate unit of demand is an EHU. The CHBDC anticipates that over the next 10 years there will be 227 units of demand and, therefore the development contribution per unit of demand is \$175.00.

## Glossary of Terms

| Term                             | CHBDC Meaning  |
|----------------------------------|--|
| <b>Connection</b>                | <p>Means in the case of:</p> <ul style="list-style-type: none"> <li>(a) Roads: The creation of a site that has physical or legal access to a Public road or approved vehicle crossing from the property to a public road.</li> <li>(b) Utility System: The connection to a CHBDC operated and managed water, Wastewater (Sewer) or Stormwater reticulation.</li> </ul>   |
| <b>Development</b>               | <p>As set out in the LGA 2002 S197</p> <ul style="list-style-type: none"> <li>• means— <ul style="list-style-type: none"> <li>(a) any subdivision or other development that generates a demand for reserves, network infrastructure, or community infrastructure; but</li> <li>(b) does not include the pipes or lines of a network utility operator.</li> </ul> </li> </ul>   |
| <b>Development Contribution</b>  | <p>As set out in the LGA 2002 S197</p> <ul style="list-style-type: none"> <li>• means a contribution— <ul style="list-style-type: none"> <li>(a) provided for in a development contribution policy included in the long-term plan of a territorial authority; and</li> <li>(b) calculated in accordance with the methodology; and comprising— <ul style="list-style-type: none"> <li>(i) money; or</li> <li>(ii) land, including a reserve or esplanade reserve (other than in relation to a subdivision consent), but excluding Māori land within the meaning of Te Ture Whenua Maori Act 1993, unless that Act provides otherwise; or</li> <li>(iii) both</li> </ul> </li> </ul> </li> </ul> |
| <b>Equivalent Household Unit</b> | <p>The type of unit of demand that equates to a single average house hold.</p>   |
| <b>Headworks</b>                 | <p>Headworks describe the pumping station/treatment/Bores etc part of the network. For Water this occurs at the start of the network where the water is extracted from the bores. For Wastewater and Stormwater headworks means the main pumping stations, treatment ponds, discharge structures etc that occur at the end of the network.</p>   |
| <b>Network Infrastructure</b>    | <p>Means the provision of roads and other transport, water, wastewater, and stormwater collection and management.</p>  |
| <b>LTP</b>                       | <p>Long Term Plan.</p>   |

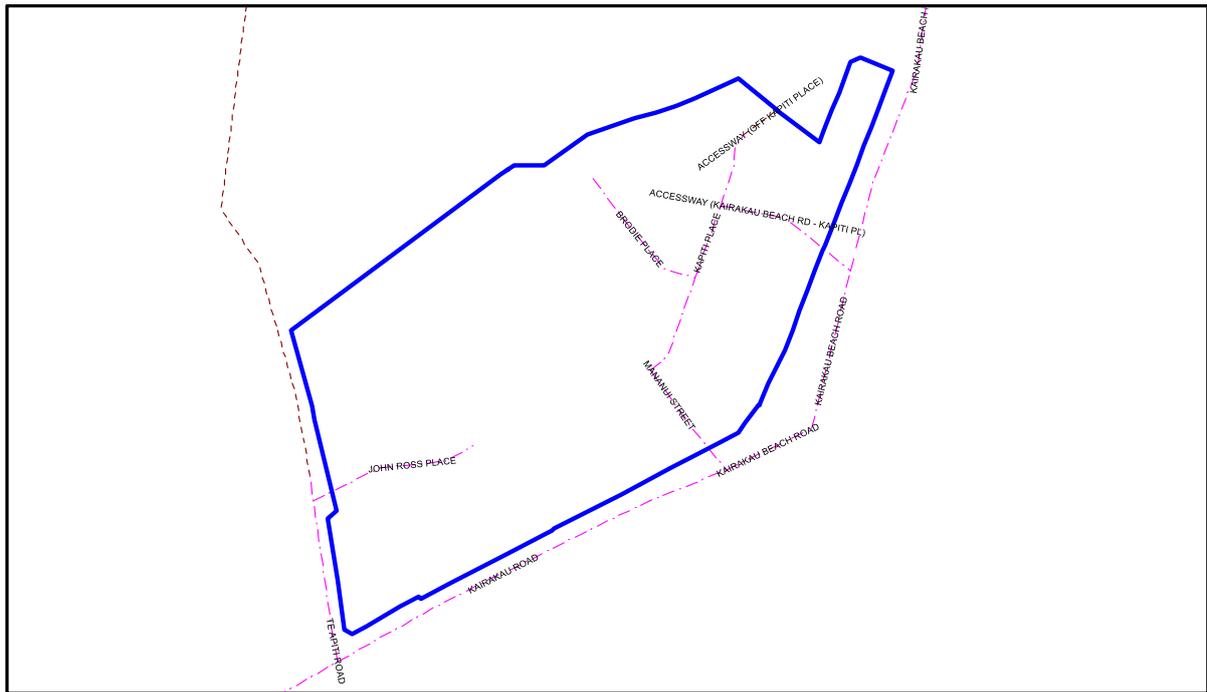
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|                       |  |
|-----------------------|--|
| <b>Utility System</b> | CHBDC owned and managed Water, Wastewater (Sewer) and/or Stormwater network. |
|-----------------------|--|

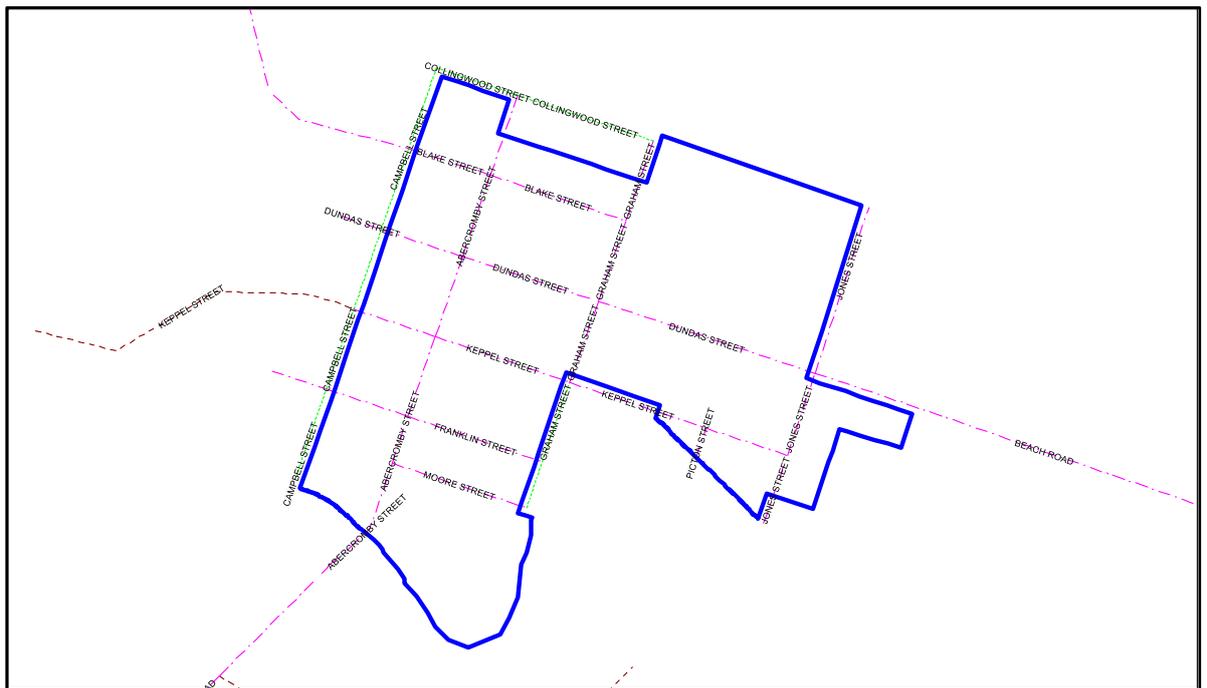




Kairakau

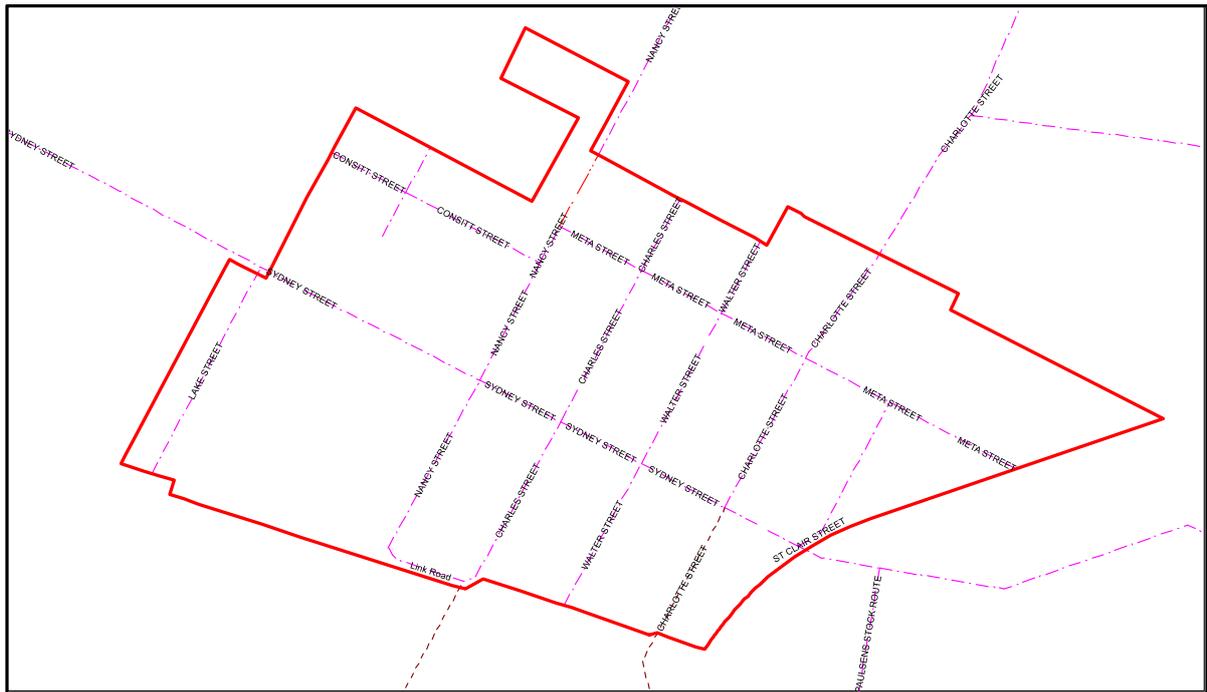


Porangahau

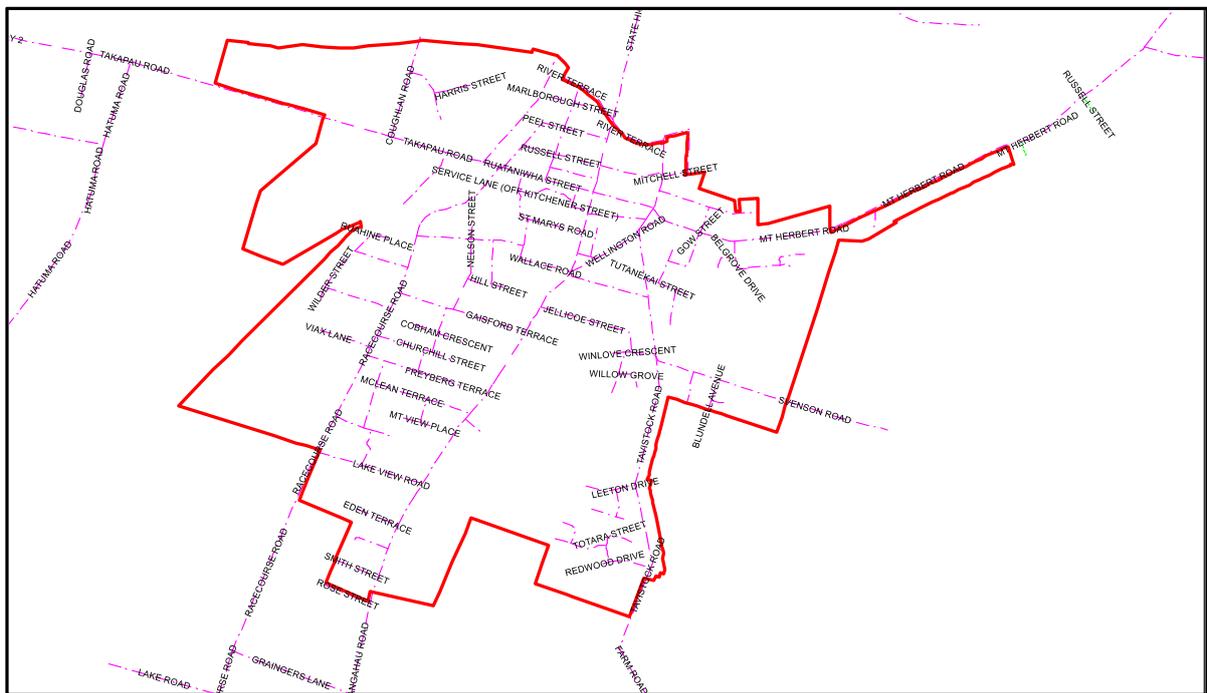




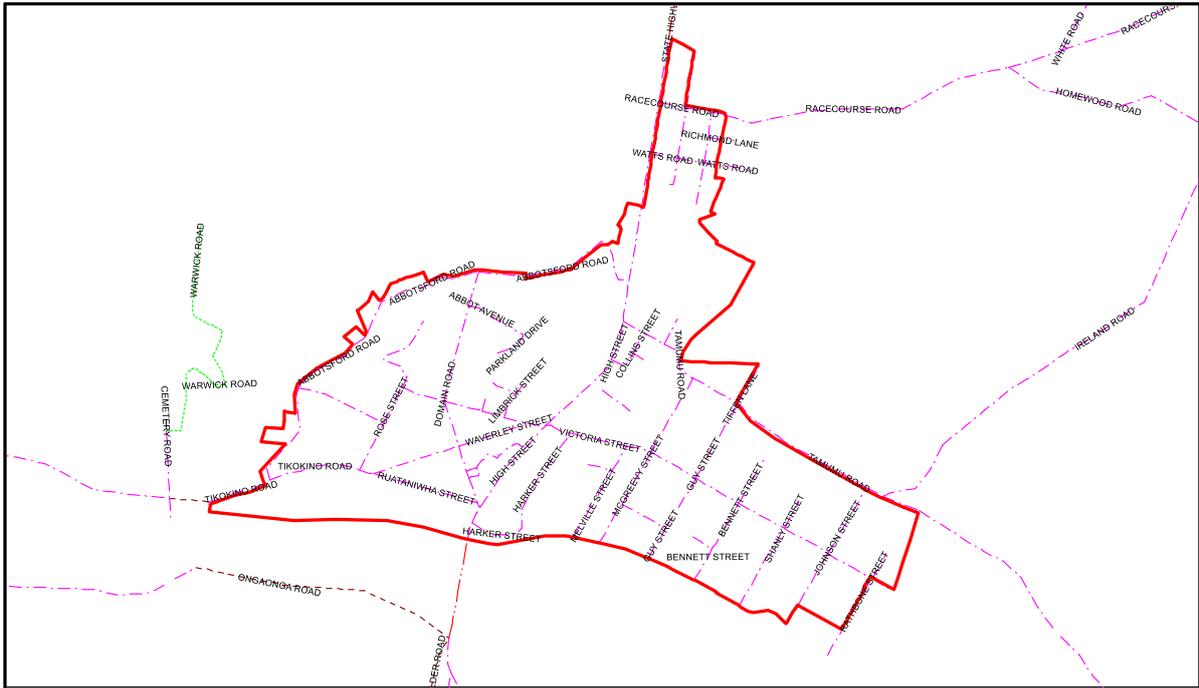
Takapau



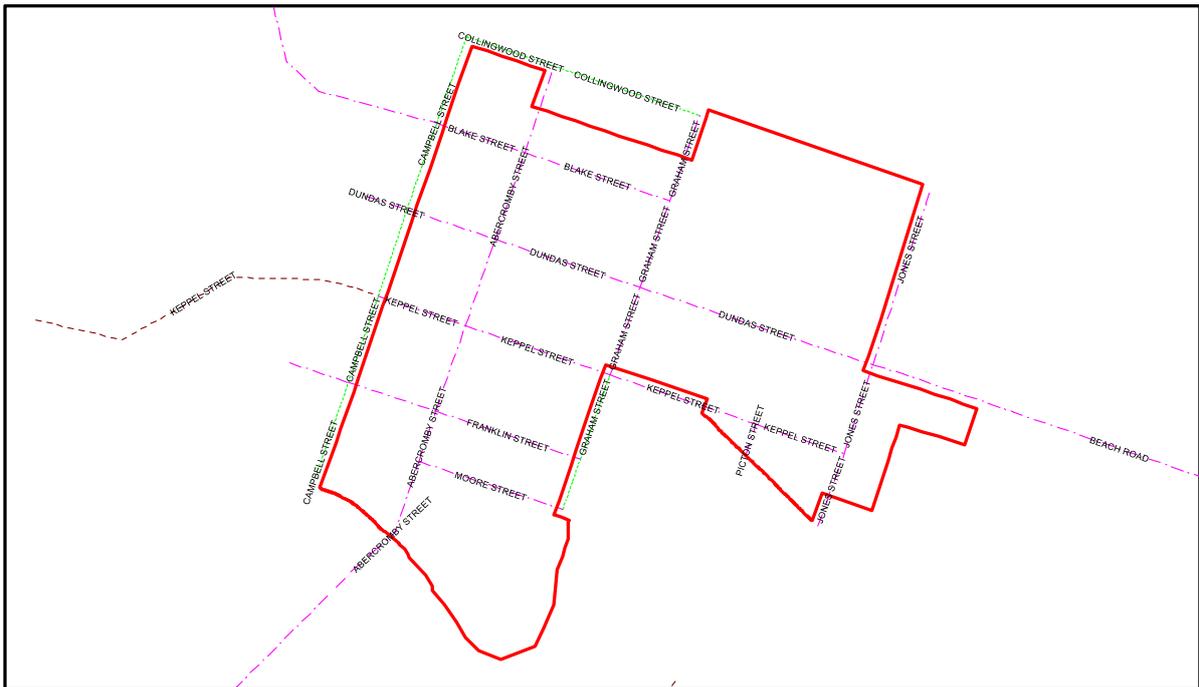
Waipukurau



Waipawa

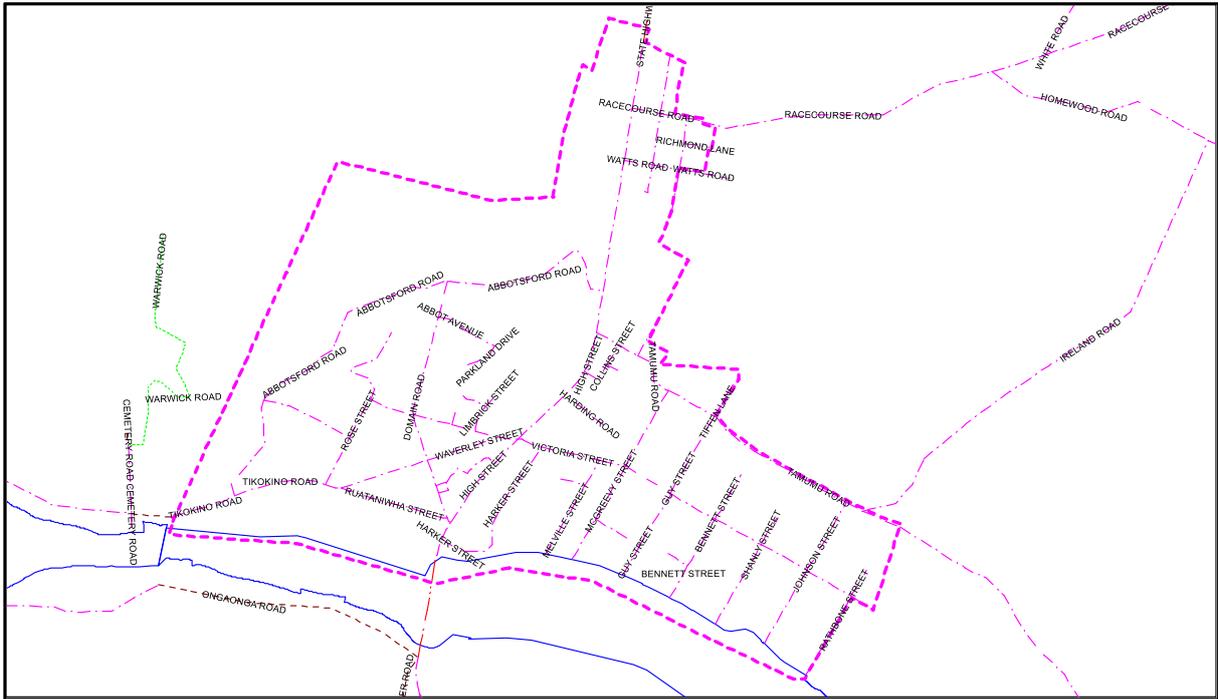


Porangahau

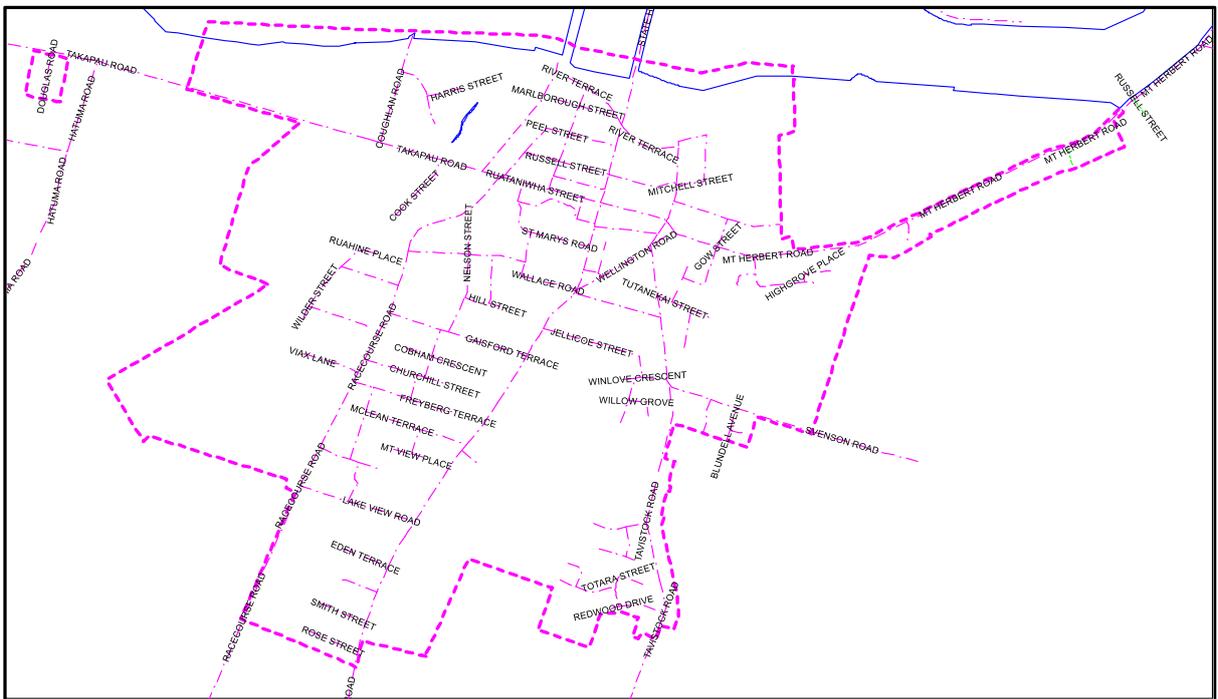




Waipawa



Waipukurau





## APPENDIX B – Development Contributions Table

| Current Development Levies as at 1 July 2015  |                            |             |                    |          |      |
|---|----------------------------|-------------|--------------------|----------|------|
|   |                            |             |                    | Gst rate | 1.15 |
| <b>Capital Contribution levies for Water</b>  |                            |             |                    |          |      |
|   |                            |             |                    |          | EHU  |
| <b>Area</b>   | <b>Total Capital Works</b> | <b>Levy</b> | <b>Inc GST 15%</b> |          |      |
| Otane   | \$1,400,000.00             | \$6,125.00  | \$7,043.75         |          | 16   |
| Takapau   | \$0.00                     | \$0.00      | \$0.00             |          | 15   |
| Waipukurau  | \$1,627,929.00             | \$1,017.00  | \$1,169.55         |          | 112  |
| Waipawa   | \$554,941.00               | \$670.00    | \$770.50           |          | 58   |
| Kairakau  | \$39,192.00                | \$457.00    | \$525.55           |          | 6    |
| Porangahau  | \$0.00                     | \$0.00      | \$0.00             |          | 10   |
| Te Paerahi  | \$0.00                     | \$0.00      | \$0.00             |          | 10   |
| <b>Capital Contribution levies for Sewer</b>  |                            |             |                    |          |      |
|   |                            |             |                    |          |      |
| <b>Area</b>   | <b>Total Capital Works</b> | <b>Levy</b> | <b>Inc GST 15%</b> |          |      |
| Otane   | \$700,000                  | \$3,063.00  | \$3,522.45         |          | 16   |
| Takapau   | \$700,000                  | \$3,267.00  | \$3,757.05         |          | 15   |
| Waipukurau  | \$4,697,437                | \$2,936.00  | \$3,376.40         |          | 112  |
| Waipawa   | \$3,612,427                | \$4,360.00  | \$5,014.00         |          | 58   |
| Porangahau  | \$600,000                  | \$4,200.00  | \$4,830.00         |          | 10   |
| Te Paerahi Beach  | \$600,000                  | \$4,200.00  | \$4,830.00         |          | 10   |
| <b>Capital Contribution levies for Storm Water</b>                                    |                            |             |                    |          |      |
|   |                            |             |                    |          |      |
| <b>Area</b>   | <b>Total Capital Works</b> | <b>Levy</b> | <b>Inc GST 15%</b> |          |      |
| Otane   | \$0.00                     | \$0.00      | \$0.00             |          | 16   |
| Takapau   | \$0.00                     | \$0.00      | \$0.00             |          | 15   |
| Waipukurau *  | \$95,000.00                | \$512.00    | \$588.80           |          | 112  |
| * This levy ONLY applies to Rose Street projects                                      |                            |             |                    |          |      |
| Waipawa   | \$0.00                     | \$0.00      | \$0.00             |          | 58   |
| Porangahau  | \$0.00                     | \$0.00      | \$0.00             |          | 10   |
| Te Paerahi Beach  | \$0.00                     | \$0.00      | \$0.00             |          | 10   |
| Kairakau Beach  | \$0.00                     | \$0.00      | \$0.00             |          | 6    |
| Blackhead Beach   | \$0.00                     | \$0.00      | \$0.00             |          | 0    |
| <b>Capital Contribution levies for Play Ground Development</b>                        |                            |             |                    |          |      |
|   |                            |             |                    |          |      |
| <b>Area</b>   | <b>Total Capital Works</b> | <b>Levy</b> | <b>Inc GST 15%</b> |          |      |
| District wide   | \$568,500                  | \$175.00    | \$201.25           |          | 227  |
| Park is available for whole District  |                            |             |                    |          |      |
| <b>Capital Contribution levies for Land Transport for Residential Devepoment Only</b> |                            |             |                    |          |      |
|   |                            |             |                    |          |      |
| <b>Area</b>   | <b>Total Capital Works</b> | <b>Levy</b> | <b>Inc GST 15%</b> |          |      |
| Waipukurau & Waipawa  | \$0                        | \$103.00    | \$118.45           |          | 170  |

## 13. Significance & Engagement Policy

The Local Government Act 2002 introduced the matter of 'significance' to local government. Any matters, issues, or assets deemed 'significant' require extensive consultation requirements. Each local authority must define its own 'significance' as a matter which may be of great significance to a small local authority could be found to be of minimal or no significance in relation to a large local authority when considering:

- a) The impact on the well-being of the district or region;
- b) Consequences for persons likely to be particularly affected, and
- c) The operational or financial capacity of the local authority to perform its role.

### INTRODUCTION

Section 76AA of the Local Government Act 2002 requires that every local authority adopts a policy setting out its general approach to determining the significance of proposals and decisions in relation to issues, assets and other matters.

This Council has a history and a culture of consultation on significant issues both informally and formally and especially through the Annual Plan process. In order to meet its legal requirements Council has adopted the following policy.

### Purpose of Policy

The purpose of this policy is to set out the Councils approach to determining the significance of matters on which it makes decisions, and to broadly guide the decision making and engagement approach to be undertaken, proportionate to the significance of the issue.

### Determining the Degree of Significance

Significance is a continuum ranging from very low degrees of significance (**not important**) to very high degrees of significance (**very important or critical**).

The further along the continuum the more likely a matter will become "**Significant**" and that will influence the approach the Council undertakes in engaging with the community and obtaining community views.

Three key considerations in determining the degree of significance are:

#### A. STRATEGIC ASSETS

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

## B. FINANCIAL THRESHOLDS

A decision will be deemed significant if:

- It incurs operational expenditure exceeding 5.0% of the Council's consolidated annual operating budget for that year.
- Incurs new capital expenditure on any one proposal in the first three years of the Council's plan, exceeding 10% of Council's consolidated annual capital budget for that year.

## C. OTHER CONSIDERATIONS

In considering whether any issue, proposal, decision or other matter is of significance under this policy Council will also be guided by the following criteria:

- The number of people affected and the extent of the consequence;
- The financial implication on the Council's overall resources will be substantial;
- The level of public interest;
- Reversibility, how easily a decision can be undone;
- The consistency of the matter with existing Council policy, plans and documents;
- A decision to significantly alter the intended service level for any significant activity;
- Any transfer of ownership or control, or the disposal or abandonment of a strategic asset as a whole as defined by this policy.

Each of these criteria will be assessed to form a general understanding of the degree of significance and importance of the decision. A single criterion in isolation is not necessarily determinative of significance.

## Linking Decision Making and Engagement

The degree of significance and importance of the decision will guide the Council as to the approach it takes in making the decision and obtaining community views in respect of the decision.

Proposals which are assessed at the higher end of the continuum of significance will require a more in-depth decision making process e.g. more in-depth analysis and if necessary a greater level of engagement and opportunity for the community to put forward their views.

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.

***The Council will have regard to the consultation spectrum below to determine its engagement approach and will:***

- Recognise that different levels of participation are appropriate for different issues and different members of the community;
- Consider which level(s) of participation to use, on a case-by-case basis;
- Make it clear which levels of participation we are using, and why;
- Seek the appropriate degree of community input;
- Use the level of inform as a minimum standard in all our consultations.

### **LEVEL OF COMMUNITY PARTICIPATION**

Inform      Ask      Involve      Collaborate      Empower



*Increasing community involvement in and impact on decision-making*

*(See Appendix (A) for a broad list of the types of engagement methods)*

## Significant Decisions

For significant matters (which do not require the use of the Special Consultative Procedure) the Council will broadly undertake the following steps:

- Seek preliminary community views prior to formulating a proposal for formal feedback where practicable;
- Undertake targeted engagement where directly affected parties are identified;
- Put in appropriate processes to hear community views
- Inform the affected community of the decision

Significant decisions in relation to land or a body of water must take into account the relationship of Maori and their culture and traditions with their ancestral land, water, sites, waahi tapu, valued flora and fauna, and other taonga.

## Procedures to Ensure Compliance

All reports by officers to Council seeking a decision will include a statement addressing the issue of significance. ***If the proposal is considered to be significant:***

- (1) 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,
- (2) The proposal will generally be subject to peer review, in a manner determined by the Council.

***If the proposal is not significant, but has a high degree of significance,*** (1) above also applies.

## Guiding principles

The principles of consultation (Section 82) as set out within the Local Government Act 2002 will guide Councils approach.

### 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.*

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**APPENDIX A - EXAMPLES OF ENGAGEMENT METHODS**

| <b>Levels of Participation</b> | <b>This means:</b>   | <b>Examples:</b>   |
|--------------------------------|--|--|
| Inform                         | Providing clear, balanced information to assist citizens to understand problems and issues, as well as the options, alternatives and solutions considered, along with communicating the Councils performance. This level is likely to be used once a decision has been taken.  | Annual Report<br>Educational material<br>CHB Banter<br>Website                               |
| Ask                            | Seeking feedback from the community, including views on the relevant issues, opportunities and different options; then throughout the process keeping the community informed, listening and acknowledging concern, and providing feedback on how their input influenced the decision. This level may be used where there may be diverse interests/ views that the Council needs to find out and weigh up before making a decision. | Special Consultative Procedure<br>Submissions<br>Feedback forms<br>Surveys<br>Other research |
| Involve                        | Working with the community throughout the decision-making process to ensure their issues and concerns are identified, understood and considered. This level may be used where is it likely that there is a consensus view or a single community is affected.   | Public seminars and workshops<br>Working Parties<br>Collaborative Design Processes           |
| Collaborate                    | Partnering with the community in each aspect of the decision, including developing alternatives and choosing solutions. This level may be used where decisions are truly shared between the Council and the community or where it is not just Council's resources that are involved. The Council will not own the decision alone, and will be a joint participant in a broader process or partnership.                             | Joint Committee<br>Community Plans<br>Trusts   |
| Empower                        | Placing final decision-making in the hands of the community. This level may be used where implementing the decision is a community responsibility, and Council wishes to provide assistance e.g. by providing resources etc.   | Council elections<br>Referendum  |

*NOTE: The table above represents examples of the types of engagement tools the Council may apply depending on the level of community participation sought. This list is not definitive and not intended as a mandatory requirement.*

## **14. Maori Contribution to Decision Making**

### **Maori Representation**

The purpose of the Maori representation is to provide advice to Council.

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 Morry Black 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 memorandum of understanding for consideration of Maori views in Council decision making.

### **Maori Wards**

The Local Electoral Act 2001 gives Council the ability to establish separate wards for Maori 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 Maori roll.

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

Council conducted a representation review in 2011 and resolved that "Council does not establish Maori ward/s as provided for in the Local Electoral Act 2001, at this time."

## 15. Long Term Plan Disclosure Statement

### Long-term plan disclosure statement for period commencing 1 July 2015

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.

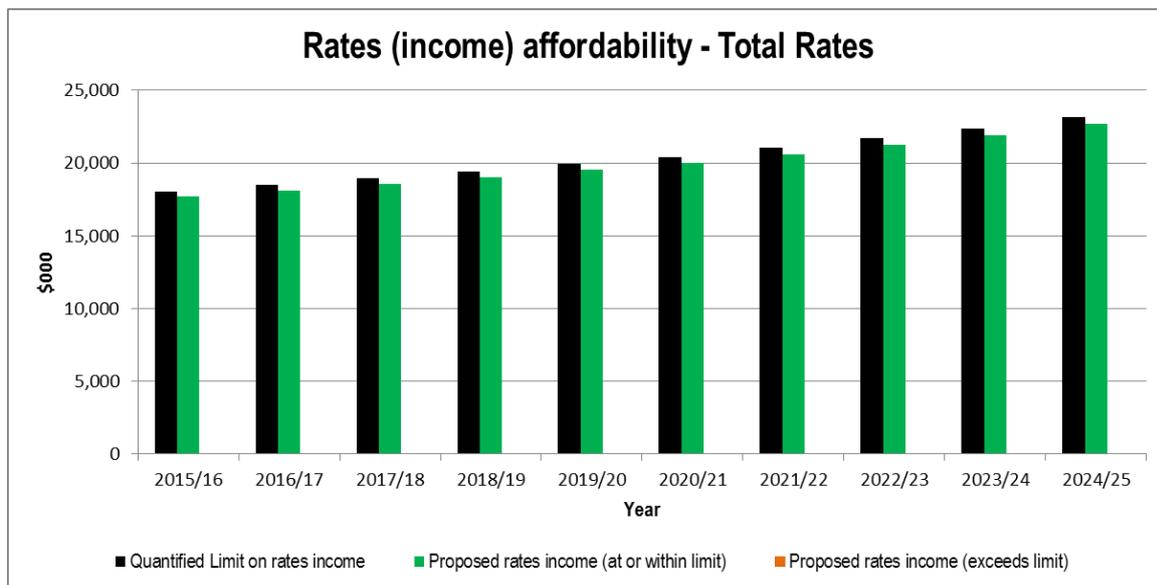
### Rates Affordability Benchmark

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.

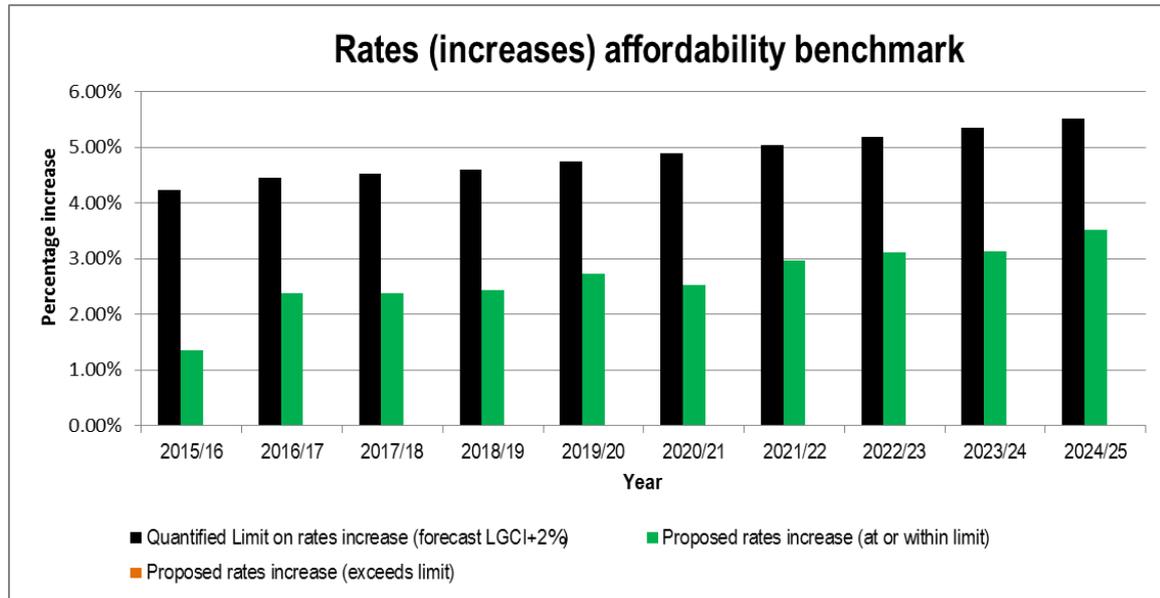
### Rates (income) affordability

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 + 2%



### Rates (increase) affordability

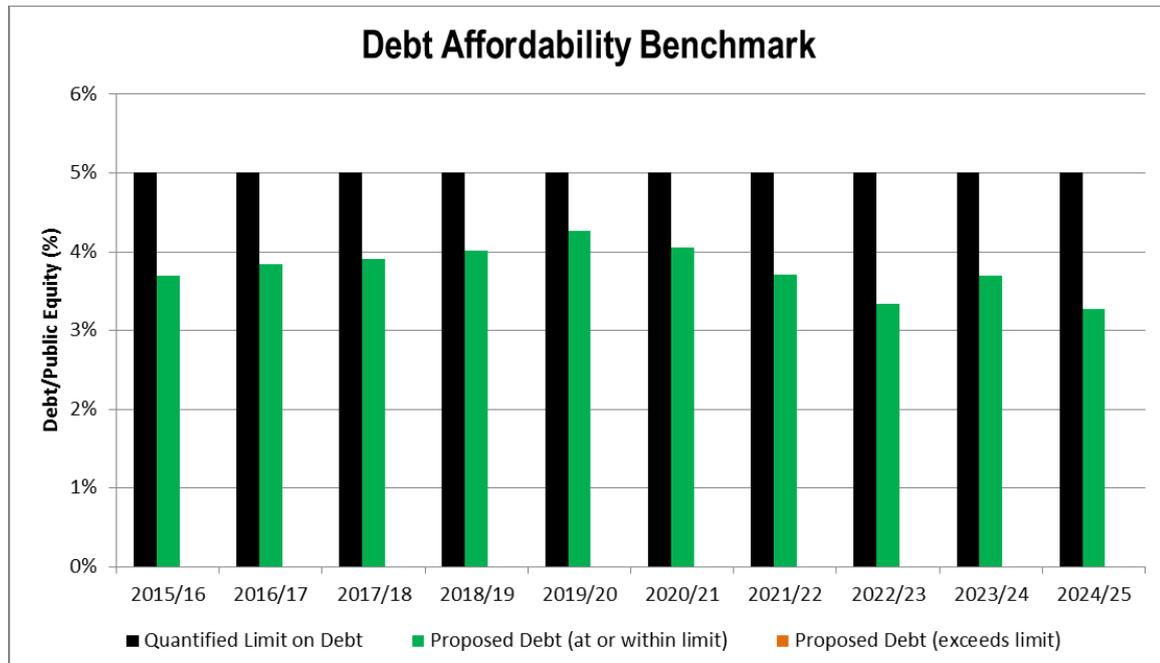
The following graph compares the council's planned rates increases with a quantified limit on rates increases contained in the financial strategy included in this long-term plan. The quantified limit is forecast LGCI + 2%.



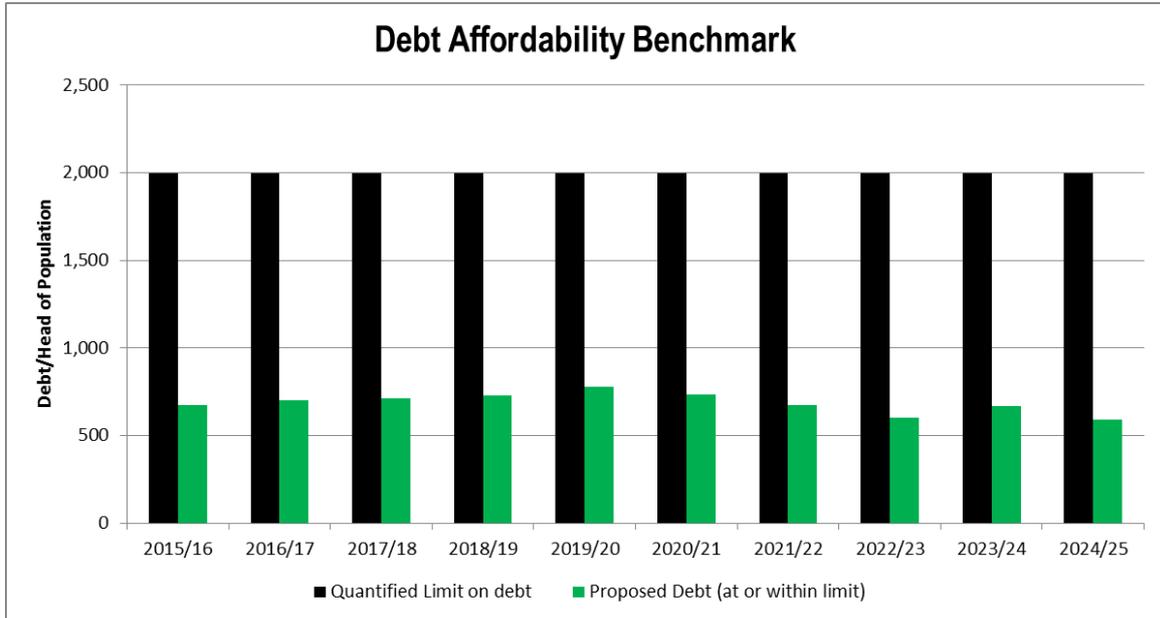
### Debt Affordability Benchmark

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.



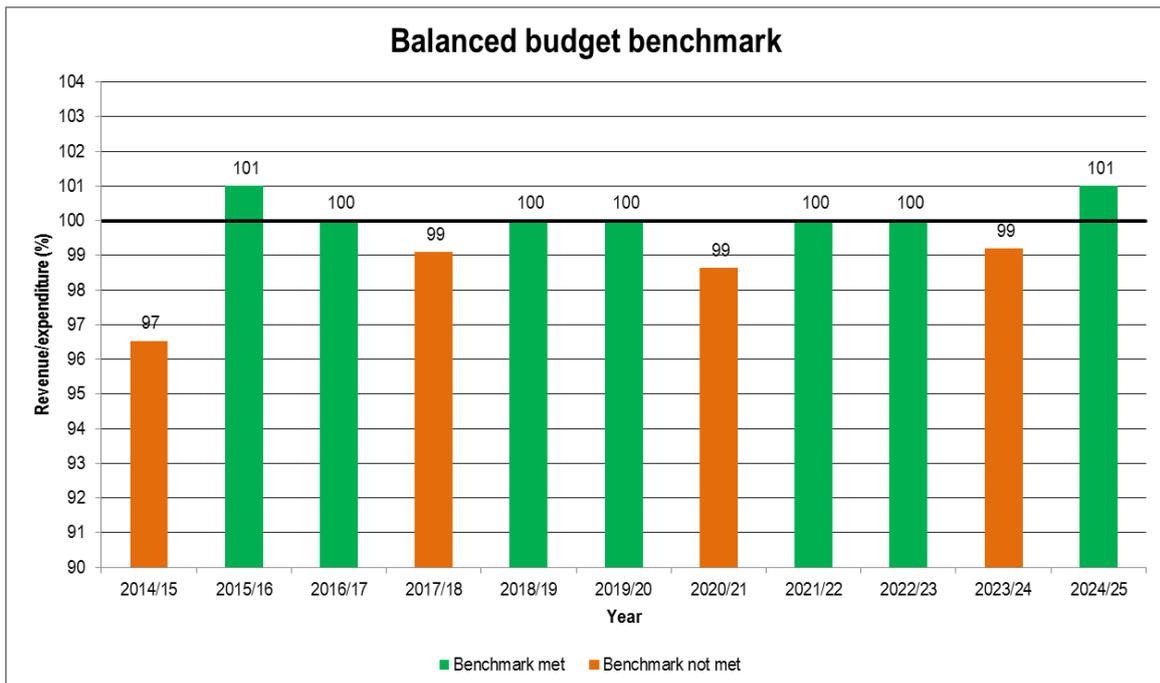
The following graph compares the council's planned debt with a quantified limit on borrowing contained in the financial strategy included in this long-term plan. The quantified limit is total debt per head of population will not exceed \$2,000



## 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).

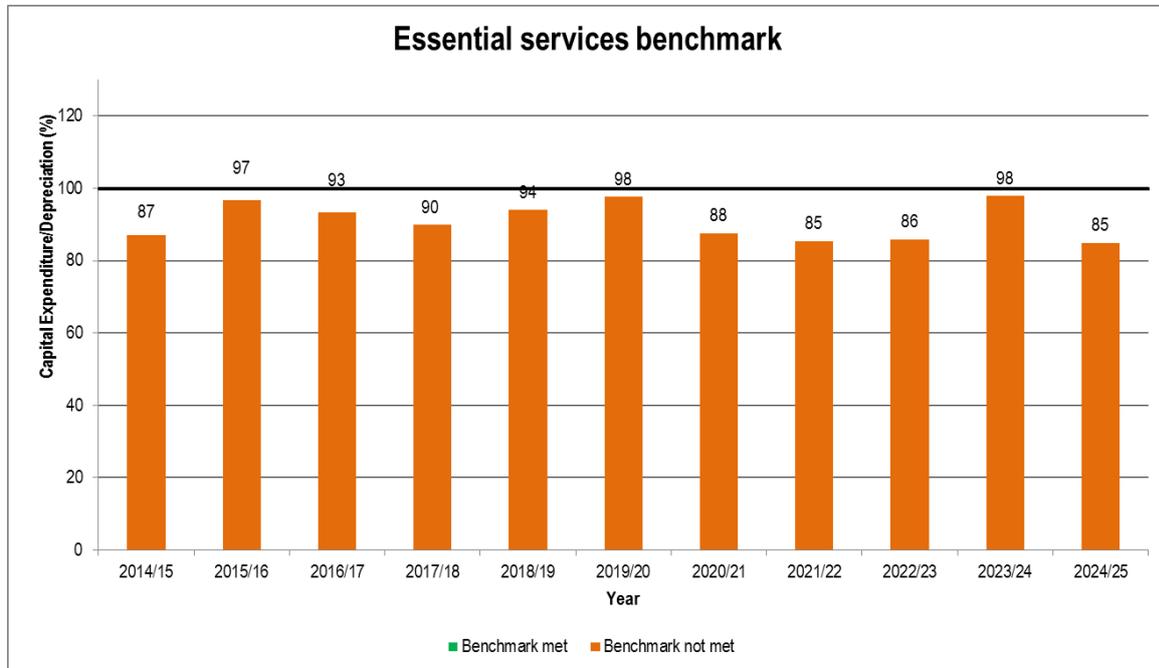
The council meets the balanced budget benchmark if its planned revenue equals or is greater than its planned operating expenses.



## 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.

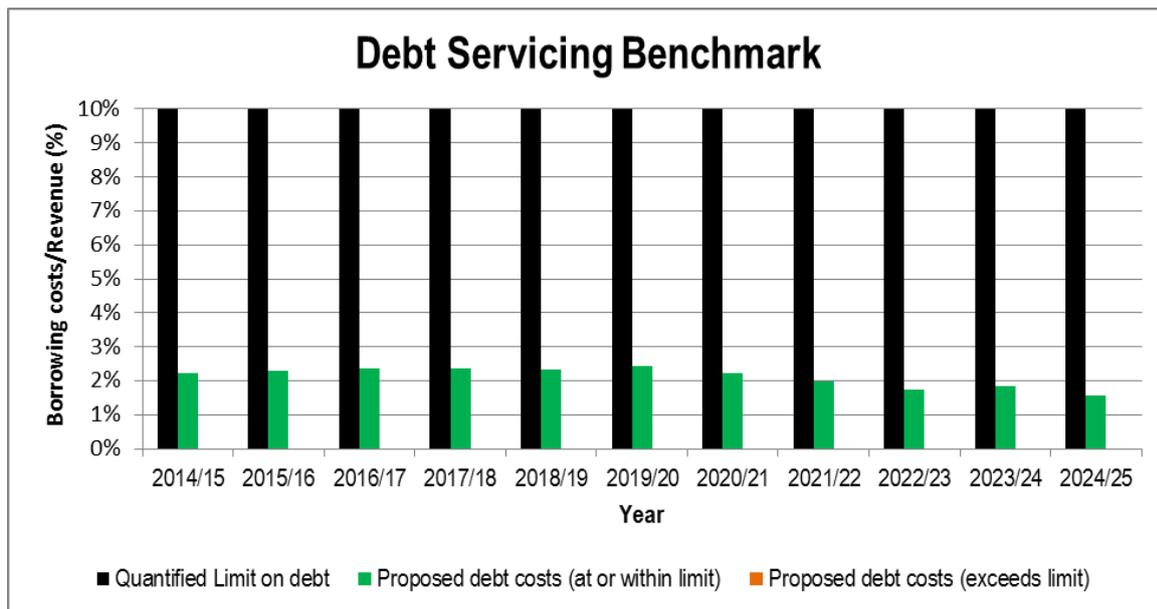
The council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.



## 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.



## 16. Glossary

**Activity** – Services, projects or goods provided by, or on behalf of, Council (eg libraries). These activities are then combined into groups of activities.

**Annual Plan** – The Annual Plan is produced in the intervening years between Long Term Plans. It includes the work programme for the year and financial statements.

**Annual Report** – Reports on the performance of Council against the objectives, policies, activities, performance measures, indicative costs, and sources of funds outlined in the Annual Plan and the Long Term Plan.

**Asset** – Something of value that Council owns on behalf of the people of Central Hawke's Bay such as roads, drains, parks and buildings.

**Asset Management Plan** – A long term plan for managing an asset to ensure that its capacity to provide a service is kept up and costs over the life of the asset are kept to a minimum.

**Borrowing** – Refers to the raising of loans for capital items, such as the sewerage scheme.

**Capital Expenditure** – Expenditure that will increase the value of Council's assets.

**Capital Value** – Value of land including any improvements.

**Community Boards** – Local elected bodies set up under the Local Government Act. Community Boards are consulted by Council and can represent community concerns to Council. Central Hawke's Bay District has no community boards.

**Community Outcomes** – Goals that the community believe are important for its present and future economic, social, cultural and environmental well-being.

**Council Controlled Organisations** – Council controlled organisations are organisations in which one or more local authorities control 50% or more of the voting rights or appoint 50% or more of the directors.

**Financial Year** – Council's financial year runs from 1 July to 30 June of the following year.

**Prospective Cash Flow Statement** – This describes the cash effect of transactions and is broken down into three components: operating, investing and financing activities.

**Prospective Statement of Comprehensive Income** – This can also be referred to as the Profit and Loss Statement, the Income Statement, or the Operating Statement. It shows the financial results of various Central Hawke's Bay District Council activities at the end of each period as either a surplus or deficit. It does not include asset purchases or disposals.

**Prospective Balance Sheet** – This shows the financial state of affairs at a particular time.

**Prospective Statement in Changes in Equity** – Shows how Council's resources are increasing in value over time (recreation and community facilities).

**Land Value** – Value of land, excluding any improvements.

**Local Government Act 2002** – The key legislation that defines the powers and responsibilities of local authorities like Central Hawke's Bay District Council.

**Long Term Plan (LTP)** – A ten year plan that sets out Council's response to community outcomes and how Council will manage its finances and the community's resources. The requirement for the LTP was introduced by the Local Government Act 2002.

**Operating Expenditure** – Money Council spends on such items as salaries, materials, electricity and plant hire.

**Operating Revenue** – Money earned through the activities in return for a service provided, or by way of a grant or subsidy to ensure particular services or goods are provided. Examples include New Zealand Transport Agency subsidies, rental income, permits and fees.

**Operating Surplus (Deficit)** – The expressions 'operating surplus' and 'operating deficit' are accounting terms meaning the excess of income over expenditure and excess expenditure over income respectively. Income and expenditure in this context exclude 'capital' items such as the receipt or repayment of loans, the cost of capital

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works and transfers to and from Reserves. An operating surplus/deficit is inclusive of non-cash items such as income and expenditure owing but not paid (Debtors and Creditors) and depreciation.

**Performance Measure** – A measure that shows how well Council is doing in achieving the objectives it has set for itself.

**Rates** – Funds collected by Council from levies on property. These are based on the Capital and Land value of the property but the term is often used to include Uniform Annual General Charges and Targeted Rates.

**Revenue and Financing Policy** – This describes how the Council's work will be paid for and the mechanisms for gathering the funds (such as general rate, targeted rates, user charges, grants).

**Significance** – Degree of importance of the issue, proposal, decision or matter as assessed by the local authority in terms of its likely consequences for the current and future social, economic, environmental, or cultural wellbeing of the community.

**Subsidies** – Amounts received from other agencies for the provision of services (eg NZ Transport Agency roading subsidies).

**Targeted Rates** – Any rate levied other than the general rate, which is targeted at users of a service such as water supply, wastewater and solid waste.

**Transfer to/from Reserves** – Transfer of funds to reserves are generally surpluses on operations. Transfers from reserves assist to fund capital expenditure.

**User Charges** – The charges levied for use of Central Hawke's Bay District Council services (eg building consent fees, health inspections).

**Working Capital** – These are Council's net current assets that are held in cash or can be readily converted to cash, less liabilities due for payment within a year. This is indicative of Council's ability to meet its obligations as they become due.

# Audit Report



Chartered Accountants

## To the reader:

### Independent auditor's report on Central Hawkes Bay District Council's 2015/25 Long-Term Plan

I am the Auditor-General's appointed auditor for Central Hawkes 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). I have carried out this audit using the staff and resources of Ernst & Young. We completed the audit on 18 June 2015.

## Opinion

In my 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 265 to 269 represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 and accurately reflect the information drawn from District Council's audited information.

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 complete accuracy of the information in the plan.

## Basis of Opinion

We carried out our work in accordance with the Auditor-General's Auditing Standards, relevant international standards and the ethical requirements in those standards.

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 audit procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the plan.

Our audit 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;

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- the information in the plan is based on materially complete and reliable asset and activity information;
  - the Council's key plans and policies have been consistently applied 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.

I am responsible for expressing an independent opinion on aspects of the plan, 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**

We have followed the independence requirements of the Auditor-General, which incorporate those of the External Reporting Board. Other than our work in carrying out all legally required external audits, we have no relationship with or interests in the Council or any of its subsidiaries.



Stuart Mutch, Ernst & Young

On behalf of the Auditor-General, Wellington, New Zealand