



**CENTRAL  
HAWKE'S BAY**  
DISTRICT COUNCIL



## Council Meeting Agenda

Thursday, 23 September 2021

9.00am

Council Chamber, 28-32 Ruataniwha  
Street, Waipawa

*Together we Thrive! E ora ngātahi ana!*





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- 1 **KARAKIA**
- 2 **APOLOGIES**
- 3 **DECLARATIONS OF CONFLICTS OF INTEREST**
- 4 **STANDING ORDERS**

**RECOMMENDATION**

THAT the following standing orders are suspended for the duration of the meeting:

21.2 Time limits on speakers

21.5 Members may speak only once

21.6 Limits on number of speakers

And that Option C under section 22 *General Procedures for Speaking and Moving Motions* be used for the meeting.

Standing orders are recommended to be suspended to enable members to engage in discussion in a free and frank manner.

**5 CONFIRMATION OF MINUTES**

Ordinary Council Meeting - 29 July 2021

**RECOMMENDATION**

That the minutes of the Ordinary Council Meeting held on 29 July 2021 as circulated, be confirmed as true and correct.



**MINUTES OF CENTRAL HAWKES BAY DISTRICT COUNCIL  
COUNCIL MEETING  
HELD AT THE COUNCIL CHAMBER, 28-32 RUATANIWHA STREET, WAIPAWA  
ON THURSDAY, 29 JULY 2021 AT 9.00AM**

**PRESENT:** Mayor Alex Walker  
Deputy Mayor Kelly Annand  
Cr Jerry Greer  
Cr Exham Wichman  
Cr Brent Muggeridge  
Cr Tim Aitken  
Cr Gerard Minehan  
Cr Kate Taylor  
Cr Pip Burne  
Kaiaarahi Matua Roger Maaka

**IN ATTENDANCE:** Monique Davidson (Chief Executive)  
Brent Chamberlain (Chief Financial Officer)  
Nicola Bousfield (Group Manager, People and Business Enablement)  
Doug Tate (Group Manager, Customer and Community Partnerships)  
Joshua Lloyd (Group Manager, Community Infrastructure and Development)  
Caitlyn Dine (Governance and Support Officer)

**1 KARAKIA**

Cr Wichman lead the karakia

**2 APOLOGIES**

Nil

**3 DECLARATIONS OF CONFLICTS OF INTEREST**

Nil

**4 STANDING ORDERS**

**RESOLVED: 21.93**

Moved: Cr Pip Burne  
Seconded: Cr Kate Taylor

THAT the following standing orders are suspended for the duration of the meeting:

20.2 Time limits on speakers

20.5 Members may speak only once

20.6 Limits on number of speakers

And that Option C under section 21 General procedures for speaking and moving motions be used for the meeting.

Standing orders are recommended to be suspended to enable members to engage in discussion in a free and frank manner.

**CARRIED**

**5 CONFIRMATION OF MINUTES****RESOLVED: 21.94**

Moved: Cr Kate Taylor

Seconded: Cr Gerard Minehan

That the minutes of the Ordinary Council Meeting held on 3 June 2021 and the Extraordinary Council Meeting held on 17 June 2021 as circulated, be confirmed as true and correct.

**CARRIED****6 REPORTS FROM COMMITTEES****6.1 MINUTES OF THE STRATEGY AND WELLBEING COMMITTEE MEETING HELD ON 1 JULY 2021****RESOLVED: 21.95**

Moved: Cr Pip Burne

Seconded: Cr Kate Taylor

1. That the minutes of the meeting of the Strategy and Wellbeing Committee held on 1 July 2021 be received.

**CARRIED****7 REPORT SECTION****7.1 RESOLUTION MONITORING REPORT****PURPOSE**

The purpose of this report is to present to Council the Resolution Monitoring Report. This report seeks to ensure Council has visibility over work that is progressing, following resolutions from Council.

**RESOLVED: 21.96**

Moved: Cr Brent Muggeridge

Seconded: Cr Exham Wichman

That, having considered all matters raised in the report, the report be noted.

**CARRIED**

Mrs Davidson presented this report.



**7.2 USE OF THE COMMON SEAL - DECEMBER 2019 - JULY 2021****PURPOSE**

The purpose of this report is to update Council on the recent use of the Common Seal since last reporting use in December 2019. Council can expect this to be reported on an annual basis.

**RESOLVED: 21.97**

Moved: Cr Gerard Minehan

Seconded: Deputy Mayor Kelly Annand

**That, having considered all matters raised in the report, the report be noted.**

**CARRIED**

Miss Dine presented this report.

**7.3 COUNCIL POLICY REVIEW PROGRAM UPDATE****PURPOSE**

The purpose of this report is to give Councillors some visibility of the Council Policies Review Program status.

**RESOLVED: 21.98**

Moved: Deputy Mayor Kelly Annand

Seconded: Cr Jerry Greer

**That, having considered all matters raised in the report, the report be noted.**

**CARRIED**

Mr Chamberlain presented this report.

**7.4 THREE WATERS REFORM UPDATE****PURPOSE**

The purpose of this report is to provide an update to Council on the Three Waters Reform programme, with a particular emphasis on recent announcements. This report does not seek a decision, and is provided for information only.

**RESOLVED: 21.99**

Moved: Deputy Mayor Kelly Annand

Seconded: Cr Jerry Greer

**That, having considered all matters raised in the report, the report be noted.**

**CARRIED****MOTION**

Moved: Cr Tim Aitken

Seconded: Cr Jerry Greer

**That Council notes to ensure as soon as possible balanced and factual information is available to the Central Hawkes Bay community on Three Waters Reform.**

**CARRIED**

Mrs Davidson presented this report.

**7.5 ELECTED MEMBER REMUNERATION FRAMEWORK****PURPOSE**

The purpose of this report is to advise Council to a change to Elected Member remuneration following a determination from the Remuneration Authority which is government led and does not allow local input or decision making.

**RESOLVED: 21.100**

Moved: Cr Pip Burne

Seconded: Cr Exham Wichman

**That having considered all matters raised in the report:**

- 1. That the Elected Member Remuneration report be received and noted.**

**CARRIED**

Mrs Davidson presented this report.



**8 MAYOR AND COUNCILLOR REPORTS****8.1 MAYOR'S REPORT FOR JUNE - JULY 2021****EXECUTIVE SUMMARY**

The purpose of this report is to present Her Worship the Mayor's report.  
This report will be presented to Council on the day.

**RESOLVED: 21.101**

Moved: Cr Gerard Minehan

Seconded: Cr Jerry Greer

That the Mayor's report for July 2021 be received

**.CARRIED**

Mayor Walker presented this report.

**8.2 STRATEGY AND WELLBEING COMMITTEE CHAIR REPORT****PURPOSE**

The purpose of this report is to present the Strategy and Wellbeing Committee Chair Report.

**RESOLVED: 21.102**

Moved: Cr Gerard Minehan

Seconded: Cr Kate Taylor

That the Strategy and Wellbeing Committee Chair Report for July 2021 be received.

**CARRIED**

Deputy Mayor Annand presented this report.

**8.3 FINANCE AND INFRASTRUCTURE COMMITTEE CHAIR'S REPORT****PURPOSE**

The purpose of this report is to present the Finance and Infrastructure Committee Chair Report.  
This report will be presented to Council on the day.

**RESOLVED: 21.103**

Moved: Cr Tim Aitken

Seconded: Cr Jerry Greer

That the Finance and Infrastructure Committee Chair Report be noted.

**CARRIED**

Cr Muggeridge presented this report.

**8.4 RUATANIWHA WARD REPORT****PURPOSE**

The purpose of this report is to present the Ruataniwha Ward Report.

**RESOLVED: 21.104**

Moved: Deputy Mayor Kelly Annand

Seconded: Cr Pip Burne

That the Ruataniwha Ward Report for July 2021 be received.

**CARRIED**

Deputy Mayor Annand presented this report.

**8.5 ARAMOANA/RUAHINE WARD REPORT****PURPOSE**

The purpose of this report is to present the Aramoana/Ruahine Ward Report.

**RESOLVED: 21.105**

Moved: Cr Tim Aitken

Seconded: Cr Kate Taylor

That the Aramoana/Ruahine Ward Report for July 2021 be received.

**CARRIED**

Cr Aitken presented this report.

**9 CHIEF EXECUTIVE REPORT****9.1 ORGANISATION PERFORMANCE AND ACTIVITY REPORT JUNE - JULY 2021****PURPOSE**

The purpose of this report is to present to Council the organisation report for June - July 2021.

**RESOLVED: 21.106**

Moved: Cr Gerard Minehan

Seconded: Cr Brent Muggeridge

That, having considered all matters raised in the report, the report be noted.

**CARRIED**

Mrs Davidson presented this report.



**10 PUBLIC EXCLUDED BUSINESS****RESOLUTION TO EXCLUDE THE PUBLIC****RESOLVED: 21.107**

Moved: Cr Brent Muggeridge

Seconded: Deputy Mayor Kelly Annand

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
<b>10.1 - Resolution Monitoring Report - Public Excluded</b>	<p>s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p> <p>s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
<b>10.2 - C-1135 Tender Outcome Report - Otane Wastewater Pump Station</b>	<p>s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p> <p>s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
<b>10.3 - C-1140 Tender Outcome Report - Waipawa Water Firefighting</b>	s7(2)(f)(i) - free and frank expression of opinions by or between or to members or officers or employees of any local	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure

	<p>authority</p> <p>s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	<p>of information for which good reason for withholding would exist under section 6 or section 7</p>
<b>10.4 - Procurement Plan - 3 Waters Consultancy Support Panel</b>	<p>s7(2)(f)(i) - free and frank expression of opinions by or between or to members or officers or employees of any local authority</p> <p>s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p> <p>s7(2)(j) - the withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage</p>	<p>s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7</p>
<b>10.5 - May-June Key Project Status Report - District Plan</b>	<p>s7(2)(f)(i) - free and frank expression of opinions by or between or to members or officers or employees of any local authority</p> <p>s7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege</p>	<p>s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7</p>
<b>10.6 - Amendment to the Terms of Reference and Appointment of Commissioners to the Regulatory Hearings Panel</b>	<p>s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p> <p>s7(2)(f)(i) - free and frank expression of opinions by or between or to members or officers or employees of any local authority</p>	<p>s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7</p>
<b>10.7 - Establishment of Central Hawke's Bay District Plan Panel</b>	<p>s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p> <p>s7(2)(f)(i) - free and frank expression of opinions by or between or to members or officers or employees of any local authority</p>	<p>s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7</p>

<b>10.8 - Chief Executive End of Year Performance Review - Minutes from the Chief Executive Employment and Performance Committee</b>	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons  s7(2)(f)(i) - free and frank expression of opinions by or between or to members or officers or employees of any local authority	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
<b>CARRIED</b>		

## 11 DATE OF NEXT MEETING

<b>RESOLVED: 21.108</b>
Moved: Mayor Alex Walker
Seconded: Cr Kate Taylor
THAT the next meeting of the Central Hawke's Bay District Council be held on 23 September 2021.
<b>CARRIED</b>

## 12 TIME OF CLOSURE

The Meeting closed at 1:45pm.

The minutes of this meeting were confirmed at the Council Meeting held on 23 September 2021.

.....  
**CHAIRPERSON**

**6 REPORTS FROM COMMITTEES****6.1 MINUTES OF THE STRATEGY AND WELLBEING COMMITTEE MEETING HELD ON 26 AUGUST 2021****File Number:** COU1-1400**Author:** Caitlyn Dine, Governance & Support Officer**Authoriser:** Monique Davidson, Chief Executive**Attachments:** 1. Minutes of the Strategy and Wellbeing Committee Meeting held on 26 August 2021**The Committee refers the following recommendations to Council:****RECOMMENDATION**

1. That the minutes of the meeting of the Strategy and Wellbeing Committee held on 26 August 2021 be received.



**MINUTES OF CENTRAL HAWKES BAY DISTRICT COUNCIL  
STRATEGY AND WELLBEING COMMITTEE MEETING  
HELD VIA AUDIOVISUAL LINK —ZOOM  
ON THURSDAY, 26 AUGUST 2021 AT 9.00AM**

**PRESENT:** Dr Roger Maaka (apology)  
Cr Jerry Greer  
Cr Kate Taylor (chairperson)  
Cr Exham Wichman  
Mayor Alex Walker  
Deputy Mayor Kelly Annand  
Cr Tim Aitken  
Cr Brent Muggeridge  
Cr Gerard Minehan  
Cr Pip Burne

**IN ATTENDANCE:** Doug Tate (Group Manager, Customer and Community Partnerships)  
Nicola Bousfield (Group Manager, People and Business Enablement)  
Monique Davidson (Chief Executive)  
Joshua Lloyd (Group Manager, Community Infrastructure and Development)  
Brent Chamberlain (Chief Financial Officer)  
Caitlyn Dine (Governance and Support Officer)

**Strategy and Wellbeing Committee was held via zoom due to being in alert level 4.**

Councillor Taylor was chair of today's committee meeting.

Councillor Taylor lead the karakia

**1 APOLOGIES**

Dr Maaka apology noted.

**2 DECLARATIONS OF CONFLICTS OF INTEREST**

**3 STANDING ORDERS**

**COMMITTEE RESOLUTION**

Moved: Cr Exham Wichman

Seconded: Cr Gerard Minehan

THAT the following standing orders are suspended for the duration of the meeting:

- 20.2 Time limits on speakers
- 20.5 Members may speak only once
- 20.6 Limits on number of speakers

And that Option C under section 21 General procedures for speaking and moving motions be used for the meeting.

Standing orders are recommended to be suspended to enable members to engage in discussion in a free and frank manner.

**CARRIED**

#### 4 CONFIRMATION OF MINUTES

**COMMITTEE RESOLUTION**

Moved: Deputy Mayor (Chair) Kelly Annand

Seconded: Cr Jerry Greer

That the minutes of the Strategy and Wellbeing Committee Meeting held on 1 July 2021 as circulated, be confirmed as true and correct.

**CARRIED**

#### 5 REPORT SECTION

**6.1 COMMITTEE RESOLUTION MONITORING REPORT****PURPOSE**

The purpose of this report is to present to the Committee the Strategy and Wellbeing Resolution Monitoring Report. This report seeks to ensure the Committee has visibility over work that is progressing, following resolutions from Committee.

**COMMITTEE RESOLUTION**

Moved: Cr Gerard Minehan

Seconded: Mayor Alex Walker

**That, having considered all matters raised in the report, the report be noted.**

**CARRIED**

Mrs Davidson presented this report.

**6.2 STRATEGY AND WELLBEING COMMITTEE PRIORITY REPORT****PURPOSE**

The purpose of this report is for the Strategy and Wellbeing Committee to receive a report on the progress of key committee priorities.

**COMMITTEE RESOLUTION**

Moved: Deputy Mayor (Chair) Kelly Annand

Seconded: Cr Jerry Greer

That, having considered all matters raised in the report, the report be noted.

**CARRIED**

Mrs Davidson presented this report. Mrs Wiggins presented the solid waste dashboard. Mr Lloyd presented the environmental strategy. Mr Tate presented the economic and social development priorities progress.

<b>6.3 CLASS 4 GAMBLING AND BOARD VENUE POLICY - STATEMENT OF PROPOSAL FOR ADOPTION</b>
<b>PURPOSE</b>  The matter for consideration by the Council is to adopt a Draft Class 4 Gambling and Board Venue Policy for public consultation as required by Section 102(5) of the Gambling Act 2003 and Section 97 of the Racing Industry Act 2020
<b>COMMITTEE RESOLUTION</b>  Moved: Mayor Alex Walker Seconded: Cr Gerard Minehan  <b>That having considered all matters raised in the report:</b>  <b>a) That the attached Draft Class 4 Gambling and Board Venue Policy – Statement of Proposal be adopted for consultation.</b>  <b>CARRIED</b>

Mrs Harrison presented this report.

<b>6.4 DELETION OF DISTRICT LICENSING COMMITTEE APPOINTMENT OF MEMBERS POLICY AND UPDATE OF COMMITTEE TERMS OF REFERENCE 2019-2022</b>
<b>PURPOSE</b>  The matter for consideration by the Council is the deletion of 2.15 District Licensing Committee Appointment of Members Policy and to update the Committee Terms of Reference 2019 – 2022.
<b>COMMITTEE RESOLUTION</b>  Moved: Cr Brent Muggeridge Seconded: Cr Gerard Minehan  <b>That having considered all matters raised in the report:</b>  <b>a) That 2.15 District Licensing Committee Appointment of Members Policy is deleted and</b>  <b>b) That the updated Committee Terms of Reference 2019-2022 is approved.</b>  <b>CARRIED</b>

Mrs Harrison presented this report.

**6.5 CEMETERIES POLICY FOR ADOPTION****PURPOSE**

The matter for consideration by the Council is the adoption of the Draft Cemeteries Policy.

**COMMITTEE RESOLUTION**

Moved: Cr Pip Burne

Seconded: Cr Exham Wichman

**That having considered all matters raised in the report:**

- a) The Draft Cemeteries Policy be adopted and the existing Cemeteries Policy be deleted.**

**CARRIED**

Mrs Leaf presented this report.

**6.6 DELETION OF SOLID WASTE POLICY****PURPOSE**

The matter for consideration by the Committee is the deletion of the Solid Waste Policy 2014.

**COMMITTEE RESOLUTION**

Moved: Deputy Mayor (Chair) Kelly Annand

Seconded: Mayor Alex Walker

**That having considered all matters raised in the report:**

- a) That the Solid Waste Policy 2014 be deleted**

**CARRIED**

Mrs Wiggins presented this report.

**6 DATE OF NEXT MEETING****COMMITTEE RESOLUTION**

Moved: Cr Kate Taylor

Seconded: Cr Jerry Greer

**THAT the next meeting of the Central Hawke's Bay District Council Strategy and Wellbeing Committee be held on 21 October 2021.**

**CARRIED**

## **7 TIME OF CLOSURE**

Councillor Wichman closed with a karakia

**The Meeting closed at 10:30am .**

**The minutes of this meeting were confirmed at the Strategy and Wellbeing Committee Meeting held on 21 October 2021.**

.....  
**CHAIRPERSON**

**6.2 MINUTES OF THE FINANCE AND INFRASTRUCTURE COMMITTEE MEETING HELD ON 12 AUGUST 2021**

**File Number:** COU1-1400

**Author:** Caitlyn Dine, Governance & Support Officer

**Authoriser:** Monique Davidson, Chief Executive

**Attachments:** 1. Minutes of the Finance and Infrastructure Committee Meeting held on 12 August 2021

**The Committee refers the following recommendations to Council:**

**RECOMMENDATION**

1. That the minutes of the meeting of the Finance and Infrastructure Committee held on 12 August 2021 be received.



**MINUTES OF CENTRAL HAWKES BAY DISTRICT COUNCIL  
FINANCE AND INFRASTRUCTURE COMMITTEE MEETING  
HELD AT THE COUNCIL CHAMBER, 28-32 RUATANIWHA STREET, WAIPAWA  
ON THURSDAY, 12 AUGUST 2021 AT 9.00AM**

**PRESENT:** Mayor Alex Walker  
Cr Tim Aitken  
Deputy Mayor Kelly Annand  
Cr Gerard Minehan  
Chairperson Brent Muggeridge  
Dr Roger Maaka  
Cr Jerry Greer  
Cr Kate Taylor  
Cr Exham Wichman  
Cr Pip Burne (Apology)

**IN ATTENDANCE:** Joshua Lloyd (Group Manager, Community Infrastructure and Development)  
Monique Davidson (Chief Executive)  
Doug Tate (Group Manager, Customer and Community Partnerships)  
Nicola Bousfield (Group Manager, People and Business Enablement)  
Brent Chamberlain (Chief Financial Officer)  
Darren de Klerk (Director Projects and Programmes)  
Caitlyn Dine (Governance and Support Officer)

**1 APOLOGIES**

Councillor Burne apology be noted

**2 DECLARATIONS OF CONFLICTS OF INTEREST**

**NIL**

**3 STANDING ORDERS**

**COMMITTEE RESOLUTION**

Moved: Cr Exham Wichman

Seconded: Deputy Mayor Kelly Annand

THAT the following standing orders are suspended for the duration of the meeting:

- 20.2 Time limits on speakers
- 20.5 Members may speak only once
- 20.6 Limits on number of speakers

And that Option C under section 21 General procedures for speaking and moving motions be used for the meeting.

Standing orders are recommended to be suspended to enable members to engage in discussion in a free and frank manner.

**CARRIED**

**4 CONFIRMATION OF MINUTES****COMMITTEE RESOLUTION**

Moved: Cr Gerard Minehan

Seconded: Cr Jerry Greer

That the minutes of the Finance and Infrastructure Committee Meeting held on 22 April 2021 as circulated, be confirmed as true and correct.

**CARRIED**

**5 REPORT SECTION****6.1 RESOLUTION MONITORING REPORT****PURPOSE**

The purpose of this report is to present to the Committee the Finance and Infrastructure Resolution Monitoring Report. This report seeks to ensure the Committee has visibility over work that is progressing, following resolutions from Council.

**COMMITTEE RESOLUTION**

Moved: Deputy Mayor Kelly Annand

Seconded: Cr Exham Wichman

That, having considered all matters raised in the report, the report be noted.

**CARRIED**

Mrs Davidson presented this report.

**6.2 FINANCE AND INFRASTRUCTURE COMMITTEE MONITORING REPORT****PURPOSE**

The purpose of this report is to present to the Finance and Infrastructure Committee an update on key priorities.

**COMMITTEE RESOLUTION**

Moved: Cr Jerry Greer

Seconded: Cr Tim Aitken

That, having considered all matters raised in the report, the report be noted.

**CARRIED**

Mrs Davidson presented this report.

**6.3 KEY PROJECT STATUS REPORT - BIGWATERSTORY****PURPOSE**

Following the conception of #thebigwaterstory, Council set about implementing the programme. A programme manager was appointed and focus given to defining the projects that form the programme in greater detail.

The purpose of this key project status report serves as an opportunity to formally report to elected members on the progress of each of the projects and their expected delivery against time, scope, budget and quality standards against the larger programme objectives.

**COMMITTEE RESOLUTION**

Moved: Cr Gerard Minehan

Seconded: Deputy Mayor Kelly Annand

**That, having considered all matters raised in the report, the report be noted.**

**CARRIED**

Mr de Klerk and Mr Kilduff presented this report.

**6.4 KEY PROJECT STATUS REPORT - BIGWASTEWATERSTORY****PURPOSE**

Following the conception of #thebigwaterstory, Council set about implementing the programme that makes up #thebigwaterstory. A programme manager was appointed and focus given to defining the projects that form the programme in greater detail.

The six wastewater plants form a significant programme of works themselves, and we have prudently decided to report on the progress of these six wastewater plants and their subsequent upgrades and re-consenting separately from #thebigwaterstory.

The purpose of this key project status report serves as an opportunity to formally report to elected members on the progress of each of the projects and their expected delivery against time, scope, budget and quality standards against the larger programme objectives.

**COMMITTEE RESOLUTION**

Moved: Cr Jerry Greer

Seconded: Cr Kate Taylor

**That, having considered all matters raised in the report, the report be noted.**

**CARRIED**

Mr de Klerk and Mr Swinburne presented this report.

**6.5 KEY PROJECT STATUS REPORT - 3 WATERS TRANCHE ONE****PURPOSE**

To add a level of oversight on this significant programme for CHBDC, this report aims to inform and keep council and the community updated on the progress of this important externally funded programme of works.

**COMMITTEE RESOLUTION**

Moved: Deputy Mayor Kelly Annand

Seconded: Mayor Alex Walker

**That, having considered all matters raised in the report, the report be noted.**

**CARRIED**

Mr de Klerk and Mr Swinburne presented this report.

**6.6 WAIPUKURAU SECOND WATER SUPPLY/ WAIPAWA LINK - GO/ NO GO REPORT****PURPOSE**

The matter for consideration by the Council is to the continued development of the design and procurement for the Waipukurau Second Water Supply.

**COMMITTEE RESOLUTION**

Moved: Mayor Alex Walker

Seconded: Deputy Mayor Kelly Annand

**That having considered all matters raised in the report:**

- a) **That council endorse and approve proceeding with Option 2 (Plan C) to continue with components of construction and design.**
- b) **That council approves redistributing \$1.1m of DIA funding to bringing forward the replacement of the Abbotsford rising main – subject to DIA approval.**
- c) **That council supports the reallocation of funding set aside for Abbotsford rising main renewal in Year 2 or 3 of the LTP be redirected back to this project to backfill the removal of DIA funds now.**
- d) **That council acknowledge the current project budget forecasting, but no decision to amend project budget is being considered until the project progresses further.**

**CARRIED**

Mr de Klerk and Mr Kilduff presented this report.

Chair Councillor Muggeridge noted this is no longer a **go/no go report**.

**6.7 TRADE WASTE STRATEGY****PURPOSE**

The matter for consideration by the Council is to adopt a Trade Waste Strategy that outlines the method of implementing the improvements and operationalising the trade waste bylaw.

**COMMITTEE RESOLUTION**

Moved: Cr Gerard Minehan

Seconded: Mayor Alex Walker

**That having considered all matters raised in the report:**

- a) **The Trade Waste Strategy 2021 is adopted and endorsed for implementation to support the recently adopted Trade Waste Bylaw.**

**CARRIED**

Mr de Klerk and Mr Severinsen presented this report.

*Meeting adjourned for morning tea break at 10:38am.*

*Meeting resumed at 10:59am.*

**6.8 INFILTRATION AND INFLOW (I&I) STRATEGY****PURPOSE**

The matter for consideration by the Council is adoption of the I&I Management Strategy, which includes options for remediation (including funding) of defects contributing to inflow and infiltration to the sewer network from the private side of the boundary.

**RECOMMENDATION FOR CONSIDERATION**

**That having considered all matters raised in the report:**

- a) **That the Finance and Infrastructure Committee approves the recommendation to adopt the I&I Management Strategy.**
- b) **That the Finance and Infrastructure Committee support and endorse Option 1 ~~recommendation for private side defects to be repaired by the resident in the first instance.~~**

**AMENDMENT**

Moved: Mayor Alex Walker

Seconded: Cr Kate Taylor

- b) That the Finance and Infrastructure Committee support and endorse Option 1.**

**CARRIED**

Mr de Klerk and Mr Severinsen presented this report.

**6.9 REQUEST TO BRING FORWARD POURERERE PUBLIC TOILET CAPITAL FUNDING****PURPOSE**

The matter for consideration by the Committee is to bring forward capital funds in year 2 of the LTP for the replacement of the Pourerere Beach public toilets to support the funding received through the Ministry of Business Innovation and Employment's Tourism Infrastructure Fund.

**COMMITTEE RESOLUTION**

Moved: Cr Jerry Greer

Seconded: Cr Kate Taylor

**That having considered all matters raised in the report:**

- a) **The capital and renewal funding in year 2 of the 2021 - 2031 Long Term Plan for the Pourerere Beach public toilets be brought forward to the current year (year 1) to support funding from Ministry of Business Innovation and Employment's Tourism Infrastructure Fund.**

**CARRIED**

Mr Tate presented this report.

Councillor Annand noted she wanted to see the strategy around campers and how we accommodate them long term.

**6.10 DRAFT FINANCIAL REPORT AND CARRY FORWARDS FOR THE 2020/2021 FINANCIAL YEAR****PURPOSE**

The matter for consideration by the Council is to give Councillors an early indication of the draft financial results for 2020/2021, and for Council to approve the proposed allocations to carry forwards, special funds, and between activities for the 2020/2021 Financial Year.

**COMMITTEE RESOLUTION**

Moved: Deputy Mayor Kelly Annand

Seconded: Cr Exham Wichman

**RECOMMENDATION FOR CONSIDERATION**

**That having considered all matters raised in the report:**

- a) That Council receives the report entitled Draft Financial Report and Carry Forwards for the 2020/2021 Financial Year.
- b) Council approve the proposed allocations to carry forwards and special funds for the 2020/2021 Financial Year.
- c) Council approve that the 2020/2021 activity surpluses in the general rate funded activities be used to fund the deficits in the general rate funded activities as proposed.
- d) Council approves funding the \$428k shortfall in drinking water renewal budget via loan funding by reducing the renewal funding by the same amount for the 2021/2022 financial year.

**CARRIED**

Mr Chamberlain presented this report.

Mayor Walker asked for the table on page 254 to be updated.

**6.11 QUARTERLY NON-FINANCIAL PERFORMANCE REPORT APRIL - JUNE 2021****PURPOSE**

The purpose of this report is to present to Council the Quarterly non-financial performance report for the period 1 January – 31 March 2021.

**COMMITTEE RESOLUTION**

Moved: Cr Gerard Minehan

Seconded: Cr Jerry Greer

**That having considered all matters raised in the report:**

That the Quarterly Non-Financial Performance Report 1 April – 30 June 2021 be received.

**CARRIED**

Mr Chamberlain presented this report.



**6.12 REVIEW OF LAND TRANSPORT POLICIES****PURPOSE**

The matter for consideration by the Committee is the adoption of revised Land Transport Policies

**COMMITTEE RESOLUTION**

Moved: Cr Gerard Minehan

Seconded: Cr Kate Taylor

**That having considered all matters raised in the report:**

- a) **That the Committee adopt the reviewed Land Transport Policies, noting those components of the policy now to be captured as operational policies.**

**CARRIED**

Mr Lloyd and Mr McKinley presented this report.

Mayor Walker noted on page 331 it should state “new roads”.

Councillor Taylor noted on page 335 asked to take out the words “will be retired”.

**6.13 KEY PROJECT STATUS REPORT - PORANGAHAU TO WIMBLEDON ROADS PGF PROGRAMME****PURPOSE**

To add a level of oversight on this significant programme for CHBDC, this report aims to inform and keep council and the community updated on the progress of this important externally funded programme of works.

**COMMITTEE RESOLUTION**

Moved: Chairperson Brent Muggeridge

Seconded: Cr Jerry Greer

**That, having considered all matters raised in the report, the report be noted.**

**CARRIED**

Mr de Klerk presented this report.

**6.14 ELECTED MEMBERS EXPENSES FOR MARCH 2021 TO JUNE 2021****PURPOSE**

The purpose of this report is to update the Committee on the Elected Members' Expenses for the four months covering March 2021 to June 2021.

**COMMITTEE RESOLUTION**

Moved: Cr Kate Taylor

Seconded: Cr Exham Wichman

**1. That, having considered all matters raised in the report, the Elected Members Expenses for March 2021 to June 2021 report be noted.**

**CARRIED**

Mr Chamberlain presented this report.

**6.15 MAYORAL FUND EXPENSES FOR JULY 2020 TO JUNE 2021****PURPOSE**

The purpose of this report is to update the Committee on the Mayoral Fund Expenses for year ended 30 June 2021.

**COMMITTEE RESOLUTION**

Moved: Deputy Mayor Kelly Annand

Seconded: Cr Jerry Greer

**2. That, having considered all matters raised in the report, the Mayoral Fund Expenses for year ended 30 June 2021 report be noted.**

**CARRIED**

Mr Chamberlain presented this report.

*Meeting adjourned for a lunch break at 12:45pm*

*Meeting resumed in public excluded at 1:25pm*

**RESOLUTION TO EXCLUDE THE PUBLIC****COMMITTEE RESOLUTION**

Moved: Cr Jerry Greer

Seconded: Cr Kate Taylor

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
<b>7.1 - Resolution Monitoring Report</b>	<p>s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p> <p>s7(2)(b)(i) - the withholding of the information is necessary to protect information where the making available of the information would disclose a trade secret</p> <p>s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p>	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
<b>7.2 - Procurement Plan - PWPGF Slow Vehicle Bays</b>	<p>s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

**CARRIED**

## 6 DATE OF NEXT MEETING

### COMMITTEE RESOLUTION

Moved: Cr Exham Wichman

Seconded: Deputy Mayor Kelly Annand

THAT the next meeting of the Central Hawke's Bay District Council Finance and Infrastructure committee be held on 7 October 2021.

**CARRIED**

## 7 TIME OF CLOSURE

The Meeting closed at 1:50pm.

**The minutes of this meeting were confirmed at the Finance and Infrastructure Committee Meeting held on 7 October 2021.**

.....  
**CHAIRPERSON**

**6.3 MINUTES OF THE RISK AND ASSURANCE COMMITTEE MEETING HELD ON 16 SEPTEMBER 2021****File Number: COU1-1400****Author: Caitlyn Dine, Governance & Support Officer****Authoriser: Monique Davidson, Chief Executive****Attachments: 1. Minutes of the Risk and Assurance Committee Meeting held on 16 September 2021****The Committee refers the following recommendations to Council:****RECOMMENDATION**

1. That the minutes of the meeting of the Risk and Assurance Committee held on 16 September 2021 be received.

**MINUTES OF CENTRAL HAWKES BAY DISTRICT COUNCIL  
RISK AND ASSURANCE COMMITTEE MEETING  
HELD AT THE COUNCIL CHAMBER, 28-32 RUATANIWHA STREET, WAIPAWA  
ON THURSDAY, 16 SEPTEMBER 2021 AT 9.00AM**

**PRESENT:** Chairperson Neil Bain (Chair)  
Cr Tim Aitken  
Cr Gerard Minehan  
Cr Brent Muggeridge  
Cr Jerry Greer

**IN ATTENDANCE:** Monique Davidson (Chief Executive)  
Joshua Lloyd (Group Manager, Community Infrastructure and Development)  
Doug Tate (Group Manager, Customer and Community Partnerships)  
Brent Chamberlain (Chief Financial Officer)  
Nicola Bousfield (Group Manager, People and Business Enablement)  
Darren De Klerk (Director Projects & Programmes)  
Bridget Gibson (Governance and Support Lead)  
Bevan Johnstone (Health & Safety Advisor)

**EXTERNAL PRESENTERS**

The Risk and Assurance Committee Meeting opened at 9:06am.

Technical issues meant no live stream was available and the recorded meeting would later be uploaded to Facebook for public access. The live streaming issue was rectified at 9:30am and the meeting streamed live to the public via Zoom and Facebook.

**1 APOLOGIES**

The apologies from Mayor Walker for absence from the meeting were accepted by the Chair and noted by the Committee.

**2 DECLARATIONS OF CONFLICTS OF INTEREST**

Nil.

**3 STANDING ORDERS**

**COMMITTEE RESOLUTION**

Moved: Cr Brent Muggeridge

Seconded: Cr Gerard Minehan

THAT the following standing orders are suspended for the duration of the meeting:

- 21.2 Time limits on speakers
- 21.5 Members may speak only once
- 21.6 Limits on number of speakers

And that Option C under section 21 General procedures for speaking and moving motions be used for the meeting.

Standing orders are recommended to be suspended to enable members to engage in discussion in a free and frank manner.

**CARRIED**

#### **4 CONFIRMATION OF MINUTES**

##### **COMMITTEE RESOLUTION**

Moved: Cr Jerry Greer

Seconded: Cr Gerard Minehan

That the minutes of the Risk and Assurance Committee Meeting held on 27 May 2021 as circulated, be confirmed as true and correct.

**CARRIED**

#### **5 REPORT SECTION**

##### **6.1 INSURANCE RISK PROFILE REPORT**

###### **PURPOSE**

The purpose of this report is to provide the Risk and Assurance Committee with feedback on AON's insurable risk profile meeting held on the 30 March 2021.

##### **COMMITTEE RESOLUTION**

Moved: Cr Gerard Minehan

Seconded: Cr Brent Muggeridge

**That, having considered all matters raised in the report, the report be noted.**

**CARRIED**

Matt Bilbeck and Richard Harrison of AON Insurance joined the meeting and presented the report.

The Chair requested that a summary on recommendations of new cover and premiums and how they differ from current be reported to the Committee.



**6.2 RESOLUTION MONITORING REPORT****PURPOSE**

The purpose of this report is to present to the Risk and Assurance Committee the Resolution Monitoring Report. This report seeks to ensure the Committee has visibility over work that is progressing, following resolutions made by the Committee.

At this time there are no outstanding resolutions monitored on which to report, therefore no report was tabled. The status of the report was noted by the Chair and Committee.

**6.3 RISK AND ASSURANCE WORK PROGRAMME MONITORING REPORT****PURPOSE**

The purpose of this report is for the Risk and Assurance Committee to receive a progress update on the Risk & Assurance Committee Work Programme.

**COMMITTEE RESOLUTION**

Moved: Cr Tim Aitken

Seconded: Cr Jerry Greer

**That, having considered all matters raised in the report, the report be noted.**

**CARRIED**

CEO Davidson presented the report, taken as read.

An update was given by Officer Bousfield on the Contractor Management Framework. The Chair requested that the status of the Contract Management Framework be reported on regularly as part of the Risk and Assurance Work Programme.

<b>6.4 TREASURY MANAGEMENT MONITORING REPORT</b>
<b>PURPOSE</b> The purpose of this report is to provide an update on Treasury Management and Policy Compliance.
<b>COMMITTEE RESOLUTION</b> Moved: Cr Gerard Minehan Seconded: Cr Tim Aitken <b>That, having considered all matters raised in the report, the report be noted.</b> <b>CARRIED</b>

Presented by Officer Chamberlain, the report was taken as read.

<b>6.5 AUDIT FINDINGS MONITORING REPORT</b>
<b>PURPOSE</b> The purpose of this report is to track and update the committee on audit recommendations from recent audits.
<b>COMMITTEE RESOLUTION</b> Moved: Cr Gerard Minehan Seconded: Cr Tim Aitken <b>That, having considered all matters raised in the report, the report be noted.</b> <b>CARRIED</b>

Officer Chamberlain presented the report and the report was taken as read.

Conflicts of interest register is to be updated. It was outlined that at each procurement a conflicts of interest disclosure form is filled out by contractors and the register updated.

**6.6 RISK STATUS REPORT****PURPOSE**

The purpose of this paper is to report to the Risk and Assurance Committee (the Committee) on Council's risk landscape, risk management work in progress and to continue a discussion with the Committee about risk.

**COMMITTEE RESOLUTION**

Moved: Cr Brent Muggeridge

Seconded: Cr Jerry Greer

**That, having considered all matters raised in the report, the report be noted.**

**CARRIED**

Presented by Officer Bousfield, the report taken as read.

Potential extended Covid-19 Lockdown at Alert Level 4 risk and risk mitigation was discussed.

There was further discussion and update was provided on supply chain matters for works in progress and future works, in mitigating risk to supply chains if Alert Level 4 Lockdown were to be engaged.

**6.7 HEALTH & SAFETY REPORT****PURPOSE**

To provide the Risk & Assurance Committee with health, safety and wellbeing information and insight and to update the Committee on key health and safety critical risks and initiatives.

**COMMITTEE RESOLUTION**

Moved: Cr Gerard Minehan

Seconded: Cr Brent Muggeridge

**That, having considered all matters raised in the report, the report be noted.**

**CARRIED**

Officer Bousfield presented the report, taking the report as read.

Update given on vaccination education and recording within the organisation. Vaccination is voluntary. A Vaccination Policy has been put in place. The purpose of the Policy, is to outline process, management and collection of vaccination information as a matter of private record. Vaccination is not mandatory. Noted that the vaccination policy is related to all vaccination recording to mitigate risk in employee safety while carrying out duties.

An incident was highlighted for amendment in categorisation of incident, and the action referred to Officer Johnstone.

Noted that "overspeed" reporting has been removed from this report, and it is being reported on at an operational level.

<b>6.8 HEALTH, SAFETY AND WELLBEING GOVERNANCE CHARTER - REVIEW AND AMENDMENTS</b>
<p><b>PURPOSE</b></p> <p>The matter for consideration by the Risk &amp; Assurance Committee is the adoption of minor changes to the Health Safety &amp; Wellbeing Governance Charter following a scheduled review.</p>
<p><b>COMMITTEE RESOLUTION</b></p> <p>Moved: Cr Tim Aitken Seconded: Cr Brent Muggeridge</p> <p><b>That having considered all matters raised in the report:</b></p> <p><b>That the Risk and Assurance Committee adopt the recommended changes to the Health Safety &amp; Wellbeing Governance Charter.</b></p> <p style="text-align: right;"><b>CARRIED</b></p>

Presented by Officer Bousfield. The report taken as read.

The Chair directed that the Safety & Wellbeing Governance Charter be reviewed and reported back to the Committee on a 2 yearly, rather than 3 yearly basis.

### RESOLUTION TO EXCLUDE THE PUBLIC

<p><b>RECOMMENDATION</b></p> <p>That the public be excluded from the following parts of the proceedings of this meeting.</p> <p>The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:</p>		
General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
<b>7.1 - Ernst Young Management Report - Audit Findings</b>	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons  s7(2)(f)(i) - free and frank expression of opinions by or between or to members or officers or employees of any local authority	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
<b>7.2 - Central Hawkes Bay District Councils Investment Strategy</b>	s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

	subject of the information s7(2)(f)(i) - free and frank expression of opinions by or between or to members or officers or employees of any local authority	
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The meeting entered closed meeting forum at 10:30am.

The meeting adjourned for refreshment break at 10:32am.

The meeting readjoined at 10:50am in the forum of Closed Council.

12.11pm moved to open Council in the public forum, the meeting livestreamed via Zoom and Facebook.

<b>6.9 DRAFT ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2021</b>
<p><b>PURPOSE</b></p> <p>The matter for consideration by the Council is to receive the Draft Annual Report for the Year Ended 30 June 2021.</p>
<p><b>COMMITTEE RESOLUTION</b></p> <p>Moved: Cr Brent Muggeridge Seconded: Cr Tim Aitken</p> <p><b>That having considered all matters raised in the report:</b></p> <p>a) That the Risk and Assurance Committee receive the report titled “Draft Annual Report for the Year Ended 30 June 2021”.</p> <p>b) That after receiving the Draft Annual Report, and hearing assurances from Ernst Young, that the Committee endorse the Draft Annual Report, and recommend it to Council for adoption once the audit has been completed.</p> <p style="text-align: right;"><b>CARRIED</b></p>

## **7 TIME OF CLOSURE**

**The Meeting closed at 12:24pm.**

**The minutes of this meeting were confirmed at the Risk and Assurance Committee Meeting held on 11<sup>th</sup> November 2021.**

.....  
**CHAIRPERSON**

## 7 REPORT SECTION

### 7.1 ADOPTION OF ANNUAL REPORT 2020/2021

**File Number:** COU1-1400

**Author:** Brent Chamberlain, Chief Financial Officer

**Authoriser:** Monique Davidson, Chief Executive

**Attachments:** 1. Annual Report Summary 2020/2021 [↓](#)  
2. Annual Report 2020/2021 [↓](#)

#### PURPOSE

The matter for consideration by the Council is to adopt the Annual Report for the Year Ended 30 June 2021.

#### RECOMMENDATION FOR CONSIDERATION

**That having considered all matters raised in the report and following the recommendation of the Risk and Assurance Committee:**

- a) **That Council adopt the Annual Report and Annual Report Summary for the year ended 30 June 2021.**

#### EXECUTIVE SUMMARY

Attached to this report are copies of the Central Hawkes Bay District Council's Annual Report for the Year Ended 30 June 2021, and the Annual Report Summary.

On the 16<sup>th</sup> September the Risk and Assurance Committee met to receive the draft Annual Report and to hear from Ernst Young on any concerns they had during the audit. At the conclusion of this meeting the Risk and Assurance Committee passed the following resolutions:

*That having considered all matters raised in the report:*

*That the Risk and Assurance Committee receive the report entitled "Draft Annual Report for the Year Ended 30 June 2021".*

*That after receiving the Draft Annual Report, and hearing assurances from Ernst Young, that they endorse the Draft Annual Report, and recommend it to Council for adoption once the audit has been completed.*

Ernst Young have now concluded their audit of the annual report and have issued the report with an unqualified audit report.

#### BACKGROUND

Each year Council is required to publically report on its activities for the year, and how they have spent the rates and fees collected from residents, and the grants from 3<sup>rd</sup> Parties such as Central Government.

As part of this report the Ernst Young have been contracted from the Audit NZ to undertake an audit of both the financial and non-financial disclosures contained within the report. In addition, they also check that all the required statutory disclosures have been made.

#### DISCUSSION

This year's Annual Report is 120 pages long and covers a Governance Overview, Details of Council Activities and Activity Financials, and the Statutory Financial Statements.

Most of the sections contain similar information to previous Annual Reports, and this report being the final report in the 2018-2028 Long Term Plan Cycle it has a particular focus on the achievements over the past years.

Below are the summary financial statement contained in the annual report:

	2020 COUNCIL ACTUAL \$000	2021 COUNCIL BUDGET \$000	2021 COUNCIL ACTUAL \$000
<b>Total Revenue</b>	<b>35,398</b>	<b>33,821</b>	<b>53,986</b>
Operating expenditure	23,057	21,145	32,142
Finance Cost	429	462	462
Other (Gains) and Losses	0	0	0
<b>Net Surplus/(Deficit) excluding non-cash movements</b>	<b>11,912</b>	<b>12,214</b>	<b>21,381</b>
<b>Non Cash Movements</b>			
Depreciation and Amortisation	12,397	13,065	11,971
Other Gains and (Losses)	0	0	0
<b>Net Surplus/(Deficit)</b>	<b>(485)</b>	<b>(851)</b>	<b>9,411</b>

For the financial year Council had a surplus of \$9,411k compared to a deficit of \$850k in the previous financial year. Overall income was above budget by \$20.1m with total operating expenditure over budget by \$10.9m.

This year has been an unusual year with a higher than normal level of external funding. Examples of the unbudgeted funders/projects were:

FUNDER	REASON	NATURE	AMOUNT \$000
PGF	Roading – Route 52	Capital	6,135
DIA	3 Waters Reform	Operational and Capital	3,647
MBIE, Lotteries, ECCT	Cultural Tourism – Nga Ara Tipuna	Operational	2,387
MBIE	Economic Recovery	Operational	2,696

Income from Fees and Charges was above budget by \$866k (and \$1.4m above last year) due to increased income from the Consents +\$791k (reflecting the buoyant economy and the high level of residential construction happening in the region) and in Solid Waste Charges +\$289k (reflecting the buoyant economy and the construction industry). However, both these activities had corresponding increases in costs driven by this high level of demand. The Solid Waste activity had to acquire additional carbon credits to match the tonnage of waste going to landfill and pay for external parties to process tyres, concrete, and green waste, and the volume of consents being processed was beyond what Council's internal staff could process so Council was more reliant on external consultants to process the excess demand. Both these increases are reflected in the higher than budgeted operating expenditure for the year.

Other Revenue for the year was \$707k above budget. Waka Kotahi NZ Transport Agency made a \$280k one off back payment following a Funding Assistance Rate Adjustment, and Council being vested a \$393k road in Otane following a greenfield subdivision there.

Personnel Costs were below budget \$134k despite some of the Central Government funding creating new temporary roles to deliver their recovery projects.

Operating Costs +\$11.1m against budget – the majority of this \$6.9m was in the economic development area and reflects the external funding Council got to construct the Nga Ara Tipuna Project \$3.5m and the economic stimulus monies \$3.5m used to create jobs in the district (such a vegetation control, Tuki Tuki Trails, Mayors Task Force for Jobs). \$0.8m was in the Consenting Team where they had to outsource some consent processing due to the volumes experienced. Land Transport was \$0.7m as in caught on works carried forward from 2020 and undertook the Route 52 work, Solid Waste was \$0.6m with its higher the budgeted volumes of waste, and 3



Waters were \$1.1m as they used the Central Government Stimulus money to undertake additional projects.

This year Council has revalued its roading network and this has resulted in a non-cash revaluation gain of \$4.9m.

While Council wasn't due to revalue its Land and Buildings until 2022, due to the inflated property market in the two years since the last valuation, Council has been requested to undertake an out of sequence land valuation this year. This has resulted in a further non-cash revaluation gain of \$9.1m.

After these valuation adjustments, Council is left with a Comprehensive Revenue and Expense Surplus of \$23.4m for the year.

	2020 COUNCIL ACTUAL \$'000	2021 COUNCIL BUDGET \$'000	2021 COUNCIL ACTUAL \$'000
Total Current Assets	19,068	9,395	20,626
Total Non-Current Assets	855,391	897,550	882,219
<b>Total Assets</b>	<b>874,459</b>	<b>906,945</b>	<b>902,845</b>
Total Current Liabilities	8,056	9,503	13,496
Total Non-Current Liabilities	23,934	21,730	23,463
<b>Total Liabilities</b>	<b>31,990</b>	<b>31,233</b>	<b>36,959</b>
Special & Other Funds	7,025	6,909	7,193
Trust Funds	182	-	184
Revaluation Reserve of Assets	590,804	624,408	604,604
Ratepayers' Equity	244,458	244,396	253,905
<b>Total Equity</b>	<b>842,469</b>	<b>875,713</b>	<b>865,886</b>
<b>Total Liabilities and Equity</b>	<b>874,459</b>	<b>906,945</b>	<b>902,845</b>

The above table sets out a summary of Council's Statement of Financial Position.

This shows that Council's non-current assets (mainly buildings, roading, and water infrastructure) has grown by \$26.8m during the year. This represents a combination of the \$14.0m of revaluations, and significant work Council has been undertaking upgrading water assets and route 52 this year (\$12.8m).

Interestingly much of this work has been funded by central government (through the PGF and 3 waters reform monies) and no new external debt was drawn during the year (hence the minimal movement in Non -Current Liabilities).

## RISK ASSESSMENT AND MITIGATION

Both the Risk and Assurance Committee and Ernst Young have reviewed the Annual Report and are happy for it to be adopted.

## FOUR WELLBEINGS

The annual report is the mechanism that Council reports back to its community on its activities for the year, and shows how it has done against its Levels of Service that it budgeted to deliver in its Long Term Plan, and where its money has been spent.

Amongst these Level of Service metrics are both economic, environment, and social measures.

## DELEGATIONS OR AUTHORITY

This is the Annual Report of the Central Hawke's Bay District Council so needs to be adopted by the Council for public publication.

**SIGNIFICANCE AND ENGAGEMENT**

In accordance with the Council's Significance and Engagement Policy, this matter has been assessed as of some importance.

**OPTIONS ANALYSIS**

Council has two options available to it:

1. That after receiving the Annual Report, and receiving the recommendation from the Risk and Assurance Committee, Council can adopt the Annual Report for the year ended 30 June 2021.
2. That after receiving the Annual Report, and receiving the recommendation from the Risk and Assurance Committee, Council can choose not to adopt the Annual Report for the year ended 30 June 2021 and request further work on it be undertaken.

**Recommended Option**

This report recommends option one, adopt the Annual Report for the year ended 30 June 2021 for addressing the matter.

**NEXT STEPS**

Once the annual report is adopted, officers will publish the report on Council's website for public consumption.

**RECOMMENDATION**

**That having considered all matters raised in the report and following the recommendation of the Risk and Assurance Committee:**

- a) That Council adopt the Annual Report and Annual Report Summary for the year ended 30 June 2021.**



## Kia ora from the Mayor and Council Team

### Tēnā koutou, tēnā koutou, tēnā koutou katoa

On behalf of your elected members, I'm proud to be sharing this Annual Report with everyone in our community.

On the back of an unprecedented 2019/20 year, with the double hit of a global pandemic of Covid-19 and sustained drought in Central Hawke's Bay, this annual report presents a huge year of delivery for a District that is thriving!

Despite the challenges, Council have remained focussed on delivering our core services and priorities to deliver on our communities bold and ambitious vision for a thriving Central Hawke's Bay.

### External Funding

This has been a challenging and rewarding 12 months, with opportunities from over \$17 million of unexpected investment in our community from Central Government adding new activities, projects and services that have added pace, value and accelerated many things for our community. This has included the development of the Regional Digital Hub through the Provincial Growth Fund, Mayors Taskforce for Jobs funding to support employment and \$11.3m of investment to accelerate our three waters programme.

### Unprecedented Growth and Development

On the back of this investment has been unprecedented growth and development at scales that have not been surpassed since the 1960's. It was only 2013 as a District we were still rapidly shrinking, with a vastly different future and outlook. Fast forward seven years to now, where despite the global financial impacts of Covid-19 in the last year this District consented more new builds and sections than ever before – growth is certainly here.

This growth has not always been well received by our wider community, and has surprised many in our District as it starts to impact on the things we hold important in our own patch of paradise. Council and Communities decision to prioritise projects like the District Plan that was notified in May 2021 has paid off, with the plan being notified in a tight, however robust programme of three years in May 2021.

### Facing up to the Facts

#### Long Term Plan 2021-2031

In the last 12 months we've also got to understand and know more about our assets, completing the Districts most robust Long Term Plan to date.

We presented and delivered the open and transparent view of our reality, where we now know more than we have ever known about the state of our assets. The truth was and remains confronting.

Facing the Facts for our thriving future means major investment across all of our assets. Addressing our past will mean a concerted and continued path of investment that will stretch well beyond this elected Council to ensure we create a positive future for our children and our children's children.

As a Council team, thank you for the conversations, the feedback and the suggestions in building the Long Term Plan – these have all been essential in shaping a Central Hawke's Bay of the future we can all live, work and play in and together we will *Thrive*.

### Our Tamatea Partnership

In September 2020 Council adopted Tuhono Mai Tuhono Atu – Council's Māori Engagement Strategy. Overall the intent of the strategy is to raise the bar of Māori engagement and development as a priority.

At an operational level, there is already some great partnership work underway including projects like Nga Ara Tipuna and we look forward to growing our partnerships and relationships with Manawhenua, Marae and Te Taiwhenua of Tamatea at a Governance level into the future. The collaboration and kotahitanga that has resulted is something we can collectively be very proud of as we continue to build and progress partnerships and opportunities together.

### Major Projects Progressed

In this last 24 months we have nearly doubled our capital programme delivery, boosted with \$20.1m of investment thanks to the Provincial Growth Fund on the Porangahau to Wimbledon Road upgrade and the implementation of major water, waste water and stormwater projects across our District.



By far the most significant milestone has to be confirmation on the way forward for our wastewater projects. Through the Long Term Plan 2021-2031 this has confirmed nearly \$70m of investment in our waste water plants in order to meet compliance and address historical investment that failed to improve our wastewater discharges. Supported by a wastewater strategy for treatment of wastewater across our District, we have a clear pathway forward.

While the big stuff is critical, other projects such as our District Plan Review, Community Planning and the Provincial Growth Fund development of the Tukituki Trails, are all projects of high community value that add to the fabric of a Thriving Central Hawke's Bay.

### **Our Caring Community – Covid-19 and Sustained Drought**

While many communities were affected by the unprecedented effects of Covid-19 – with the March 2020 lock down being the big focus, Central Hawke's Bay also experienced the twin blows of Covid-19 and sustained drought.

We understand the impacts of Covid-19 and the sustained drought have impacted our community in a different way to the rest of New Zealand. I'm hugely proud of the way that our community has continued to respond to these ongoing challenges. It further demonstrates the true values and sense of community that is Central Hawke's Bay.

This has also highlighted the success of the approach to community that Council has been working on since the adoption of the previous Long Term Plan. Recognising that Council cannot 'do' everything for community wellbeing, we are clear in our role as facilitators, enablers and advocates which has built into what we call a 'network of networks' approach. Community are our leaders and they are the workforce in ensuring strong and resilient whanau, households, farms and businesses.

### **Change on the Horizon**

Local Government is in a period of unprecedented change and uncertainty, with the Three Water Reform, Resource Management Act 1991 Review and Future of Local Government Review – all active reform priorities being led out by Central Government.

In the last year we've focussed on ensuring that we are as equipped as we can be to ensure our community gains the best approach from the reform and review programmes. At the time of writing, there is uncertainty, however we want to give you every confidence that as a Council we are asking the hard questions and advocating for the very best for our community, to ensure our thriving future.

### **Thank you Central Hawke's Bay!**

On behalf of the Council, I want to thank you for your contributions to your community during the year. Your ongoing support is essential in shaping a Central Hawke's Bay of the future we can all live, work and play in and together we will *Thrive*.



*Alex Walker*

Alex Walker  
Mayor of Central Hawke's Bay

*Monique Davidson*

Monique Davidson  
Chief Executive Officer

Central Hawke's Bay District Council

## About this Summary

This summary is a snapshot of the Council's activities and finances for the period ending 30 June 2021.

The information it contains has been extracted from our 2020/21 Annual Report which was prepared in accordance with NZ GAAP and in compliance with PBE IPSAS and contains detailed information about our finances and service performance.

This summary financial report has been prepared in accordance with PBE FRS – 43 but cannot be expected to provide as complete an understanding as provided by the full financial report of the financial and service performance, financial position and cash flows of the Central Hawke's Bay District Council.

The financial statements have been prepared to comply with Public Benefit Entity Standards (PBE Standards) for a Tier 1 entity.

This summary financial report is for an individual entity.

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).

Copies of the full 2020/21 Annual Report can be obtained from the Council office, Ruataniwha Street, Waipawa or viewed online at [www.chbdc.govt.nz](http://www.chbdc.govt.nz). This summary represents fairly and consistently the major matters dealt with in the Annual Report 2020/21 which was issued on 24 September 2021.

**The Annual Report was audited and received an unmodified audit opinion.**

## Governance Priorities and Projects: *Thrive in Five*

Following the October 2019 Triennial Election, Council took the time to identify key issues and opportunities facing Central Hawke's Bay.

Council agreed that the platform provided by *Project Thrive* provided the building blocks for success, however with a need to sharpen the focus on key issues to truly transform the future for Central Hawke's Bay.

Five Strategic Priorities that Council wanted to focus its attention on to ensure success were identified and these include:

### #1 – #thebigwaterstory

Delivery of #thebigwaterstory and improved water security for Central Hawke's Bay.

### #2 – The District Plan Review

**The District Plan:** Deliver of a notified and operative District Plan.

### #3 – Wastewater

**Waste Water Treatment Project:** Capital Works plan completed, initial improvements completed, and future funding strategy clarified.

### #4 – Social Housing

**Social Housing:** Increased numbers of social housing in Central Hawke's Bay, including improved leverage off Council's retirement housing portfolio.

### #5 – Creating a Wastefree CHB

**Wastefree CHB:** Reduce recycling to landfill and improved asset management and leverage of landfill.

## Priority #1 – #thebigwaterstory

### Delivery of #thebigwaterstory and improved water security for Central Hawke's Bay.

Four years ago, Central Hawke's Bay District Council started a very important conversation with the community about how we could realise our aspirations to *Thrive*, and what role the Council plays in that.

Through this process, the importance of water to our community came through as one of the strongest messages. This, combined with a vision for growth and prosperity, environmental responsibilities, and durable infrastructure, was how #thebigwaterstory was born. #thebigwaterstory is about our wastewater, stormwater and drinking water, and represents the durable infrastructure required to transform the day to day lives of Central Hawke's Bay's residents.

The 2020/ 2021 year has seen the delivery of further key flagship projects in The Big Water Story, including the Porangahau Water Treatment Plant upgrade, which has seen tangible improvements made to the day to day lives of those in Porangahau and Te Paerahi. Over the last 3 years of the Long Term Plan 2018-2021 – a number of important project(s) signalled in the Long Term Plan have been completed, these include the water treatment plant upgrades in:

#### Water

- Water treatment plant upgrades in Porangahau and Takapau
- Increased water storage for Te Paerahi
- Otane Alternate Water Supply
- First 3 stages of the Waipukurau firefighting and growth upgrades
- Water main renewals – Porritt Place, Mackie and McLean.



Waipukurau firefighting upgrades on Ruataniwha Street

#### Wastewater

- Waipawa Trunk Sewer Main Renewal
- McGreevy Street pump station upgrade
- Inlet works upgrade at Waipawa wastewater plant
- Inlet and metering upgrade at Takapau wastewater plant.



Porangahau and Te Paerahi Water Treatment Plant Opening

#### Stormwater

- Upgrades on Churchill, Carpenter Street, Waipukurau
- Upgrades on Woburn/Wilder Streets, Waipukurau
- Helicoil replacement on Francis Drake Street, Tavistock and Jellicoe Roads, and Tutanekai Streets.

The review of our 3 waters bylaws and an update of our sustainable water management plan are key enabling documents to recognise the work required over and above the physical upgrades to safeguard and sustainably manage our assets into the future. Significant work continues on updating our 3 waters models to support growth, development and future upgrades required in the district.

A number of projects commenced as part of Long Term Plan 2018, continue into 2021 – these are the Waipukurau Second Water Supply, SH2 Borefield and Filtration upgrade and the Kairakau water upgrades.



## Priority #2 – The District Plan Review

### Delivery of a notified and operative District Plan

In 2017 Council set a bold and ambitious plan to review the District Plan as a key project to bring *Project Thrive* alive. With the current operative District Plan – essentially a rule book that directs how the community can use, develop and subdivide land nearly 20 years old, the mandate for change was clear.

The review project began in late 2017, with key milestones in 2019 including consulting with the community and key stakeholders on the Draft District Plan, the delivery of hearings and Committee Meetings in 2020 prior to and through Covid-19.

In December the review programme reached a 'pens down' milestone, where the writing of the plan came to end, ready to commence the formal Schedule 1 process under the Resource Management Act 1991.

On 27 May 2021, Council formally adopted the Proposed District Plan for formal notification, which began on Friday 28 May 2021, and due to close on 6 August 2021.

In the time, an expression of interest process to identify suitably experienced and qualified Commissioners for the District Plan Review process also began, for completion in the 2021/22 year.

Notifying the Proposed District Plan in just over three years is an outstanding achievement, and Council's decision to prioritise the District Plan – now in the context of unprecedented growth and development has paid off.

Overall, the review project continues to meet its major milestones, with the next steps in the 2021/22 year including the closing of submissions, a further summary of submission process and hearings on the Proposed Plan planned for early 2022.





## Priority #3 – Waste Water Treatment Projects

### Capital Works plan completed, initial improvements completed, and future funding strategy clarified.

In October 2020 – Council adopted our Long Term In **Wastewater strategy** that sets out the direction confirmed in our recent Long Term Plan 2021 adoption. The strategy aligns with our vision to ensure "Our effluent is treated in a sustainable way that creates a resource, protects our environment, and continues to do so for generations to come."

Informed through working closely with community members to develop options which focus on generational thinking to ensure a positive balance between the environmental health of our District, the strength of our infrastructure to enable Central Hawke's Bay to thrive, and affordability for all of our people.

Work commenced in 2018 to implement improvements to our plants and these continue as we focus on short term improvements while the longer term improvements are planned and delivered.

Some of the short term upgrades underway relate to the wetland removal at 3 sites, the desludging of ponds at 2 sites and the replacement or improvement to tertiary treatment in Waipawa and Waipukurau.

In 2020/2021 we have continued to work with our smaller communities in Takapau, Porangahau and Te Paerahi as we prepare to upgrade their plants to align with new resource consents, new consents have been lodged for Takapau, and a long term consent is due to be lodged for Porangahau and Te Paerahi at the end of August 2021.



Stage 1 of the Otane to Waipawa Wastewater Pipeline

These upgrades will see wastewater discharge be removed from rivers and rather irrigated or dispersed onto land.

The Waipawa, Otane and Waipukurau plants have been merged into one programme of work. Laid out in this informative video created alongside our Long Term Plan engagement:

<https://youtu.be/D2zwM0gVp3o>



Preparation of the geobag area at Waipawa WWTP for desludging

Works have commenced on some aspects of our long term vision where we are aiming to complete an over 8 km pipeline from Otane to Waipawa, and a pump station to convey wastewater from Otane to Waipawa for treatment and eventually discharge at our land based site. To date over 6 kms has been installed.

The strategy also focusses on management of biosolids (sludge) produced through the treatment process and how council can manage the flow and load entering our systems – a review of our trade waste system was undertaken in 2020 and continues into 2021 as we look to work with industry to support or upgrade strategy.

Renewals of aging pipelines and improvements to the liquids that enter our wastewater system are underway through additional funding set aside in our Long Term Plan for renewals and inflow and infiltration management.

Alongside all of this, significant design work continues on the future upgrades as we prepare to build these upgrades over the next 10-15 years.

More information here:

<https://www.chbdc.govt.nz/our-district/projects/the-big-wastewater-story>

## Priority #4 – Social Housing

### Increased numbers of social housing in Central Hawke's Bay, including improved leverage off Council's Retirement Housing Portfolio.

Social Housing of all of Council's priorities has been the most challenging to gain positive traction for the community, despite a number of actions underway. In 2019, Council adopted its Housing Strategic Framework with a vision of [supporting our community to Thrive through access to a home – He āhuru mōwāi, e taurikura ai te hāpori](#). In some cases, it is taking considerably longer for results to materialise, recognising the significant complexity and interrelatedness of housing. It is also important to consider Council's mandated role in housing in relation to Central Government. Successes over the last 12 months include:

#### Continuing to Champion Central Government for Housing Support

Council has been relentless in seeking positive outcomes for Central Hawke's Bay. In the 12 months Kainga Ora (KO) have announced the purchase of 8 2 bedroom units in Waipukurau. Development of the Porangahau Road Maternity site where 20 homes will be built by KO has been slow, however still progressing. Council and community look forward to solid progress on this site being achieved this year taking a place based approach to housing.

#### Tamatea Housing Taskforce

Working with Te Taiwhenua o Tamatea and the Heretaunga Tamatea Settlement Trust, Council are working to establish a Tamatea housing taskforce. This taskforce will focus on the range of housing issues – not just constructing homes, with a number of positive meetings being held in the year to align on housing opportunities in Tamatea/Central Hawke's Bay.

#### Councils Retirement Housing Review

One of four key goals in Council's Housing Strategic Framework has been the review of its retirement housing portfolio. The review of the portfolio recommenced in May 2020 following delays with COVID-19, with Council considering and adopting recommendations from the Section 17a Review in September 2020. In short, the review identified that additional funding was required in order to plan for

and fund renewals and upgrades to the flats to meet mandatory standards and repairs for the future. The activity previously had only been breaking even or in some cases depleting reserves. A step change to fees to build a reserve was required and implemented through the Long Term Plan 2021-2031.

At this time, it was investigated as to how the portfolio could be used to support the provision and increase the supply of retirement housing in Central Hawke's Bay. The review concluded, that without Government support, the focus for the activity needed to remain on ensuring its financial viability and establishing reserves, rather than seeking to build new assets at this time.

### Porangahau Road South Growth Precinct

A priority action from the Central Hawke's Bay Integrated Spatial Plan 2050 was addressing growth opportunities on the site known as the Waipukurau Hospital site. Made up of six land owners the land has been zoned residential for over 20 years, however due to constraints with infrastructure has not been able to be developed. Council has taken a leadership role in meeting and facilitating discussions with land owners opportunities for the site, including developing an outlined development plan for the precinct, preparing to make a submission to the Proposed District Plan to support the Precinct and in June preparing an application to KO's Infrastructure Acceleration Fund.

If successful, the Precinct could provide over 950 lots for the District over the next ten years to support housing outcomes for the District.



Outline of Stage 1 of the Porangahau South Growth Precinct



## Priority #5 – Creating a Waste Free CHB

Reduce recycling to landfill and improved asset management and leverage of landfill.

Council has continued and strengthened its promotion of a 'Waste Free CHB' through 2020/21. The catch phrase 'Waste Free CHB' has grown to embody a range of initiatives and activities that Council and its communities undertake together to reduce waste and promote environmental outcomes.

Much of the 2020/21 year was spent in a planning and engagement phase as Central Hawke's Bay sought to make significant changes to its service delivery offerings for the future. On the back of a Section 17A review of services in 2019, in 2020 Council took to the community options for the future of kerbside collection services as part of the Long Term Plan 2021-2031. Council made decisions about future services that will position Central Hawke's Bay to deliver on its objectives and aspirations of a Waste Free CHB.

Engaging with our community, providing education and awareness and building relationships and partnerships remained a key focus through 2020/21. As well as its normal operational services, in the 2020/21 period Council continued to deliver:

- Free to public composting workshops
- Funding for Enviroschools
- Access to educational material for waste minimisation
- Access for public and community groups to funding for community-led environmental and sustainability initiatives
- Subsidised collections of e-waste and hazardous waste
- Access to bail-wrap recycling services.

Council is particularly proud to have been able to support Hunter Park Kindergarten and Sustainable Ewe with funding towards their own environmental and sustainability initiatives with the funding made available through Council's Waste Levy Returns scheme.

Operational improvements to a number of core infrastructure assets for solid waste have also been enhanced in the period. Notably significant improvements have been made to the operational management of the landfill during early parts of 2021.



Below: photo showing our team taking local Argyle School through a tour of the landfill giving awareness of where our districts waste ends up.



## Our other highlights over the last 12 months

Outside of our *Thrive in Five* projects and priorities, other successes and highlights over the last 12 months include:

### Facing the Facts: Adoption of the Long Term Plan 2021-2031

planning ahead, to ensure the next 10 years deliver on our community's vision for a *Thriving* Central Hawke's Bay.

Understanding that the plans we make today, will impact the aspirations and realities of our children and grandchildren for decades to come, Council uncovered some huge challenges we collectively had to face, before we could move forward.

Facing the Facts and responding to the challenges, recognised that the road ahead for the community would not be easy, however was essential to create and secure a thriving Central Hawke's Bay for our future generations.

In July 2020 we launched our Long Term Plan pre-engagement around on the 'Great Eight', seeking community feedback on eight key areas as we worked to set the direction of the Long Term Plan 2021-2031. This feedback on issues from Solid Waste, sustainable transport, resolving Councils wastewater through to Community Facilities, provided clear guidance and direction to Council in its decision making process.

In the Long Term Plan 2021-2031 Council presented and delivered the open and transparent view of our realities – from earthquake prone halls, failing wastewater treatment plants, to underinvestment in playgrounds. Through this Long Term Plan, we have come to know more than ever on our assets. The facts of this knowledge are confronting.

What was clear was the for more than two decades, due to political constraints on our approach to rating, our essential infrastructure went without the necessary funding and investment to ensure it was properly maintained. Alongside some poor investment decisions, this has delivered an unfortunate reality for our communities of today.

Through the Long Term Plan as a community, we have faced up to these facts. And our response is to correct this underinvestment, and to secure our future.

Never before has this district seen a level of investment in its core infrastructure and services like that which is in this Long Term Plan. This investment will place us well for our future.

But this investment does not come without its significant challenges. The Long Term Plan includes increases to our debt limits and significant rates increases – not just in the first year of the plan, but through the life of the Long Term Plan Budget 2021-2031. We pulled every financial lever available to us to address the affordability challenges the investment creates. This meant in some cases moving swiftly to implement policies with immediate effect, such as our Development Contributions Policy, to reduce the financial burden to existing ratepayers.

Addressing our past will mean a concerted and continued path of investment that will stretch well beyond this elected Council to ensure we create a positive future for our children and our children's children. It is our collective responsibility to ensure that we remain focussed on our future and 'stay the course' despite the challenges, to deliver on a thriving Central Hawke's Bay of tomorrow.

Following the adoption of the Long Term Plan on 2021-2031 on 17 June 2021, Council moved swiftly to implement a number of new service changes, including recycling services that have taken effect from 1 August 2021.





## Community Planning

In March Council formally adopted the Takapau and Ongaonga Community Plans. A major initiative to ensure the voice and vision for rural communities was clear during *Project Thrive*. Community Plans are key documents for the ensuring a Thriving rural heart of Central Hawke's Bay.

Planning for Tikokino and Otane's Community Plan was underway in June.

### This needs more!

Strong communities and connected citizens are a vital part of our view the future of Central Hawke's Bay. Community Plans were an important part of Council's commitment to being community-led as an organisation. Maintaining and strengthening the unique identities of each of the district's rural settlements is part of celebrating what we love about Central Hawke's Bay – with all of its parts together.

The active community plans in Takapau and Onga Onga have provided clear direction to both community and council about priorities and opportunities to work together. From road safety advocacy in Takapau to support of the Onga Onga Coles Factory restoration, the partnership opportunities are growing in a truly meaningful way.



## Unprecedented Growth and Development

The secret is out and Central Hawke's Bay has grown like never before over the last 12 months.

As part of the Long Term Plan 2021-2031 a high growth scenario was forecast for the District, adding roughly 1,500 homes to the District over the next ten years and another 4,000 residents.

This year has seen unprecedented resource consent and building consent numbers for new dwellings across the District. While some of this activity is a result of the early implementation of the Development Contributions Policy on 13 May as part of the Long Term Plan 2021-2031, overall it also reflects an optimism and positivity for the District that has been growing since 2013.

As context the table below gives an indication of the development in the District for the 2019-20 and 2020-2021 years for the periods 1 July to 30 June.

BUILDING CONSENTS	2019-20	2020-21	CHANGE	%
Volume – Applications	419	434	15	4%
New Dwellings	125	141	16	13%
Total Value – \$M's	\$60.9	\$69.3	\$8.4	9%

RESOURCE CONSENTS	2019-20	2020-21	CHANGE	%
Total Applications	219	334	115	53%
Total Applications approved	181	265	84	46%
New lots for creation	332	1152	820	247%

While many of the subdivision applications are for large lot subdivisions, that could effectively take up to ten years to be fully developed, on the basis that the District has predicted 1,500 new dwellings over the next ten years, the number of potential lots indicates a pipeline of growth that is likely to outstrip Councils growth estimates.

Council decision to prioritise investment and the review of review of the District Plan, and the completion of more holistic planning such as the Central Hawke's Bay Integrated Spatial Plan 2050 – places the District well to plan for and prepare for this growth for the future.

## Continued Recovery for Covid-19 and Sustained Drought

As Central Hawke's Bay experienced the effects of COVID-19, it also felt the pressures of sustained drought running deep through its community.

For many in the rural community of Central Hawke's Bay, the timing of the national lockdown came as the grips of the drought were taking full effect making ensuring visibility of the twin sustained blows the District was experiencing difficult.

Central Government stimulus funding provided a number of opportunities in the District to redeploy those affected with employment from both Covid-19 and the sustained drought in the District.

The continued recovery from Covid-19 and the sustained drought was a major focus through the year as projects came to life and support for those affected by the events came to the fore for our people of Tamatea/Central Hawke's Bay. Some of the initiatives are outlined below:

### Tukituki Trails

With the support of the Rotary River Pathways Trust, Council secured \$750k of funds to establish 10 kilometres of new Mountain Bike Track, 12 kilometres of lime pathway and a new bridge over Black Creek to create a loop ride on the Tukituki trails of over 20 kilometres. Key to the project was the employment of 11 staff to deliver the project. The project commenced in mid-December and is due to be complete in October.



### Rapid Redeployment

Council secured \$2m to support those immediately affected by the effects of Covid-19 into redeployed roles focussing primarily on vegetation management. Mobilising early in July 2020 in a matter of weeks, the programme has seen over 50 people redeployed into employment and supported with pastoral support and on the job training, undertaking courses from traffic management, growsafe, chainsaw certification and a range of licencing.

Primarily focussing on employment and training outcomes, the District achieved the removal of a number of dangerous and wilding trees, along with crews focussing on reserve and open space areas, planting and enhancing Council open spaces.

### Rakei ora – Bringing Wellbeing to Marae

Rakei ora was a partnership project between Te Taiwhenua o Tamatea and Council to deliver nearly \$850k of funding sourced through the Provincial Growth Fund for the renewal and upgrade of marae.

Through the programme 11 people were employed who have all proceeded into employment – an outstanding outcome for the project. Through the project, marae have had a wide arrange of works completed.

### Jobs in Central Hawke's Bay – Mayors Taskforce for Jobs

Since its development in July 2020, the Jobs in Central Hawke's Bay – Mayors Taskforce for jobs has gone from strength to strength. Funded through partnership funding between Local Government New Zealand and the Ministry of Social Development, the programme has achieved outstanding results for our community.

To date the programme has achieved over 513 unique visitors to its employment hubs, placed over 217 people into employment for Central Hawke's Bay residents.



At the time of writing Council has secured funding for a further year on the programme, through to July 2022.

The programme has received national attention for its achievements and is recognising amongst the Mayors Taskforce for Job initiatives as an outstanding example of Council and Community Collaboration.



### Major Land Transport Contracts mobilised

Four contracts with a combined value of over \$35m procured late in the 2019/20 calendar year were mobilised or step changes in delivery expectations implemented. This included:

- Awarding Downer Councils previous road maintenance contractor a new contract for up to five years to complete all day to day servicing and repairs on the roading network
- Downer was also awarded the road sealing contract for the District, with the 2021/22 year reseals forecast to be achieved ahead of time
- Higgins were awarded two contracts for both area wide pavement treatments (where the road has failed) along with a separate contract for structural work associated with bridges, retaining walls and guardrails.



## About this summary

The following graphs are examples of benchmark reporting requirements that Council must now report against in the full Annual Report.

The full set of benchmark disclosures is included in the full Annual Report.

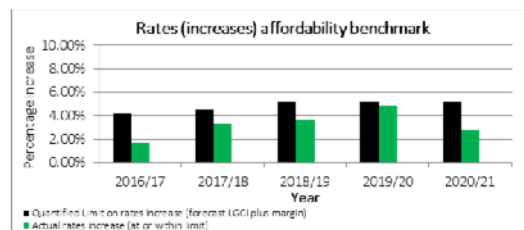
### Rates (increases) affordability benchmark

The council meets the rates (increases) affordability benchmark if its actual rate increases are a quantified limit.

The following graph compares the council's actual rates increases with a quantified limit on rates increases contained in the financial strategy included in the council's long-term plan. The quantified limit as set in the 2018-2028 LTP is:

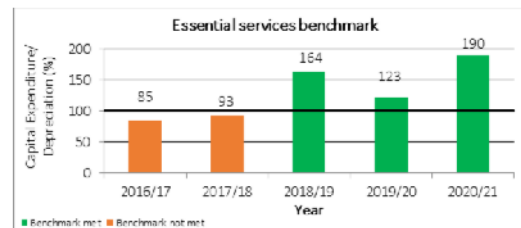
**"Rates Increases to existing ratepayers will not exceed the projected Local Government Cost Index plus 3%."**

In 2020/21 rates increased by 2.74% which is within the 2020/21 benchmark of 5.20% (LGCi of 2.2% plus 3%).



### Essential Services benchmark

The following graph displays the council's capital expenditure on network services as a proportion of depreciation on network services. The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



Due to the upgrade of Route 52 (PGF funded) and 3 Waters Upgrades (funded by the 3 Waters Reform monies) Council has undertaken some significant capital works in 2020/2021. This was purely driven by the availability of external funding. Overall Council spent \$1.90 on capital replacements for every \$1.00 of depreciation during the year.



## Summary of Financial Statements for the period ending 30 June 2021

### Statement of Comprehensive Revenue and Expense

	2020 COUNCIL ACTUAL \$'000	2021 COUNCIL BUDGET \$'000	2021 COUNCIL ACTUAL \$'000
Total Revenue	35,398	33,821	53,986
Finance Costs	429	462	462
Other Operating expenditure	35,454	34,211	44,113
<b>Net Operating Surplus/(Deficit)</b>	<b>(485)</b>	<b>(851)</b>	<b>9,411</b>
Other (Gains)/Losses	-	-	-
Income Tax	-	-	-
<b>Net Surplus/(Deficit)</b>	<b>(485)</b>	<b>(851)</b>	<b>9,411</b>
Movements in PPE revaluations	2,417	14,928	14,005
Impairment of Asset	(1,082)	-	-
<b>Total Comprehensive Revenue and Expense</b>	<b>850</b>	<b>14,076</b>	<b>23,415</b>

### Statement of Financial Position Summary

	2020 COUNCIL ACTUAL \$'000	2021 COUNCIL BUDGET \$'000	2021 COUNCIL ACTUAL \$'000
Total Current Assets	19,068	9,395	20,626
Total Non-Current Assets	855,391	897,550	882,219
<b>Total Assets</b>	<b>874,459</b>	<b>906,945</b>	<b>902,845</b>
Total Current Liabilities	8,056	9,503	13,496
Total Non-Current Liabilities	23,934	21,730	23,463
<b>Total Liabilities</b>	<b>31,990</b>	<b>31,233</b>	<b>36,959</b>
Special & Other Funds	7,025	6,909	7,193
Trust Funds	182	-	184
Revaluation Reserve of Assets	590,804	624,408	604,604
Ratepayers' Equity	244,458	244,396	253,905
<b>Total Equity</b>	<b>842,469</b>	<b>875,713</b>	<b>865,886</b>
<b>Total Liabilities and Equity</b>	<b>874,459</b>	<b>906,945</b>	<b>902,845</b>

### Statement of Changes in Equity Summary

	2020 COUNCIL ACTUAL \$'000	2021 COUNCIL BUDGET \$'000	2021 COUNCIL ACTUAL \$'000
<b>Equity at the Beginning of the Year</b>	<b>841,619</b>	<b>861,636</b>	<b>842,469</b>
Total Comprehensive Revenue and Expense	850	14,076	23,415
<b>Equity at the End of the Year</b>	<b>842,469</b>	<b>875,713</b>	<b>865,884</b>

### Statement of Cash Flows Summary

	2020 COUNCIL ACTUAL \$'000	2021 COUNCIL BUDGET \$'000	2021 COUNCIL ACTUAL \$'000
Net Cash from Operating Activities	11,338	13,748	24,867
Net Cash from Investing Activities	(31,254)	(15,547)	(24,772)
Net Cash from Financing Activities	17,882	2,404	-
<b>Net Increase/(Decrease) in Cash</b>	<b>(2,034)</b>	<b>606</b>	<b>95</b>
Cash at the Beginning of the Year	4,561	3,956	2,527
<b>Cash at the End of the Year</b>	<b>2,527</b>	<b>4,562</b>	<b>2,623</b>

### Financial Performance Overview

For the financial year Council had a surplus of \$9.411m (before revaluations) compared to a prior year deficit of \$485k. Overall income was above budget by \$20.165m with total operating expenditure over budget by \$10.997m.

This year has been an unusual year with a higher than normal level of external funding. Examples of the unbudgeted funders/projects were:

FUNDER	REASON	NATURE	AMOUNT \$000
PGF	Roading – Route 52	Capital	6,135
DIA	3 Waters Reform	Operational and Capital	3,647
MBIE, Lotteries, ECCT	Cultural Tourism – Nga Ara Tipuna	Operational	2,387
MBIE	Economic Recovery	Operational	2,696

The table and explanations below illustrates Councils financial results.

### Financial Overview

	2020 COUNCIL ACTUAL \$'000	2021 COUNCIL BUDGET \$'000	2021 COUNCIL ACTUAL \$'000
<b>Total Revenue</b>	<b>35,398</b>	<b>33,821</b>	<b>53,986</b>
Operating expenditure	23,057	21,145	32,142
Finance Cost	429	462	462
Other (Gains) and Losses	0	0	0
<b>Net Surplus/(Deficit) excluding non-cash movements</b>	<b>11,912</b>	<b>12,214</b>	<b>21,381</b>
<b>Non Cash Movements</b>			
Depreciation and Amortisation	12,397	13,065	11,971
Other Gains and Losses	0	0	0
<b>Net Surplus/(Deficit)</b>	<b>(485)</b>	<b>(851)</b>	<b>9,411</b>

### Explanations

- During the year Council was recipient of significant Central Government and third party funding (see earlier table). This was a mix of operational and capital funding. This has had the impact of both increasing Councils revenue, but also increasing its expenditure.
- Income from Fees and Charges was above budget by \$866k (and \$1.4m above last year) due to increased income from the Consents +\$791k (reflecting the buoyant economy and the high level of residential construction happening in the region) and in Solid Waste Charges +\$289k (reflecting the buoyant economy and the construction industry). However, both these activities had corresponding increases in costs driven by this high level of demand. The Solid Waste activity had to acquire additional carbon credits to match the tonnage of waste going to landfill and pay for external parties to process tyres, concrete, and greenwaste, and the volume of consents being processed was beyond what Council's internal staff could process so Council was more reliant on external consultants to process the excess demand. Both these increases are reflected in the higher than budgeted operating expenditure for the year.
- Other Revenue for the year was \$707k above budget. Waka Kotahi NZ Transport Agency made a \$280k one off back payment following a Funding Assistance Rate Adjustment, and Council being vested a \$393k road in Otane following a greenfield subdivision there.

- Operating expenditure is above budget due to the following:
  - Personnel Costs were below budget \$134k despite some of the Central Government funding creating new temporary roles to deliver their recovery projects.
  - Operating Costs +\$11.1m against budget – the majority of this \$6.9m was in the economic development area and reflects the external funding Council got to construct the Nga Ara Tipuna Project \$3.5m and the economic stimulus monies \$3.5m used to create jobs in the district (such a vegetation control, Tuki Tuki Trails, Mayors Task Force for Jobs). \$0.8m was in the Consenting Team where they had to outsource some consent processing due to the volumes experienced. Land Transport was \$0.7m as in caught on works carried forward from 2020 and undertook the Route 52 work, Solid Waste was \$0.6m with its higher the budgeted volumes of waste, and 3 Waters were \$1.1m as they used the Central Government Stimulus money to undertake additional projects.

### Non-Financial Performance Overview

Overall, we achieved good results this year in terms of the non-financial performance measures.

However, there were some areas that we did not achieve what we set out to do in the 2018-28 Long Term Plan, as identified below.

In Brief the Council Achievements are as follows:

GROUP	TARGET ACHIEVED	TARGET NOT ACHIEVED
Community Leadership and Governance Group	15 (94%)	1 (6%)
Planning and Regulatory Group	8 (41%)	11 (59%)
Land Transport Group	2 (33%)	4 (67%)
Solid Waste Group	3 (60%)	2 (40%)
Water Supply Group	5 (50%)	5 (50%)
Wastewater Group	6 (86%)	1 (14%)
Stormwater Group	4 (80%)	1 (20%)
Recreation and Community Facilities Group	14 (58%)	10 (42%)

### Community Leadership and Governance

We set a target that 50% of people who consider that Council has responded well or very well to community needs and issues. During the Independent Survey in June 82% of people considered Council has responded well or very well to community needs and issues (up from 66% in the previous year).

### Planning and Regulatory

We set a target that 100% of building consents would be processed within 20 working days. 443 Building

Consents were processed in the year (which is a 22% increase on the previous year) with 411 (98%) processed within the 20-day statutory timeframes in the reporting period. Record high consent volumes put pressure on staff to keep up with the number of consents submitted.

### Land Transport

We set a target that we would resurface 6-8% of sealed roads during the year. During the year 5.5% of sealed roads were resurfaced. This was due to the good condition of our network and pushing some work out into the following year to get better coordination with our 3 waters team.



### Solid Waste

We set a target that 90% of users satisfied with the solid waste service provided. During the independent Annual Residents Survey in June, 82% of users were satisfied with the solid waste service provided.

We set a target of 2,250 m<sup>3</sup> of green waste be composted each year. 4,659 m<sup>3</sup> was achieved.

### Water Supply

We set a target that all water supplies comply with Parts 4 and 5 of the Drinking water Standard. Of the six supplies, this was achieved with Otane, Waipukurau, and Waipawa. As part of the big water story Council is making improvements across its treatment network to improve this compliance in the future.



We set a target that 90% of users satisfied with the water supply service. During the independent Annual

Residents Survey in June, 83% of users were satisfied with the water supply service provided.

### Wastewater

We set a target that there would be <10 complaints per annum per 1,000 sewer connections. During the year 15 complaints per 1,000 were received, as Council had some sewer blockage issues during the year.

### Stormwater

We set a target that there would be <5 complaints per annum per 1,000 properties connected to the stormwater system. During the year 4.3 complaints per 1,000 were received.

### Recreation and Community Facilities

Within the Park, Reserves and Swimming Pools activities, the majority of measures were achieved, with some of those not achieved impacted by COVID-19.

Within the Public Toilets all targets which achieved.

Within the Retirement Housing all targets which achieved.

Within the Libraries activity some measures were not achievable due to COVID-19 closures, as well as closures due to seismic concerns.



Within the Theatres, Halls and Museums activities, many measures were not achievable due to COVID-19 level 3 and 4 closures.

For the complete list of measures and outcomes, please refer to the full Annual Report 2020/21 on our website [www.chbdc.govt.nz](http://www.chbdc.govt.nz).

ANNUAL REPORT 2020-2021

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## Audit Report



INDEPENDENT AUDITOR'S REPORT  
TO THE READERS OF  
CENTRAL HAWKE'S BAY DISTRICT COUNCIL'S  
ANNUAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2021









This annual report highlights for our community the progress we have made toward our outcomes and our overall delivery and performance for the year 2020/21 in accordance with the Local Government Act 2002.

The Annual Report is a legislative requirement, however we also see it as an opportunity to inform residents and stakeholders about how we're using rates funding, and our stewardship of the District's assets. It's also a record of the year's achievements, which reflect the contribution of many in our community as the Council increasingly supports community-led initiatives and seeks to work collaboratively and in partnership with our many stakeholders for a Thriving Central Hawke's Bay.

This annual report for 2020/21 is the third and final against our Long-term Plan 2018–28, so the key activities we discuss follow the priorities we agreed with the community when we formed that plan, and which we restated in our annual plan for 2020/21.

You can find this and our previous annual reports at our website [www.chbdc.govt.nz](http://www.chbdc.govt.nz).

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## *Introduction and Overview*



## Kia ora from the Mayor and Council Team

### Tēnā koutou, tēnā koutou, tēnā koutou katoa

On behalf of your elected members, I'm proud to be sharing this Annual Report with everyone in our community.

On the back of an unprecedented 2019/20 year, with the double hit of a global pandemic of Covid-19 and sustained drought in Central Hawke's Bay, this annual report presents a huge year of delivery for a District that is thriving!

Despite the challenges, Council have remained focussed on delivering our core services and priorities to deliver on our communities bold and ambitious vision for a thriving Central Hawke's Bay.

#### External Funding

This has been a challenging and rewarding 12 months, with opportunities from over \$17 million of unexpected investment in our community from Central Government adding new activities, projects and services that have added pace, value and accelerated many things for our community. This has included the development of the Regional Digital Hub through the Provincial Growth Fund, Mayors Taskforce for Jobs funding to support employment and \$11.3m of investment to accelerate our three waters programme.

#### Unprecedented Growth and Development

On the back of this investment has been unprecedented growth and development at scales that have not been surpassed since the 1960's. It was only 2013 as a District we were still rapidly shrinking, with a vastly different future and outlook. Fast forward seven years to now, where despite the global financial impacts of Covid-19 in the last year this District consented more new builds and sections than ever before – growth is certainly here.

This growth has not always been well received by our wider community, and has surprised many in our District as it starts to impact on the things we hold important in our own patch of paradise. Council and Communities decision to prioritise projects like the District Plan that was notified in May 2021 has paid off, with the plan being notified in a tight, however robust programme of three years in May 2021.

#### Facing up to the Facts Long Term Plan 2021-2031

In the last 12 months we've also got to understand and know more about our assets, completing the Districts most robust Long Term Plan to date.

We presented and delivered the open and transparent view of our reality, where we now know more than we have ever known about the state of our assets. The truth was and remains confronting.

Facing the Facts for our thriving future means major investment across all of our assets. Addressing our past will mean a concerted and continued path of investment that will stretch well beyond this elected Council to ensure we create a positive future for our children and our children's children.

As a Council team, thank you for the conversations, the feedback and the suggestions in building the Long Term Plan – these have all been essential in shaping a Central Hawke's Bay of the future we can all live, work and play in and together we will *Thrive*.

#### Our Tamatea Partnership

In September 2020 Council adopted Tuhono Mai Tuhono Atu – Council's Māori Engagement Strategy. Overall the intent of the strategy is to raise the bar of Māori engagement and development as a priority.

At an operational level, there is already some great partnership work underway including projects like Nga Ara Tipuna and we look forward to growing our partnerships and relationships with Manawhenua, Marae and Te Taiwhenua of Tamatea at a Governance level into the future. The collaboration and kotahitanga that has resulted is something we can collectively be very proud of as we continue to build and progress partnerships and opportunities together.



### Major Projects Progressed

in this last 24 months we have nearly doubled our capital programme delivery, boosted with \$20.1m of investment thanks to the Provincial Growth Fund on the Porangahau to Wimbledon Road upgrade and the implementation of major water, waste water and stormwater projects across our District.

By far the most significant milestone has to be confirmation on the way forward for our wastewater projects. Through the Long Term Plan 2021-2031 this has confirmed nearly \$70m of investment in our waste water plants in order to meet compliance and address historical investment that failed to improve our wastewater discharges. Supported by a wastewater strategy for treatment of wastewater across our District, we have a clear pathway forward.

While the big stuff is critical, other projects such as our District Plan Review, Community Planning and the Provincial Growth Fund development of the Tukituki Trails, are all projects of high community value that add to the fabric of a Thriving Central Hawke's Bay.

### Our Caring Community – Covid-19 and Sustained Drought

While many communities were affected by the unprecedented effects of Covid-19 – with the March 2020 lock down being the big focus, Central Hawke's Bay also experienced the twin blows of Covid-19 and sustained drought.

We understand the impacts of Covid-19 and the sustained drought have impacted our community in a different way to the rest of New Zealand. I'm hugely proud of the way that our community has continued to respond to these ongoing challenges. It further demonstrates the true values and sense of community that is Central Hawke's Bay.

This has also highlighted the success of the approach to community that Council has been working on since the adoption of the previous Long Term Plan. Recognising that Council cannot "do" everything for community wellbeing, we are clear in our role as facilitators, enablers and advocates which has built into what we call a "network of networks" approach. Community are our leaders and they are the workforce in ensuring strong and resilient whanau, households, farms and businesses.

### Change on the Horizon

Local Government is in a period of unprecedented change and uncertainty, with the Three Water Reform, Resource Management Act 1991 Review and Future of Local Government Review – all active reform priorities being led out by Central Government.

In the last year we've focussed on ensuring that we are as equipped as we can be to ensure our community gains the best approach from the reform and review programmes. At the time of writing, there is uncertainty, however we want to give you every confidence that as a Council we are asking the hard questions and advocating for the very best for our community, to ensure our thriving future.

### Thank you Central Hawke's Bay!

On behalf of the Council, I want to thank you for your contributions to your community during the year. Your ongoing support is essential in shaping a Central Hawke's Bay of the future we can all live, work and play in and together we will *Thrive*.

### Alex Walker

Mayor of Tamatea/Central Hawke's Bay



*Alex Walker*

Alex Walker  
Mayor of Central Hawke's Bay



*Monique Davidson*

Monique Davidson  
Chief Executive Officer



Central Hawke's Bay District Council

## Highlights of 2020/21

As year three of Central Hawke's Bay District Councils Long Term Plan 2018-2028, the work programme for 2020/21 – despite the ongoing challenges of COVID-19 and sustained drought, was largely as projected in the Long Term Plan – boosted however with the addition of new external funding.

The addition of major investment as a result of the Provincial Growth Fund, Covid-19 Social and Economic Recovery Funding and Three Waters stimulus funding, saw major investment and activity in new activities, projects and services for the District not anticipated in the 2018-2028 Long Term Plan.

This section provides highlights of the major activities of the year, our ongoing response efforts to Covid-19 and sustained drought in the District and our achievements continuing to deliver on Project Thrive in the last 12 months.

This annual report is the third since *Project Thrive* initiated its first Long Term Plan in 2018. The community's voice shaped the direction and a list of 25 projects were adopted at the time – based on their prioritisation from the outcomes described in our vision of a thriving future.

It is important that this Annual Report recognises not only the activities completed by Council in 2020-21, but throughout the duration of the 2018-21 LTP.

And another para which captures something about the top few including Nga ara Tipuna, Community Plans and Environmental Strategy.

### Governance Priorities and Projects: *Thrive in Five*

Following the October 2019 Triennial Election, Council took the time to identify key issues and opportunities facing Central Hawke's Bay.

Council agreed that the platform provided by *Project Thrive* provided the building blocks for success, however with a need to sharpen the focus on key issues to truly transform the future for Central Hawke's Bay.

Five Strategic Priorities that Council wanted to focus its attention on to ensure success were identified and these include:

#### #1 – #thebigwaterstory

Delivery of #thebigwaterstory and improved water security for Central Hawke's Bay.

#### #2 – The District Plan Review

**The District Plan:** Deliver of a notified and operative District Plan.

#### #3 – Wastewater

**Waste Water Treatment Project:** Capital Works plan completed, initial improvements completed, and future funding strategy clarified.

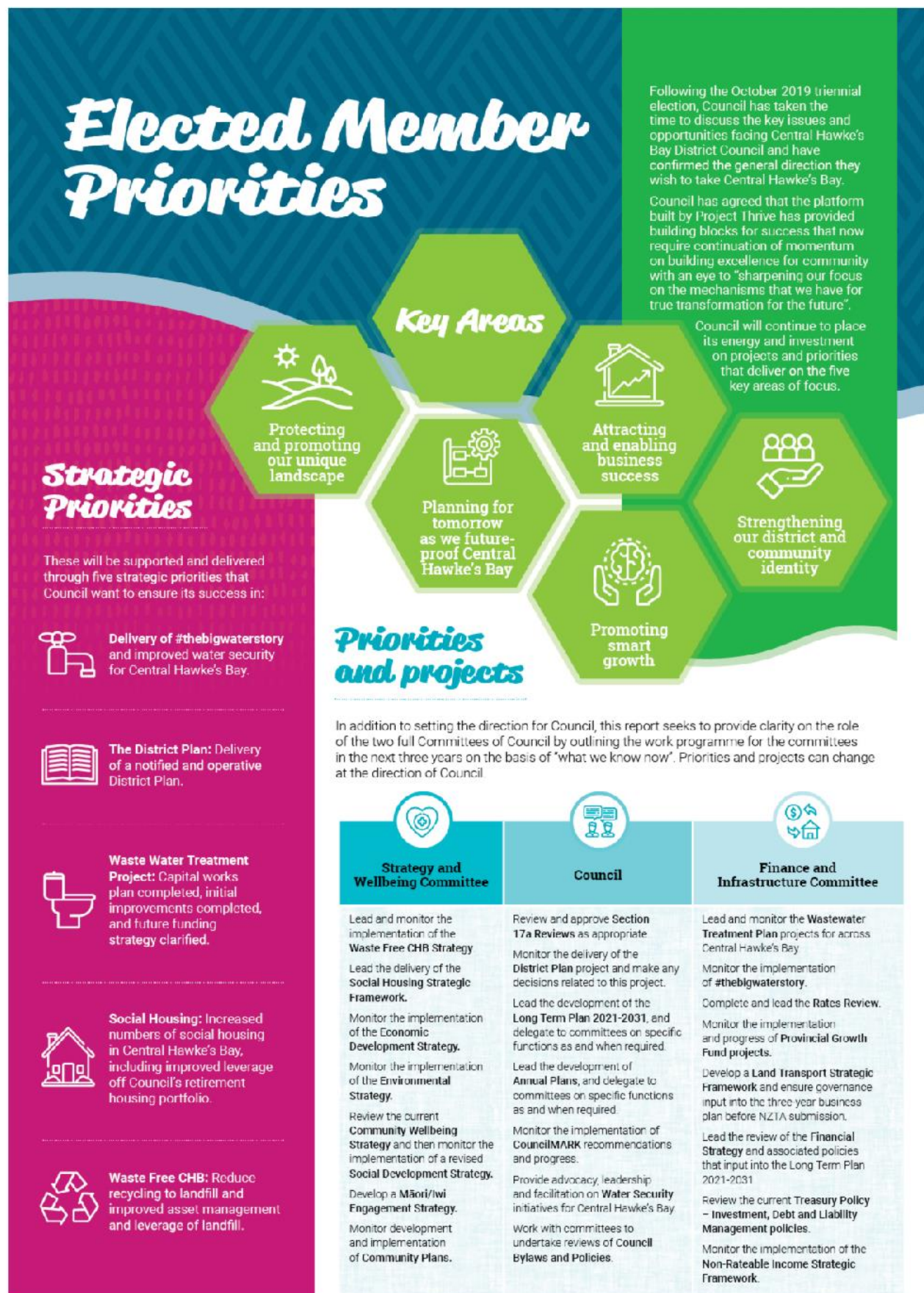
#### #4 – Social Housing

**Social Housing:** Increased numbers of social housing in Central Hawke's Bay, including improved leverage off Council's retirement housing portfolio.

#### #5 – Creating a Wastefree CHB

**Wastefree CHB:** Reduce recycling to landfill and improved asset management and leverage of landfill.





## Priority #1 – #thebigwaterstory

### Delivery of #thebigwaterstory and improved water security for Central Hawke's Bay.

Four years ago, Central Hawke's Bay District Council started a very important conversation with the community about how we could realise our aspirations to *Thrive*, and what role the Council plays in that.

Through this process, the importance of water to our community came through as one of the strongest messages. This, combined with a vision for growth and prosperity, environmental responsibilities, and durable infrastructure, was how #thebigwaterstory was born. #thebigwaterstory is about our wastewater, stormwater and drinking water, and represents the durable infrastructure required to transform the day to day lives of Central Hawke's Bay's residents.

The 2020/ 2021 year has seen the delivery of further key flagship projects in The Big Water Story, including the Porangahau Water Treatment Plant upgrade, which has seen tangible improvements made to the day to day lives of those in Porangahau and Te Paerahi. Over the last 3 years of the Long Term Plan 2018-2021 – a number of important project(s) signalled in the Long Term Plan have been completed, these include the water treatment plant upgrades in:

#### Water

- Water treatment plant upgrades in Porangahau and Takapau
- Increased water storage for Te Paerahi
- Otane Alternate Water Supply
- First 3 stages of the Waipukurau firefighting and growth upgrades
- Water main renewals – Porritt Place, Mackie and McLean.



Waipukurau firefighting upgrades on Ruataniwha Street

#### Wastewater

- Waipawa Trunk Sewer Main Renewal
- McGreevy Street pump station upgrade
- Inlet works upgrade at Waipawa wastewater plant
- Inlet and metering upgrade at Takapau wastewater plant.



Porangahau and Te Paerahi Water Treatment Plant Opening

#### Stormwater

- Upgrades on Churchill, Carpenter Street, Waipukurau
- Upgrades on Woburn/Wilder Streets, Waipukurau
- Helicoil replacement on Francis Drake Street, Tavistock and Jellicoe Roads, and Tutanekai Streets.

The review of our 3 waters bylaws and an update of our sustainable water management plan are key enabling documents to recognise the work required over and above the physical upgrades to safeguard and sustainably manage our assets into the future. Significant work continues on updating our 3 waters models to support growth, development and future upgrades required in the district.

A number of projects commenced as part of Long Term Plan 2018, continue into 2021 – these are the Waipukurau Second Water Supply, SH2 Borefield and Filtration upgrade and the Kairakau water upgrades.



## Priority #2 – The District Plan Review

### Delivery of a notified and operative District Plan

In 2017 Council set a bold and ambitious plan to review the District Plan as a key project to bring *Project Thrive* alive. With the current operative District Plan – essentially a rule book that directs how the community can use, develop and subdivide land nearly 20 years old, the mandate for change was clear.

The review project began in late 2017, with key milestones in 2019 including consulting with the community and key stakeholders on the Draft District Plan, the delivery of hearings and Committee Meetings in 2020 prior to and through Covid-19.

In December the review programme reached a 'pens down' milestone, where the writing of the plan came to end, ready to commence the formal Schedule 1 process under the Resource Management Act 1991.

On 27 May 2021, Council formally adopted the Proposed District Plan for formal notification, which began on Friday 28 May 2021, and due to close on 6 August 2021.

In the time, an expression of interest process to identify suitably experienced and qualified Commissioners for the District Plan Review process also began, for completion in the 2021/22 year.

Notifying the Proposed District Plan in just over three years is an outstanding achievement, and Councils decision to prioritise the District Plan – now in the context of unprecedented growth and development has paid off.

Overall the review project continues to meet its major milestones, with the next steps in the 2021/22 year including the closing of submissions, a further summary of submission process and hearings on the Proposed Plan planned for early 2022.



## Priority #3 – Waste Water Treatment Projects

### Capital Works plan completed, initial improvements completed, and future funding strategy clarified.

In October 2020 – Council adopted our Long Term In **Wastewater strategy** that sets out the direction confirmed in our recent Long Term Plan 2021 adoption. The strategy aligns with our vision to ensure "Our effluent is treated in a sustainable way that creates a resource, protects our environment, and continues to do so for generations to come."

Informed through working closely with community members to develop options which focus on generational thinking to ensure a positive balance between the environmental health of our District, the strength of our infrastructure to enable Central Hawke's Bay to thrive, and affordability for all of our people.

Work commenced in 2018 to implement improvements to our plants and these continue as we focus on short term improvements while the longer term improvements are planned and delivered.

Some of the short term upgrades underway relate to the wetland removal at 3 sites, the desludging of ponds at 2 sites and the replacement or improvement to tertiary treatment in Waipawa and Waipukurau.

In 2020/2021 we have continued to work with our smaller communities in Takapau, Porangahau and Te Paerahi as we prepare to upgrade their plants to align with new resource consents, new consents have been lodged for Takapau, and a long term consent is due to be lodged for Porangahau and Te Paerahi at the end of August 2021.



Stage 1 of the Otane to Waipawa Wastewater Pipeline

These upgrades will see wastewater discharge be removed from rivers and rather irrigated or dispersed onto land.

The Waipawa, Otane and Waipukurau plants have been merged into one programme of work. Laid out in this informative video created alongside our Long Term Plan engagement:

<https://youtu.be/D2zwM0gVp3o>



Preparation of the geobag area at Waipawa WWTP for desludging

Works have commenced on some aspects of our long term vision where we are aiming to complete an over 8 km pipeline from Otane to Waipawa, and a pump station to convey wastewater from Otane to Waipawa for treatment and eventually discharge at our land based site. To date over 6 kms has been installed.

The strategy also focusses on management of biosolids (sludge) produced through the treatment process and how council can manage the flow and load entering our systems – a review of our trade waste system was undertaken in 2020 and continues into 2021 as we look to work with industry to support or upgrade strategy.

Renewals of aging pipelines and improvements to the liquids that enter our wastewater system are underway through additional funding set aside in our Long Term Plan for renewals and inflow and infiltration management.

Alongside all of this, significant design work continues on the future upgrades as we prepare to build these upgrades over the next 10-15 years.

More information here:

<https://www.chbdc.govt.nz/our-district/projects/the-big-wastewater-story>



## Priority #4 – Social Housing

### Increased numbers of social housing in Central Hawke's Bay, including improved leverage off Council's Retirement Housing Portfolio.

Social Housing of all of Council's priorities has been the most challenging to gain positive traction for the community, despite a number of actions underway. In 2019, Council adopted its Housing Strategic Framework with a vision of [supporting our community to Thrive through access to a home – He āhuru mōwai, e taurikura ai te hāpori](#). In some cases it is taking considerably longer for results to materialise, recognising the significant complexity and interrelatedness of housing. It is also important to consider Council's mandated role in housing in relation to Central Government. Successes over the last 12 months include:

#### Continuing to Champion Central Government for Housing Support

Council has been relentless in seeking positive outcomes for Central Hawke's Bay. In the 12 months Kainga Ora (KO) have announced the purchase of 8 2 bedroom units in Waipukurau. Development of the Porangahau Road Maternity site where 20 homes will be built by KO has been slow, however still progressing. Council and community look forward to solid progress on this site being achieved this year taking a place based approach to housing.

#### Tamatea Housing Taskforce

Working with Te Taiwhenua o Tamatea and the Heretaunga Tamatea Settlement Trust, Council are working to establish a Tamatea housing taskforce. This taskforce will focus on the range of housing issues – not just constructing homes, with a number of positive meetings being held in the year to align on housing opportunities in Tamatea/Central Hawke's Bay.

#### Councils Retirement Housing Review

One of four key goals in Council's Housing Strategic Framework has been the review of its retirement housing portfolio. The review of the portfolio recommenced in May 2020 following delays with COVID-19, with Council considering and adopting recommendations from the Section 17a Review in September 2020. In short, the review identified that additional funding was required in order to plan for

and fund renewals and upgrades to the flats to meet mandatory standards and repairs for the future. The activity previously had only been breaking even or in some cases depleting reserves. A step change to fees to build a reserve was required and implemented through the Long Term Plan 2021-2031.

At this time, it was investigated as to how the portfolio could be used to support the provision and increase the supply of retirement housing in Central Hawke's Bay. The review concluded, that without Government support, the focus for the activity needed to remain on ensuring its financial viability and establishing reserves, rather than seeking to build new assets at this time.

### Porangahau Road South Growth Precinct

A priority action from the Central Hawke's Bay Integrated Spatial Plan 2050 was addressing growth opportunities on the site known as the Waipukurau Hospital site. Made up of six land owners the land has been zoned residential for over 20 years, however due to constraints with infrastructure has not been able to be developed. Council has taken a leadership role in meeting and facilitating discussions with land owners opportunities for the site, including developing an outlined development plan for the precinct, preparing to make a submission to the Proposed District Plan to support the Precinct and in June preparing an application to KO's Infrastructure Acceleration Fund.

If successful, the Precinct could provide over 950 lots for the District over the next ten years to support housing outcomes for the District.



Outline of Stage 1 of the Porangahau South Growth Precinct

## Priority #5 – Creating a Waste Free CHB

Reduce recycling to landfill and improved asset management and leverage of landfill.

Council has continued and strengthened its promotion of a 'Waste Free CHB' through 2020/21. The catch phrase 'Waste Free CHB' has grown to embody a range of initiatives and activities that Council and its communities undertake together to reduce waste and promote environmental outcomes.

Much of the 2020/21 year was spent in a planning and engagement phase as Central Hawke's Bay sought to make significant changes to its service delivery offerings for the future. On the back of a Section 17A review of services in 2019, in 2020 Council took to the community options for the future of kerbside collection services as part of the Long Term Plan 2021-2031. Council made decisions about future services that will position Central Hawke's Bay to deliver on its objectives and aspirations of a Waste Free CHB.

Engaging with our community, providing education and awareness and building relationships and partnerships remained a key focus through 2020/21. As well as its normal operational services, in the 2020/21 period Council continued to deliver:

- Free to public composting workshops
- Funding for Enviroschools
- Access to educational material for waste minimisation
- Access for public and community groups to funding for community-led environmental and sustainability initiatives
- Subsidised collections of e-waste and hazardous waste
- Access to bail-wrap recycling services.

Council is particularly proud to have been able to support Hunter Park Kindergarten and Sustainable Ewe with funding towards their own environmental and sustainability initiatives with the funding made available through Council's Waste Levy Returns scheme.

Operational improvements to a number of core infrastructure assets for solid waste have also been enhanced in the period. Notably significant improvements have been made to the operational management of the landfill during early parts of 2021.



Below: photo showing our team taking local Argyle School through a tour of the landfill giving awareness of where our districts waste ends up.





## Our other highlights over the last 12 months

Outside of our *Thrive in Five* projects and priorities, other successes and highlights over the last 12 months include:

### Facing the Facts: Adoption of the Long Term Plan 2021-2031

The Long Term Plan 2021-2031 placed a focus on planning ahead, to ensure the next 10 years deliver on our community's vision for a *Thriving* Central Hawke's Bay.

Understanding that the plans we make today, will impact the aspirations and realities of our children and grandchildren for decades to come, Council uncovered some huge challenges we collectively had to face, before we could move forward.

Facing the Facts and responding to the challenges, recognised that the road ahead for the community would not be easy, however was essential to create and secure a thriving Central Hawke's Bay for our future generations.

In July 2020 we launched our Long Term Plan pre-engagement around on the 'Great Eight', seeking community feedback on eight key areas as we worked to set the direction of the Long Term Plan 2021-2031. This feedback on issues from Solid Waste, sustainable transport, resolving Councils wastewater through to Community Facilities, provided clear guidance and direction to Council in its decision making process.

In the Long Term Plan 2021-2031 Council presented and delivered the open and transparent view of our realities – from earthquake prone halls, failing wastewater treatment plants, to underinvestment in playgrounds. Through this Long Term Plan we have come to know more than ever on our assets. The facts of this knowledge are confronting.

What was clear was the for more than two decades, due to political constraints on our approach to rating, our essential infrastructure went without the necessary funding and investment to ensure it was properly maintained. Alongside some poor investment decisions, this has delivered an unfortunate reality for our communities of today.

Through the Long Term Plan as a community, we have faced up to these facts. And our response is to correct this underinvestment, and to secure our future.

Never before has this district seen a level of investment in its core infrastructure and services like that which is in this Long Term Plan. This investment will place us well for our future.

But this investment does not come without its significant challenges. The Long Term Plan includes increases to our debt limits and significant rates increases – not just in the first year of the plan, but through the life of the Long Term Plan Budget 2021-2031. We pulled every financial lever available to us to address the affordability challenges the investment creates. This meant in some cases moving swiftly to implement policies with immediate effect, such as our Development Contributions Policy, to reduce the financial burden to existing ratepayers.

Addressing our past will mean a concerted and continued path of investment that will stretch well beyond this elected Council to ensure we create a positive future for our children and our children's children. It is our collective responsibility to ensure that we remain focussed on our future and 'stay the course' despite the challenges, to deliver on a thriving Central Hawke's Bay of tomorrow.

Following the adoption of the Long Term Plan on 2021-2031 on 17 June 2021, Council moved swiftly to implement a number of new service changes, including recycling services that have taken effect from 1 August 2021.



## Community Planning

In March Council formally adopted the Takapau and Ongaonga Community Plans. A major initiative to ensure the voice and vision for rural communities was clear during *Project Thrive*. Community Plans are key documents for the ensuring a *Thriving* rural heart of Central Hawke's Bay.

Planning for Tikokino and Otane's Community Plan commenced in June, with the Tikokino community planning event occurring in July with Otane's event planned for November.

Strong communities and connected citizens are a vital part of our view the future of Central Hawke's Bay. Community Plans were an important part of Council's commitment to being community-led as an organisation. Maintaining and strengthening the unique identities of each of the district's rural settlements is part of celebrating what we love about Central Hawke's Bay – with all of its parts together.

The active community plans in Takapau and Onga Onga have provided clear direction to both community and council about priorities and opportunities to work together. From road safety advocacy in Takapau to support of the Onga Onga Coles Factory restoration, the partnership opportunities are growing in a truly meaningful way.



## Unprecedented Growth and Development

The secret is out and Central Hawke's Bay has grown like never before over the last 12 months.

As part of the Long Term Plan 2021-2031 a high growth scenario was forecast for the District, adding roughly 1,500 homes to the District over the next ten years and another 4,000 residents.

This year has seen unprecedented resource consent and building consent numbers for new dwellings across the District. While some of this activity is a result of the early implementation of the Development Contributions Policy on 13 May as part of the Long Term Plan 2021-2031, overall it also reflects an optimism and positivity for the District that has been growing since 2013.

As context the table below gives an indication of the development in the District for the 2019-20 and 2020-2021 years for the periods 1 July to 30 June.

BUILDING CONSENTS	2019-20	2020-21	CHANGE	%
Volume – Applications	419	434	15	4%
New Dwellings	125	141	16	13%
Total Value – \$M's	\$60.9	\$69.3	\$8.4	9%

RESOURCE CONSENTS	2019-20	2020-21	CHANGE	%
Total Applications	219	334	115	53%
Total Applications approved	181	265	84	46%
New lots for creation	332	1152	820	247%

While many of the subdivision applications are for large lot subdivisions, that could effectively take up to ten years to be fully developed, on the basis that the District has predicted 1,500 new dwellings over the next ten years, the number of potential lots indicates a pipeline of growth that is likely to outstrip Councils growth estimates.

Council decision to prioritise investment and the review of review of the District Plan, and the completion of more holistic planning such as the Central Hawke's Bay Integrated Spatial Plan 2050 – places the District well to plan for and prepare for this growth for the future.

## Continued Recovery for Covid-19 and Sustained Drought

As Central Hawke's Bay experienced the effects of COVID-19, it also felt the pressures of sustained drought running deep through its community.

For many in the rural community of Central Hawke's Bay, the timing of the national lockdown came as the grips of the drought were taking full effect making ensuring visibility of the twin sustained blows the District was experiencing difficult.

Central Government stimulus funding provided a number of opportunities in the District to redeploy those affected with employment from both Covid-19 and the sustained drought in the District.

The continued recovery from Covid-19 and the sustained drought was a major focus through the year as projects came to life and support for those affected by the events came to the fore for our people of Tamatea/Central Hawke's Bay. Some of the initiatives are outlined below:

### Tukituki Trails

With the support of the Rotary River Pathways Trust, Council secured \$750k of funds to establish 10 kilometres of new Mountain Bike Track, 12 kilometres of lime pathway and a new bridge over Black Creek to create a loop ride on the Tukituki trails of over 20 kilometres. Key to the project was the employment of 11 staff to deliver the project. The project commenced in mid-December and is due to be complete in October.



### Rapid Redeployment

Council secured \$2m to support those immediately affected by the effects of Covid-19 into redeployed roles focussing primarily on vegetation management. Mobilising early in July 2020 in a matter of weeks, the programme has seen over 50 people redeployed into employment and supported with pastoral support and on the job training, undertaking courses from traffic management, growsafe, chainsaw certification and a range of licencing.

Primarily focussing on employment and training outcomes, the District achieved the removal of a

number of dangerous and wilding trees, along with crews focussing on reserve and open space areas, planting and enhancing Council open spaces.

### Rakei ora – Bringing Wellbeing to Marae

Rakei ora was a partnership project between Te Taiwhenua o Tamatea and Council to deliver nearly \$850k of funding sourced through the Provincial Growth Fund for the renewal and upgrade of marae.

Through the programme 11 people were employed who have all proceeded into employment – an outstanding outcome for the project. Through the project, marae have had a wide arrange of works completed.



### Jobs in Central Hawke's Bay – Mayors Taskforce for Jobs

Since its development in July 2020, the Jobs in Central Hawke's Bay – Mayors Taskforce for jobs has gone from strength to strength. Funded through partnership funding between Local Government New Zealand and the Ministry of Social Development, the programme has achieved outstanding results for our community.

To date the programme has achieved over 513 unique visitors to its employment hubs, placed over 217 people into employment for Central Hawke's Bay residents.



At the time of writing Council has secured funding for a further year on the programme, through to July 2022.

The programme has received national attention for its achievements and is recognising amongst the Mayors Taskforce for Job initiatives as an outstanding example of Council and Community Collaboration.



### Major Land Transport Contracts mobilised

Four contracts with a combined value of over \$35m procured late in the 2019/20 calendar year were mobilised or step changes in delivery expectations implemented. This included:

- Awarding Downer Councils previous road maintenance contractor a new contract for up to five years to complete all day to day servicing and repairs on the roading network
- Downer was also awarded the road sealing contract for the District, with the 2021/22 year reseals forecast to be achieved ahead of time
- Higgins were awarded two contracts for both area wide pavement treatments (where the road has failed) along with a separate contract for structural work associated with bridges, retaining walls and guardrails.

## Local Government Reform

In the past financial year, central government has announced three tranches of local government reform. These reforms may have impacts on the Central Hawke's Bay District Council responsibilities, operations and financial statements in future periods.

### Three Waters Reform

In the previous year (2019/20) Council was already exploring opportunities for the future of water management, in a regional collaborative approach.

On 8 July 2020, Government announced a national funding package of \$761m to provide immediate post Covid-19 stimulus to local authorities to maintain and improve three waters. In return Council simply needed to provide support to the reform discussions, by providing data for the assessment of the reform, with there being no commitment to further stages of the reform programme.

Council received just over \$11.3m of funding, coming with a requirement for the funding to be spent in full within two years.

Funding has accelerated a number of projects identified in **#thebigwaterstory** in the year, including the development of the Waipukurau Drinking Water Second Supply, completion of the Waipawa to Otane Wastewater connection, and the Waipukurau Motor Caravan dump station to name a few projects.

Substantially the funding has provided for Council to establish a Project Management Office that will deliver the stimulus funding body of works and the next stages of Council's investment in three waters as outlined in the Long Term Plan 2021-2031.

At the time of writing, Central Government has outlined its intentions for three waters to be split into four zones, with Council having a period of time to consider the proposal and seek information and clarification for the community. No decisions have been made.

For more information on the reform head to our website <https://www.chbdc.govt.nz/our-district/three-waters-reform>

### Resource Management Reform

The resource management reform looks to unlock better infrastructure outcomes across all sectors, through an overhaul of the Resource Management Act and proposal of a national planning instrument that would streamline consenting for nationally significant infrastructure. At this stage the outcome is uncertain and the annual report has been prepared on the basis that the delivery model will not change in the foreseeable future.

For more information on the Resource Management Reform, please visit <https://environment.govt.nz/what-government-is-doing/key-initiatives/resource-management-system-reform/overview/>

### Local Government Reform

Central Government has indicated a need to rethink the form, function and funding of local government in New Zealand. This is as a result of the impact of the Resource Management and Three Waters Reforms on local government responsibilities, combined with the need for a cohesive long term response to Covid-19, climate change and the opportunities that technological change present. It has been indicated that this reform will aim to incentivise and empower local government to work in partnership with central government to drive regional development, improve environmental outcomes and deliver on the wellbeing needs of communities.

This may result in new services, activities or responsibilities for Council. At this stage the outcome is uncertain and the annual report has been prepared on the basis that the delivery model will not change in the foreseeable future.

For more information on the Local Government Reform, please visit <https://www.dia.govt.nz/Future-for-Local-Government-Review>.

## Elected Member Highlights of the Long Term Plan 2018–2021

This Annual Report represents the completion of the first three years of the Long Term Plan 2018-2021.

The last three years has seen the continued growth and development of Central Hawke's Bay, with the District now experiencing unprecedented development and growth.

From a period of decline and pessimism, Central Hawke's Bay has emerged as a proactive Council, future-focussed and recognised regionally and nationally as a key player in Local Government.

The 2018-2028 Long Term Plan, Council set an ambitious plan to focus on and address the Districts woeful infrastructure, and a number of other initiative. The four key initiatives we consulted as part of this Long Term Plan as part of their consultation:

**#1 – #thebigwaterstory – upgrading our three waters infrastructure**

**#2 – Upgrade of the Waipawa Memorial Centennial Baths**

**#3 – Developing Town and Community specific Plans**

**#4 – District Plan Review**

In 2019, the election saw new Councillors join the Council table and in 2020 we sadly saw the passing of Councillor Tim Chote.

The adoption on the Long Term Plan 2021-2031 in June 2021 draws a close now on the previous Long Term Plan, as we look towards our *Thriving Future*.

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As we enter into the new Long Term Plan 2021-2031, Councillors share their highlights of the last three years:

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I am extremely proud of how far we have come as a council, we stepped up the leadership, support and advocacy for our community. We have worked hard and done what's in our hand to do to ensure Central Hawke's Bay is best placed for the future and wider community wellbeing is the over arching goal. From facing the facts of our infrastructure and assets, spatial, town and community planning, handling growth, chasing external funding, COVID and drought responses, advocating for housing, ensuring we are customer service focused, recycling and waste education and reduction, strengthening our network of networks, to working with our Te Taiwhenua o Tamatea partners. This is what I see is the future for Local Government leading, supporting, facilitating and advocating to get the best outcomes for our people and I am humbled to be a part of it.

#### **KELLY ANNAND**

*Deputy Mayor  
Chair of Strategy and Wellbeing  
Committee  
Councillor Ruataniwha Ward*



As a Council we've made some major progress, addressing the significant historic issues that have plagued our District. The completion of the Wastewater Strategy and having a clear pathway forward for the management of our Districts wastewater, places us well for the future. The future is uncertain, particularly in relation to the three water reform, but the funding provided by Government in the short term has certainly gone some way to beginning to address the urgent work needed across our waters networks.

#### **BRENT MUGGERIDGE**

*Chair of Finance and Infrastructure  
Committee Councillor Aramoana/  
Ruahine Ward*



With growth rampant, the decision to move with the District Plan has been the right decision. Nearly twenty years old, the current District Plan doesn't reflect the District that we want for our future. Getting it out and notified in the timeframes that we have done, speaks to the commitment of the District Plan Committee and the wider staff in delivering on Council's priorities.

#### **TIM AITKEN**

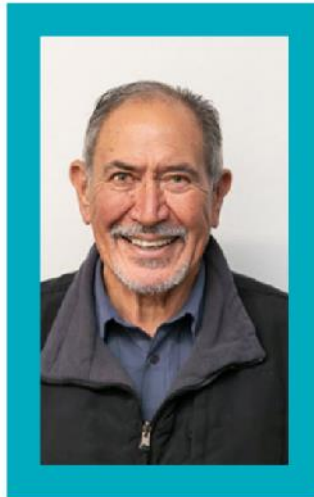
*Lead Councillor  
Aramoana/Ruahine Ward*

## Elected Member Highlights of the Long Term Plan 2018–2021



Joining Council in 2019, it was great to be part of a team with a clear focus on the future. This forward thinking has placed us well, as projects like prioritising the District Plan and #thebigwaterstory places us in a strong position for the future, especially with unprecedented growth. I'm looking forward to continuing this same approach into the 2021-2031 Long Term Plan as we look to take the same approach for our waters across our other facilities and services to see our community receive the most benefit they can from these too.

**JERRY GREER**  
Councillor  
Aramoana/Ruahine Ward



The completion of Tuhono mai Tuhono Atu – Councils Māori Engagement Strategy and the appointment of Councils first Pou Whatuia – Māori Relationships Manager, is one of my highlights over the last three years. The growing relationship between Council and tangata whenua is my other highlight, which we've seen most clearly through the way we worked so closely together during the Covid-19 lockdown in 2020 and our ongoing partnership in Nga Ara Tipuna. The fires of our partnership continue to be fanned, making for a strong future together.

**PROFESSOR ROGER MAAIA**  
Kaiārahi Matua



As a recently elected Councillor, I want to acknowledge Councillor Tim Chote who passed in June 2020 and previously represented Waipawa and the wider Ruataniwha ward with great pride. The work of Tim and his fellow Councillors in 2018 have set a great platform for the future of our District, and now seeing the aspirations of the wider team come to life is really rewarding. As a champion for the District, I continue to be surprised by the generosity of our community – what I saw and experienced from our community over the Waipawa 4 Square Fire indicates the future of our community is strong.

**PIP BURNE**  
Councillor  
Ruataniwha Ward



I stood for Council in 2019 in support of and to continue the great work this Council had begun as part of the 2018 Long Term Plan. Now as an elected member, the ground work laid in the Long Term Plan 2018 set us up well for our recent Long Term Plan 2021-2031. The challenges ahead for us are not insignificant, however working together we'll continue to build a thriving Central Hawke's Bay for the future!

**KATE TAYLOR**

*Councillor  
Aramoana/Ruahine Ward*



Having a plan to get on top of our water leaks and a solid way forward for our rubbish and recycling services has to be my highlight of the last three years. I know that the basics like leaks are so frustrating for many – especially in summer with water restrictions, so I'm proud that we've started on a journey to address these with work already visible around town. Another highlight for me, is the continuing work of our active community plans. In conjunction with the council, these plans have been "Community-Led".

These plans identify our CHB Communities vision, priorities and opportunities for their own current and future direction.

Finally, I was deeply saddened by the passing of my good friend and colleague Councillor Tim Chote in 2020. Tim had a outstanding depth of knowledge and his advice was always pragmatic and to the point, which was much respected by fellow councillors and staff.

**GERARD MINEHAN**

*Councillor  
Ruataniwha Ward*



As a new Councillor in 2019, I've really appreciated the support from the community and my fellow Councillors. Council deals with some complex issues at times, however I'm really proud of the way we've communicated the many issues to our communities – especially the multiple priorities and issues over the long term plan. I'm really proud to see the growing role of tangata whenua in Council and am really excited about the future opportunities, especially as projects such as Nga Ara Tipuna come close to completion.

**EXHAM WICHMAN**

*Councillor  
Ruataniwha Ward*



## Financial Performance

This section of the report provides an overview of our financial performance for the year ended 30 June 2021. This overview provides an explanation to our financial statements and notes on pages 73 to 120.

### Overall Results

For the financial year Council had a surplus of \$9,411k compared to a budget deficit of \$851k. Overall income was above budget by \$20.1m with total operating expenditure over budget by \$11.0m.

This year has been an unusual year with a higher than normal level of external funding. Examples of the unbudgeted funders/projects were:

FUNDER	REASON	NATURE	AMOUNT \$000
PGF	Roading – Route 52	Capital	6,135
DIA	3 Waters Reform	Operational and Capital	3,647
MBIE, Lotteries, ECCT	Cultural Tourism – Nga Ara Tipuna	Operational	2,387
MBIE	Economic Recovery	Operational	2,696

The table and explanations below illustrates Councils financial results.

### Financial Overview

	2020 COUNCIL ACTUAL \$000	2021 COUNCIL BUDGET \$000	2021 COUNCIL ACTUAL \$000
<b>Total Revenue</b>	<b>35,398</b>	<b>33,821</b>	<b>53,986</b>
Operating expenditure	23,057	21,145	32,142
Finance Cost	429	462	462
Other (Gains) and Losses	0	0	0
<b>Net Surplus/(Deficit) excluding non-cash movements</b>	<b>11,912</b>	<b>12,214</b>	<b>21,381</b>
Non Cash Movements			
Depreciation and Amortisation	12,397	13,065	11,971
Other Gains and (Losses)	0	0	0
<b>Net Surplus/(Deficit)</b>	<b>(485)</b>	<b>(851)</b>	<b>9,411</b>

### Explanations

- During the year Council was recipient of significant Central Government and third party funding (see earlier table). This was a mix of operational and capital funding. This has had the

impact of both increasing Councils revenue, but also increasing its expenditure.

- Income from Fees and Charges was above budget by \$866k (and \$1.4m above last year) due to increased income from the Consents +\$791k (reflecting the buoyant economy and the high level of residential construction happening in the region) and in Solid Waste Charges +\$289k (reflecting the buoyant economy and the construction industry). However, both these activities had corresponding increases in costs driven by this high level of demand. The Solid Waste activity had to acquire additional carbon credits to match the tonnage of waste going to landfill and pay for external parties to process tyres, concrete, and greenwaste, and the volume of consents being processed was beyond what Council's internal staff could process so Council was more reliant on external consultants to process the excess demand. Both these increases are reflected in the higher than budgeted operating expenditure for the year (but were covered by the additional revenue).
- Other Revenue for the year was \$707k above budget. Waka Kotahi NZ Transport Agency made a \$280k one off back payment following a Funding Assistance Rate Adjustment, and Council was vested a \$393k road in Otane following a greenfield subdivision there.
- Operating expenditure is above budget due to the following:
  - Personnel Costs were below budget \$134k despite some of the Central Government funding creating new temporary roles to deliver their recovery projects.
  - Operating Costs +\$11.1m against budget – the majority of this \$6.9m was in the economic development area and reflects the external funding Council got to construct the Nga Ara Tipuna Project \$3.5m and the economic stimulus monies \$3.5m used to create jobs in the district (such a vegetation control, Tuki Tuki Trails, Mayors Task Force for Jobs). \$0.8m was in the Consenting Team where they had to outsource some consent processing due to the volumes experienced. Land Transport was \$0.7m as it caught up on works carried forward from 2020, and undertook the Route 52 work. Solid Waste was \$0.6m with its higher the budgeted volumes of waste, and 3 Waters were \$1.1m as they used the Central Government Stimulus money to undertake additional projects.

## Statement of Māori Contribution to Decision-Making

### Supporting and Encouraging Māori to contribute to Council Decision Making Tautoko me te akiaki i Ngāi Māori hei āwhina i ngā whakataunga

Tangata Whenua play a hugely significant role in the District in terms of leading economic, environmental, social and cultural opportunities for the community.

This considered, the scope for Māori involvement in decision making is wide and varied. Council recognises the mana, rights, and interests of Māori, taking into account the relationship of Māori and their culture and traditions with their ancestral land, water, sites, waahi tapu, valued flora and fauna, and other taonga.

#### Tuhono Mai Tuhono Atu

In 2020 Council adopted its Māori Engagement Strategy as a channel to ensure council continues to consider and promote the current and future opportunities for Māori wellbeing.

Developed in conjunction with Te Taiwhenua o Tamatea, the Strategy seeks to ensure that as a Council and community we are acting as a key enabler in supporting Tangata Whenua to achieve their aspirations. Based on four pou that Strategy's vision is:

**"Together, Central Hawke's Bay values the place and role of tangata whenua in our history and our future – E ora Ngātahi ana – Together we Thrive"**

The strategy provides a framework for priorities that contribute toward our collective aspirations for cultural development – both internally as an organisation and outward facing to our community.

Culture connects and strengthens communities, instils a sense of pride and identity and improves individual and community health and wellbeing. Māori culture is central to our sense of New Zealand's uniqueness as a place, a society and a nation.

Our roles for Cultural Development include being a funder, partner, collaborator, leader and facilitator. We recognise that our role needs to grow, as we continue to strengthen our relationship with the people of Tamatea.

#### Our Policy Approach

Our approach to partnering with Māori will continue to grow and enhance as the fires of our partnership is fanned.

Councils **Governance Policy Framework** sets the Māori Contribution to Decision Making Policy, as an integral policy in Councils overall Governance Policy Framework.

The **Māori Contribution to Decision Making Policy** recognises the special and unique position of tangata whenua of Tamatea / Central Hawke's Bay District and the important role Māori have to play in enhancing and contributing to Council's decision-making processes. It sets out that we recognise Te Tiriti o Waitangi / the Treaty of Waitangi as New Zealand's founding document. Our relationship with and responsibilities to Māori are grounded by this and guided by relevant law.

Council's **Significance and Engagement Policy** also sets out the engagement principles and practices that guide when and how council will engage with the community as part of any decision-making process. The Policy acknowledges the unique status of Māori and the wider Māori community and is committed to ensuring that it provides opportunities for Māori to contribute to in the decision-making process.

## **Te Tiriti o Waitangi – Treaty of Waitangi Obligations**

We recognise Te Tiriti o Waitangi as the founding document between Māori and the Crown. For Council, the legislative recognition of Te Tiriti o Waitangi is provided for in the Local Government Act 2002. There are specific provisions in Parts 2 and 6 of the Act, which provide principles and requirements for Council to facilitate participation by Māori in local authority decision-making processes.

The Act states that Council must:

- Establish and maintain processes to provide opportunities for Māori to contribute to the decision-making processes of the local authority
- Consider ways in which it may foster the development of Māori capacity to contribute to the decision-making processes of the local authority
- Provide relevant information to Māori for these purposes.

The Resource Management Act 1991 (RMA) is another key piece of legislation applicable to local government. Section 8 of the RMA requires all persons exercising functions and powers under it, in relation to managing the use, development, and protection of natural and physical resources, shall take into account the principles of Te Tiriti o Waitangi.

## **The Tamatea Way**

Tamatea/Central Hawke's Bay has always been known for doing things differently. Our growing partnership approach speaks to that, as Council, community and tangata whenua build our collective capacity and capability to engage and partner into the future in a uniquely Tamatea way.

We collectively recognise it is early days in our partnership journey and we both have considerable work ahead of us. The future is exciting and promising, as we both collectively seek to enhance the outcomes for the people of Tamatea / Central Hawke's Bay.



## Statement of Compliance and Responsibility

### Compliance

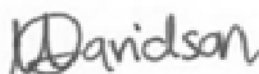
Council and management of the Central Hawke's Bay District Council confirm that all the statutory requirements of section 283 of the Local Government Act 2002, which includes the requirement to comply with Part VIIA of the Local Government Act 1974 regarding financial management and borrowing, have been complied with.

### Responsibility

1. The Central Hawke's Bay District Council and its management accept responsibility for the preparation of the annual Financial Statements and non-financial performance information and the judgements used in them.
2. The Central Hawke's Bay District Council and its management accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting and non-financial performance information.
3. In the opinion of the Central Hawke's Bay District Council and its management the Annual Financial Statements and the results of its operations and the service performance achievements for the year ended 30 June 2021 fairly reflect the financial position of Central Hawke's Bay District Council.



Alex Walker  
Mayor



Monique Davidson  
Chief Executive

## Audit Report



INDEPENDENT AUDITOR'S REPORT  
TO THE READERS OF  
CENTRAL HAWKE'S BAY DISTRICT COUNCIL'S  
ANNUAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2021

# *Council Services*



## Groups of Activities

The Local Government Act 2002 requires Council to identify and outline the activities that it carries out. The Central Hawke's Bay District Council's activities fall into the following eight groups:

### Community Leadership Group



Leadership, Governance and Consultation



Economic and Social Development

### Planning and Regulatory Group



District Planning



Land Use and Subdivision Consents



Building Control



Environmental Health



Animal Services



Compliance and Monitoring

### Land Transport Group



Land Transport

### Solid Waste Group



Solid Waste

### Water Supplies Group



Water Supplies

### Wastewater (Sewerage) Group



Wastewater (Sewerage)

### Stormwater Group



Stormwater

### Places and Open Spaces Group



Reserves and Open Spaces



Public Toilets



Retirement Housing



Libraries



Community Facilities



Cemeteries



Property and Buildings

## Community Leadership Group



### Leadership, Governance and Consultation

#### What does this activity involve?

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

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

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

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

These core functions are achieved by:

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

#### Why are we involved?

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

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

Community Outcomes that this activity contributes to





## What we delivered

LEVEL OF SERVICE TO BE DELIVERED	HOW WILL WE MEASURE OUR SUCCESS IN 2020/21?	ACHIEVED LEVEL OF SERVICE
Council that listens to its community, responds efficiently and effectively, communicates well and has a can-do customer services attitude.	50% of people who consider that Council has responded well or very well to community needs and issues.	<b>Target Achieved</b> During the Independent Survey in June, 82% (2020: 66%) of people considered Council has responded well or very well to community needs and issues.
	100% of formal consultation which follows legislative and policy requirements.	<b>Target Achieved</b> All consultation processes conducted this year followed legislative and policy requirements. (2020: 100%)
	Every time consultation occurs more than 4 engagement methods are used.	<b>Target Achieved</b> Council achieved this outcome with robust engagement and consultation occurring through a variety of methods (2020: No formal consultations undertaken)
	100% of Council and committee agendas made available to the public four working days before the meeting.	<b>Target Achieved</b> 100% of Council and committee agendas made available to the public four working days before the meeting. (2020:100%)
	70% of people who consider that Council has communicated well on Council business.	<b>Target Achieved</b> During the Independent Survey in June 90% of people considered Council communicates well about Council business (2020: 52%).
	Council meets formally with Taiwhenua o Tamatea at least 4 times a year.	<b>Target Achieved</b> Through Council's partnership with manawhenua and Te Taiwhenua o Tamatea in the development of The Māori Engagement Strategy, Nga Ara Tipuna, and key projects including Vegetation, Rakei Ora – Bringing Wellbeing to Marae, He Ringa ora Whanau and He Kura Kainga are further projects where Council is partnering with Taiwhenua in the delivery of services.



## Economic and Social Development

### What does this activity involve?

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

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

A key contributor will be the implementation of the Regional Economic and Social Strategy 'Matariki – Hawke's Bay Regional Economic Development Strategy and Action Plan' which was formally adopted by Council in September 2016 and the Council's own Economic Development Action Plan which was adopted August 2019.

This is supported by a local Community Wellbeing Strategy which was adopted by Council at the beginning of 2018. The Community Wellbeing Strategy incorporates the Youth, Positive Ageing, Safer CHB and Disability Action Plans with Council leading and facilitating a collaborative approach to the implementation of these Actions Plans.

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

Over the next 12 months, Council will be working to review the Community Wellbeing Strategy to support the transformation of Central Hawke's Bay.

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

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

As part of Council's response to the Drought and COVID-19 Council adopted an 18 point "Drought and COVID-19 Economic Recovery Action Plan" in April 2020. Included in the actions is the adoption of rates hardship policies and rebates, creation of recovery task force in partnership with Centralines, job creation schemes run in partnership with Central Government and other agencies, and the use of social procurement in Council's capital programmes.

### Why are we involved?

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

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

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

Community Outcomes that this activity contributes to



## What we delivered

LEVEL OF SERVICE TO BE DELIVERED	HOW WILL WE MEASURE OUR SUCCESS IN 2020/21?	ACHIEVED LEVEL OF SERVICE
To have a strong Council voice that advocates and leads change in economic and social issues and opportunities for the District.	Council actively participates in regional collaborative initiatives around economic and social development.	<b>Achieved</b> Council has been an active participant in regional social development initiatives including Hawke's Bay Funders Forum, Hawke's Bay Housing Coalition, and Hawke's Bay Safe Communities Forum. Council is an active participant and leader in regional economic development initiatives including Matariki HBRDS and THINK HB.
	Council develops and implements a Community Wellbeing and Economic Development Strategy.	<b>Achieved</b> The Community Wellbeing Strategy is being actively implemented. The Economic Development Action Plan (EDAP) was adopted by Council and implementation is underway. An economic recovery plan was developed to respond to the challenges of COVID-19 and drought, and this sits alongside the EDAP.
	80% of the Youth Action Plan action points have been implemented.	<b>Achieved</b> 80% of action points have been implemented (2020:60%).
	80% of the Safer CHB Action Plan action points have been implemented.	<b>Achieved</b> 80% of action points have been completed (2020:60%).
	80% of the Older Persons Action Plan action points have been implemented.	<b>Achieved</b> 80% of action points have been completed (2020:67%).
	80% of the Disability Action Plan action points have been implemented.	<b>Achieved</b> 80% of action points have been implemented (2020:60%).
	The annual visitor spend increases by \$1m annually.	<b>Achieved</b> Overall growth of 6.1% to May 2021 EFTPOS transactions only, and 8.6% domestic visitor's growth to May 2021. Total Tourism Electronic Card Transactions has grown to \$22.0m from \$20.7m in the previous year.
	1000 participants in events financially supported by Council.	<b>Achieved</b> The Onga Onga Victorian Fair alone saw over 3,000 people in attend this Council financially supported event early in Q2. The Central Hawkes Bay Christmas Carnival held in December attracted an estimated 2000-2500 people into the Waipukurau town centre.
	Support the creation of 50 new jobs within the District.	<b>Achieved</b> Since the commencement of the Mayor's Taskforce for Jobs – Jobs in Central Hawke's Bay project in August 2020 the team have worked with over 507 people and have assisted over 211 people into employment or training, 76 of these have been Youth aged 16-24. The PGF funded programmes: Vegetation programmes (51), Rakei Ora marae development (12) and Tukituki Trail restoration (11) have also contributed to providing employment opportunities for the community.
	95% of the community satisfied with the Economic and Social Development activity of Council.	<b>Not Achieved</b> The 2021 Residents Satisfaction Survey shows 84% satisfaction. (2020: 89%).

ANNUAL REPORT 2020-2021

### Funding Impact Statement for the year ending 30 June 2021 for Community Leadership Group

	2020 LONG TERM PLAN \$000	2021 LONG TERM PLAN \$000	2021 ANNUAL PLAN \$000	2021 ACTUAL \$000
<b>SOURCES OF OPERATING FUNDING</b>				
General rates, uniform annual general charges and rates penalties	1,229	1,251	1,406	1,405
Targeted rates	0	0	0	0
Subsidies and grants for operating purposes	47	48	35	6,146
Fees, charges	0	0	29	41
Interest and dividends from investments	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0
<b>Total operating funding</b>	<b>1,276</b>	<b>1,299</b>	<b>1,470</b>	<b>7,592</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>				
Payments to staff and suppliers	1,010	1,032	1,142	8,161
Finance costs	0	0	0	0
Internal charges and overheads applied	281	282	343	332
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>1,291</b>	<b>1,315</b>	<b>1,485</b>	<b>8,493</b>
<b>Surplus (deficit) of operating funding</b>	<b>(15)</b>	<b>(15)</b>	<b>(15)</b>	<b>(901)</b>
<b>SOURCES OF CAPITAL FUNDING</b>				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total sources of capital funding</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>				
<b>Capital expenditure</b>				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	0	0
- to replace existing assets	0	0	0	0
Increase (decrease) in reserves	(15)	(15)	(15)	(901)
Increase (decrease) of investments	0	0	0	0
<b>Total application of capital funding</b>	<b>(15)</b>	<b>(15)</b>	<b>(15)</b>	<b>(901)</b>
<b>Surplus (deficit) of capital funding</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>901</b>
<b>Funding balance</b>	<b>0</b>	<b>(0)</b>	<b>0</b>	<b>0</b>

Operational Income is over budget by \$6.1m based on the funding from Central Government for post Covid-a9 Economic Stimulus and Job Creation Programs and for Cultural Tourism – Nga Ara Tipuna a Pā site interpretation project. Operating Costs also reflect a similar increase caused by the out working of these projects.

## Planning and Regulatory Group



### District Planning

#### What does this activity involve?

Council is required to provide a comprehensive District Plan that provides for the needs of the community. The activity's goal is to implement the Resource Management Act 1991 to ensure that Council provides for the management of the districts natural and physical resources while providing for the safety and wellbeing of the Central Hawke's Bay community. The Operative District Plan is nearly 20 years old and a full review of this document is required to ensure Council meets its responsibilities under the Resource Management Act.

The review of the current District Plan was a major priority for the new Council, following the completion of Project Thrive. Council set an ambitious target to adopt a draft plan on 31 October 2018. Council achieved what it said it would do, adopting the substantially complete draft on 31 October.

In April 2019, Council approved the draft District Plan for release, with a community consultation programme commencing in May 2019. It is intended the draft Plan will be notified following the consideration of submissions received during consultation and integration of recommendations from the Spatial Plan and central government policies.

#### 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 rules and performance standards for land use, subdivision and development.

Community Outcomes that this activity contributes to



#### What we delivered

LEVEL OF SERVICE TO BE DELIVERS	HOW WILL WE MEASURE OUR SUCCESS IN 2020/21?	ACHIEVED LEVEL OF SERVICE
The District Plan is kept up to date and relevant to the needs of our community – helping us to ensure that management of the districts natural and physical resources is undertaken in a sustainable way.	Completion of the informal phase of the draft District Plan is completed and preparation for notification of the Proposed Plan commences.	<b>Target Achieved</b> The District Plan Review began in 2017 and was delayed to incorporate the District Integrated Spatial Plan and to allow for completion of the identification of significant natural areas. In alignment with the District Plan review work programme the Proposed District Plan was formally notified on 28 May 2021 with submissions closing on 6 August.





## 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, monitors conditions of consent and completes documentation to facilitate new title creation. Once completed, property files and records are updated.

The processing of Land Information Memoranda also sits with this activity.

### 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



### What we delivered

LEVEL OF SERVICE TO BE DELIVERS	HOW WILL WE MEASURE OUR SUCCESS IN 2020/21?	ACHIEVED LEVEL OF SERVICE
The land use and subdivision consent process is compliant, efficient and user friendly.	100% of resource consents (non-notified) processed within 20 working days (the statutory timeframe).	<b>Target Not Achieved</b> 271 resource consents were processed in the year compared to 183 the previous year with 128 (47%) processed within the 20-day statutory limit in the reporting period (2020:79%). A shortage of internal planning resources necessitated a heavy reliance of external consultant for processing. An increase in complexity and volumes driven by the new development contributions policy and Proposed District plan lead to the exceedance of time limits however in most cases it was only by a few days. The average processing timeframes was 26 days.
	90% of customers satisfied with the land use and subdivision consent services provided.	<b>Target Not Achieved</b> During the Independent Survey in June, 73% of customers were satisfied with compliance and monitoring consent services provided (2020: 79%). A specifically targeted survey for users of this service will be implemented in 2021/2022.



## 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.
- Issuing of Building Compliance Schedules as part of Building Warrant of Fitness compliance monitoring.

While the activity goals are to ensure that the Building Act is applied with minimal compliance costs and that nuisance or objectionable effects on human health and safety are minimised, changes to the Act have required Council to follow an accreditation process. Over time, the level of performance of a Building Consent Authority to retain accreditation is being increased, therefore higher levels of quality control and documentation is required, incurring additional costs. This process is subject to audit to ensure that due process is followed. All Building Officers are required to be accredited under the Act.

### Why are we involved?

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

Community Outcomes that this activity contributes to



### What we delivered

LEVEL OF SERVICE TO BE DELIVERED	HOW WILL WE MEASURE OUR SUCCESS IN 2020/21?	ACHIEVED LEVEL OF SERVICE
The building consent process is compliant, efficient and user friendly.	100% of building consents processed within 20 working days (the statutory timeframe).	<b>Target Not Achieved</b> 443 Building Consents were processed in the year with 411 (98%) processed within the 20 day statutory timeframes. The average processing time was 15 days. Record high consent volumes resulted in a heavy reliance on National Processing for support which was unable to keep up with national demand resulting in timeframes pushing out to 25 days in some cases. A targeted recruitment programme has been successful with two BCO cadets now appointed (and a third in progress) to build internal capability and capacity and reduce reliance on external contractors (2020:98%).
	The maintenance of building consent authority accreditation status will be achieved.	<b>Target Achieved</b> IANZ Accreditation was achieved in November 2020 for 2 years. The IANZ assessors completed their independent and comprehensive audit and remarked on Council's continued progress and exemplary performance in most areas, in particular consistency across the technical aspects of the consenting process. The next accreditation assessment is in November 2022.
	90% of customers satisfied with the building consent services provided.	<b>Target Not Achieved</b> During the independent Annual Resident's Survey in June, 73% of customers were satisfied with the building consent services provided (2020:79%). A specifically targeted survey for users of this service will be implemented in 2021/2022



## Environmental Health

### What does this activity involve?

The Environmental Health Activity covers the following services:

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

### Why are we involved?

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

Community Outcomes that this activity contributes to



### What we delivered

LEVEL OF SERVICE TO BE DELIVERED	HOW WILL WE MEASURE OUR SUCCESS IN 2020/21?	ACHIEVED LEVEL OF SERVICE
The environmental health process is compliant, efficient and user friendly.	100% of food and other premises that are due for inspection in that financial year.	<b>Target Not Achieved</b> We have not achieved this performance measure this financial year. Under legislation and regulations, we are not required to inspect every premise every 12 months. This is a higher level of service than required in legislation and not provided for within current resourcing and budgets. 69 of the 110 of food and other premises have been inspected during the year.
	100% of premises that do not meet minimum standards, will have a corrective plan put in place to help them within 10 working days.	<b>Target Achieved</b> There were 7 corrective plans required to be established this year. These corrective plans were put in place within 10 working days.
	100% of Complaints received are responded to within 3 working days.	<b>Target Achieved</b> 100% of complaints responded to within 3 working days' year to date.
	95% of customers satisfied with the public health services delivered.	<b>Target Not Achieved</b> During the independent Annual Resident's Opinion Survey in June, 94% of customers were satisfied with the public health services delivered (2020: 72%).



## Animal Services

### What does this activity involve?

Council is involved in Animal Services 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 facility is currently operated within the SPCA compound located in Waipukurau. The Animal Services and Compliance staff employed by Council service the pound.

### Why are we involved?

Council is required under statute to provide a regulatory function of Animal Services. This activity ensures that:

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

Community Outcomes that this activity contributes to



### What we delivered

LEVEL OF SERVICE TO BE DELIVERED	HOW WILL WE MEASURE OUR SUCCESS IN 2020/21?	ACHIEVED LEVEL OF SERVICE
Excellent customer service is provided to our customers and the animal services activity minimises nuisance and makes our community a safer place to live.	95% of known dogs registered.	Target Not Achieved 92% of known dogs were registered in the 2020-21 year. 5034 dogs have been registered out of a total of 5490.
	100% of serious dog incidences responded to within 2 hours.	Target Achieved 100% of serious dog incidences responded to within 2 hours. A total of 73 requests for service were received.
	100% response to all stock complaints and requests within 24 hours.	Target Achieved 100% of all stock complaints and requests responded to within 24 hours. A total of 72 complaints were received in the 2019-20 year (2020: 100%).
	90% of users satisfied with the Animal Control service provided.	Target Not Achieved During the independent Annual Residents Opinion Survey in June, 71% of users were satisfied with the Animal Control service provided (2020: 73%). We are continuing to work on being proactive in the community to raise the profile of our Animal Services team.



## Compliance and Monitoring

### What does this activity involve?

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

### Why are we involved?

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

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

Community Outcomes that this activity contributes to



### What we delivered

LEVEL OF SERVICE TO BE DELIVERED	HOW WILL WE MEASURE OUR SUCCESS 2020/21?	ACHIEVED LEVEL OF SERVICE
The compliance and monitoring process is compliant, efficient and user friendly.	95% of Owners, or their agents, advised that their BWOFF has lapsed within one month of expiry.	<b>Target Achieved</b> This has been a key focus area for 2021 and 100% of buildings now have up to date BWOFFs. The focus for 2021/2022 is to complete compliance schedule audits for all buildings at the time of BWOFF renewal.
	100% of PIMs, LIMs, and CCCs issued within the statutory timeframe.	<b>Target Not Achieved</b> As reflected in the year on year comparisons below, volumes have significantly increased this year with minimal impact on meeting statutory timeframes. <ul style="list-style-type: none"> <li>• 0 PIMS, 124 LIMS (2020:79) and 375 CCCs (2020:274) were issued this year.</li> <li>• 97% of LIMS issued within 10 days (2020:96%)</li> <li>• 97.3% of CCC issued within statutory timeframe of 20 days. Average processing time was 3 days (2020: 98.7%)</li> </ul>
	Respond to 100% of complaints about non-compliance with bylaws within 3 days.	<b>Target Achieved</b> 100% of complaints responded to within 3 working days.



LEVEL OF SERVICE TO BE DELIVERED	HOW WILL WE MEASURE OUR SUCCESS 2020/21?	ACHIEVED LEVEL OF SERVICE
	100% of resource consents monitored within two years of being issued.	<p><b>Target Not Achieved</b></p> <p>This has been an under-resourced area and the target not specifically measured. Monitoring of Resource Consent compliance is a key focus for this year (2020: Not Measured)</p>
	90% of users satisfied with the Compliance and Monitoring service provided.	<p><b>Target Not Achieved</b></p> <p>During the independent Annual Residents Survey in June, 72% of users were satisfied with the Compliance and Monitoring service provided. As additional resources are allocated to this area, a targeted user survey is planned this year to gain a broader understanding of customer satisfaction (2020:72%).</p>

ANNUAL REPORT 2020-2021

### Funding Impact Statement for the year ending 30 June 2021 for Planning and Regulatory Group

	2020 LONG TERM PLAN \$000	2021 LONG TERM PLAN \$000	2021 ANNUAL PLAN \$000	2021 ACTUAL \$000
<b>SOURCES OF OPERATING FUNDING</b>				
General rates, uniform annual general charges and rates penalties	785	807	823	819
Targeted rates	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges	1,030	1,041	1,393	2,108
Interest and dividends from investments	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	21	22	17	3
<b>Total operating funding</b>	<b>1,836</b>	<b>1,870</b>	<b>2,233</b>	<b>2,930</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>				
Payments to staff and suppliers	1,329	1,334	1,583	2,606
Finance costs	9	19	35	6
Internal charges and overheads applied	482	484	585	627
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>1,821</b>	<b>1,837</b>	<b>2,202</b>	<b>3,239</b>
<b>Surplus (deficit) of operating funding</b>	<b>15</b>	<b>33</b>	<b>31</b>	<b>(309)</b>
<b>SOURCES OF CAPITAL FUNDING</b>				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	194	201	695	392
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total sources of capital funding</b>	<b>194</b>	<b>201</b>	<b>695</b>	<b>392</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>				
<b>Capital expenditure</b>				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	234	726	0
- to replace existing assets	208	0	0	0
Increase (decrease) in reserves	0	0	0	83
Increase (decrease) of investments	0	0	0	0
<b>Total application of capital funding</b>	<b>208</b>	<b>234</b>	<b>726</b>	<b>83</b>
<b>Surplus (deficit) of capital funding</b>	<b>(15)</b>	<b>(33)</b>	<b>(31)</b>	<b>309</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Fees & Charges were above budget with an increase in building and resource consents income. This was offset by additional costs to outsource the processing the consents that couldn't be handled in house and undertaking the District Plan Review.

## Land Transport Group



### Land Transport

#### What does this activity involve?

Council owns and maintains the district road network. Network maintenance and renewals are funded by rates with substantial funding assistance from the New Zealand Transport Agency (NZTA). The current Funding Assistance Rate provided by NZTA is currently 61% and will be lowered to 60% in 2021/22 with a further 1% reduction in 2022/23. For emergency works that reach the required threshold, the Funding Assistance Rate increases 20% above the current FAR for the remainder of the fiscal year. Council staff, assisted by consultants, manage the various aspects of the District's road assets. 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?

We are involved in this activity to provide a safe, efficient, resilient and reliable transport network for all users which contributes to the following Community Outcomes.

Community Outcomes that this activity contributes to



MAJOR CONTRACTS COMPLETED DURING THE YEAR 2020/21	TOTAL
Route 52 Upgrade – PGF Funded	\$5,699,952
Footpaths	\$544,762
Reseal / Resurfacing Programme	\$3,622,691
Bridges / Structures	\$3,298,200
Drainage	\$1,363,360

### Key achievements during the year

- Submitted a successful bid for funding for the next 3-year programme in maintenance and renewals
- Have successfully enhanced our Asset Management Plan
- Delivered an oversized programme of work due to work being carried forward from the previous year
- Spent all of the NZTA funding allotment, with the exception of the minor events budget which a portion of was declared surplus and the council's share was retained
- Completed major structural repairs to 3 of Council's structures which were failing

### What we delivered

LEVEL OF SERVICE TO BE DELIVERED	HOW WILL WE MEASURE OUR SUCCESS IN 2020/21?	ACHIEVED LEVEL OF SERVICE
The provisions of a safe and secure local roading network that meets the needs of our community.	Reduce fatalities and serious injury crashes on the local road network to 0.	<b>Target Not Achieved</b> 0 fatality and 6 serious injury crashes were recorded within the reporting period. In reviewing the crash reports road factors were not a contributing factor in the crashes (2020: 1 fatality).
	85-90% quality of ride on a sealed local road network, measured by smooth travel exposure.	<b>Target Achieved</b> 88.8% of average quality of ride on a sealed local road network, measured by smooth travel exposure (2020: 88.3%).
	At least 20% of the footpaths in excellent condition and no more than 10% of the footpaths in poor condition measured annually.	<b>Target Achieved</b> The council has 69.8 kilometres of footpaths. The footpath condition was rated as 61.6% excellent and only 1% poor.
	6-8% of the sealed local road network that is resurfaced.	<b>Target Not Achieved</b> Due to the good condition of our network and pushing some work out into the following year to get better coordination with our 3 waters team only 5.5 % of the network has been re-sealed this year
	100% of customer service requests relating to road and footpaths to which the territorial authority responds within 3 working days.	<b>Target Not Achieved</b> 90% of customer service requests relating to road and footpaths were responded to within the targeted 3 days.
	90% of users satisfied with the roading service provided.	<b>Target Not Achieved</b> During the independent Annual Residents Survey in June, 68% of residents indicated they were satisfied with the roading service provided (2020: 72%). Analysis of the data is required.

### Funding Impact Statement for the year ending 30 June 2021 for Land Transport Group

	2020 LONG TERM PLAN \$000	2021 LONG TERM PLAN \$000	2021 ANNUAL PLAN \$000	2021 ACTUAL \$000
<b>SOURCES OF OPERATING FUNDING</b>				
General rates, uniform annual general charges and rates penalties	6,564	6,707	6,854	6,854
Targeted rates	0	0	0	0
Subsidies and grants for operating purposes	2,554	2,571	2,613	3,472
Fees, charges	19	19	36	67
Interest and dividends from investments	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	162	165	162	462
<b>Total operating funding</b>	<b>9,299</b>	<b>9,462</b>	<b>9,664</b>	<b>10,855</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>				
Payments to staff and suppliers	4,602	4,635	4,705	5,745
Finance costs	0	0	0	0
Internal charges and overheads recovered	1,169	1,178	1,497	1,622
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>5,771</b>	<b>5,813</b>	<b>6,201</b>	<b>7,367</b>
<b>Surplus (deficit) of operating funding</b>	<b>3,528</b>	<b>3,649</b>	<b>3,463</b>	<b>3,488</b>
<b>SOURCES OF CAPITAL FUNDING</b>				
Subsidies and grants for capital expenditure	4,499	4,663	4,852	12,298
Development and financial contributions	3	3	3	0
Increase (decrease) in debt	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total sources of capital funding</b>	<b>4,502</b>	<b>4,666</b>	<b>4,855</b>	<b>12,298</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>				
<b>Capital expenditure</b>				
- to meet additional demand	0	0	0	0
- to improve the level of service	300	300	1,000	1,602
- to replace existing assets	7,713	7,999	7,299	14,756
Increase (decrease) in reserves	16	16	19	(572)
Increase (decrease) of investments	0	0	0	0
<b>Total application of capital funding</b>	<b>8,029</b>	<b>8,315</b>	<b>8,318</b>	<b>15,786</b>
<b>Surplus (deficit) of capital funding</b>	<b>(3,528)</b>	<b>(3,649)</b>	<b>(3,463)</b>	<b>(3,488)</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Subsidies for Capital Expenditure and the replacement of assets contains additional revenue and costs of \$5.7m relating to the PGF funded route 52 upgrade project.

2020/21 was year three of Council's operating envelope with Waka Kotahi NZ Transport Agency, and Council was slightly behind in its delivery schedule at the end of last year but has caught up during this financial year which is why subsidies from Waka Kotahi are slightly up on budget, and so too are expenses. By year end Council had completed all its agreed schedule of works for the three year contract.



## Solid Waste Group



### Solid Waste

#### What does this activity involve?

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

- Litter Collection
- Recycling Centres
- Beach Refuse Collection Contractors
- Kerbside Recycling (Waipawa and Waipukurau only)
- Refuse Collection
- Transfer Stations
- Landfill
- Closed Landfills
- Green Waste
- Education and Enforcement

#### Why are we involved?

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

Community Outcomes that this activity contributes to



#### What we delivered

LEVEL OF SERVICE TO BE DELIVERED	HOW WILL WE MEASURE OUR SUCCESS IN 2020/21?	ACHIEVED LEVEL OF SERVICE
Council supports and provides incentives for waste reduction, reuse and recycling in line with its Waste Management & Minimisation Plan.	1,500 tonnes of recyclables through the centre each year.	Target Not Achieved 1,064 tonnes of recyclables went through the centres (2020: 1,212 tonnes). Both years impacted by Covid-19.
	2,250m³ of green waste composted each year.	Target Achieved 4,659 m³ of green waste composted (2020: 2,273 m³ - Impacted by Covid-19).
	75% of schools participating in waste minimisation programmes.	Target Achieved 81% of schools participating in waste minimisation programmes (2020: 94%).
	Hold 4 waste minimisation promotional events in the District.	Target Achieved 15 waste minimisation events were held during the year (2020: 5)
	90% of users satisfied with the solid waste service provided.	Target Not Achieved During the independent Annual Residents Survey in June: <ul style="list-style-type: none"> <li>• 92% of users were satisfied with the Kerbside Rubbish Service.</li> <li>• 82% of users were satisfied with the Kerbside Recycling Service.</li> <li>• 71% of users were satisfied with the Transfer Station Service.</li> <li>• 82% average satisfaction rate of solid waste services provided (2020: 77%).</li> </ul>

## Funding Impact Statement for the year ending 30 June 2021 for Solid Waste Group

	2020 LONG TERM PLAN \$000	2021 LONG TERM PLAN \$000	2021 ANNUAL PLAN \$000	2021 ACTUAL \$000
<b>SOURCES OF OPERATING FUNDING</b>				
General rates, uniform annual general charges and rates penalties	1,193	1,195	1,196	1,227
Targeted rates	236	242	373	374
Subsidies and grants for operating purposes	53	54	53	132
Fees, charges	1,132	1,156	1,713	2,002
Interest and dividends from investments	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0
<b>Total operating funding</b>	<b>2,614</b>	<b>2,648</b>	<b>3,335</b>	<b>3,735</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>				
Payments to staff and suppliers	1,911	1,942	2,472	2,936
Finance costs	92	85	44	27
Internal charges and overheads applied	341	342	501	484
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>2,344</b>	<b>2,369</b>	<b>3,017</b>	<b>3,447</b>
<b>Surplus (deficit) of operating funding</b>	<b>270</b>	<b>278</b>	<b>318</b>	<b>288</b>
<b>SOURCES OF CAPITAL FUNDING</b>				
Subsidies and grants for capital expenditure	0	0	0	20
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	(115)	(122)	(129)	(54)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions		0	0	0
<b>Total sources of capital funding</b>	<b>(115)</b>	<b>(122)</b>	<b>(129)</b>	<b>(34)</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>				
<b>Capital expenditure</b>				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	0	80
- to replace existing assets	95	97	97	94
Increase (decrease) in reserves	59	59	93	80
Increase (decrease) of investments	0	0	0	0
<b>Total application of capital funding</b>	<b>154</b>	<b>157</b>	<b>190</b>	<b>254</b>
<b>Surplus (deficit) of capital funding</b>	<b>(270)</b>	<b>(278)</b>	<b>(318)</b>	<b>(288)</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

The income from fees and charges was higher than budgeted reflecting the buoyant economy and the activity in the construction industry.

Operating expenditure was also higher than budget by \$464k. \$210k of this was from the purchase of additional carbon credits to reflect the additional tonnage going to landfill (Council Fees and Charges include a recovery component to cover this cost). This volume also drove additional contractual costs including payments to dispose of concrete, tyres, and greenwaste out of district.

During the year Council built a new glass recycling bunker using MfE funding, and undertook other minor renewals.

## Water Supplies Group



### Water Supplies

#### What does this activity involve?

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

Water supplied in these schemes met the national compliance standards with the exception of a technical error for the Takapau treatment scheme and a positive bacteria sample reading in the Te Paerahi reticulation network that was further tested and proven to be safe.

Significant progress continues to be made with the upgrades and advancements of the Districts drinking water supplies. The drinking water regulator made comment again in 2021 on Councils strong continued progress towards the ever-increasing compliance standards. Capital works at our treatment plants, bore fields and pump stations continues but is slowing as the majority of major upgrades at those 'hub' sites is nearing completion and network upgrades are now beginning to focus on the wider reticulation network. These upgrades will see reductions in the frequency and duration of water leaks which will greatly improve the end result and service offering for our customers.

#### Why are we involved?

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

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

Community Outcomes that this activity contributes to



## What we delivered

LEVEL OF SERVICE TO BE DELIVERED	HOW WILL WE MEASURE OUR SUCCESS IN 2020/21?	ACHIEVED LEVEL OF SERVICE																								
A continuous supply of water is provided at the right quantity, quality and pressure so that residents and industry can do what they need to do.	100% of all potable supplies comply with part 4 of the drinking water standards (bacteria compliance criteria) Pass/Fail.	<p><b>Target Not Achieved</b></p> <p>For clarity we are reporting compliance with both parts of the Water Supply systems for part 4.</p> <p><b>Reticulation</b></p> <table><tr><td>Otane</td><td>Pass (2020: Pass)</td></tr><tr><td>Waipawa</td><td>Pass (2020: Pass)</td></tr><tr><td>Waipukurau</td><td>Pass (2020: Pass)</td></tr><tr><td>Takapau</td><td>Pass (2020: Pass)</td></tr><tr><td>Kairakau</td><td>Pass (2020: Pass)</td></tr><tr><td>Porangahau</td><td>Fail (2020: Pass)</td></tr></table> <p><b>Treatment</b></p> <table><tr><td>Otane</td><td>Pass (2020: Pass)</td></tr><tr><td>Waipawa</td><td>Pass (2020: Pass)</td></tr><tr><td>Waipukurau</td><td>Pass (2020: Fail)</td></tr><tr><td>Takapau</td><td>Fail (2020: Fail)</td></tr><tr><td>Kairakau</td><td>Fail (2020: Fail)</td></tr><tr><td>Porangahau</td><td>Pass (2020: Fail)</td></tr></table> <p><b>Porangahau Retic:</b> Due to a positive E-Coli result nearing the end of the compliance year, it was not possible to achieve compliance in this area with additional sampling. The E-Coli result was deemed to be a false positive.</p> <p><b>Takapau:</b> While we have secure bore status for Takapau there was a single sample missed due to a scheduling error which has failed our compliance for 20-21 year.</p> <p><b>Kairakau:</b> Processes are not currently in place to comply with part 4 of the drinking water standards due to continuous monitoring requirements. It is anticipated that this site will become fully compliant within the 2022/2023 compliance year after treatment upgrades are complete.</p>	Otane	Pass (2020: Pass)	Waipawa	Pass (2020: Pass)	Waipukurau	Pass (2020: Pass)	Takapau	Pass (2020: Pass)	Kairakau	Pass (2020: Pass)	Porangahau	Fail (2020: Pass)	Otane	Pass (2020: Pass)	Waipawa	Pass (2020: Pass)	Waipukurau	Pass (2020: Fail)	Takapau	Fail (2020: Fail)	Kairakau	Fail (2020: Fail)	Porangahau	Pass (2020: Fail)
	Otane	Pass (2020: Pass)																								
Waipawa	Pass (2020: Pass)																									
Waipukurau	Pass (2020: Pass)																									
Takapau	Pass (2020: Pass)																									
Kairakau	Pass (2020: Pass)																									
Porangahau	Fail (2020: Pass)																									
Otane	Pass (2020: Pass)																									
Waipawa	Pass (2020: Pass)																									
Waipukurau	Pass (2020: Fail)																									
Takapau	Fail (2020: Fail)																									
Kairakau	Fail (2020: Fail)																									
Porangahau	Pass (2020: Fail)																									
	100% of all potable supplies comply with Part 5 of the drinking water standards (protozoal compliance criteria) Pass/Fail.	<p><b>Target Not Achieved</b></p> <table><tr><td>Otane</td><td>Pass (2020 Pass)</td></tr><tr><td>Waipawa</td><td>Pass (2020 Pass)</td></tr><tr><td>Waipukurau</td><td>Pass (2020 Fail)</td></tr><tr><td>Takapau</td><td>Fail (2020 Fail)</td></tr><tr><td>Kairakau</td><td>Fail (2020 Fail)</td></tr><tr><td>Porangahau</td><td>Pass (2020 Fail)</td></tr></table> <p><b>Takapau:</b> The treatment plant had a failure of a water quality monitoring device (UVT) for a short period and insufficient evidence was able to be supplied to the DWA to allow compliance.</p> <p><b>Kairakau:</b> No treatment processes are currently in place to comply with criteria 5. It is anticipated that this site will become fully compliant with criteria 5 within the 2022/2023 compliance year after treatment upgrades are complete.</p>	Otane	Pass (2020 Pass)	Waipawa	Pass (2020 Pass)	Waipukurau	Pass (2020 Fail)	Takapau	Fail (2020 Fail)	Kairakau	Fail (2020 Fail)	Porangahau	Pass (2020 Fail)												
Otane	Pass (2020 Pass)																									
Waipawa	Pass (2020 Pass)																									
Waipukurau	Pass (2020 Fail)																									
Takapau	Fail (2020 Fail)																									
Kairakau	Fail (2020 Fail)																									
Porangahau	Pass (2020 Fail)																									

LEVEL OF SERVICE TO BE DELIVERED	HOW WILL WE MEASURE OUR SUCCESS IN 2020/21?	ACHIEVED LEVEL OF SERVICE
	30% of real water loss from the local authority's networked reticulation system.	<b>Target Not Achieved</b> Sufficient information has not been available to accurately measure real water loss at all points in the network during the reporting period. Equipment has been installed and more is planned to provide a more accurate picture of supply, demand and losses. This work is ongoing and will be completed through 2021/22 when Council will then be able to confidently report on losses.
	Attendance for urgent call-outs; 2 hours from the time that the local authority received notification to the time that service personnel reach the site.	<b>Target Achieved</b> The median response time for year to date is 6 minutes (2020: 28 mins)
	Resolution of urgent call outs; 12 hours from the time that the local authority receives notification to the time the service personnel confirm resolution of the fault or interruption.	<b>Target Achieved</b> The median resolution time for year to date is 1 hour 12 minutes (2020: 1 hours 48 mins)
	Attendance for non-urgent call outs: 6 hours from the time that the Local Authority receives notification to the time the service personnel reaches the site.	<b>Target Achieved</b> The median response time for year to date is 12 minutes (2020: 38 minutes)
	Resolution of non-urgent call outs: 72 hours from the time that the Local Authority receives notification to the time the service personnel confirm resolution of the fault or interruption.	<b>Target Achieved</b> The median resolution time for year to date is 1 hour 21 minutes (2020: 27 hours 18 minutes)
	≤ 5 complaints relating to drinking water received (per annum per 1000 connections to the local authority's networked reticulation system). Drinking water clarity, Drinking water taste, Drinking water odour, Drinking water pressure or flow, Continuity of supply, The local authority's response to any of these issues.	<b>Target Not Achieved</b> 22.2 complaints per 1,000 connected customers were received in the period. A total of 91 complaints were received against a total of 4,084 connections. The complaints primarily related to loss of supply. This is due to a large number of burst mains occurring during the year which has caused loss of supply to customers. Increased investment in infrastructure is a priority item for council and a large renewal programme is in the LTP.
	≤1.80m <sup>3</sup> average consumption of drinking water per day per water connection.	<b>Target Achieved</b> 1.68 m <sup>3</sup> average consumption of drinking water per day per connection year to date (2020: 1.65m <sup>3</sup> )
	90% of users satisfied with the water supply service provided.	<b>Target Not Achieved</b> During the independent Annual Residents Survey in June, 83% of users were satisfied with the water supply service provided (2020: 83%).



### Funding Impact Statement for the year ending 30 June 2021 for Water Supplies Group

	2020 LONG TERM PLAN \$000	2021 LONG TERM PLAN \$000	2021 ANNUAL PLAN \$000	2021 ACTUAL \$000
<b>SOURCES OF OPERATING FUNDING</b>				
General rates, uniform annual general charges and rates penalties	0	0	0	0
Targeted rates	3,109	3,272	3,416	3,331
Subsidies and grants for operating purposes	0	0	0	319
Fees, charges	0	0	3	10
Interest and dividends from investments	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0
<b>Total operating funding</b>	<b>3,109</b>	<b>3,272</b>	<b>3,419</b>	<b>3,660</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>				
Payments to staff and suppliers	1,223	1,532	1,522	2,363
Finance costs	453	616	347	130
Internal charges and overheads recovered	509	511	703	457
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>2,185</b>	<b>2,659</b>	<b>2,572</b>	<b>2,950</b>
<b>Surplus (deficit) of operating funding</b>	<b>924</b>	<b>613</b>	<b>847</b>	<b>710</b>
<b>SOURCES OF CAPITAL FUNDING</b>				
Subsidies and grants for capital expenditure	0	0	0	1,629
Development and financial contributions	5	5	50	218
Increase (decrease) in debt	6,319	220	1,675	960
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total sources of capital funding</b>	<b>6,324</b>	<b>225</b>	<b>1,725</b>	<b>2,807</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>				
<b>Capital expenditure</b>				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	1,990	2093
- to replace existing assets	7,123	1,088	832	1469
Increase (decrease) in reserves	125	(250)	(250)	(45)
Increase (decrease) of investments	0	0	0	0
<b>Total application of capital funding</b>	<b>7,248</b>	<b>838</b>	<b>2,572</b>	<b>3,517</b>
<b>Surplus (deficit) of capital funding</b>	<b>(924)</b>	<b>(613)</b>	<b>(847)</b>	<b>(710)</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Payment to Staff and Suppliers was above budget by \$841k and included expenditure required for increased compliance costs, water monitoring costs, leak detection and remedial work across the networks. This was offset by savings in Finance Costs of \$217k due to the reduction on loans drawn this year and the low interest environment.

During the year Council undertook \$3.5m of asset creation/renewals against a budget of \$2.8m (as detailed in the table below). During 2020/21 Council received Tranche 1 of 3 Waters stimulus money from Central Government (shown as unbudgeted grant revenue) for and allowed Council to deliver additional \$1.6m of capital works.

PROJECT	2021 LONG TERM PLAN \$	2021 ANNUAL PLAN \$	2021 ACTUAL \$	PROJECT STATUS	FUNDING MECHANISM
3 Waters Reform Capital Improvements/Renewals	0	0	1,628,618	Ongoing	Central Government – 3 Waters Reform
Waipukurau SH2 Pump Station Upgrade	0	0	324,674	Ongoing	Loan Funded
Waipukurau Second Supply	0	0	13,208	Ongoing	Loan Funded
Waipukurau Shortfalls in existing reticulation	268,173	1,507,682	830	Ongoing	Loan Funded
Waipukurau fire fighting improvements	321,808	321,808	368,446	Ongoing	Loan Funded
Waipawa Shortfalls in existing reticulation	107,269	0	0	Ongoing	Loan Funded
Waipawa fire fighting improvements	214,538	160,904	156,544	Ongoing	Loan Funded
District Renewals	176,145	832,039	897,609	Ongoing	Rates
Otane Water Supply Capital Improvements	0	0	2,563	Ongoing	Loan Funded
Takapau Water Supply Capital	0	0	0	Ongoing	Loan Funded
Kairakau Water Capital Projects	0	0	168,485	Ongoing	Loan Funded
Porangahau Water Capital Project	0	0	877	Ongoing	Loan Funded
<b>Total application of capital funding</b>	<b>1,087,933</b>	<b>2,822,433</b>	<b>3,561,853</b>		

## Wastewater (Sewerage) Group



### Wastewater (Sewerage)

#### What does this activity involve?

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

Council has adopted a long term comprehensive wastewater strategy that will see the upgrade to all 6 of its wastewater treatment plants and discharge schemes in the next 15 years. The strategy has seen a lengthy and thorough investigation, engagement and design phase for the various treatment schemes that is nearing its end with consent applications beginning to be lodged now before substantive physical works at the plants begin in the next year. Upgrades have been made to the two largest plants at Waipawa and Waipukurau in the past year however and this has seen positive results with improved compliance reporting in the short period since the upgrades were implemented.

The renewal of general wastewater assets is a continuing process. Pipelines, manholes, pumping stations and treatment plants are renewed as necessary and as funding allows with significant increases provisioned for in the 2021 LTP.

Compliance with Resource Consents is closely monitored and includes reporting to Hawke's Bay Regional Council who have been involved in the development of the long term wastewater strategy and short term improvements made to date.

#### Why are we involved?

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

Community Outcomes that this activity contributes to



## What we delivered

LEVEL OF SERVICE TO BE DELIVERED	HOW WILL WE MEASURE OUR SUCCESS IN 2020/21?	ACHIEVED LEVEL OF SERVICE
The sewerage system is convenient, safe and reliable.	≤10 of dry weather sewerage overflows (per 1,000 connections to the total sewerage system).	<b>Target Achieved</b> 0.86 dry weather sewerage overflows per 1,000 connections to the total sewerage system (2020: 3.5). There are currently 3,463 sewerage connections to the total sewerage systems.
	≤30 of total sewerage overflows (per 1,000 connections to the total sewerage system).	<b>Target Achieved</b> 0.86 sewerage overflows per 1,000 connections to the total sewerage system (2020: 3.5). There are currently 3,463 sewerage connections to the total sewerage systems.
	Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of: <ul style="list-style-type: none"> <li>• 0 abatement notices</li> <li>• 0 infringement orders</li> <li>• 0 enforcement orders and</li> <li>• 0 convictions, received by the territorial authority</li> </ul>	<b>Target Achieved</b> All requirements listed below were achieved within the reporting period for Councils wastewater systems. <ul style="list-style-type: none"> <li>• 0 abatement notices (2020:0)</li> <li>• 0 infringement orders (2020:0)</li> <li>• 0 enforcement orders (2020:0)</li> <li>• 0 convictions, received by the territorial authority (2020:0)</li> </ul> During the year, 5 out of 6 Wastewater Treatment Plants had elements of non-compliance with Council's resource consents. Council is currently working with Regional Council on upgrades/design work for upgrades of all of its wastewater plants to improve compliance.
	≤1hr median response time for attending sewerage overflows resulting from blockages or other faults (measured from the time that notification is received to the time that the service personnel reach the site).	<b>Target Achieved</b> The median response time year to date is 51 minutes (2020: 47 minutes).
	≤ 4 hrs median resolution time for attending sewerage overflows resulting from blockages or other faults (measured from the time that notification is received to the time that service personnel confirm resolution of the blockage or other fault).	<b>Target Achieved</b> The median resolution time year to date is 10 minutes (2020: 2 hours 20 minutes).
	≤ 10 number of complaints received per annum per 1,000 sewerage connections about any of the following: <ul style="list-style-type: none"> <li>• Sewage odour,</li> <li>• Sewerage system faults,</li> <li>• Sewerage system blockages or Council's response to issues with its sewerage systems.</li> </ul>	<b>Target Not Achieved</b> 15.01 complaints received per 1,000 sewerage connections year to date (2020:14.4). There are currently 3,463 sewerage connections to the total sewerage systems. During the year Council had several sewer blockages which drove this figure up
	90% of users satisfied with the wastewater service provided.	<b>Target Achieved</b> During the independent Annual Residents Survey in June, 93% of those surveyed were satisfied with the wastewater service provided. (2020: 91%)

### Funding Impact Statement for the year ending 30 June 2021 for Wastewater (Sewerage) Group

	2020 LONG TERM PLAN \$000	2021 LONG TERM PLAN \$000	2021 ANNUAL PLAN \$000	2021 ACTUAL \$000
<b>SOURCES OF OPERATING FUNDING</b>				
General rates, uniform annual general charges and rates penalties	0	0	0	0
Targeted rates	3,319	3,573	2,932	2,933
Subsidies and grants for operating purposes	0	0	0	743
Fees, charges	240	245	417	330
Interest and dividends from investments	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0
<b>Total operating funding</b>	<b>3,559</b>	<b>3,818</b>	<b>3,349</b>	<b>4,006</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>				
Payments to staff and suppliers	1,404	1,519	1,459	1,879
Finance costs	620	698	375	213
Internal charges and overheads recovered	509	511	675	782
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>2,533</b>	<b>2,728</b>	<b>2,509</b>	<b>2,874</b>
<b>Surplus (deficit) of operating funding</b>	<b>1,026</b>	<b>1,090</b>	<b>841</b>	<b>1,132</b>
<b>SOURCES OF CAPITAL FUNDING</b>				
Subsidies and grants for capital expenditure	0	0	0	974
Development and financial contributions	10	10	50	96
Increase (decrease) in debt	2,163	1,100	977	2,143
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total sources of capital funding</b>	<b>2,173</b>	<b>1,110</b>	<b>1,027</b>	<b>3,213</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>				
<b>Capital expenditure</b>				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	1,609	4181
- to replace existing assets	3,168	2,168	259	408
Increase (decrease) in reserves	31	32	0	(244)
Increase (decrease) of investments	0	0	0	0
<b>Total application of capital funding</b>	<b>3,199</b>	<b>2,200</b>	<b>1,868</b>	<b>4,345</b>
<b>Surplus (deficit) of capital funding</b>	<b>(1,026)</b>	<b>(1,090)</b>	<b>(841)</b>	<b>(1,132)</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>0</b>



Payment to Staff and Suppliers were over budget by \$420k. The majority of this was spending the Trance 1 3 Waters Revenue from Central Government (unbudgeted). Finance Costs were also below budget by \$162k due to the reduction on loans drawn this year and the low interest environment.

The table below sets out the capital projects undertaken during 2020/21. Again this shows Council spending the 3 Waters Trance 1 monies (shown as unbudgeted grant revenue and expenditure), and that Council has begun building a wastewater pipeline between Otane and Waipawa, and has undertaken engineering works read for the creation of a main urban wastewater treatment plant in Waipawa servicing Otane, Waipawa, and Waipukurau.

PROJECT	2021 LONG TERM PLAN \$	2021 ANNUAL PLAN \$	2021 ACTUAL \$	PROJECT STATUS	FUNDING MECHANISM
3 Waters Reform Capital Improvements/Renewals	0	0	1,369,677	Ongoing	Central Government – 3 Waters Reform
Otane Sewer Capital Improvements	164,766	0	842,737	Ongoing	Loan Funded
Takapau Sewer Capital Improvements	0	0	129,276	Ongoing	Loan Funded
District Sewer Capital Improvements	0	1,609,038	399,920	Ongoing	Loan Funded
Wetlands Removal	0	0	258,305	Ongoing	Loan Funded
District Sewer Capital Renewal	794,954	258,877	335,440	Ongoing	Rates Funded
Main Urban Wastewater Plant – Treatment and Discharge	0	0	964,611	Ongoing	Loan Funded
Porangahau / Te Paerahi wastewater treatment upgrade	1,208,281	0	289,332	Ongoing	Loan Funded
<b>Total application of capital funding</b>	<b>2,168,000</b>	<b>1,867,915</b>	<b>4,589,298</b>		

## Storm Water Group



### Stormwater

#### What does this activity involve?

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

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

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

The focus on Stormwater continues to grow within Council as we now must comply with the conditions of a single district-wide resource consent for stormwater discharge to freshwater bodies and the impacts of Stormwater management on the environment become more known. Council completed significant Stormwater maintenance operations in 2021 on the open drain network that have not been prioritised for many years and the 2021 LTP provides a lift in available funding for further routine Stormwater maintenance as well as the early stages of treatment which will be a first for Central Hawke's Bay.

#### Why are we involved?

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

Community Outcomes that this activity contributes to



## What we delivered

LEVEL OF SERVICE TO BE DELIVERED	HOW WILL WE MEASURE OUR SUCCESS IN 2020/21?	ACHIEVED LEVEL OF SERVICE
A safe and operational stormwater drainage network for design events.	For each flooding event, 0 of habitable floors affected. (Expressed per 1,000 properties connected to the territorial authority's stormwater system.)	<b>Target Achieved</b> 0 habitable floors affected in flooding events per 1,000 properties connected (2020: 0). There are currently 2,979 storm water connections to the networked reticulation system.
	Compliance with the territorial authority's resource consents for discharge from its stormwater system measured by the number of: <ul style="list-style-type: none"> <li>• abatement notices 0</li> <li>• infringement orders 0</li> <li>• enforcement orders 0; and</li> <li>• successful prosecutions, received by the territorial authority in relation to those resource consents 0</li> </ul>	<b>Target Achieved</b> All requirements listed below were achieved within the reporting period for Councils stormwater systems. <ul style="list-style-type: none"> <li>• abatement notices: 0 (2020:0)</li> <li>• infringement orders: 0 (2020: 0)</li> <li>• enforcement orders: 0 (2020: 0)</li> <li>• successful prosecutions, received by the territorial authority in relation to those resource consents: 0 (2020:0)</li> </ul>
	≤2hr median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site.	<b>Target Achieved</b> The median response time year to date is 0 minutes as there were no flooding events reported (2020: 20 mins)
	≤ 5 complaints received about the performance of the stormwater system (expressed per 1,000 properties connected to the stormwater system).	<b>Target Achieved</b> 4.34 complaints received per 1,000 stormwater connections (2020: 4.7) There are currently 3,219 storm water connections to the networked reticulation system.
	90% of users satisfied with the stormwater service provided.	<b>Target Not Achieved</b> During the independent Annual Residents Survey in June, 85% of users were satisfied with the stormwater service provided. (2020: 92%)

### Funding Impact Statement for the year ending 30 June 2020 for Storm Water Group

	2020 LONG TERM PLAN \$000	2021 LONG TERM PLAN \$000	2021 ANNUAL PLAN \$000	2021 ACTUAL \$000
<b>SOURCES OF OPERATING FUNDING</b>				
General rates, uniform annual general charges and rates penalties		0	0	0
Targeted rates	670	713	782	784
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges	0	0	0	0
Interest and dividends from investments	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0
<b>Total operating funding</b>	<b>670</b>	<b>713</b>	<b>782</b>	<b>784</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>				
Payments to staff and suppliers	258	250	312	216
Finance costs	27	28	17	7
Internal charges and overheads recovered	165	166	208	227
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>451</b>	<b>444</b>	<b>538</b>	<b>450</b>
<b>Surplus (deficit) of operating funding</b>	<b>220</b>	<b>269</b>	<b>245</b>	<b>334</b>
<b>SOURCES OF CAPITAL FUNDING</b>				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	7
Increase (decrease) in debt	70	(43)	(19)	(11)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total sources of capital funding</b>	<b>70</b>	<b>(43)</b>	<b>(19)</b>	<b>(4)</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>				
<b>Capital expenditure</b>				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	0	9
- to replace existing assets	304	226	226	344
Increase (decrease) in reserves	(15)	0	0	(23)
Increase (decrease) of investments	0	0	0	0
<b>Total application of capital funding</b>	<b>289</b>	<b>226</b>	<b>226</b>	<b>330</b>
<b>Surplus (deficit) of capital funding</b>	<b>(219)</b>	<b>(269)</b>	<b>(245)</b>	<b>(334)</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>0</b>

Operationally Council was largely on budget, but spent \$118k more on asset creation/renewals than budgeted (see table below for details). This was funded through the use of Council reserves.

PROJECT	2021 LONG TERM PLAN \$	2021 ANNUAL PLAN \$	2021 ACTUAL \$	PROJECT STATUS	FUNDING MECHANISM
District Wide Renewals	226,000	226,000	49,380	Ongoing	Rates
Waipukurau Tutaneke St Helicoil Replacement			303,352	Complete	Rates / Reserves
<b>Total application of capital funding</b>	<b>226,000</b>	<b>226,000</b>	<b>352,732</b>		



## Places and Open Spaces



### Reserves and Open Spaces

#### What does this activity involve?

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

We do it by:

- Maintaining 63 parks and reserves, war memorials and the Waipawa and District Centennial Memorial Pool to ensure the provision of quality, safe spaces for recreation and leisure.
- Working with community groups and organisations to add value and deliver programmes and development for our community.
- Providing camping grounds, operated either by lessees or as freedom camping sites.

Council provides financial assistance to support recreation and leisure to:

- **Central Hawke's Bay Community Trust** – for heated pools at AW Parsons Centre.
- **Sport Hawke's Bay** – for promotion of sport and leisure.
- **Forest Gate Domain Committee** – to mow the Domain.
- **Takapau Memorial Park Sports Association** – operational grant.
- **Forest and Bird** – maintenance grant for Tukituki Scenic Reserve / Otaia.

#### Why are we involved?

The provision of Places and Open Spaces is important for the well-being our community as places for play, sport, fitness activity, community events, and contemplation away from the built environment. They are also attractive assets to both current residents and potential residents considering relocation to the Central Hawke's Bay District. Visually appealing public spaces add to the character of the District and are a source of civic pride and attraction to visitors.

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

Community Outcomes that this activity contributes to



**PROUD DISTRICT**  
HE ROHE POHO KERERŪ



**CONNECTED CITIZENS**  
HE KIRIRARAU WHAI HONONGA



**STRONG COMMUNITIES**  
HE HAPORI KAHA



**ENVIRONMENTALLY RESPONSIBLE**  
HE WHAKAARO NUI KI TE TAI AO

## What we delivered

LEVEL OF SERVICE TO BE DELIVERED	HOW WILL WE MEASURE OUR SUCCESS IN 2020/21?	ACHIEVED LEVEL OF SERVICE
A range of parks and reserves that are affordable, well maintained and safe that provide for the sporting, cultural and well-being of the community.	Achieve safety checks on playground equipment monthly.	<b>Target Not achieved</b> 98.8% of playgrounds received monthly or twice monthly playground checks. One playground was either not inspected or paperwork misplaced in November (2020: 67%)
	65% of people have used or visited a park or reserve in the last 12 months.	<b>Target Achieved</b> 85% of residents have used/visited parks and reserves in the District in the last 12 months (Residents Opinion Survey 2020) (2020: 78%).
	90% of people that are satisfied with the park or reserve used or visited in the last 12 months.	<b>Target Achieved</b> 95% of residents (who use this service) were satisfied with the parks & reserves visited in the last twelve months (Residents Opinion Survey 2021) (2020: 95%).
Access to good quality swimming pool facilities for fun, recreation and exercise.	75,000 of A W Parsons pool users.	<b>Target Not Achieved</b> Total for year was 62,699. An increase over last year, but still lower numbers due to pool operating under strict COVID level 2 guidelines which meant no recreational swimming was allowed. This also impacted on number of children in Learn to Swim Programme. (2020: 47,253).
	3,000 of Waipawa pool users.	<b>Target Achieved</b> A total of 10,228 Waipawa Pool users for the 2020/21 year were recorded despite some closures due to cooler days when water and air temperatures were too cold (2020: 12,133).
	Both pools to achieve compliance with the lifeguard pool safety standard requirements.	<b>Target Not Achieved</b> Waipawa Pool complied with pool safety standards (2020: Compliant). The data is not available to Council for reporting for AW Parsons pools.
	65% of people that are satisfied with the swimming pools used or visited in the last 12 months.	<b>Target Achieved</b> During the independent Residents Opinion Survey 2021 in June, 89% of users were satisfied with the swimming pools, being specifically the Waipawa Pools (2020: 94%). The data is not available to Council for reporting for AW Parsons pools.



## Public Toilets

### What does this activity involve?

The provision of public toilets to protect public health and meet the expectations of the residents and visitors. Council operates 23 permanent public toilets, as well as temporary toilets during the height of summer when there are more freedom campers. The sites below in bold are those open either 24/7 or during daylight hours. The others are open for specific events, activities, or summer hours.

RURAL	WAIPUKURAU AND WAIPAWA	COASTAL
<ul style="list-style-type: none"> <li>Forest Gate Domain</li> <li><b>Otane Hall</b></li> <li>Otane Recreation Ground</li> <li>Tikokino Hall</li> <li><b>Ongaonga (at Ongaonga Museum)</b></li> <li><b>Takapau Town</b></li> </ul>	<ul style="list-style-type: none"> <li><b>A'Deane Park</b></li> <li><b>Coronation Park</b></li> <li><b>Madge Hunter Park</b></li> <li><b>Nelly Jull Park</b></li> <li><b>The Green Patch (Post Officer Corner)</b></li> <li><b>Bogle Brothers Esplanade</b></li> <li><b>Russell Park</b></li> <li>Russell Park Sports Field</li> <li><b>Waipawa Cemetery</b></li> </ul>	<ul style="list-style-type: none"> <li>Aramoana Beach</li> <li><b>Blackhead Beach</b></li> <li>Kairakau Beach Campground</li> <li><b>Kairakau Beach Northern</b></li> <li><b>Pourerere Beach</b></li> <li>Pourerere portaloos (Christmas holidays only)</li> <li><b>Te Paerahi changing shed</b></li> <li><b>Te Paerahi freedom camping area</b></li> <li><b>White Domain – Porangahau</b></li> </ul>

### Why are we involved?

To provide and maintain public toilets which contribute to public hygiene and meet the needs of our community and visitors.

Community Outcomes that this activity contributes to



### What we delivered

LEVEL OF SERVICE TO BE DELIVERED	HOW WILL WE MEASURE OUR SUCCESS IN 2020/21?	ACHIEVED LEVEL OF SERVICE
Facilities are clean, safe, in good working order and meet the needs of our community and visitors.	90% of the public satisfied with the cleanliness and provision of public toilets.	Achieved During the independent Residents Opinion Survey 2021 in June 91% were satisfied (2020: 91%)



## Retirement Housing

### What does this activity involve?

Retirement housing is provided for people aged 60 and over.

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

- The flats are managed by Council, with each tenant having a separate tenancy agreement with Council.
- Property management of the retirement housing shifted mid-year from being carried out by an independent contractor to being operated by Council.
- Grounds maintenance is carried out by Council's open space maintenance contractor.
- A Section 17a review was completed with outcome to retain assets and services but increase costs to meet Council's financing policy.
- Council now provides heating in all its units.

### Why are we involved?

The activity is provided to fulfil a need for safe and affordable housing for Central Hawke's Bay's older residents.

Community Outcomes that this activity contributes to



### What we delivered

LEVEL OF SERVICE TO BE DELIVERED	HOW WILL WE MEASURE OUR SUCCESS IN 2020/21?	ACHIEVED LEVEL OF SERVICE
Safe, well maintained and comfortable community housing for the ageing population in the District living on fixed income.	95% of retirement housing units that are occupied.	Target Achieved 100% of retirement housing units occupied this year. (2020: 100%)
	80% of Tenants' overall satisfaction with Council's Retirement Housing service.	Target Achieved A tenant's survey was distributed in June. 94% of surveys indicated that residents were either 'satisfied' or 'very satisfied' (2020: 100%).



### What does this activity involve?

Central Hawke's Bay District Libraries consist of:

- The Waipawa Library which is situated in Council owned building in Waipawa.
- The Waipukurau Library has been closed for over a year following advice from engineers that the building has structural vulnerabilities. The service will reopen in September 2021 sharing a building with the Digital Business Hub, the new combined services will be called Te Huinga Wai: Knowledge & Learning Hub.

The library service offers access to a range of content, programmes and experiences for the Central Hawke's Bay Community. This includes:

- Information resources and material for reading for pleasure and relaxation which includes various fiction and nonfiction collections, Māori non-fiction, fiction and Junior collections, children and youth sections, magazines, large print, talking books, DVDs and interloans.
- Free broadband internet access/Wi-Fi through Aotearoa Peoples Network Kaharoa and access to eBooks through the consortium NZLibs and ePukapuka.
- Programmes including community programmes, afterschool, school holiday and programmes designed to increase digital literacy and confidence in the use of devices and digital technology. We have been fortunate with Covid Recovery funding to have the opportunity to employ a Digital Inclusion Coordinator and are successful in providing all the above.
- Along with the above we also have been able to employ a He Kura Kainga Co-ordinator through Covid Recovery Funding. Both these positions are fixed term until June 2022.
- Experiences including author readings, social interaction and exposure to new or emerging trends and technology.

The library service is a keen facilitator of community initiatives, reading programmes for children and youth as well as other sponsored events and relationships with schools, retirement homes and housebound residents.

This activity covers the daily running of the library services. However, information and library services can be accessed via the library website, and we have a strong social media presence. The buildings are operated and maintained under the Properties and Buildings activity.

With the opening of a Waipukurau Library the Central Hawke's Bay agency for AA which includes driver and vehicle licencing will reopen in the library.

More than 50% of library users live outside Waipukurau and Waipawa.

### Why are we involved?

Libraries are in many ways the modern public square: they embody the very idea of community. The last 'free' spaces our libraries provide central locations where individuals and groups can come to relax, learn, innovate and connect with knowledge in the widest sense. Our goal is to be relevant to all and that our services are future focused and responsive to change.

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

Community Outcomes that this activity contributes to





## What we delivered

LEVEL OF SERVICE TO BE DELIVERED	HOW WILL WE MEASURE OUR SUCCESS IN 2020/21?	ACHIEVED LEVEL OF SERVICE
Our libraries are inclusive places and all people are encouraged to make use of the library's services.	65% of the Central Hawke's Bay population that use the library services.	<p><b>Target Not Achieved</b></p> <p>54% of residents used a Council Library in the last 12 months. The main factor affecting this was the fact that the Waipukurau Library was closed for this period.</p> <p>A flaw in this dataset is that it does not measure children or youth and they are not represented in the data source of the Residents Survey.</p> <p>There is no way to accurately measure this level of service with some library users not necessarily registering to use the service.</p>
	<p>The number of people visiting our libraries measure by:</p> <ul style="list-style-type: none"> <li>Physical visits – 114,878</li> <li>Online visits – 4,189</li> </ul>	<p><b>Target Not Achieved</b></p> <p>The libraries have been closed as a result of COVID-19 and the Waipukurau Library reopened for a month at Level 2, only to close due to seismic vulnerabilities. It remains closed pending the engineers report. The Waipawa Library reopened on June 2, 2020. The Waipukurau Library is due to reopen as part of the Knowledge and Learning Hub early September 2021.</p> <p>The physical visit data cannot be provided. (2019: 146,474).</p> <p>Online Visits 21,456 (2020: 17,827)</p>
	90% of library users satisfied with the service provided.	<p><b>Target Not Achieved</b></p> <p>During the independent Annual Residents Survey in June, 88% of those surveyed were satisfied with the service provided (2020: 93%). This statistic does not include children.</p> <p>This is not unexpected due to the closure of Waipukurau Library for over a year.</p>



## Community Facilities

### What does this activity involve?

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

- **CHB Municipal Theatre:** Operation includes event and venue management. A range of productions, concerts, conferences and meetings are held throughout the year. Identification of the building being potentially earthquake prone has led to decreasing the maximum capacity.
- **Waipukurau Civic Theatre:** Managed by an independent contractor who operates the theatre including showing movies, providing meeting facilities and operating a restaurant. The theatre is maintained jointly by council staff and the manager, with Council providing funding for renewal and upgrading of assets.
- **Waipukurau Memorial Hall:** A multipurpose facility used for sports, recreation and community requirements.
- **Community Halls:** Managed by Committees include Otane, Tikokino, Ongaonga, Takapau, Elsthorpe and Wallingford. Identified as potentially earthquake prone the capacity has been limited to 100.
- **Halls:** Owned by Council and leased or operated by community groups include Argyll, CHB Community Rooms, Ongaonga, Otane, Otawhao, Porangahau, Takapau, Tikokino, and Wallingford Halls

In addition, three halls not owned or leased by Council are supported financially by Council:

- **Omakere** (owned by Waiapu Board of Diocesan Trust)
- **Sherwood** (owned by the Ashley Clinton – Makaretu Hall Society)
- **Flemington** (owned by the Flemington Community Trust)
- **Museums:** Council supports the CHB Museum and Ongaonga Museum which are managed by committees and operational grants are provided. Council owns one of the buildings (the old bank) at CHB museum and both museums are on reserve land.

### Why are we involved?

The Community Facilities are community and public spaces providing social interactions to enhance our community's sense of social connectedness, cultural wellbeing and civic pride.

Community Outcomes that this activity contributes to



## What we delivered

LEVEL OF SERVICE TO BE DELIVERED	HOW WILL WE MEASURE OUR SUCCESS IN 2020/21?	ACHIEVED LEVEL OF SERVICE
Safe, affordable and appropriate facilities that provide for the cultural and social well-being of the communities.	100% of all Community Owned Halls have a current BWOF.	<b>Achieved</b> 100% of community halls had a current BWOF throughout 2020-21. (2020:99%).
	5,000 users of the Memorial Hall.	<b>Target Not Achieved</b> 4,444 estimated users based on 303 bookings of the Memorial Hall for the year shows bookings have returned but have limited capacity to 100. (2020: 5,234 from 237 bookings).
	16,500 users of the Civic Theatre.	<b>Target Not Achieved</b> 9,680 users of the Civic Theatre for the year. Due to COVID and a delay and limited number of movies released (2020: 12,179).
	180 bookings of the CHB Municipal Theatre.	<b>Target Not Achieved</b> 108 bookings. (2020: 128).
	85% of hirers that are satisfied with the Memorial Hall.	<b>Achieved</b> 100% satisfaction from those reporting on satisfaction survey sent to those who have booked the Memorial Hall in past year (2020: Data unavailable data).
	85% of hirers that are satisfied with the Civic Theatre.	<b>Target Not Achieved</b> Due to the data being unable to be supplied, achievement of the measure cannot be made (2020: Data unavailable).
	85% of hirers that are satisfied with the CHB Municipal Theatre.	<b>Achieved</b> 100% satisfaction from those reporting on satisfaction survey sent to those who have booked CHB Theatre in past year (2020: 100%).



## 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.

OPERATIONAL		CLOSED
<ul style="list-style-type: none"> <li>The CHB Cemetery</li> <li>Waipawa Cemetery</li> <li>Waipukurau Cemetery</li> <li>Otane Cemetery</li> <li>Takapau Cemetery</li> <li>Tikokino/Hampden Bush Cemetery</li> </ul>	<ul style="list-style-type: none"> <li>Forest Gate Cemetery (Ongaonga)</li> <li>Porangahau Cemetery</li> <li>Ashley-Clinton Cemetery</li> <li>Makaretu Cemetery</li> <li>Elsthorpe Cemetery</li> </ul>	<ul style="list-style-type: none"> <li>Old Kaikora North Cemetery, Otane</li> <li>Old Hampden Bush Cemetery, Tikokino</li> </ul> <p>Unofficial:</p> <ul style="list-style-type: none"> <li>St. Peter's Church Cemetery Reserve, Waipawa</li> <li>Church Knoll Reserve, Porangahau</li> </ul>

All Council owned cemeteries are managed by Council staff and day-to-day maintenance is part of the open space contract.

### Why are we involved?

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

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

Community Outcomes that this activity contributes to



### What we delivered

LEVEL OF SERVICE TO BE DELIVERED	HOW WILL WE MEASURE OUR SUCCESS IN 2020/21?	ACHIEVED LEVEL OF SERVICE
Cemetery grounds provide a special place of remembrance for loved ones amongst attractive and well-maintained grounds.	500 plots available for burial or cremation in the district.	Target Achieved 630 plots are available for burial and ash interments (2020: 660).
	90% of the community satisfied with cemetery facilities.	Target Achieved During the independent Residents Opinion Survey 2021 in June, 96% of the community were satisfied with cemetery facilities. (2020: 97%)
	100% burial records available to be viewed on the internet.	Target Achieved 100% burial records available to be viewed on the internet. (2020: 100%)



## Property and Buildings

### What does this activity involve?

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

The properties included in this activity are:

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

### Why are we involved?

Libraries are key community facilities and will, therefore, be reflected as such in new groupings for the next Long-Term Plan. Similarly, the Community Rooms serve Waipukurau like a community hall and will be re-grouped. Other buildings serve as administrative services, storage, or are additional community properties – some with grazing leases.

Community Outcomes that this activity contributes to



### What we delivered

LEVEL OF SERVICE TO BE DELIVERED	HOW WILL WE MEASURE OUR SUCCESS IN 2020/21?	ACHIEVED LEVEL OF SERVICE
Ensure safe buildings for public use.	Achieve monthly Building Warrant of Fitness (BWOF) checks.	Target Achieved 100% of monthly BWOF carried out this year. (2020: 100%)



### Funding Impact Statement for the year ending 30 June 2021 for Recreation and Community Facilities Group

	2020 LONG TERM PLAN \$000	2021 LONG TERM PLAN \$000	2021 ANNUAL PLAN \$000	2021 ACTUAL \$000
<b>SOURCES OF OPERATING FUNDING</b>				
General rates, uniform annual general charges and rates penalties	3,400	3,561	3,644	3,637
Targeted rates	0	0	0	0
Subsidies and grants for operating purposes	17	17	13	178
Fees, charges	554	566	746	646
Interest and dividends from investments	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	130	6	51	41
<b>Total operating funding</b>	<b>4,100</b>	<b>4,150</b>	<b>4,454</b>	<b>4,502</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>				
Payments to staff and suppliers	2,303	2,375	2,659	3,033
Finance costs	166	174	98	75
Internal charges and overheads recovered	773	776	934	903
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>3,241</b>	<b>3,324</b>	<b>3,691</b>	<b>4,011</b>
<b>Surplus (deficit) of operating funding</b>	<b>859</b>	<b>826</b>	<b>763</b>	<b>491</b>
<b>SOURCES OF CAPITAL FUNDING</b>				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	4	4	4	1
Increase (decrease) in debt	134	185	129	(160)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total sources of capital funding</b>	<b>138</b>	<b>189</b>	<b>133</b>	<b>(159)</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>				
<b>Capital expenditure</b>				
- to meet additional demand	0	0	0	0
- to improve the level of service	120	0	326	79
- to replace existing assets	698	959	586	378
Increase (decrease) in reserves	179	56	(16)	(125)
Increase (decrease) of investments	0	0	0	0
<b>Total application of capital funding</b>	<b>997</b>	<b>1,015</b>	<b>897</b>	<b>332</b>
<b>Surplus (deficit) of capital funding</b>	<b>(859)</b>	<b>(826)</b>	<b>(763)</b>	<b>(491)</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>0</b>

There were some variances to budget within this group which are detailed below.

### Places and Open Spaces

Council was successful in acquiring some “Responsible Camping” funding from MBIE, and took over some of the urban maintenance contracts previously undertaken by Land Transport. This resulted in additional revenue and expenses.

The capital funding for upgrading the Waipukurau Camping ground has been carried forward to be spent in 2021/22.

### Public Toilets

Operational costs were largely on budget.

During 2020/21 Council completed the Te Paerahi toilet upgrade.

### Retirement Housing

Retirement housing is a self-funding activity and operational surplus or deficits are funded from reserves.

During the year rents were increased, however despite this activity ran at a loss (increased insurance costs and a review of the service) meant that retirement housing reserves were further depleted.

Capital works included pre-programmed exterior painting, reactive need to replace a number of flashings on roofs, needed renewals during change-over of tenants, and addition of heating where needed to meet the healthy homes standard.

### Libraries

The Waipukurau Library was permanently closed in May 2020 due to seismic concerns while Council considered options. In the meantime, the Waipawa Library remained fully operational, and Council operated a temporary pop-up site in Waipukurau, staffed by library staff and AA trained staff.

The Waipukurau Library services will reopen in September 2021 sharing a building with the Digital Business Hub, the new combined services will be called Te Huinga Wai : Knowledge & Learning Hub.

### Community Facilities

The Waipukurau Memorial Hall and the CHB Municipal Theatre were both affected by announcements that facilities were potentially earthquake prone limiting user numbers. COVID management strategies either limited bookings, numbers able to gather or uncertainty of operation led many to postpone or not make bookings at all.

### Cemeteries

This activity operated on budget throughout the year.

### Property and Buildings

No significant expenditure was undertaken on Council owned properties during the year other than minor maintenance.

## *Financial Information*





## Annual Report Disclosure Statement for the year ended 30 June 2021

### What is the purpose of this statement?

The purpose of this statement is to disclose the Council's financial performance in relation to various benchmarks to enable the assessment of whether Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

Council is required to include this statement in its Annual Report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014. Refer to the regulations for more information, including definitions of some of the terms used in this statement.

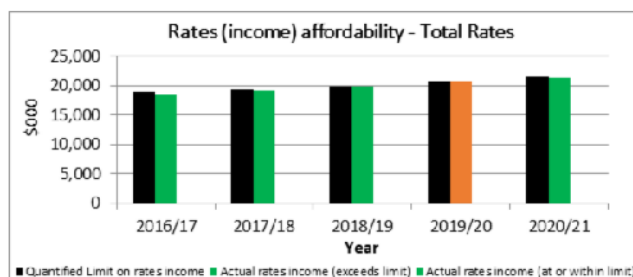
### Rates (income) affordability benchmark

The council meets the rates affordability benchmarks if:

- Its actual rates income equals or is less than each quantified limit on rates; and
- Its actual rates increase equal or are less than each quantified limit on rates increases.

The following graphs compare the council's actual rates income with a quantified limit on rates contained in the financial strategy included in the council's long-term Plan. The quantified limit is the total rates as forecast in the 2015-2025 Long Term Plan (LTP) and 2018-2028 LTP.

Total Rates for income for 2020/21 is \$231K below defined limit due to lower wastewater rates than forecast in year 3 of the LTP.



### Rates (increases) affordability benchmark

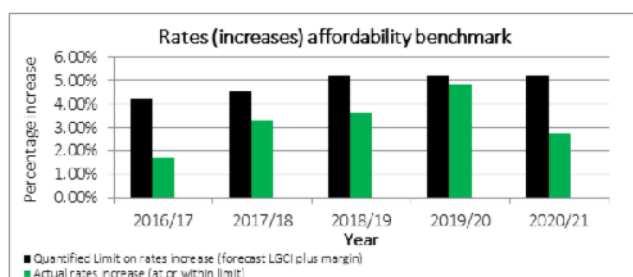
The following graph compares the council's actual rates increases with a quantified limit on rates increases contained in the financial strategy included in the council's long-term plan. The quantified limit as set in the 2018-2028 LTP is:

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

*The additional 3% 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". For the 2018-28 LTP this was set at LGCI plus 2.2%.*

The quantified limit used for this benchmark is the LG CPI as forecast in the 2015-25 LTP for 2015/16 to 2017/18 and the 2018-28 LTP for 2018/2019 to 2020/2021 years.

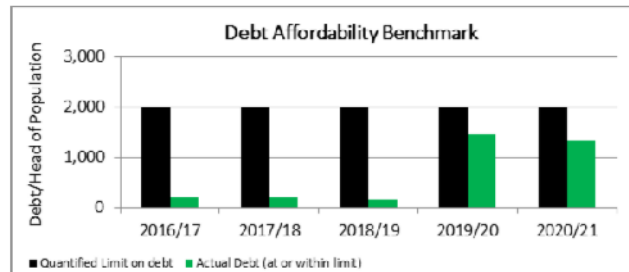
In 2020/21 rates increased by 2.74% which is within the 2020/21 benchmark of 5.20% (LGCI of 2.2% plus 3%).



### Debt affordability benchmark

The council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing. The following graph compares the council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's long-term plan. The quantified limit as detailed in the financial strategy is that Council's total debt per head of population will not exceed \$2,000.

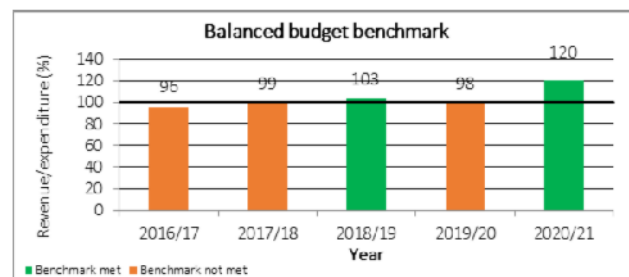
In 2020/21 actual debt reduced to \$1,319 per person. 2020/2021's debt level in dollar terms was unchanged from 2019/2020, however Central Hawke's Bay District's population has significantly increased (source NZ Department of Statistics population estimates) which has lowered the debt level per head of population. At the 30 June 2021 Council was holding \$20m of external debt and Councils average weighted cost of funds was only 2.28%.



### Balanced budget benchmark

The following graph displays the council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments, and revaluations of property, plant, or equipment).

Council meets this benchmark if its revenue equals or is greater than its operating expenses.

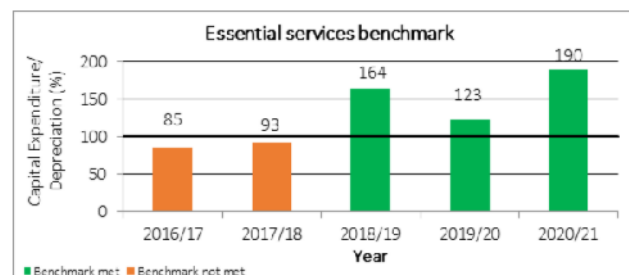


In 2020/21 operating revenue was significantly boosted by external funding (PGF, 3 Waters Reform, Cultural Tourism, Economic Recovery, and Tourism Infrastructure). This extra revenue has impacted this benchmark but isn't expected to repeat to the same extent next year as the PGF project wind up and the Covid-19 economic stimulus is withdrawn.

### Essential Services benchmark

The following graph displays the council's capital expenditure on network services as a proportion of depreciation on network services. The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.

Due to the upgrade of Route 52 (PGF funded) and 3 Waters Upgrades (funded by the 3 Waters Reform monies) Council has undertaken some significant capital works in 2020/2021. This was purely driven by the availability of external funding. Overall Council spent \$1.90 on capital replacements for every \$1.00 of depreciation during the year.

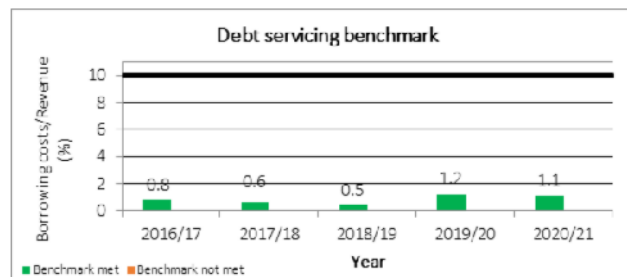




### Debt servicing benchmark

The following graph compares the council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's long-term plan. The quantified limit as detailed in the financial strategy is that Council's debt service costs will not exceed 10% of total revenue.

Council's borrowing costs are well below the prescribed benchmark of being equal or less than 10% of revenue. This highlights low interest rate environment Council is operating in at present.

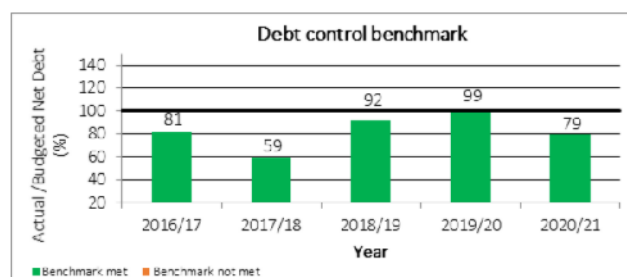


### Debt control benchmark

The following graph displays the council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).

The council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.

As mentioned previously Council has received significantly external funding from Central Government (3 Waters Reform and Economic Recovery Funds). These unbudgeted funds has meant that during 2020/21 Council did not have to draw any additional new debt during the year and as a result has an actual net debt that is favourable to that contained in its 2020/2021 annual plan.

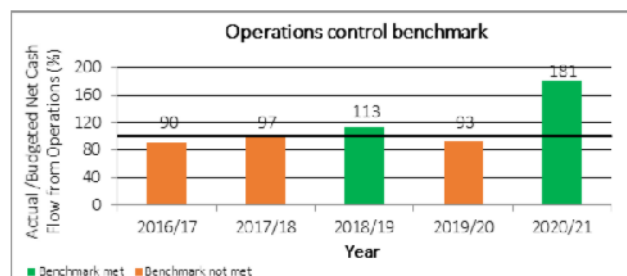


### Operations control benchmark

This graph displays the council's actual net cash flow from operations as a proportion of its planned net cash flow from operations.

Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.

As mentioned previously Council has received significantly external funding from Central Government (3 Waters Reform and Economic Recovery Funds) which has been included as operational cash inflows. This has meant that Council's operational cash flow was positive compared to its annual plan which didn't include these additional funds.



## Statement of Comprehensive Revenue and Expense for the year ending 30 June 2021

	NOTE	ACTUAL 2021 \$000	BUDGET 2021 \$000	ACTUAL 2020 \$000
<b>REVENUE</b>				
Rates revenue	2	21,364	21,453	20,793
Subsidies and grants	2	25,909	7,566	10,004
Interest and dividends		215	92	215
Fees and Charges	2	5,204	4,338	3,781
Development contributions		322	107	92
Other revenue	2	972	265	513
<b>Total revenue</b>		<b>53,986</b>	<b>33,821</b>	<b>35,398</b>
<b>EXPENDITURE</b>				
Personnel costs		5,696	5,829	5,567
Depreciation and amortisation	2	11,971	13,065	12,397
Finance costs		462	462	429
Other operating expenses	2	26,447	15,316	17,490
<b>Total operating expenditure</b>		<b>44,575</b>	<b>34,673</b>	<b>35,883</b>
<b>Net Operating Surplus/(Deficit)</b>		<b>9,411</b>	<b>(851)</b>	<b>(485)</b>
<b>OTHER (GAINS)/LOSSES</b>				
(Gains)/Losses on Public Debt		-	-	-
(Gains)/Losses on Investments		-	-	-
<b>Total Other (Gains)/Losses</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Operating surplus/(deficit) before tax</b>		<b>9,411</b>	<b>(851)</b>	<b>(485)</b>
Income tax expense		0	0	0
<b>Net surplus/(deficit) after tax</b>		<b>9,411</b>	<b>(851)</b>	<b>(485)</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
Gains/(losses) on the revaluation of property, plant and equipment	10	14,005	14,928	2,417
Gains/(Losses) on the Disposal Revalued Property, Plant and Equipment		-	-	-
Impairment of Recreation and Community Assets		-	-	(1,082)
<b>Total other comprehensive Income</b>		<b>14,005</b>	<b>14,928</b>	<b>1,335</b>
<b>Total comprehensive income for the year</b>		<b>123,415</b>	<b>14,076</b>	<b>850</b>

The accompanying notes form an integral part of these Financial Statements.

ANNUAL REPORT 2020-2021

## Statement of Financial Position as at 30 June 2021

	NOTE	ACTUAL 2021 \$000	BUDGET 2021 \$000	ACTUAL 2020 \$000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	3	2,623	4,561	2,527
Trade and other receivables	4	4,462	4,548	5,104
Prepayments		480	238	296
Stock on Hand		26	22	22
Current Investments	5	13,037	27	11,119
<b>Total current assets</b>		<b>20,626</b>	<b>9,395</b>	<b>19,068</b>
<b>Non-current assets</b>				
Investments	5	1,322	2,386	1,322
Property, plant and equipment and Intangibles	6	880,897	895,164	854,069
<b>Total non-current assets</b>		<b>882,219</b>	<b>897,550</b>	<b>855,391</b>
<b>Total assets</b>		<b>902,845</b>	<b>906,945</b>	<b>874,459</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	7	13,003	9,239	7,608
Employee entitlements	7	386	238	330
Current Public Debt	7	107	26	118
<b>Total current liabilities</b>		<b>13,496</b>	<b>9,503</b>	<b>8,056</b>
<b>Non-current liabilities</b>				
Non-Current Public Debt	8	20,000	18,157	20,000
Provisions for Landfill Closure	9	3,463	3,573	3,934
<b>Total non-current liabilities</b>		<b>23,463</b>	<b>21,730</b>	<b>23,934</b>
<b>Total liabilities</b>		<b>36,959</b>	<b>31,233</b>	<b>31,990</b>
<b>EQUITY</b>				
Special & Other Funds	10	7,193	6,909	7,025
Trust Funds	10	184	-	182
Revaluation Reserve of Assets	10	604,604	624,408	590,804
Ratepayers' Equity		253,905	244,396	244,458
<b>Total equity</b>		<b>865,886</b>	<b>875,713</b>	<b>842,469</b>
<b>Total Liabilities and Equity</b>		<b>902,845</b>	<b>906,945</b>	<b>874,459</b>

## Statement of Changes in Equity for the year ending 30 June 2021

	NOTE	ACTUAL 2021 \$000	BUDGET 2021 \$000	ACTUAL 2020 \$000
<b>Opening Equity Balance</b>		<b>842,469</b>	<b>861,636</b>	<b>841,619</b>
Total comprehensive income for the year		14,394	14,076	850
<b>Closing Equity Balance</b>		<b>856,863</b>	<b>875,713</b>	<b>842,469</b>
<b>COMPONENTS OF EQUITY</b>				
Ratepayers Equity at the beginning of the Year		244,458	244,620	245,062
Net Surplus/(Deficit) for the Year		9,411	(851)	(485)
Transfers to (from) other reserves		34	627	(119)
<b>Ratepayers Equity at end of Year</b>		<b>253,903</b>	<b>244,396</b>	<b>244,458</b>
Special & Other Funds at the beginning of the Year	10	7,025	7,364	6,900
Transfers to (from) Special Funds		168	(455)	125
<b>Special &amp; Other Funds at the end of the Year</b>		<b>7,193</b>	<b>6,909</b>	<b>7,025</b>
Trust Funds at the beginning of the Year	10	182	172	182
Transfers to (from) Trust Funds		2	(172)	0
<b>Trust Funds at the end of the Year</b>		<b>184</b>	<b>-</b>	<b>182</b>
Revaluation Reserves at the beginning of the Year	10	590,804	609,480	589,475
Gains/(Losses) on the Revaluation Property, Plant, and Equipment		4,983	14,928	2,417
Impairment of Recreation and Community Asset		-	-	(1,082)
Gains/(Losses) on the Disposal Revalued Property, Plant and Equipment		(204)	-	(6)
<b>Revaluation Reserves at the end of the Year</b>		<b>595,583</b>	<b>624,408</b>	<b>590,804</b>
<b>Total Equity at end of Year</b>		<b>856,863</b>	<b>875,713</b>	<b>842,469</b>

ANNUAL REPORT 2020-2021

## Statement of Cash Flows for the year ending 30 June 2021

	NOTE	ACTUAL 2021 \$000	BUDGET 2021 \$000	ACTUAL 2020 \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Cash was provided from:</b>				
- Receipts from rates revenue		21,584	20,510	20,854
- Operating subsidies and grants received		30,811	7,566	9,417
- Fees and charges received		4,438	3,638	3,665
- Interest received		297	92	206
- Receipts from other revenue		507	265	513
- Development Contributions		322	107	92
<b>Cash was disbursed to:</b>				
- Payments to suppliers of Goods and Services		(26,994)	(12,136)	(17,664)
- Payments to employees		(5,640)	(5,832)	(5,475)
- Interest paid		(458)	(462)	(270)
<b>Net cash from operating activities</b>		<b>24,867</b>	<b>13,748</b>	<b>11,338</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Cash was provided from:</b>				
- Proceeds from sale of property, plant and equipment		38	35	19
- Proceeds from investments		17,000	-	12,128
<b>Cash was disbursed to:</b>				
- Purchase of investment		(19,000)	68	(22,473)
- Purchase of intangible assets		(11)	-	(132)
- Purchase of property, plant and equipment		(22,799)	(15,649)	(20,796)
<b>Net cash from investing activities</b>		<b>(24,772)</b>	<b>(15,547)</b>	<b>(31,254)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Cash was provided from:</b>				
- Proceeds from borrowing	8	-	2,404	18,000
<b>Cash was disbursed to:</b>				
- Repayment of borrowings	8	-	-	(118)
<b>Net cash from financing activities</b>		<b>-</b>	<b>2,404</b>	<b>17,882</b>
Net (decrease)/increase in cash, cash equivalents and bank overdrafts		95	606	(2,034)
Cash, cash equivalents and bank overdrafts at the beginning of the year	3	2,527	3,956	4,561
<b>Cash, cash equivalents and bank overdrafts at the end of the year</b>	<b>3</b>	<b>2,623</b>	<b>4,562</b>	<b>2,527</b>



## ANNUAL REPORT 2020-2021

	NOTE	ACTUAL 2021 \$000	BUDGET 2021 \$000	ACTUAL 2020 \$000
<b>Net Operating Surplus/(deficit) after tax</b>		<b>9,411</b>	<b>(851)</b>	<b>(485)</b>
<b>Add/(less) non-cash items</b>				
Depreciation and amortisation expense		11,971	13,065	12,397
Property, plant, and equipment impairment		-	-	-
Vested Assets revenue		(393)	-	-
(Gains)/Losses in fair value of investment property		-	-	-
(Gains)/Losses on derivative financial instruments		-	-	-
<b>Total non-cash items</b>		<b>11,578</b>	<b>13,065</b>	<b>12,397</b>
<b>Add/(less) items classified as investing or financing activities</b>				
Proceeds from capital subsidies and grants received		-	-	-
(Gains)/losses on disposal of property, plant and equipment		(17)	-	-
<b>Total items classified as investing or financing activities</b>		<b>(17)</b>	<b>-</b>	<b>-</b>
<b>Add/(less) movements in working capital items</b>				
(Increase)/decrease in receivables		642	-	(556)
(Increase)/decrease in prepayments		(184)	-	(58)
(Increase)/decrease in inventory		(4)	-	-
Increase/(decrease) in payables		3,385	1,534	(52)
Increase/(decrease) in employee entitlements		56	-	92
<b>Net movement in working capital items</b>		<b>3,895</b>	<b>1,534</b>	<b>(574)</b>
<b>Net cash inflow from operating activities</b>		<b>24,867</b>	<b>13,748</b>	<b>11,338</b>

ANNUAL REPORT 2020-2021

## Funding Impact Statement for the year ending 30 June 2021 (whole of council)

	ANNUAL PLAN 2020 \$000	ANNUAL REPORT 2020 \$000	ANNUAL PLAN 2021 \$000	ACTUAL 2021 \$000
<b>SOURCES OF OPERATING FUNDING</b>				
General rates, uniform annual general charges and rates penalties	13,435	13,380	13,950	13,942
Targeted rates	7,256	7,413	7,503	7,421
Subsidies and grants for operating purposes	2,744	4,497	2,715	10,989
Fees, charges	3,216	3,781	4,337	5,205
Interest and dividends from investments	140	215	92	215
Local authorities fuel tax, fines, infringement fees and other receipts	196	492	231	505
<b>Total operating funding</b>	<b>26,987</b>	<b>29,778</b>	<b>28,828</b>	<b>38,277</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>				
Payments to staff and suppliers	19,503	22,887	21,325	32,142
Finance costs	558	364	419	447
Other operating funding applications	(180)	0	(180)	0
<b>Total applications of operating funding</b>	<b>19,881</b>	<b>23,251</b>	<b>21,565</b>	<b>32,589</b>
<b>Surplus (deficit) of operating funding</b>	<b>7,105</b>	<b>6,527</b>	<b>7,263</b>	<b>5,688</b>
<b>SOURCES OF CAPITAL FUNDING</b>				
Subsidies and grants for capital expenditure	4,977	5,507	4,852	14,920
Development and financial contributions	22	92	107	322
Increase (decrease) in debt	9,221	18,000	2,762	0
Gross proceeds from sale of assets	35	19	35	295
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding</b>	<b>14,254</b>	<b>23,618</b>	<b>7,755</b>	<b>15,537</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>				
<b>Capital expenditure</b>				
- to meet additional demand	-	-	-	-
- to improve the level of service	1,531	12,232	5,652	8,105
- to replace existing assets	20,671	7,532	9,554	17,711
Increase (decrease) in reserves	0	(468)	0	(6,591)
Increase (decrease) of investments	(842)	10,849	(188)	2,000
<b>Total application of capital funding</b>	<b>21,359</b>	<b>30,145</b>	<b>15,018</b>	<b>21,225</b>
<b>Surplus (deficit) of capital funding</b>	<b>(7,105)</b>	<b>(6,527)</b>	<b>(7,263)</b>	<b>(5,688)</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Notes to the Financial Statements

### 1. Statement of Accounting Policies

#### Reporting Entity

Central Hawke's Bay District Council (Council) is a New Zealand territorial local authority established under the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing the Council's operations includes the LGA and the Local Government (Rating) Act 2002.

The Council provides local infrastructure, local public services, and performs regulatory functions to the community. The Council does not operate to make a financial return and accordingly, Council has designated itself as a public benefit entity (PBE) for the purposes of complying with generally accepted accounting practice.

The financial statements of the Council are for the year ended 30 June 2021. The financial statements were authorised for issue by Council on 23 September 2021.

#### Basis of Preparation

##### Statement of Compliance

The financial statements of the Council have been prepared in accordance with the requirements of the LGA and the Local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRP)R), which include the requirement to comply generally accepted accounting practice in New Zealand (NZ GAAP).

The financial statements have been prepared in accordance with and comply with PBE Standards.

##### Measurement Base

The financial statements have been prepared on a historical cost basis, except for the revaluation of land and buildings, certain infrastructural assets, and certain financial instruments.

##### Functional and Presentation Currency

The financial statements are presented in New Zealand dollars. There will be rounding of numbers in the Report as certain balances have been rounded to the nearest thousand dollars or dollar.

##### Changes in Accounting Policies

There have been no changes in accounting policies during the year.

##### Standards issued and not yet effective, and not early adopted

Standards and amendments, issued but not yet effective that have not been early adopted, and which is relevant to the Council:

##### Financial instruments

In January 2017, the XRB issued PBE IFSAS 41 Financial Instruments. PBE IFSAS 41 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. PBE IFRS 41 is effective for annual periods beginning on or after 1 January 2022, with early application permitted. The main changes under PBE IFSAS 41 are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.
- A new impairment model for financial assets based on expected credit losses, which may result in the earlier recognition of impairment losses.
- Revised hedge accounting requirements to better reflect the management of risks.

The Council plans to apply this standard in preparing its 30 June 2023 financial statements. The Council has not yet assessed the effects of the new standard.

In November 2017, the XRB issued PBE IFRS 48 Service Performance Reporting. PBE FRS 48 is effective for annual periods beginning on or after 1 January 2022, with early application permitted. This standard establishes new requirements for the selection and presentation of service performance information.

An entity must provide users with:

- sufficient contextual information to understand why the entity exists, what it intends to achieve in broad terms over the medium to long term, and how it goes about this; and
- information about what the entity has done during the reporting period in working towards its broader aims and objectives.

The Council plans to apply this standard in preparing its 30 June 2023 financial statements. The Council has not yet assessed the effects of the new standard.

### Significant Accounting policies

Significant accounting policies are included in the notes to which they relate.

Significant accounting policies that do not relate to specific note are outlined below:

#### 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.

#### Budget figures

The budget figures are those approved by the Council in its 2020-21 Annual Plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Council in preparing these financial statements.

#### Revenue

Revenue is measured at the fair value of consideration received or receivable. 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 Waka Kotahi NZ Transport Agency, Ministry of Business Innovation and Employment, and Department of Internal Affairs which subsidises part of Council's costs in providing the local infrastructure and community 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.

**Fees and Charges**

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

**Exchange Revenue****Contribution Revenue**

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

**Rates Revenue from Water by Meter**

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

**Provision of services**

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

**Sale of Goods**

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

**Interest and Dividends**

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

**Borrowing Costs**

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

**Grant Expenditure**

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

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



**Operating Leases as Lessor**

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

**Cash and Cash Equivalents**

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

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

**Trade and Other Receivables**

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

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

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

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

**Inventories**

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

**Financial Assets**

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

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

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

**Financial assets at fair value through surplus or deficit**

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

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

**Loans and Receivables**

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

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

**Fair value**

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

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

**Impairment of Financial Assets**

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

**Loans and Other Receivables**

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

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

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

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

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

**Property Plant and Equipment and Intangibles**

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

**Operational Assets**

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

**Infrastructure Assets**

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

**Intangible Assets**

These include Software and GIS District Imagery.

**Restricted Assets**

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

**Additions**

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

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

**Disposals**

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the Statement of Comprehensive Revenue and Expense. 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, and the museum assets are not depreciated.

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

ASSET CATEGORY	USEFUL LIFE	DEPRECIATION RATE
<b>Operational &amp; Restricted Assets</b>		
Buildings	4-190	0.5%-25.0%
Monuments	42-96	1.0%-2.4%
Computer equipment	4	25%
Furniture and fittings	10	10%
Landfill post closure	35-57	1.75%-2.8%
Library books	1-10	10%-100%
Motor vehicles	4	25%
Plant and equipment	5-50	2%-20%
Swimming pools	9-50	2%-11.1%
<b>Intangible Assets</b>		
Software	4-5	20%-25%
GIS Imagery	4	25%
<b>Infrastructural Assets</b>		
<b>Roading</b>		
Base Course	50-75	1.3%-2%
Bridge (Deck)	70-140	0.7%-1.4%
Crossing	75	1.3%
Drainage	30-80	1.3%-3.3%
Footpath	30-80	1.3%-3.3%
Marking	2	50%
Minor Structure	75	1.3%
Railing	20-40	2.5%-5%
Retaining Wall	35-75	1.3%-2.9%
SW Channel	75	1.3%
Sign	15	6.7%
Street Light (Bracket)	25	4%
Street Light (Light)	6	16.7%
Street Light (Pole)	25	4%
Sub Base [urban]	50-75	1.3%-2%
Sub Base [rural]	50-75	1.3%-2%
Top Surface	3-25	4%-33.3%

ASSET CATEGORY	USEFUL LIFE	DEPRECIATION RATE
<b>Sewerage Network</b>		
Pipes and manholes	60-135	0.7%-1.7%
Manholes	100	1%
Treatment ponds and pumps	15-100	1%-3.8%
Flow monitoring equipment	10	10%
<b>Stormwater</b>		
Pipes	30-100	1%-3.5%
Manholes	100	1%
<b>Water Network</b>		
Monitoring equipment (hardware)	5-20	5%-20%
Monitoring equipment (software)	5-20	5%-20%
Pipes, hydrants, valves	25-50	2%-4%
Treatment plants and pumps	5-20	5%-20%
<b>Items under construction</b>	<b>Non-depreciable</b>	

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

### Revaluations

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

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

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

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

The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the Statement of Comprehensive Revenue and Expense. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the Statement of Comprehensive Revenue and Expense will be recognised first in the Statement of Comprehensive Revenue and Expense 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 a depreciated replacement cost basis and reviewed by an independent valuer. The most recent valuation was performed by Pauline True, Consultant, BBS Economics, PGDipArts (GIS), Stantec through their professional services contract. The revaluation is based on a straight line depreciation following the NZ Infrastructure Asset Valuation and Depreciation Guidelines. The unit rates are based on the commercial rates previously determined by GHD Consultants and have been adjusted using NZTA's infrastructure cost indices. The valuation is effective as at 30 June 2021. There are no restrictions on the assets.

**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. The valuation was completed internally using commercial rates provided by and reviewed by an independent external consultant (Stantec). Revaluation is based on straight line depreciation following the NZ Infrastructure Asset Valuation and Depreciation Guidelines (NZIAVDG), using Council asset management programs. The most recent valuation was effective as at 30 June 2020.

**Operational and Restricted Land and Buildings**

These are revalued at fair value as determined from market-based evidence by an independent valuer. The most recent valuation for land was performed by Registered Valuer, David Nagel, B.Agr.Sc (RVM), SPINZ, ANZIV, and Kaydee Lee, MPINZ from QV Asset & Advisory and the valuation is effective as at 30 June 2021. The most recent valuation for buildings was performed by Registered Valuer, Susie Penrose BBS VPM ANZIV SPINZ, Telfer Young (Hawke's Bay) Limited and the valuation is effective as at 30 June 2019.

Two properties (Waipukurau Library and Memorial Hall) have been partly impaired due to seismic concerns during 2020 based on the expected cost to strengthen to 67% of building code.

**Land Under Roads**

Land under roads is based on cost less accumulated depreciation and impairment.

**Unformed or Paper Roads**

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

Council does not recognise land under unformed paper roads in the statement of financial position because there is no service potential from the majority of paper roads. The public good of having access routes is very difficult to value. In addition, there is a very limited market for sale to the surrounding or adjacent property owner, and cannot be measured reliably because of the small individual area of many paper roads to those adjacent or surrounding properties, and the high cost of sale.

**Intangible Assets****Carbon Credits**

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

**Creditors and Other Payables**

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



## Employee Benefits

### Short-Term Benefits

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

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

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

### Long-Term Benefits

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

## Provisions

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

Provisions are not recognised for future operating losses.

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

## Borrowing

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using EIR method. Gains and losses are recognised in surplus or deficit when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of Comprehensive Revenue and Expense.

## Equity

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

The components of equity are:

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

## Special Funded and Council Created Reserves

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

## Trust Funds

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

**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 operating government grants) and record the cash payments made for the supply of goods and services (including payments to other public benefit entities to finance their operations, but not loans). Agency transactions are not recognised as receipts and payments in the Statement of Cash Flows as they do not represent transactions that Council can control.

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

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

**Critical Accounting Estimates and Assumptions**

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

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

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

**Overdue Receivables Provision**

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

**Landfill Aftercare Provision**

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

**Infrastructural Assets**

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

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

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 period ending 30 June 2021.

### 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.

### Financial Information

#### Rounding

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

### Three waters reform programme

In July 2020, the Government launched the Three Waters Reform Programme with the goal of reforming local government three waters service delivery arrangements.

Currently 67 different councils own and operate the majority of the drinking water, wastewater and stormwater services across New Zealand. The Government proposes reforming local government's three waters services into four multi-regional entities, with effect from 1 July 2024. The exact size, shape and design of these entities is still being worked through, including details of revenues, expenses, assets and liabilities that may transfer to the new entities.

If the reforms progress, and Central Hawke's Bay District Council participates, there is likely to be a material impact on our financial statements from 1 July 2024. No allowance has been made in the 30 June 2021 financial statements for this possibility, but the table below details at a high level the categories that will be impacted should this progress:

	2021 COUNCIL \$000	2020 COUNCIL \$000
3 Waters Revenue	11,372	7,938
3 Waters Operational Spend	6,272	5,118
3 Waters Capital Spend	8,504	10,265
3 Waters Assets – Plant, Property, & Equipment	109,751	104,416
3 Waters Liabilities - Debt	20,693	17,600

## 2. Operating Revenue and Expense

This note lists items requiring separate disclosure, having not been disclosed on the face of the Statement of Comprehensive Revenue and Expense or in other notes.

**a. Pursuant to Section 98 of the Local Government Act 2002, Council incurred the following expenses:**

	2021 COUNCIL \$000	2020 COUNCIL \$000
Insurance premiums	402	350

**b. Council incurred the following expenses.**

	2021 COUNCIL \$000	2020 COUNCIL \$000
Depreciation and amortisation	11,970	12,397

**c. Other Operating expense**

The major expense types included in 'Other Operating Expenses':

	2021 COUNCIL \$000	2020 COUNCIL \$000
Repairs and maintenance	6,638	5,803
Contracts	4,536	4,265
Fees to Auditors	204	101
Other	15,069	7,321
<b>Total</b>	<b>26,447</b>	<b>17,490</b>

	2021 COUNCIL \$000	2020 COUNCIL \$000
Audit Fees are broken down as follows		
Fees to EY for audit of financial Statements	105	99
Fees to EY for audit of LTP	86	
Fees to EY for trustee reporting assurance	2	2
<b>Total</b>	<b>193</b>	<b>101</b>

**d. Budget Variance**

Variances to forecast budgets are explained in the Funding Impact Statements earlier in these financial reports.

**e. Revenue**

Revenue included in Surplus or Deficit includes amounts where the associated expenditure has been or will be capitalised. In the current year \$204,487 of Interest Revenue has been credited to Special Funds following recognition in the Statement of Comprehensive Revenue and Expense, and \$22,566 from Development Contributions will be held to meet future capital upgrades (during 2021 a total of \$322,240 of Development Contributions were received, and \$299,674 were applied to capital projects).

## f. Breakdown of rates and further information

	2021 COUNCIL \$000	2020 COUNCIL \$000
General Rates	13,982	13,420
Targeted rates attributable to activities		
Metered Water Revenue	408	517
Other Water Rates	2,923	2,638
Sewer	2,933	3,272
Storm Water	784	688
Refuse and Recycling	374	297
Economic Social Development	0	0
Rate discounts taken	(26)	(25)
Rate remissions	(14)	(14)
<b>Total</b>	<b>21,364</b>	<b>20,793</b>

## g. Breakdown of subsidies and grants

	2021 COUNCIL \$000	2020 COUNCIL \$000
Roading Subsidies – Waka Kotahi NZ Transport Agency	9,681	8,263
PGF Infrastructure Projects – MBIE	6,135	650
Department of Internal Affairs – 3 Waters Reform	3,647	0
Nga Ara Tipuna – MBIE, Lotteries, ECCT, Centralines	2,387	681
Economic Stimulus Packages – Various Government Agencies	3,518	100
Tourism Infrastructure and Responsible Camping – MBIE	131	0
Library Bequest	0	94
Spatial Plan – Centralines	0	55
Landfill Subsidy – MfE	81	50
Other Grants and Subsidies	329	111
<b>Total</b>	<b>25,090</b>	<b>10,004</b>

## h. Breakdown of fees &amp; charges

	2021 COUNCIL \$000	2020 COUNCIL \$000
Building and resource consent charges	1,725	1,007
Landfill Charges	987	806
Transfer Stations Charges	421	305
District Trade Waste Sewerage	330	276
Retirement Housing and District Property Rents & Hires	372	328
Camp Ground Charges	80	79
Other fees & Charges	1,289	980
<b>Total</b>	<b>5,204</b>	<b>3,781</b>

## i. Breakdown of other revenue

	2021 COUNCIL \$000	2020 COUNCIL \$000
Petrol Tax Income	147	137
Warranty Recoveries	0	185
Gain on Property Plant and Equipment Sales	73	34
Waipawa Pool Donations	1	122
Vested Roading Asset	393	0
Waka Kotahi NZ Transport Agency – Funding Assistance Rate Adjustment	280	0
Others	78	35
<b>Total</b>	<b>972</b>	<b>513</b>

## j. Summary revenue and expenditure for group of activities



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

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs that 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 appropriate cost drivers such as actual usage, staff numbers, and floor area.

There have been no changes to the cost allocation methodology during the year.

#### Revenue

	2021 COUNCIL \$000	2020 COUNCIL \$000
Community Leadership	6,188	1,235
Land Transport	16,693	8,466
Planning and Regulatory	2,111	1,337
Recreation and Community Facilities	920	948
Solid Waste	2,153	1,544
Water Supplies	2,175	352
Wastewater (Sewerage)	2,143	469
Stormwater	6	0
<b>Total Activity Revenue</b>	<b>32,389</b>	<b>14,351</b>
Less Internal Revenue	233	254
General Rates	21,364	20,793
<b>Total Revenue</b>	<b>53,986</b>	<b>35,398</b>

#### Expenditure

	2021 COUNCIL \$000	2020 COUNCIL \$000
Community Leadership	8,493	1,759
Land Transport	14,533	15,373
Planning and Regulatory	3,240	2,438
Recreation and Community Facilities	5,415	5,055
Solid Waste	3,838	3,419
Water Supplies	3,902	3,259
Wastewater (Sewerage)	4,222	3,674
Stormwater	824	781
<b>Total Activity Expenditure</b>	<b>44,467</b>	<b>35,758</b>
Less Internal Expenditure	108	(125)
<b>Total expenditure</b>	<b>44,693</b>	<b>35,883</b>

### 3. Cash & cash equivalents

	2021 COUNCIL \$000	2020 COUNCIL \$000
<b>Cash and cash equivalents</b>		
Cash at bank and in hand	8	9
Short term deposits maturing 3 months or less from date of acquisition	2,615	2,518
<b>Total Cash and Cash Equivalents</b>	<b>2,623</b>	<b>2,527</b>

The carrying value of cash at bank and term deposits with maturities less than three months approximate their fair value.

The total value of cash and cash equivalents that can only be used for a specified purpose as outlined in the relevant trust deeds is \$184k (2019 \$182k).

### 4. Trade and Other Receivables

	2021 COUNCIL \$000	2020 COUNCIL \$000
Rates Receivable – Non-exchange	445	649
Rates Receivable – Exchange (Water Meter)	207	223
NZ Transport Agency Subsidies – Non-exchange	1,370	2,797
Ministry of Business Innovation & Employment (MBIE)/PGF	0	123
Department of Internal Affairs	93	0
General Debtors – Non-exchange	2,513	1,590
<b>Total</b>	<b>4,628</b>	<b>5,382</b>
Less Provision for Impairment of Receivables	166	278
<b>Total</b>	<b>4,462</b>	<b>5,104</b>

Trade and Other Receivables Aging is as follows:

	2021 COUNCIL \$000	2020 COUNCIL \$000
Current	3,689	4,529
Overdue (net of impairment)	773	575
<b>Total</b>	<b>4,462</b>	<b>5,104</b>

#### Fair value

Debtors and other receivables are non-interest bearing and receipt is normally on 30 day terms, therefore the carrying value of debtors and other receivables approximates their fair value.

#### Impairment

CHBDC has various powers under the Local Government (Rating) Act 2002 to recover any outstanding rating debts, however it still provides for impairment on receivables. Ratepayers can apply for payment plan options in special circumstances. Where such repayment plans are in place, debts are discounted to their present value of future payments if the impact of discounting is material.

These powers allow CHBDC to commence legal proceedings to recover any rates that remain unpaid 4 months after the due date for payment. If payment has not been made within 3 months of the Court's judgement, then CHBDC can apply to the Registrar of the High Court to have the judgement enforced by sale or lease of the rating unit.

Council's infrastructure is recorded at fair value, and this year the roading network has been revalued. Water Networks were revalued in 2020, and buildings were revalued in 2019. No new assets are considered to be impairment during 2021, so no new impairment has been made. The two properties (Waipukurau Library and Memorial Hall) were impaired in 2020 due to seismic concerns.

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No receivables (2020: nil) whose carrying amount would otherwise be past due or impaired, have terms which have been renegotiated:

	2021 COUNCIL \$000	2020 COUNCIL \$000
Individual impairment	166	278
Collective Impairment	–	–
<b>Total provision for impairment</b>	<b>166</b>	<b>278</b>

Individually impaired receivables have been determined to be impaired because of the significant financial difficulties being experienced by the debtor.

Movements in the provision for impairment of receivables are as follows:

	2021 COUNCIL \$000	2020 COUNCIL \$000
At 1 July	278	192
Additional provision made during the year	82	283
Provisions reversed during the year	0	0
Receivable written off during the period (see note below)	(194)	(197)
<b>At 30 June</b>	<b>166</b>	<b>278</b>

CHBDC holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

During the year Council has written off \$194k of historical debts. This represents a significant cleansing of the Councils historical debtors and was undertaken in conjunction with debt collection agencies. Much of this debt dates back multiple years. \$145k of these relates to Māori Freehold Land which is where the land has been placed the Māori Land Register which denotes the land isn't being used productively, has disparate ownership, and therefore is unenforceable. The remaining \$49k relates to historical fees and charges where the debtor can't be traced or has no ability to pay.

## 5. Investments

	2021 COUNCIL \$000	2020 COUNCIL \$000
Term Deposit – Current	13,036	11,119
Bank Bonds – Non-current	1,275	1,275
<b>Total Bonds</b>	<b>14,311</b>	<b>12,394</b>

	2021 COUNCIL \$000	2020 COUNCIL \$000
NZ Local Government Insurance Corp. Limited	46	46
<b>Total Shares</b>	<b>46</b>	<b>46</b>
<b>Total Term Investments</b>	<b>14,357</b>	<b>12,440</b>
Investments in Associates (non-controlled)		
HB LASS	1	1
<b>Total Investments</b>	<b>14,358</b>	<b>12,441</b>

## Amortised Costs

The amortised costs of local authority and bonds/notes is reflected in the above values which are based on EIR method.

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## 6. Property Plant and Equipment and Intangible Assets

2021		OPENING COST 1 JULY 2020	ADDITIONS*	VESTED ASSETS	DISPOSALS / EXPENSED*	TRANSFERS	REVALUATION	CLOSING COST 30 JUNE 2021	OPENING ACC DEPN 1 JULY 2020	DEPN	DISPOSALS	IMPAIRMENT	REVALUATION	CLOSING ACCM DEPN 30 JUNE 2021	NET BOOK VALUE 30 JUNE 2021	NET BOOK VALUE 30 JUNE 2020
DESCRIPTION																
Wastewater	Treatment	17,716	263	0	0	1,851	0	19,830	0	(798)	0	0	0	(798)	19,032	17,716
	Reticulation	26,026	219	0	0	1,566	0	27,811	0	(543)	0	0	0	(543)	27,268	26,026
Water	Treatment	4,395	230	0	0	2,378	0	7,003	0	(206)	0	0	0	(206)	6,797	4,395
	Reticulation	33,693	1,138	0	0	0	0	34,831	0	(746)	0	0	0	(746)	34,085	33,693
Stormwater		22,586	41	0	0	316	0	22,943	0	(374)	0	0	0	(374)	22,569	22,586
Roading		662,794	9,555	393	0	1,090	(2,164)	671,668	0	(7,147)	0	0	7,147	0	671,668	662,794
Land Under Roads		37,657	0			0		37,657	0	0	0	0	0	0	37,657	37,657
Solid Waste		471	75	0	0	0	0	546	(9)	(11)	0	0	0	(20)	526	462
Landfill		8,221	(467)	0		0		7,754	(2,149)	(357)				(2,506)	5,248	6,072
<b>Total Infrastructure Assets</b>		<b>813,559</b>	<b>11,054</b>	<b>393</b>	<b>0</b>	<b>7,201</b>	<b>(2,164)</b>	<b>830,043</b>	<b>(2,158)</b>	<b>(10,182)</b>	<b>0</b>	<b>0</b>	<b>7,147</b>	<b>(5,193)</b>	<b>824,850</b>	<b>811,401</b>
Land		14,447	0	0	(220)	0	9,021	23,248	0	0	0	0	0	0	23,248	14,447
Buildings		19,075	236	0	0	193	0	19,504	(2,399)	(1,191)	0	0	0	(3,590)	15,914	16,676
Motor Vehicles		724	122	0	(38)	0	0	808	(530)	(104)	35	0	0	(599)	209	194
Emergency Equipment		191	19	0	0	0	0	210	(172)	(7)	0	0	0	(179)	31	19
Misc Plant		2,134	44	0	0	0	0	2,178	(1,680)	(145)	0	0	0	(1,825)	353	454
Computer Equipment		664	141	0	0	0	0	805	(383)	(129)	0	0	0	(512)	293	281
Office Furniture & Equipment		670	8	0	0	0	0	678	(576)	(18)	0	0	0	(594)	84	94
Monuments		284	0	0	0	0	0	284	(16)	(4)	0	0	0	(20)	264	268
Library Books		894	65	0	(10)	0	0	949	(542)	(68)	10	0	0	(600)	349	352
<b>Total Operating Assets</b>		<b>39,083</b>	<b>635</b>	<b>0</b>	<b>(268)</b>	<b>193</b>	<b>6,857</b>	<b>48,664</b>	<b>(6,298)</b>	<b>(1,666)</b>	<b>45</b>	<b>0</b>	<b>0</b>	<b>(7,919)</b>	<b>40,745</b>	<b>32,785</b>
Software and Other Intangibles		665	11	0	0	0	0	676	(296)	(122)	0	0	0	(418)	258	369
<b>Total</b>		<b>853,307</b>	<b>11,700</b>	<b>393</b>	<b>(268)</b>	<b>7,394</b>	<b>6,857</b>	<b>879,383</b>	<b>(8,752)</b>	<b>(11,970)</b>	<b>45</b>	<b>0</b>	<b>7,147</b>	<b>(13,530)</b>	<b>856,853</b>	<b>844,555</b>
Work In Progress		9,514	13,631	0	(706)	(7,394)	0	15,045	0	0	0	0	0	0	15,045	9,514
<b>Total</b>		<b>862,821</b>	<b>25,331</b>	<b>393</b>	<b>(974)</b>	<b>0</b>	<b>6,857</b>	<b>894,428</b>	<b>(8,752)</b>	<b>(11,970)</b>	<b>45</b>	<b>0</b>	<b>7,147</b>	<b>(13,530)</b>	<b>880,898</b>	<b>854,069</b>

Additions\* All assets are constructed by Council

Disposals/Expensed\* During the Year \$706k of Work in Progress was written off. This mainly related to the treatment of the Nga Ara Tipuna Asset  
This asset is now going to be owned and managed by an independent Trust

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2020		OPENING COST 1 JULY 2019	ADDITIONS*	VESTED ASSETS	DISPOSALS	TRANSFERS	REVALUATION	CLOSING COST 30 JUNE 2020	OPENING ACC DEPN 1 JULY 2019	DEPN	DISPOSALS	SIMPAIRMENT	REVALUATION	CLOSING ACCM DEPN 30 JUNE 2020	NET BOOK VALUE 30 JUNE 2020	NET BOOK VALUE 30 JUNE 2019
DESCRIPTION																
Wastewater	Treatment	14,470	190	0	0	92	2,964	17,716	(1,370)	(722)	0	0	2,092	0	17,716	13,100
	Reticulation	30,636	72	0	0	0	(4,682)	26,026	(1,259)	(629)	0	0	1,888	0	26,026	29,377
Water	Treatment	4,653	367	0	0	1,924	(2,549)	4,395	(345)	(194)	0	0	539	0	4,395	4,308
	Reticulation	26,978	402	0	0	841	5,472	33,693	(1,175)	(589)	0	0	1,764	0	33,693	25,803
Stormwater		16,966	0	0	0	945	4,675	22,586	(572)	(286)	0	0	858	0	22,586	16,394
Roading		672,982	5,891	0	0	2,354	(18,433)	662,794	0	(7,829)	0	0	7,829	0	662,794	672,982
Land Under Roads		37,657	0	0	0	0	0	37,657	0	0	0	0	0	0	37,657	37,657
Solid Waste		408	61	0	0	2	0	471	0	(9)	0	0	0	(9)	462	408
Landfill		7,808	398	0	0	15	0	8,221	(1,830)	(319)	0	0	0	(2,149)	6,072	5,978
<b>Total Infrastructure Assets</b>		<b>812,558</b>	<b>7,381</b>	<b>0</b>	<b>0</b>	<b>6,173</b>	<b>(12,553)</b>	<b>813,559</b>	<b>(6,551)</b>	<b>(10,577)</b>	<b>0</b>	<b>0</b>	<b>14,970</b>	<b>(2,158)</b>	<b>811,401</b>	<b>806,007</b>
Land		14,121	32	0	0	294	0	14,447	0	0	0	0	0	0	14,447	14,121
Buildings		18,683	276	0	(5)	121	0	19,075	(120)	(1,197)	0	(1,082)	0	(2,399)	16,676	18,563
Motor Vehicles		675	87	0	(38)	0	0	724	(457)	(111)	38	0	0	(530)	194	218
Emergency Equipment		169	22	0	0	0	0	191	(164)	(8)	0	0	0	(172)	19	5
Misc Plant		1,942	194	0	0	(2)	0	2,134	(1,521)	(159)	0	0	0	(1,680)	454	421
Computer Equipment		547	117	0	0	0	0	664	(286)	(97)	0	0	0	(383)	281	261
Office Furniture & Equipment		670	0	0	0	0	0	670	(557)	(19)	0	0	0	(576)	94	113
Monuments		284	0	0	0	0	0	284	(12)	(4)	0	0	0	(16)	268	272
Library Books		1,096	67	0	(269)	0	0	894	(708)	(103)	269	0	0	(542)	352	388
<b>Total Operating Assets</b>		<b>38,187</b>	<b>795</b>	<b>0</b>	<b>(312)</b>	<b>413</b>	<b>0</b>	<b>39,083</b>	<b>(3,825)</b>	<b>(1,698)</b>	<b>307</b>	<b>(1,082)</b>	<b>0</b>	<b>(6,298)</b>	<b>32,785</b>	<b>34,362</b>
Software and Other Intangibles		533	99	0	0	33	0	665	(174)	(122)	0	0	0	(296)	369	359
<b>Total</b>		<b>851,278</b>	<b>8,275</b>	<b>0</b>	<b>(312)</b>	<b>6,619</b>	<b>(12,553)</b>	<b>853,307</b>	<b>(10,550)</b>	<b>(12,397)</b>	<b>307</b>	<b>(1,082)</b>	<b>14,970</b>	<b>(8,752)</b>	<b>844,555</b>	<b>840,728</b>
Work In Progress		4,428	11,869	0	(164)	(6,619)	0	9,514	0	0	0	0	0	0	9,514	4,428
<b>Total</b>		<b>855,706</b>	<b>20,144</b>	<b>0</b>	<b>(476)</b>	<b>0</b>	<b>(12,553)</b>	<b>862,821</b>	<b>(10,550)</b>	<b>(12,397)</b>	<b>307</b>	<b>(1,082)</b>	<b>14,970</b>	<b>(8,752)</b>	<b>854,069</b>	<b>845,156</b>

Additions\* All assets are constructed by Council.



## Work in Progress

	2021 COUNCIL \$000	2020 COUNCIL \$000	STATUS	ESTIMATED COMPLETION DATE
Cultural Heritage-Nga Ara Tipuna Project	0	681	Reclassified	
Halls, Property and Buildings Projects	211	114	Active	Sept 21
Community Facilities Te Paerahi Freedom Camping Toilets	0	170	Complete	
Roading Projects	6,803	1,090	Active	June 22
Solid Waste Landfill Cell Capping/Leachate Irrigation	783	702	Active	June 22
Stormwater Tutanekai St Helicoil Replacement	0	13	Active	December 21
Stormwater Waipukurau Carpenter Churchill Improvements	0	0	Complete	
Stormwater Waipukurau Service Land Overflow (Ruataniwha St Flooding Solution)	53	49	Active	June 22
Stormwater Waipukurau Modelling	4	0	Complete	June 23
Wastewater Otane Resource Consent Extension	0	15	Reclassified	
Wastewater Otane to Waipawa Pipeline	1,156	298	Active	June 22
Wastewater Porangahau Upgrade	400	111	Active	June 24
Wastewater Takapau Consent	0	79	Reclassified	
Wastewater Takapau Treatment Upgrade	714	42	Active	June 23
Wastewater Waipawa Main Trunk Renewal	0	1,496	Complete	
Wastewater Waipukurau Waipawa Treatment Investigation	0	886	Complete	
Wastewater Wetlands for Waipawa/Waipukurau Project	0	12	Written Off	
Wastewater Leachate to Land Stage 2	125	0	Active	July 22
Wastewater Renewals (3 Waters Reform Tranche 1)	73	0	Active	June 22
Wastewater Otane to Waipawa Stage 2 (3 Waters Reform Tranche 1)	1,116	0	Active	June 22
Wastewater Treatment Improvements (3 Waters Reform Tranche 1)	35	0	Active	June 22
Water Kairakau Upgrade	178	10	Active	June 22
Water Otane Alternative Water Supply	0	2,376	Complete	
Water Waipukurau Pump Station 2	1,349	1,024	Active	October 21
Water Waipukurau Second Supply	359	346	Active	June 23
Water Supply Software (3 Waters Reform Tranche 1)	54	0	Active	June 22
Water Supply Waipukurau Second Supply (3 Waters Reform Tranche 1)	1,003	0	Active	June 22
Water Supply Nelson Street (3 Waters Reform Tranche 1)	572	0	Active	June 22
Water Supply Waipawa Firefighting Stage 1	55	0	Active	June 22
Water SH2 Filtration system (turbidity solutions)	1	0	Active	June 22
<b>Total</b>	<b>15,044</b>	<b>9,514</b>		

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## Depreciation by Activity

	2021 ACTUAL \$000	2021 ANNUAL PLAN BUDGET \$000	2020 ACTUAL \$000	2020 ANNUAL PLAN BUDGET \$000
<b>COMMUNITY LEADERSHIP GROUP</b>				
Depreciation expense for the year	0	0	0	0
Renewals, Loan Funding	0	0	24	5
Difference (Depreciation – renewals, loans)	0	0	(24)	(5)
<b>REGULATORY GROUP</b>				
Depreciation expense for the year	1	50	1	1
Renewals, Loan Funding	66	118	30	44
Difference (Depreciation – renewals, loans)	(65)	(68)	(29)	(43)
<b>LAND TRANSPORT GROUP</b>				
Depreciation expense for the year	7,164	8,005	7,854	7,699
Renewals, Loan Funding	14,756	7,299	6,280	7,013
Difference (Depreciation – renewals, loans)	(7,592)	706	1,574	686
<b>SOLID WASTE GROUP</b>				
Depreciation expense for the year	378	310	337	221
Renewals, Loan Funding	256	270	248	282
Difference (Depreciation – renewals, loans)	122	40	89	(61)
<b>WATER GROUP</b>				
Depreciation expense for the year	953	916	784	794
Renewals, Loan Funding	2,017	1,494	547	1,110
Difference (Depreciation – renewals, loans)	(1,064)	(578)	237	(316)
<b>WASTEWATER GROUP</b>				
Depreciation expense for the year	2,643	2,681	1,360	1,325
Renewals, Loan Funding	1,969	2,049	1,088	1,537
Difference (Depreciation – renewals, loans)	674	632	272	(212)
<b>STORMWATER GROUP</b>				
Depreciation expense for the year	740	560	287	297
Renewals, Loan Funding	725	541	418	260
Difference (Depreciation – renewals, loans)	15	19	(131)	37
<b>RECREATION AND COMMUNITY GROUP</b>				
Depreciation expense for the year	1,404	1,351	1,464	1,291
Renewals, Loan Funding	688	881	839	954
Difference (Depreciation – renewals, loans)	716	470	625	337
<b>OVERHEADS</b>				
Depreciation expense for the year	348	719	310	474
Renewals, Loan Funding	346	309	239	409
Difference (Depreciation – renewals, loans)	2	410	71	65
<b>TOTALS</b>				
Depreciation expense for the year	13,631	14,592	12,397	12,102
Renewals, Loan Funding	20,823	12,961	9,713	11,614
Difference (Depreciation – renewals, loans)	(7,192)	1,631	2,684	488

## 7. Trade and other payables

	2021 COUNCIL \$000	2020 COUNCIL \$000
Trade Creditors – Exchange	8,678	6,843
Revenue in Advance – Non Exchange	3,772	334
Other Accounts Payable and Accrued Expenses – Non Exchange	553	431
<b>Total Trade Creditors and Other Accounts Payables</b>	<b>13,003</b>	<b>7,608</b>
Other		
Current Public Debt	107	118
Employee benefit liabilities	386	330
<b>Total Other Current Debt</b>	<b>493</b>	<b>448</b>
<b>Total Current Liabilities</b>	<b>13,496</b>	<b>8,056</b>

Creditors and other payables are non-interest bearing and are normally settled on 30 day terms, therefore the carrying value of creditors and other payables approximates their fair value.

## 8. Public Debt

	2021 COUNCIL \$000	2020 COUNCIL \$000
Loans as at 1 July	20,000	2,000
Net Accrued Interest Change	107	118
Fair Value Adjustments	0	0
Plus Loans raised during the year	0	18,000
Less Loans repaid during the year	–	–
Less Loans repayable within 12 months	(107)	(118)
<b>Non-Current Public Debt</b>	<b>20,000</b>	<b>20,000</b>

Interest rates payable are in the range 1.96% to 3.85% (2020: 1.96% to 3.85%). The weighted average interest rate payable is 2.28% (2020: 2.28%).

Public Debt is due for repayment in the following periods:

	2021 COUNCIL \$000	2020 COUNCIL \$000
Current	107	118
One to Two years	0	0
Two to Five years	14,000	14,000
More than Five years	6,000	6,000
<b>Total</b>	<b>20,107</b>	<b>20,118</b>

Amounts shown as due for repayment are based on the contractual maturity profile of the loans.

### Internal Borrowings

Internal borrowings are eliminated on consolidation of activities in the Council's financial statements.

Internal borrowings are funded through Council's treasury function, which is in turn funded from number of sources including, but limited to external debt, reserves, special funds, and rates.

	COUNCIL BALANCE 30 JUNE 2020 \$000	BORROWED \$000	INTEREST \$000	PRINCIPAL REPAID \$000	COUNCIL BALANCE 30 JUNE 2021 \$000
Cemeteries	37	0	1	18	19
Properties and Buildings	458	38	8	35	461
Parks and Reserves	1,351	0	24	94	1,257
Public Conveniences	152	0	3	13	139
Retirement Housing	0	0	0	0	0
Land Transport	0	0	0	0	0
Solid Waste	1,485	81	27	135	1,431
Stormwater	365	4	6	15	354
Theatres, Halls, and Museums	417	37	38	62	392
Wastewater	10,456	2,817	207	673	12,600
Water Supplies	6,779	1,378	127	418	7,739
Libraries	167	0	3	14	153
IT	47	0	0	19	28
Civil Defence	177	0	10	43	134
GIS Maps	71	0	3	17	54
District Plan	344	452	1	60	736
<b>Total</b>	<b>22,306</b>	<b>4,807</b>	<b>458</b>	<b>1,616</b>	<b>25,497</b>

### 9. Provision for Landfill Decommissioning and Aftercare Cost

	2021 COUNCIL \$000	2020 COUNCIL \$000
Opening Balance	3,934	3,489
Effect of Discounting	133	65
Additional Provisioning	(486)	380
Release of Provision		0
<b>Closing balance</b>	<b>3,463</b>	<b>3,934</b>

Central Hawke's Bay District Council gained resource and land use consents for the District Landfill in 1995 with the consent expiring in 2030. The Landfill opened for operation in July 1996. The current resource consent expires in 2030. Council has a responsibility for closure of the Landfill and ongoing maintenance and monitoring after the closure. To determine the financial provision that should be made for the post closure maintenance and monitoring requirements, the Discounted Cash Flow model is used. The model is used to calculate the present value of the cost of closure and capping of the landfill, and the aftercare costs for the 30 year consent period post closure. This is then capitalised as an asset which will be depreciated up until the point of closure. This depreciation expense should then be funded annually and a reserve put aside to cover these costs when they occur.

- Estimated Time of closure = 31 May 2030
- Estimated Remaining Capacity in undeveloped cells = 1,082,000 m<sup>3</sup> Airspace Volume
- Average Air space consumed per year in the last 2.5 years = 15,000 m<sup>3</sup> Airspace Volume
- Length of post-closure monitoring period = 30 years
- Total expected cash outflow – undiscounted = \$5.6m
- Discount rate=1.10%

The unwinding of the discount during the year has been recognised as an expense within finance costs.

## 10. Public Equity

### Capital Management

For the purpose of the Council's capital management, the Council's capital is its equity, including accumulated comprehensive revenue and expense and all equity reserves attributable to the Council. Equity is represented by net assets.

The Council manages the Council's capital largely as a by-product of managing its revenue, expenses, assets, liabilities and general financial dealings. The Local Government Act 2002 requires the Council to manage its revenue, expenses, assets, liabilities and general financial dealings in a manner that promotes the current and future interests of the community. In addition, The Local Government (Financial Reporting and Prudence) Regulation 2014 sets out a number of benchmarks for assessing whether the Council is managing its revenue, expenses, assets and liabilities prudently.

The primary objective of the Group's capital management is to achieve intergenerational equity, which is a principle promoted in the Local Government Act 2002 and applied by the Council. Intergenerational equity requires the Council to spread the funding of the cost of its assets over the current and future generations of ratepayers, such that:

- Current ratepayers are required to meet the cost of using the assets, but not the full cost of long term assets that will benefit ratepayers in future generations and
- Ratepayers in future generations are not required to meet the costs of deferred asset renewals and maintenance.

In order to achieve this overall objective, the Council has in place asset management plans for major classes of assets, detailing renewals and programmed maintenance.

An additional objective of capital management is to ensure that the expenditure needs identified in the Council's Long-term Plan and Annual Plan are met in the manner set out in these plans. The Local Government Act 2002 requires the Council to make adequate and effective provision in its Long-term Plan and in its Annual Plan to meet the expenditure needs identified in those plans. The factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities are set out in the Local Government Act 2002. The sources and levels of funding are set out in the funding and financial policies in the Council's Long-term Plan. The Council monitors actual expenditure incurred against the Long-term Plan and Annual Plan.

No changes were made in the objectives, policies or processes for managing capital during the years ended 30 June 2021 and 2020.



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**(a) Council Special & Other Funds**

Special funds are established by Council resolution restricting how the funds may be used. To show independence from general ratepayers' equity, a separate account is maintained for each fund.

	COUNCIL BALANCE 1 JULY 2020 \$000	COUNCIL TRANSFERS FROM RATEPAYERS EQUITY \$000	COUNCIL TRANSFERS TO RATEPAYER EQUITY \$000	COUNCIL BALANCE 30 JUNE 2021 \$000
<b>RESERVES HELD FOR EMERGENCY PURPOSES</b>				
Mayors Relief Fund	7	2	(3)	6
Adverse Events Reserve Fund	153	907	0	1,060
Catastrophic Events Reserve Fund	2,906	86	(500)	2,492
<b>Total</b>	<b>3,066</b>	<b>995</b>	<b>(503)</b>	<b>3,558</b>
	\$000	\$000	\$000	\$000
<b>RESERVES FOR FUTURE ASSET PURCHASES</b>				
Capital Projects Fund	(158)	0	216	58
Ruahine Ward Disbursement Fund	673	10	(68)	615
Ruataniwha Ward Disbursement Fund	38	0	(20)	18
Aramoana Ward Disbursement Fund	229	3	(43)	189
Esplanade Reserve Fund	350	5	(130)	225
Rural Fire Reserve	100	1	(40)	61
Stormwater Renewal Reserve	221	4	(221)	4
Water Rates Smoothing Reserve	275	9	(9)	275
Wastewater Upgrade Reserve	853	24	(200)	677
EQC Pourerere	4	0	0	4
Bridge Replacement Funding	103	58	0	161
CHB District Retirement Housing Reserve	140	2	(24)	118
Vehicle Depreciation Reserve	460	57	0	517
LT Vehicle Depreciation Reserve	113	20	0	133
<b>Total</b>	<b>3,401</b>	<b>193</b>	<b>(539)</b>	<b>3,055</b>
	\$000	\$000	\$000	\$000
<b>RESERVES HELD FOR FUTURE OPERATIONAL COSTS</b>				
Elections & By-elections Reserve Fund	43	4	(5)	42
Ruahine Ward Hall Maintenance Reserve	43	1	0	44
Library Fund	149	2	0	151
Road Legalisation Funding	22	1	0	23
Landfill Aftercare Depreciation Reserve	206	57	0	263
District Landfill Levy Reserve	45	0	(45)	0
Recreation and Community Facilities Reserve	0	20	0	20
<b>Total</b>	<b>508</b>	<b>85</b>	<b>(50)</b>	<b>543</b>
<b>Total Special Funds</b>	<b>6,975</b>	<b>1,273</b>	<b>(1,092)</b>	<b>7,156</b>

Other Funds. From time to time Council assists community organisations and holds funds on their behalf.

	COUNCIL BALANCE 1 JULY 2020 \$000	COUNCIL TRANSFERS FROM RATEPAYERS EQUITY \$000	COUNCIL TRANSFERS TO RATEPAYER EQUITY \$000	COUNCIL BALANCE 30 JUNE 2021 \$000
Te Aute Drain Channel Clearing Reserve	50	1	(14)	37
	\$000	\$000	\$000	\$000
<b>Total Special &amp; Other Funds</b>	<b>7,025</b>	<b>1,274</b>	<b>(1,106)</b>	<b>7,193</b>

#### (b) Trust Funds

Trust Funds are set up to account for grants to Council with restrictions on their use. They usually consist of donations and bequests.

	COUNCIL BALANCE 1 JULY 2020 \$000	COUNCIL TRANSFERS FROM RATEPAYERS EQUITY \$000	COUNCIL TRANSFERS TO RATEPAYER EQUITY \$000	COUNCIL BALANCE 30 JUNE 2021 \$000
Waipawa Building Society Scholarship Trust	111	(1)	3	113
Eric Tate Scholarship Trust	71	(2)	2	71
Creative NZ Grants unspent	0	0	0	0
<b>Total</b>	<b>182</b>	<b>(3)</b>	<b>5</b>	<b>184</b>

#### (c) Asset Revaluation Reserve

	WATER, WASTEWATER, STORM WATER, SOLID WASTE \$000	ROADING \$000	TOTAL \$000
<b>INFRASTRUCTURE</b>			
Opening Balance	75,877	490,997	566,874
Revaluation	0	4,983	4,983
Revaluation Reserve Change	0	0	0
Transfer from/(to) Ratepayers Equity	0	0	0
<b>Closing Balance</b>	<b>75,877</b>	<b>495,980</b>	<b>571,857</b>
	LAND \$000	BUILDINGS \$000	TOTAL \$000
<b>OTHER PROPERTY PLANT AND EQUIPMENT</b>			
Opening Balance	11,768	12,162	23,930
Current Year Revaluation	0	0	0
Current Year Impairment	0	0	0
Disposal of Asset (Write Back)	(204)	0	(204)
<b>Closing Balance</b>	<b>11,564</b>	<b>12,162</b>	<b>23,726</b>
<b>TOTAL REVALUATION RESERVE</b>			COUNCIL \$000
Opening Balance			590,804
Revaluations			4,983
Impairment			0
Disposal of Asset (Write Back)			(204)
<b>Closing Balance</b>			<b>595,583</b>

## 11. Related party transactions other than remuneration of key management personnel

All related party transactions that the Council entered into during the year occurred within a normal client/supplier relationship and under terms equivalent to those that prevail in arm's length transactions in similar circumstances. Therefore, the Council did not disclose these transactions and balances.

No provision has been required, nor any expense recognised for impairment of receivables for any loans or other receivables to related parties (2020: nil).

## 12. Statement of Commitments

	2021 COUNCIL \$000	2020 COUNCIL \$000
<b>Payments of Commitments</b>		
Landfill Lease	127	119
Takapau Transfer Station Lease	2	2
Works Depot Lease	40	40
Pop up Library/AA Centre Lease	5	5
Carbon Credits Forward Contract Settlements	–	239
<b>Total</b>	<b>174</b>	<b>405</b>
<b>Non-Cancellable Commitments</b>		
Less than 1 year	174	405
1 – 2 years	174	166
3 – 5 years	522	497
Over 5 years	2,738	2,698

### List of Financially Material Leases

#### Landfill

- Landfill rental of \$75k per annum (inflation adjusted) plus a turnover rent of \$5/tonne (also inflation adjusted) for quantities of over 7,000 tonnes in any 12 month period.
- Further terms = 10 years
- Final expiry date = 28 November 2045

### 13. Employee Staffing Levels and Remuneration

The Chief Executive of Council appointed under Section 42 of the Local government Act 2002, receives a salary of \$238,000 (2020: \$238,000).

The Chief Executive has full access to use of a Council vehicle, the cost of the deemed private benefit is deducted from the Chief Executive's salary.

ANNUAL REMUNERATION BANDS	2021	2020
\$59,999 and under	47	37
\$60,000-\$79,999	12	6
\$80,000-\$99,999	11	12
\$100,000-\$250,000	8	13
<b>Total Employees</b>	<b>78</b>	<b>68</b>

	2021 COUNCIL	2020 COUNCIL
<b>SALARIES AND OTHER SHORT TERM EMPLOYMENT BENEFITS PAID</b>	<b>\$000</b>	<b>\$000</b>
CE and Key Management	958	881
Mayor and Councillors	363	357

NUMBER OF EMPLOYEES AS AT 30 JUNE	2021		2020	
	FTE	HEAD COUNT	FTE	HEAD COUNT
Number of full time Key Management Personnel	6	6	5	5
Number of full time employees	58	58	43	43
Number of part time employees	8	14	13	20
<b>Total Employees</b>	<b>72</b>	<b>78</b>	<b>61</b>	<b>68</b>

Employee staffing levels and remuneration is required to be disclosed under Clause 32A, Schedule 10 of the Local Government Act 2002. Definitions used in this disclosure are those contained in Clause 32A.

The report notes an increase in FTE's across this organisation. This increase includes the following:

- Increase in Resource Management and Building Consent resources to manage the increased growth in the district funded from Fees and Charges.
- The 8 addition FTE's that either are fully or part funded through government agencies, grants or subsidies.

### 14. Severance Payments to Staff

There was a \$30,000 severance payment made during the year that was outside of contractual for staff. (2020: \$38,683).

## 15. Councillors Fees

	2021	2020
<b>Mayor</b>		
A Walker	104,163	102,509
<b>Councillors</b>		
Kelly Annand (Deputy Mayor, Strategy and Wellbeing Chair, Urban Lead Councillor)	53,613	45,417
Ian Sharp (2019 Deputy Mayor)	0	11,874
Brent Muggeridge (Finance and Infrastructure Committee Chair, Risk and Assurance Member)	40,563	34,821
Tim Aitken (Rural Lead Councillor, Risk and Assurance Member)	33,500	32,636
Tim Chote	0	25,345
Gerard Minehan (Risk and Assurance Member)	30,525	28,519
Jerry Greer (Risk and Assurance Member)	30,525	21,097
Kathryn Taylor	26,510	18,576
Exham Wichman	26,510	18,576
Pip Burne	17,978	0
Shelley Burne-Field	0	7,422
David Tennent	0	9,873
<b>Total</b>	<b>363,886</b>	<b>356,665</b>

## 16. Financial Instruments

### Financial Instrument Categories

The accounting policies for financial instruments have been applied to the line items below:

	2021 COUNCIL \$000	2020 COUNCIL \$000
<b>Financial Assets</b>		
Fair Value through surplus/(deficit)		
Local Authority Stock, Bonds, Term Deposits	–	–
Unlisted Shares	46	46
<b>Loans and Receivables</b>		
Amortised Costs		
Cash and Cash Deposits	2,622	2,527
Debtors and Other Receivables	4,462	5,104
Local Authority Stock, Bonds, Term Deposits	14,311	12,394
<b>Financial Liabilities</b>		
Financial Liabilities at amortised cost		
Public Debt	20,107	20,118
Creditors and other payables	13,389	7,608

All borrowing costs are recognised as expenses in the period in which they occur.



### Financial Instruments risks

The Council's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Council has a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure from its treasury activities. CHBDC has established Council approved Liability Management and Investment policies. These policies do not allow any transactions that are speculative in nature to be entered into.

#### Market Risk

##### Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices.

##### Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Council does not have foreign currency risks as all transactions are in New Zealand dollars.

##### Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowings and investments issued at fixed rates of interest expose the Council to fair value interest rate risk. Councils Liability Management Policy is to maintain between 50% to 100% of its borrowings in fixed rate instruments.

##### Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates expose a council to cash flow interest rate risk. As Council's financial instruments are all on a fixed rate basis (i.e. fixed rate borrowing through the LGFA, fixed rate bonds and bank term deposits), the impact of changing interest rates is zero, as a change in market interest rates will not change interest cash flow amounts.

#### Credit Risk

Credit risk is the risk that a third party will default on its obligations to the Council, causing it to incur a loss. Due to the timing of its cash inflows and outflows, surplus cash is invested into term deposits and listed bonds, which gives rise to credit risk.

The Council's investment policy limits the amount of credit exposure to any organisation based on the following limits. The Local Government Funding Agency is limited to \$10m. Any NZ Registered bank is limited to \$8m with the exception of Council's transactional bank which may exceed this for up to 5 working days. There is no limit for investment in the NZ Government.

Other than NZ Government, the Council invests funds only with entities that have a Standard and Poor's credit rating of at least A-1 for short-term and A+ for long term investments.

The Council holds no collateral or credit enhancements for financial instruments that give rise to credit risk.

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**Maximum Exposure to credit risk**

The Council's maximum credit risk exposure for each class of financial instrument is as follows:

	2021 COUNCIL \$000	2020 COUNCIL \$000
Cash at bank and term deposit	15,635	13,628
Receivables	4,187	5,104
Community and related party loans	0	0
Bonds	978	973
LGFA Borrower Notes	320	320
Derivative financial instrument assets	0	0
Financial guarantees	0	0
<b>Total</b>	<b>21,120</b>	<b>20,025</b>

**Credit quality of financial Assets**

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (if available) or to historical information about counterparty default rates.

	2021 COUNCIL \$000	2020 COUNCIL \$000
Counterparties with Credit Ratings		
Cash at bank and term deposits AA-	15,635	13,268
Bonds AA-	978	973
LGFA Borrower Notes AA+	320	320

Receivables arise mainly from the Councils statutory functions. Therefore, there are no procedures in place to monitor or report the credit quality of receivables with reference to internal or external credit ratings. The Council has no significant concentrations of credit risk in relation to receivables as it has a large number of credit customers, mainly ratepayers, and the Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers. For details on the aging of receivables refer to Note 3.

**Liquidity Risk****Management of Liquidity Risk**

Liquidity risk is the risk that the Council will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions. The Council aims to maintain flexibility in funding by keeping committed credit lines available.

As part of meeting its liquidity requirements, the Council maintains a target level of investments that must mature within the next 12 months. The Council manages its borrowings in accordance with its funding and financial policies, which include a Liability Management policy.

The Council has a maximum amount that can be drawn down against its overdraft facility of \$1.5m (2020 \$1.5m). There are no restrictions on the use of this facility.

**Contractual maturity analysis of financial liabilities, excluding derivatives**

The table below analyses the Council's financial liabilities (excluding derivatives) into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. Future interest payments on floating rate debt are based on the floating rate on the instrument at balance date. The amounts disclosed are the contractual undiscounted cash flows and include interest payments.

	2021	CARRYING AMOUNT \$000	CONTRACTUAL CASH FLOWS \$000	LESS THAN 1 YEAR \$000	1-2 YEARS \$000	2-5 YEARS \$000	MORE THAN 5 YEARS \$000
Payables		13,003	13,003	13,003			
Secured loans		20,107	21,997	456	456	14,929	6,157
<b>Total</b>		<b>33,110</b>	<b>35,000</b>	<b>13,459</b>	<b>456</b>	<b>14,929</b>	<b>6,157</b>
	2020	CARRYING AMOUNT \$000	CONTRACTUAL CASH FLOWS \$000	LESS THAN 1 YEAR \$000	1-2 YEARS \$000	2-5 YEARS \$000	MORE THAN 5 YEARS \$000
Payables		7,608	7,608	7,608			
Secured loans		20,118	22,453	456	456	15,226	6,315
<b>Total</b>		<b>27,726</b>	<b>30,061</b>	<b>8,064</b>	<b>456</b>	<b>15,226</b>	<b>6,315</b>

**Contractual maturity analysis of financial assets**

The table below analyses the Council's financial assets into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows and include interest receipts. The table below analyses the Council's financial assets into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows and include interest receipts.

	2021	CARRYING AMOUNT \$000	CONTRACTUAL CASH FLOWS \$000	LESS THAN 1 YEAR \$000	1-2 YEARS \$000	2-5 YEARS \$000	MORE THAN 5 YEARS \$000
Cash and cash equivalents		2,622	2,622	2,622			
Receivables		4,187	4,187	4,187			
Term deposits		13,013	13,049	13,049			0
Listed bonds		978	1,061	0	0	1,061	0
LGFA Borrower Notes		320	353	0	0	241	112
<b>Total</b>		<b>21,120</b>	<b>21,272</b>	<b>19,858</b>	<b>0</b>	<b>1,302</b>	<b>112</b>

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	2020	CARRYING AMOUNT \$000	CONTRACTUAL CASH FLOWS \$000	LESS THAN 1 YEAR \$000	1-2 YEARS \$000	2-5 YEARS \$000	MORE THAN 5 YEARS \$000
Cash and cash equivalents		2,527	2,527	2,527			
Receivables		5,104	5,104	5,104			
Term deposits		11,101	11,159	11,159			–
Listed bonds		973	1,061	0	–	1,061	–
LGFA Borrower Notes		320	353	0	–	241	112
<b>Total</b>		<b>20,025</b>	<b>20,204</b>	<b>18,790</b>	<b>–</b>	<b>1,302</b>	<b>112</b>

## 17. Contingencies

### Liabilities

There are no known contingent liabilities against Council.

## 18. Events Subsequent to Balance Date

In the ordinary course of business Council can be subject to subsequent events that may have a material effect on the Council. Council do not consider that any subsequent events that will have a material financial impact on Council have arisen. (2020: No events).

On the 17<sup>th</sup> August 2021 all of New Zealand went into a Level 4 Covid Lockdown and Central Hawkes Bay District has since moved down to Level 2 over the subsequent 3 weeks. This has caused operational disruption to Council, but hasn't had a material financial impact.

## Supplementary Information

In accordance with the Local Government Act 2002 Schedule 10 section 30A and 31A.

### Rating Base Information

For all rating units in the district

	2021	2020
Number of rating units	8,124	7,950
Capital Value	5,879,401,905	5,663,804,205
Land Value	3,660,782,600	3,642,224,600

### Insurance Information

		TOTAL VALUE COVERED \$000	MAXIMUM AMOUNT AVAILABLE \$000	
<b>Year ending June 2021</b>				
Insurance Contracts	• Buildings, Plant & Equipment	80,721	80,503	
	• Infrastructure	167,474	30,000	Loss Limit
Financial Risk Sharing		0	0	0
Self-Insured		0	0	0
<b>Year ending June 2020</b>				
Insurance Contracts	• Buildings, Plant & Equipment	80,503	80,503	
	• Infrastructure	165,878	30,000	Loss Limit
Financial Risk Sharing		0	0	0
Self-Insured		0	0	0

	TOTAL REPLACEMENT COSTS (TRC)
Water	81,094,288
Wastewater	88,053,936
Stormwater	38,229,121
Roading	895,931,499
<b>Totals</b>	<b>1,103,308,844</b>

## Elected Council Members

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

### MAYOR

Alex Walker	+64 27 860 7752	alex.walker@chbdc.govt.nz
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### ARAMOANA/RUAHINE WARD

Tim Aitken	+64 27 472 4587	tim.aitken@chbdc.govt.nz
Jerry Greer	+64 27 488 4786	jerry.greer@chbdc.govt.nz
Brent Muggeridge	+64 21 332 353	brent.muggeridge@chbdc.govt.nz
Kate Taylor	+64 27 603 2200	kate.taylor@chbdc.govt.nz

### RUATANIWHA WARD

Kelly Annand	+64 27 479 4000	kelly.annand@chbdc.govt.nz
Exham Wichman	+64 27 4656484	exham.wichman@chbdc.govt.nz
Gerard Minehan	+64 27 479 3773	gerard.minehan@chbdc.govt.nz
Pip Burne	+64 21 025 74496	pip.burne@chbdc.govt.nz

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





## Acknowledgements

Council acknowledges the contributions made by individuals and organisations both within the District and outside that have helped make Central Hawke's Bay a vibrant and enjoyable place to live.

### Summer Reading and Nga Ara Tipuna



Eastern & Central have again generously supported the E.C. READ'N summer reading programmes in our libraries and those throughout the region as well as have generously supported the redevelopment of Nga Ara Tipuna.

## 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.
General Rate	A rate levied across all properties for activities that benefit the whole District.
Group of Activities	Several activities combined together (eg cultural 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 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.



## 7.2 THREE WATERS REFORM - UPDATE TO COUNCIL AND ENDORSEMENT OF FEEDBACK TO GOVERNMENT

**File Number:** COU1-1400

**Author:** Monique Davidson, Chief Executive

**Authoriser:** Monique Davidson, Chief Executive

**Attachments:**

1. Three Waters Reform Update to Council on Reform Proposal [↓](#)
2. Copies of Relevant Attachments [↓](#)
3. Draft Feedback Letter to Government [↓](#)

Please note that the substantive reports for this item can be found **attached**:

### RECOMMENDATION FOR CONSIDERATION

**That having considered all matters raised in the report:**

- a. That Council **notes** the Government's 30 June and 15 July 2021 Three Waters Reform announcements.
- b. That Council **notes** officers' advice on the accuracy of the information provided to Council in June and July 2021 as a result of the RFI and WICS modelling processes.
- c. That Council **notes** officers' analysis of the impacts of the Government's proposed three water service delivery model on the Central Hawke's Bay community and its wellbeing, including the impacts on the delivery of water services and water related outcomes, capability and capacity, on Central Hawke's Bay District Council's sustainability (including rating impact, debt impact, and efficiency) and **notes** that based on this analysis, an alternate model to the Government proposal is preferred with the preference being for the development of a Hawke's Bay Regional entity to deliver 3 waters services.
- d. That Council **notes** the analysis of three waters service delivery options available to Council at this time provided in this report.
- e. That Council **notes** that a decision to support the Government's preferred three waters service delivery option is not lawful (would be ultra vires) at present due to section 130 of the Local Government Act 2002 (LGA), which prohibits Council from divesting its ownership or interest in a water service except to another local government organisation, and what we currently know (and don't know) about the Government's preferred option.
- f. That Council **notes** that it cannot make a formal decision on a regional option for three waters service delivery without doing a Long Term Plan (LTP) amendment and ensuring it meets section 130 of the LGA.
- g. That Council **notes** that the Government intends to make further decisions about the three waters service delivery model after 30 September 2021.
- h. That Council **notes** that it would be desirable to gain an understanding of the community's views once Council has further information from the Government on the next steps in the reform process.
- i. That Council **requests** the CEO to seek guidance on and/or give feedback to the Government (via a formal letter) on:
  - the following areas of the Government's proposal that Council needs more information on:
    1. Commercial arrangements between Entity C and existing suppliers, stakeholders or partners
    2. The decision-making process for this reform programme and the current proposal/s

3. Service delivery and response challenges for the new entity and how it will meet customer needs
4. Financial implications of the proposals and modelling
5. Governance and ownership considerations
6. Pricing and charging mechanisms
7. Prioritisation of work (maintenance and capital works) under the new entity
8. Challenges and opportunities during any transition/change process
9. Support from Government for the proposed and preferred Hawke's Bay model

- the following changes to the Government's proposal/process:

1. The establishment of a Hawke's Bay Regional model for the delivery of 3 waters services
2. That Central Hawke's Bay is guaranteed representation in any proposed governance structure of a newly established entity
3. That the reform process be clarified, and that community are formally and meaningfully engaged to provide feedback

- j. That Council **notes** that the CEO will report back further once they have received further information and guidance from Government, LGNZ and Taituarā on what the next steps look like and how these should be managed.
- k. That Council **in noting the above, agrees** it has given consideration to sections 76, 77, 78, and 79 of the Local Government Act 2002 and in its judgment considers it has complied with the decision-making process that those sections require (including, but not limited to, having sufficient information and analysis that is proportionate to the decisions being made).



**THREE WATERS REFORM - MODEL REPORT**

**File Number:** COU1-1400  
**Author:** Monique Davidson, Chief Executive  
**Authoriser:** Monique Davidson, Chief Executive  
**Attachments:** Nil

**PURPOSE**

The purpose of this report is to update Council on the Government's 30 June 2021 and 15 July 2021 Three Waters Reform announcements, which change the reform process previously outlined in 2020, the specific data and modelling Council has received to date, the implications of the revised Three Waters Reform proposal for Council and alternative service delivery scenarios and next steps (including uncertainties).

**RECOMMENDATION FOR CONSIDERATION**

**That having considered all matters raised in the report:**

- a) That Council **notes** the Government's 30 June and 15 July 2021 Three Waters Reform announcements.
- b) That Council **notes** officers' advice on the accuracy of the information provided to Council in June and July 2021 as a result of the RFI and WICS modelling processes.
- c) That Council **notes** officers' analysis of the impacts of the Government's proposed three water service delivery model on the Central Hawke's Bay community and its wellbeing, including the impacts on the delivery of water services and water related outcomes, capability and capacity, on Central Hawke's Bay District Council's sustainability (including rating impact, debt impact, and efficiency) and **notes** that based on this analysis, an alternate model to the Government proposal is preferred with the preference being for the development of a Hawke's Bay Regional entity to deliver 3 waters services.
- d) That Council **notes** the analysis of three waters service delivery scenarios available to Council at this time provided in this report.
- e) That Council **notes** that a decision to support the Government's preferred three waters service delivery option is not lawful (would be ultra vires) at present due to section 130 of the Local Government Act 2002 (LGA), which prohibits Council from divesting its ownership or interest in a water service except to another local government organisation, and what we currently know (and don't know) about the Government's preferred option.
- f) That Council **notes** that it cannot make a formal decision on a regional delivery model for three waters service delivery without doing a Long Term Plan (LTP) amendment and ensuring it meets section 130 of the LGA.
- g) That Council **notes** that the Government intends to make further decisions about the three waters service delivery model after 30 September 2021.
- h) That Council **notes** that it would be desirable to gain an understanding of the community's views once Council has further information from the Government on the next steps in the reform process.

## Council Meeting Agenda

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- i) That Council **requests** the CEO to seek guidance on and/or give feedback to the Government (via a formal letter) on:
- the following areas of the Government's proposal that Council needs more information on:
    1. Commercial arrangements between Entity C and existing suppliers, stakeholders or partners
    2. The decision-making process for this reform programme and the current proposal/s
    3. Service delivery and response challenges for the new entity and how it will meet customer needs
    4. Financial implications of the proposals and modelling
    5. Governance and ownership considerations
    6. Pricing and charging mechanisms
    7. Prioritisation of work (maintenance and capital works) under the new entity
    8. Challenges and opportunities during any transition/change process
    9. Support from Government for the proposed and preferred Hawke's Bay model
  - the following changes to the Government's proposal/process:
    1. The establishment of a Hawke's Bay Regional model for the delivery of 3 waters services
    2. That Central Hawke's Bay is guaranteed representation in any proposed governance structure of a newly established entity
    3. That the reform process be clarified, and that community are formally and meaningfully engaged to provide feedback
- j) That Council **notes** that the CEO will report back further once they have received further information and guidance from Government, LGNZ and Taituarā on what the next steps look like and how these should be managed.
- k) That Council **in noting the above, agrees** it has given consideration to sections 76, 77, 78, and 79 of the Local Government Act 2002 and in its judgment considers it has complied with the decision-making process that those sections require (including, but not limited to, having sufficient information and analysis that is proportionate to the decisions being made).

**EXECUTIVE SUMMARY**

Over the past four years central and local government have been considering the issues and opportunities facing the system for regulating and managing the three waters (drinking water, wastewater, and stormwater) – Three Waters Reform. The background is provided in Attachment 1 including information on Taumata Arowai (which became a new Crown entity in March 2021 and will become the dedicated water services regulator later this year).

The Government has concluded that the [case for change](#)<sup>1</sup> to the three waters service delivery system has been made (please see Attachment 2 for further information) and during June and July 2021 it released information and made announcements on:

<sup>1</sup> [Transforming the system for delivering three waters services \(dia.govt.nz\); https://www.dia.govt.nz/diawebsite.nsf/Files/Three-waters-reform-programme/\\$file/transforming-the-system-for-delivering-three-waters-services-the-case-for-change-and-summary-of-proposals-30-june-2021.pdf](https://www.dia.govt.nz/diawebsite.nsf/Files/Three-waters-reform-programme/$file/transforming-the-system-for-delivering-three-waters-services-the-case-for-change-and-summary-of-proposals-30-june-2021.pdf)

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- the direction and form of Three Waters Reform, including proposed new Water Service Entities (four and their indicative boundaries), their governance arrangements and public ownership
- individual Council data produced by the Water Industry Commission for Scotland (WICS) based on the information supplied by Council under the RFI process
- a package of investment (\$2.5b) for councils to invest in the future for local government, urban development, and the wellbeing of communities, ensuring no council is worse off as a result of the reforms, and funding support for transition
- an eight-week process for councils to understand the implications of the reform announcements, ask questions and propose solutions, and for Government to work with councils and mana whenua on key aspects of the reform (including governance, integrated planning and community voice).
- Central Hawke's Bay District has been placed in Entity C and our better-off funding allocation is \$11m, and in addition our no worse off package is \$1m (to cover stranded overheads).

While the Government and LGNZ consider that the national case for change has been made, each Council will ultimately need to make a decision based on its local context if the process to join one of the four proposed entities remains voluntary (which the Government has not confirmed).

This report provides Council with the staff analysis of information provided to date, and assesses the Government's proposal and currently available service delivery scenarios.

This paper does not evaluate 'options' for consideration or decision making, instead it provides an overview of the possible/likely service delivery 'scenarios' and provides Council with information on each possible scenario so as to ensure Council are fully informed for future decision making.

In preparing this report, officers have used the Local Government New Zealand, Taituarā, and Te Tari Taiwhenua Internal Affairs guidance<sup>2</sup> to assist Council to understand the information that has been provided to date and enable Council to prepare for future decisions and consultation and engagement with communities.

Key risks considered are documented in the report.

The following bulleted points summarise the analysis completed by Officers and can be used to further inform Councillors to make any possible future decision/s:

- The modelling of projected expenditure, future costs and possible savings through the Government's proposed reform package looks broadly (directionally) correct
- Given the peer reviews of the modelling and underlying assumptions (which always carry a degree of uncertainty), and the further review and analysis completed by staff and consulted support, no further analysis is proposed and staff have therefor focussed on the reasonably practicable scenarios and their implications for Council and the community.
- Scenario A – Government-proposed reform to a four-entity structure: The greater financial capability, efficiency, affordability and technical delivery benefits (as published by Government) of delivering three waters to the community by the proposed new Water Services Entities are likely to be of significant value if they can be realised. Our analysis suggests there should be reduced risk to council (non-compliance with standards and processes, lower costs for delivery, procurement). Council also would not be responsible if a non-council supplier couldn't meet standards. There are significant risks that need to be mitigated including;

<sup>2</sup> <https://www.lgnz.co.nz/assets/Three-Waters-Guidance-for-councils-over-the-next-eight-weeks-FINAL.pdf>

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- the negotiation of potentially complex governance structures to retain local/community voice and influence
- integration with spatial growth and local planning
- transparent prioritisation of community needs and work
- households' ability to pay, and
- Council's financial sustainability.

Many of the above risks are outside of Council's control and are noted in the transition section of the report.

- Scenario B - Continued delivery of three water services by Council: The potential benefits of this scenario include greater Council control and more certainty over local infrastructure integration (planning and delivery) with land use plans and council objectives. Council however faces significant risks over the medium term, including potentially high costs, in meeting the new water standards, environmental requirements and achieving compliance. The ability of non-Council water supplies to meet standards and requirements also poses a medium risk to Council and the community. Council is in a good position relative to some to fully understand the level of current and future asset/infrastructure and compliance risk by pursuing this scenario of retained control and delivery. Through Council's recent 2021 LTP work and associated planning, Council is largely aware of the current and future risks of delivery, compliance and finance. The causes of most of these risks are not within Council's control. This makes mitigation difficult, and many potential mitigation scenarios (such as greater investment, larger costs than currently planned, lower levels of service, compliance risk) may not be palatable to Council or the community.
- Scenario C - Delivery of three waters services by Council at a higher level of service and investment: This is a realistic but difficult to assess scenario within the eight-week timeframe. The issues and opportunities associated with this scenario are broadly the same as for Council delivering three waters at the service levels forecast in the LTP 2021-31. There is likely better integration with Council outcomes, objectives and plans, but even if Council can predict the investment required to meet the new water standards, environmental requirements and compliance requirements in the short term, the costs of service provision and levels of service may change significantly over the next 30 years, causing affordability issues for connected households, lower levels of service and compliance risks for Council.
- Scenario D - Regional aggregation of three waters services in a Council Controlled Organisation (asset owning): While councils would still need to be satisfied that the changing regulatory environment was adequately provided for, including ensuring there was sufficient funding to meet legal and regulatory obligations due to scale, this scenario (better) addresses the risk that the size of investment required to meet new standards and community expectations is greater than forecast by individual councils. Hawke's Bay is well positioned to understand and evaluate this scenario due to the large amount of collaborative work completed in 2018/19/20 on reform scenarios for and within Hawke's Bay. This scenario is considered to be of potentially significant benefit to Hawke's Bay water users and ratepayers while addressing some of the risks and concerns identified with the government reform programme at a national scale. Further;
  - It mitigates a large part of the risks identified with Option A

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- it enables an organisation to focus on the group's three water challenges and prioritise investment decisions across the region, which should lead to better environmental and community outcomes
- it provides for greater strategic, management and operational capacity and capability, workforce development and planning
- it enables efficiencies (in planning, programming, procurement and delivery)
- these efficiencies should as a result reduce household costs and increase affordability.
- There are however integration risks with spatial, growth and local planning and uncertainties around the future costs to households.

Under all scenarios except the Government proposal, Council will continue to bear the risk of meeting the new water standards, environmental requirements and achieving compliance. There are also implications and challenges for non-Council supplies to meet water quality requirements, with the risk that these supplies might default to Council in the future.

Other Government reforms (Resource Management Act, Future of Local Government) pose opportunities and challenges for each scenario.

Managing transition risks to any new model are likely to pose an equal or greater challenge for Council (and others in its grouping) than the risks associated with the Government proposal. If the Government's proposal were to proceed, effective management of the transition by Council, Government and partners will be critical.

The law currently prohibits Councils deciding to opt-in to the current proposal (given section 130 of the Local Government Act 2002 and what we know about this scenario at present). Current decision-making requirements, including the need to take account of community views and the strategic nature of the assets involved, would also preclude Council deciding to opt-in at this time without consultation.

Similar requirements apply if the council wishes to consider alternative arrangements that involve asset transfers, divestment, change in ownership and/or the setting up of a Council Controlled Organisation (CCO) to deliver water services in the future.

There are a number of issues, concerns and uncertainties for the Government and councils to work through before a robust Council decision (and decision-making process) can be produced, including whether legislative change will enable or require the Water Services Entity or CCO approach to be adopted. Therefore, there is no expectation that councils will have had to make a decision to opt-in (or out) or commence community engagement or consultation over the eight-week period.

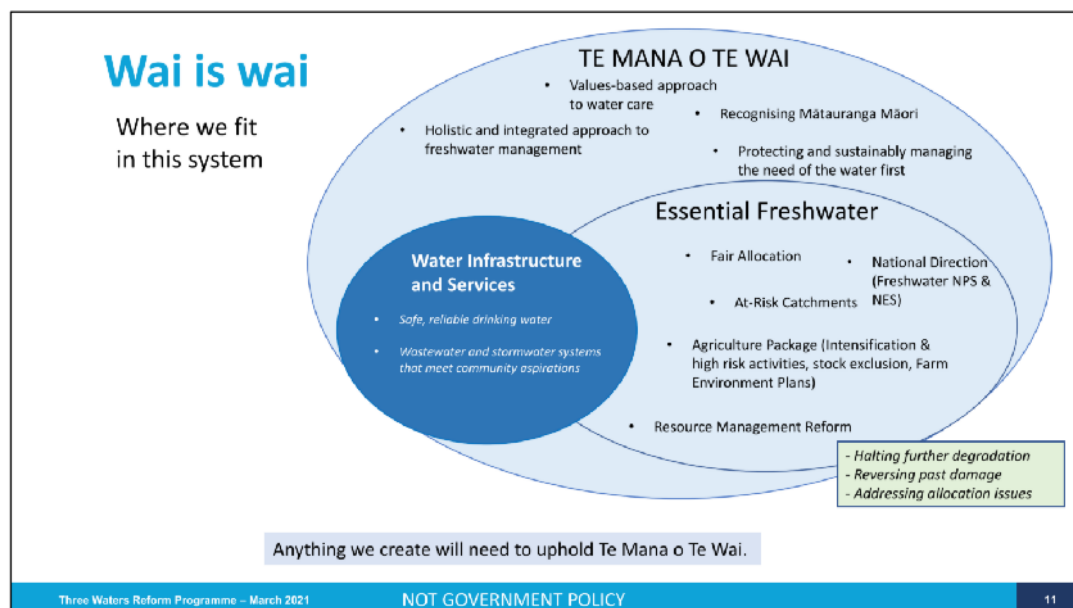
Councils have been specifically asked to provide solutions to three outstanding issues during the past eight weeks:

- ensuring all communities have both a voice in the system and influence over local decisions
- effective representation on the new water service entities' oversight boards, including preventing future privatisation
- ensuring integration between growth planning and water services planning.

Staff therefore request Elected Members consider the issues that arise from the Government's proposal and any potential solutions so these can be raised with Government and LGNZ before the end of September 2021.

Government decisions on entity boundaries, governance and transition and implementation arrangements will occur after the eight week-process ends (30 September 2021) however there is no certainty on how this will occur.

On the assumption that the reform goes ahead, it is anticipated that councils will continue to deliver water services until at least early 2024 and council involvement in transition will be required throughout.

**BACKGROUND****Central Hawke's Bay Context.**

Central Hawke's Bay District Council (Council) provide reticulated drinking water to the communities of Waipukurau, Waipawa, Otane, Kairakau, Takapau, Porangahau and Te Paerahi. Council provide reticulated wastewater services to the same communities with the exception of Kairakau and Council provide stormwater services to all these communities. This provision of services known collectively as the three waters, forms a significant part of what Council does, who Council is and how it supports/impacts its community. The provision of these services make up a significant part of Council's balance sheet with both high costs to serve and a high proportion of total rated income. The activity also represents Council's single greatest risk activity with both drinking water and wastewater risk being ranked number 1 and 2 on Council's formally adopted and managed risk framework.

Council is in a strong position relative to many with a solid base of understanding in the current state of three waters infrastructure and the investment needed to upgrade and maintain those assets and services to meet current and future demand including compliance standards now and as far as can reasonably be forecast. Council has built this understanding in many instances 'the hard way' through years of underinvestment and underperformance of network assets and services. Council's most recent 2021 LTP provides a clear programme of required investment in the assets to deliver continued service to communities however this investment programme is 'scaled back' from what Council's underlying asset planning and modelling suggest could/should be spent if there were not the level of financial constraints in place that do exist.

Council is also in a position of strength in having formed close and effective working relationships with neighbouring councils in the Hawke's Bay Region and these relationships have been leveraged specifically to investigate potential improvement opportunities for managing three waters assets and services across Hawke's Bay.

**The Three Waters Reform Programme.**

Following the serious campylobacter outbreak in 2016 and the Government's Inquiry into Havelock North Drinking Water, central and local government have been considering the issues and opportunities facing the system for regulating and managing the three waters (drinking water, wastewater, and stormwater).



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The focus has been on how to ensure safe drinking water, improve the environmental performance and transparency of wastewater and stormwater networks and deal with funding and affordability challenges, particularly for communities with small rating bases or high-growth areas that have reached their prudential borrowing limits.

The Government's stated direction of travel has been for publicly-owned multi-regional models (with a preference for local authority ownership). The Department of Internal Affairs (DIA), in partnership with the Three Waters Steering Committee (which includes elected members and staff from local government) commissioned specialist economic, financial, regulatory and technical expertise to support the Three Waters Reform Programme and inform policy advice to ministers.

The initial stage (Tranche 1 - MOU, Funding Agreement, Delivery Plan and RFI process) was an opt in, non-binding approach. It did not require councils to commit to future phases of the reform programme, to transfer their assets and/or liabilities, or establish new water entities. The 2020 indicative reform programme and then anticipated next steps can be found in Attachment 1.

Council completed the RFI process over Christmas and New Year 2020/21 and the Government has used this information, evidence, and modelling to make preliminary decisions on the next stages of reform and has concluded that the case for change has been made (Attachment 2).

In June 2021 a suite of information was released by Government that covered estimated potential investment requirements for New Zealand, scope for efficiency gains from transformation of the three waters service and the potential economic (efficiency) impacts of various aggregation scenarios.<sup>3</sup>

In summary the modelling indicated:

- a likely range for future investment in three waters infrastructure at a national level in the order of \$120 billion to \$185 billion,
- an average household cost (for three waters only) for most councils on a standalone basis to be between \$1,910 and \$8,690 by 2051.

It also estimated these average household costs could be reduced to between \$800 and \$1,640 per household and efficiencies in the range of 45% over 15-30 years if the reform process went ahead.

An additional 5,800 to 9,300 jobs and an increase in GDP of between \$14b to \$23b in Net Present Value(NPV) terms over 30 years were also forecast.

As a result of this modelling, the Government has proposed to:

- establish four statutory, publicly-owned water services entities that own and operate three waters infrastructure on behalf of local authorities
- establish independent, competency-based boards to govern these entities
- set a clear national policy direction for the three waters sector, including integration with any new spatial / resource management planning processes
- establish an economic regulation regime
- develop an industry transformation strategy.

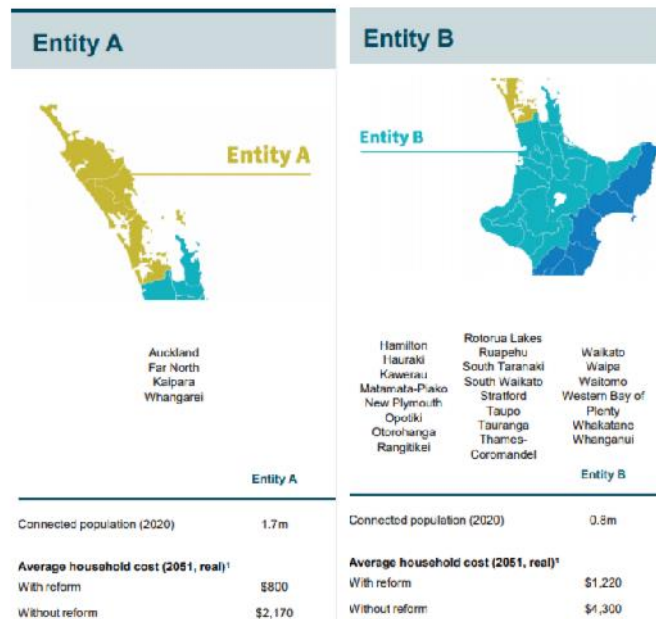
The newly established entities are designed to remain fully and purposefully in public ownership in perpetuity and protection mechanisms have been built through the entity design approach and through legislation to ensure this. The proposed safeguards against privatisation can be found on page 26 of the DIA's [summary of the case for change](#)

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<sup>3</sup> This information, including peer reviews and the Minister's briefing can be accessed at: <https://www.dia.govt.nz/Three-Waters-Reform-Programme> and [release-of-second-stage-evidence-base-released-june-2021](#).

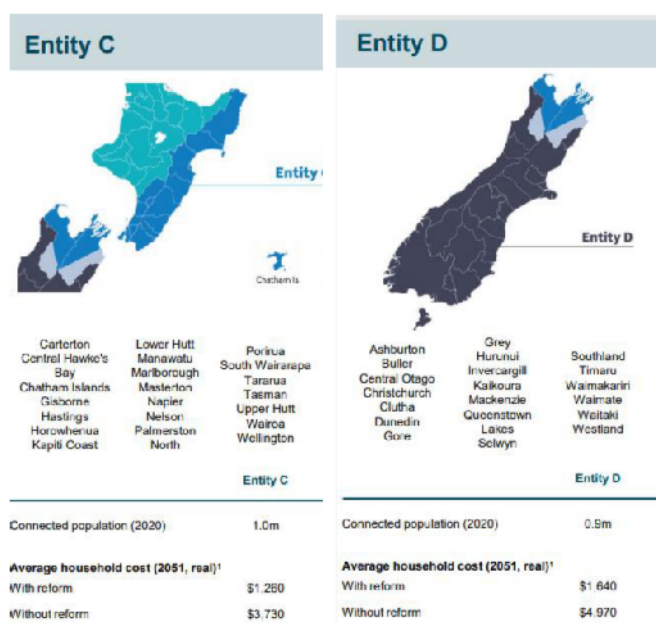
Both DIA and LGNZ have produced two-page national overviews, available on the [DIA website](#)<sup>4</sup> and [LGNZ websites](#)<sup>5</sup> respectively. Attachment 2 contains more detail on the national context and Attachment 3 provides the DIA/LGNZ overviews.

We have been placed in Water Services Entity C which includes a geographic area covering the southern half of East Cape, down the east coast of the North Island, across into Manawatu, through Wellington and the Wairarapa and Nelson and Marlborough. The area would serve roughly 955,000 connected water users although the precise boundaries are still up for discussion.



<sup>4</sup> [2872-DIA-A3-A New Water with-without reform Map 20210526 v2.7](#)

<sup>5</sup> [Three-Waters-101-Infographic.pdf \(lgnz.co.nz\)](#)



### Funding for Councils.

On 15 July, in partnership with LGNZ under a [Heads of Agreement<sup>6</sup>](#), the Government announced a package of \$2.5 billion to support councils to transition to the new water services entities and to invest in community wellbeing. This funding is made up of a 'better off' element (\$500 million will be available from 1 July 2022 with the investment funded \$1 billion from the Crown and \$1 billion from the new Water Services Entities) and 'no council worse off' element (available from July 2024 and funded by the Water Services Entities). The "better off" funding can be used to support the delivery of local wellbeing outcomes associated with climate change and resilience, housing and local placemaking, and there is an expectation that councils will engage with iwi/Māori in determining how to use their funding allocation.

Central Hawke's Bay under the proposal will receive a better off funding allocation of \$11m, and no worse off package of \$1m (to cover stranded overheads). The detail of the funding (including expectations around the use of reserves) and the full list of allocations can be found in Attachment 4. Conditions associated with the package of funding have yet to be worked through.

### The Reform Process Now

In addition to the funding announcements, the Government has committed to further discussions with local government and iwi/Māori on:

- the boundaries of the Water Service Entities
- how local authorities can continue to have influence on service outcomes and other issues of importance to their communities (eg chlorine-free water)
- ensuring there is appropriate integration between the needs, planning and priorities of local authorities and those of the Water Service Entities
- how to strengthen the accountability of the Water Service Entities to the communities that they serve, for example through a water ombudsman.

<sup>6</sup> [https://www.dia.govt.nz/diawebsite.nsf/Files/Three-waters-reform-programme/\\$file/heads-of-agreement-partnering-commitment-to-support-three-waters-service-delivery-reform.pdf](https://www.dia.govt.nz/diawebsite.nsf/Files/Three-waters-reform-programme/$file/heads-of-agreement-partnering-commitment-to-support-three-waters-service-delivery-reform.pdf)

As a result, the original timetable for implementing the reform (outlined in Attachment 1) and for councils to consult on a decision to opt-in (or not), no longer applies. Further advice on the difficulties and risks of making a decision to opt-in or not is included in the scenario analysis section of this report.

Next steps are expected to be announced after 30 September 2021, which would include the timeframes and responsibilities for any community or public consultation.

It is also important to note that the Government has not ruled out legislating for an “all-in” approach to reform to realise the national interest benefits of the reform.

In the interim the DIA continues to engage with council staff on transition matters on a no regrets should the reform proceed. These discussions do not pre-empt any decisions about whether to progress the reforms or whether any individual council will transition.

On the assumption that the reform goes ahead, it is anticipated that councils will continue to deliver water services until at least early 2024 and council involvement in transition will be required throughout.

### Council specific information and analysis

While the Government and LGNZ consider that the national case for change has been made, each council who chooses to engage in the process in any form must make its own assessment of the pros, cons and risks of reform based on its own unique local context.

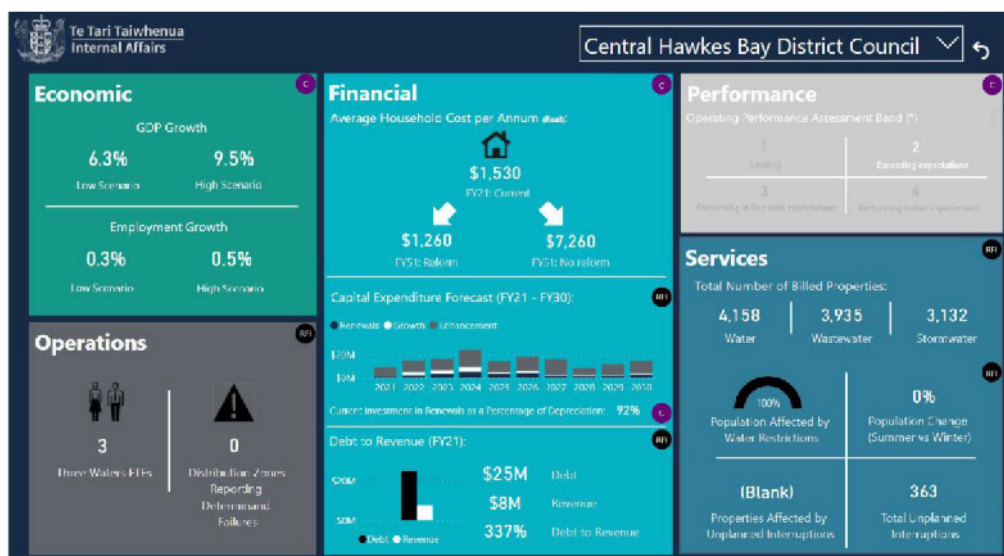
Councils do not have a national interest test for their decision making. Councils are required to act in the interests of their communities and the community’s wellbeing (now and into the future), provide opportunities for Māori to contribute to their decision-making processes, ensure prudent stewardship and the efficient and effective use of its resources in the interests of the district or region (including planning effectively for the future management of its assets) and take a sustainable development approach<sup>7</sup>.

Council currently delivers three waters through a mix of inhouse and contracted-out resources. These teams have built an understanding of Council’s asset base, service delivery challenges and opportunities and its community needs and expectations over an extended period of time. In many cases this understanding is tacit, but it is also leveraged highly through formal asset management practices.

The Government case for change is largely premised on the outcomes of economic modelling completed by DIA and WICS. This modelling considered the current and future investment needs of Councils to deliver services and compared these to expected costs under a reformed model. The outputs of this modelling/analysis are presented neatly in publicly available dashboards that can be found on the DIA [website](#). Our dashboard looks like this:

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<sup>7</sup> See for example sections 5 and 14 of the LGA.



The key aspects from the completed modelling/analysis and shown in the dashboard that Council should note are detailed below.

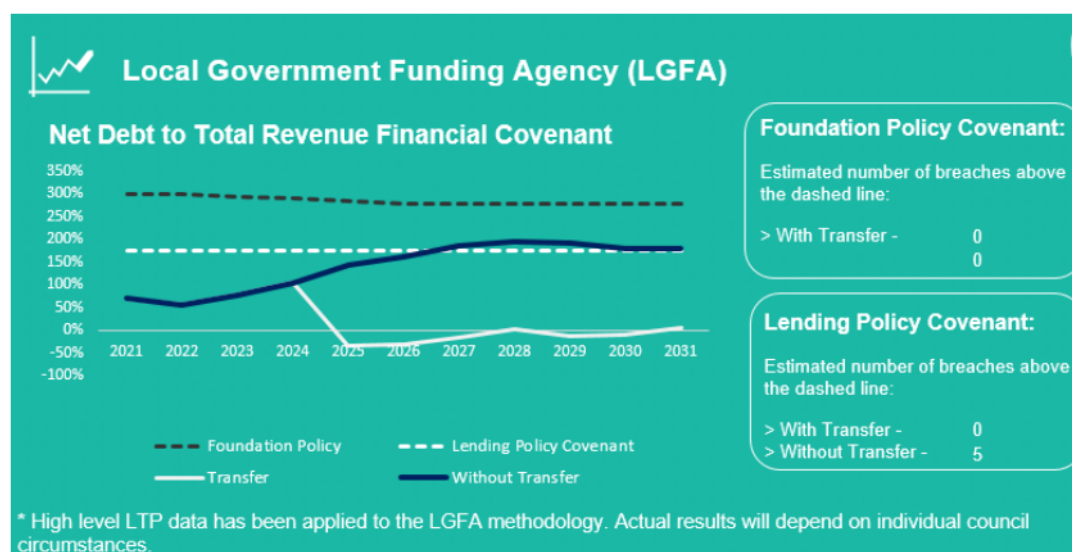
#### Average cost of per household

	Government Modelling / Analysis	Council's own figures / projections
Current cost for 3 waters per household in CHB	\$1,530	\$1,868
Future costs for 3 waters per household in CHB (without reform)	\$6,521 (at 2031) \$7,260 (at 2051)	\$5,227 (at 2031 inflated or \$3,564 uninflated)
Future costs for 3 waters per household in CHB (with reform)	\$1,260 (at 2051)	Not calculated

#### Debt

The chart below shows the Government completed interpretation of Council's LTP external debt profile (navy blue line) showing that without the 3 Waters reform Council will be breaching its Treasury Policy in 2026, but if Central Government was to repay Council's 3 Waters Debt (both external and internal borrowings) the cash injection would allow Council to more than repay 100% of its external debt leaving it initially with only a small amount of internal debt (as indicated by the white line), hence why external debt appears to go slightly negative in the chart.





In the chart above the dotted white line is 175% of debt to revenue – this is the maximum the LGFA will lend to a non-credit rated Council. This above Council's current treasury policy limit of 150%.

The black dotted line is the maximum the LGFA will lend to credit rated Councils. You'll note that this line slopes slightly downward as the emergency Covid-19 provisions are eased back to Business as Usual settings.

This graph is consistent with Council's own debt profiling undertaken as part of the LTP (Council's LTP debt graph is shown in the next section).

What it does demonstrate is that if Council continues to operate 3 Waters in its own right, and if it delivers the capital programme contained in the LTP (which is less than WICS is suggesting Council needs to undertake) it will exceed both Council's current Treasury Policy and LGFA's debt ceiling for an unrated Council meaning in 2025 Council will have to make some hard decisions around how to remain solvent.

### Capital Expenditure Forecast

The government modelling forecasts needed investment of \$331m over the 2021-2031 (including inflation, or \$1,731m over 2021-2051). Our own information demonstrates that there is significant investment required over the next 10 years of our Long Term Plan (\$153m inflated) and out across 30 years in our infrastructure strategy, underpinned by assumptions that regulatory standards will tighten and that there will be more monitoring and enforcement in the future.

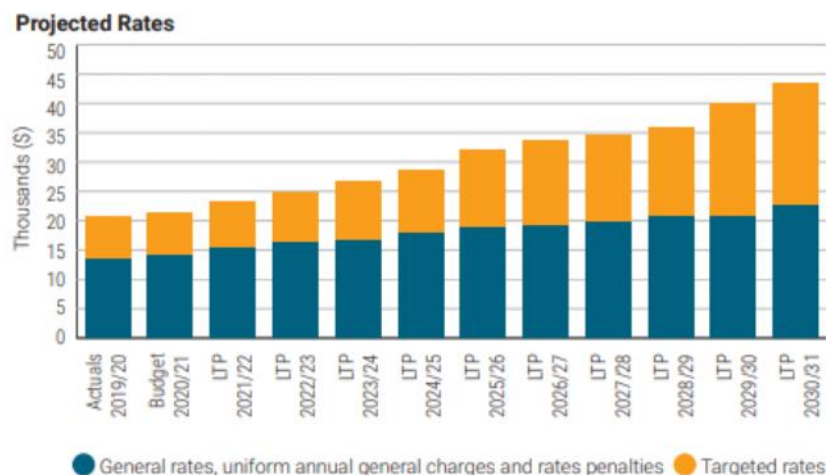
While our own projections of future investment show a significant increase based on previous investment, and this is in line with the government's projections/modelling, it is worth noting there remains a difference in total forecasted investment value. This is due largely to the fundamentally different approach used to calculate the investment projections. The government approach used economic models to determine future investment needs based on aggregate data about asset valuations, connections and growth projections. This is commonly referred to as a 'top-down' approach. Our own projections are built 'bottom-up' based on known asset condition and constraints against existing and predicted demand. Our projections are an aggregation of projects and investment profiles contained in our 2021 LTP. The major projects of our LTP are set out below:



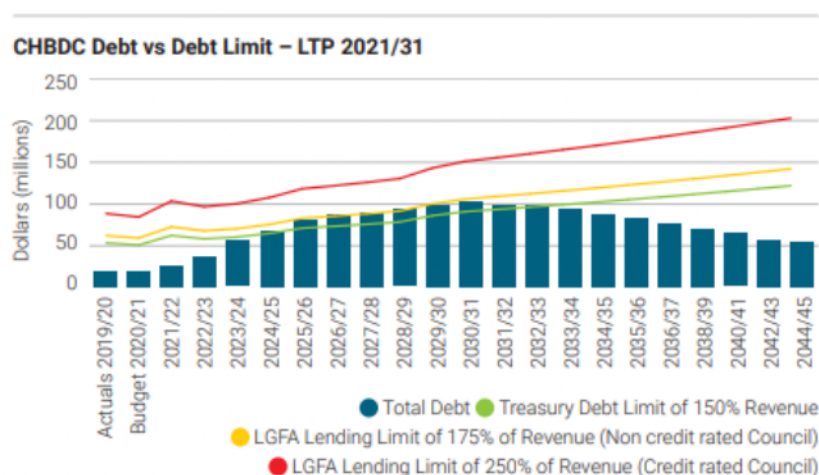
Major Project	Value
Wastewater – Waipukurau, Waipawa, Otāne Treatment upgrade	\$46.8m
Wastewater – Te Paerahi, Pōrangahau Treatment upgrade	\$18.9m
Wastewater – District I&I Project	\$3.4m
Drinking Water – Reticulation Renewals	\$7.5m
Drinking Water – Waipukurau Second Supply	\$7.4m
Drinking Water – Fire Fighting Improvements Waipawa, Waipukurau	\$9.4m

While the two approaches are fundamentally different, and the government modelled/forecast investment numbers are different than Council's, they are 'directionally similar'.

Even with Council's own forecast lower, but still significant, capital expenditure programme contained in the LTP, Council will be hitting debt caps and significant rate increases for properties connected to the 3 waters network. The table below shows the significant rates increases required within the LTP. The major increases are in Council's Targeted Rates which is nearly 100% driven by 3 Waters.



The Table below shows how the additional debt (largely being driven by the 3 Waters program) is causing debt cap breaches of Council's adopted Treasury Policy.



Underlying data quality and confidence is key when building 'bottom-up' models. Our asset condition, performance (and confidence) levels for water, wastewater and stormwater assets are all considered 'medium'. Council has invested significantly in the past 18 months in improving its asset management planning discipline and a focus of this has been leveraging data. There are known limitations within Council's asset data sets (this is common across many Councils), and Council's newly designed asset management planning approach caters for this known data limitation by building in appropriate risk factors.

### Private Drinking Water Supplies

Council has a known number of private water supply schemes in the district and there are also likely many that Council is not aware of. While this reform proposal focusses on Council supplies, changing drinking water legislation and compliance standards will place an additional burden on these private supplies in the near future and there is potential for Council to have to work with and potentially take over the supplies if they are unable to meet quality standards and regulatory requirements. Under the reform proposal this would not ever become Council's responsibility or risk to carry.

## DISCUSSION

### Analysis Summary

Against the above information, in general the Dashboard and underlying information for the next 10 years looks broadly (directionally) accurate when compared with Council's own information and LTP 2021-31.

While prepared at the national level, the government modelling has been peer reviewed by [Farrierswier](#) and [Beca](#) to ensure that both the modelling and underlying assumptions are reasonable in the New Zealand context. Morrison Low have also completed specific and targeted reviews of the government modelling compared with the alternate Hawke's Bay model and found directional consistency in most cases without noted significant cause for concern with the direction or approach of the reform programme based on the numbers. It therefore provides a reasonable indication of the "order of magnitude"<sup>8</sup> of the gains that can be delivered through the new system and the level of future investment Council is likely to need to make over the next 30 years.

<sup>8</sup> Page iv, 2021, Farrierswier, Three Waters Reform, Review of methodology and assumptions underpinning economic analysis of aggregation available at [https://www.dia.govt.nz/diawebsite.nsf/Files/Three-waters-reform-programme/\\$file/farrierswier-three-waters-reform-programme-review-of-wics-methodology-and-assumptions-underpinning-economic-analysis-of-aggregation-released-june-2021.pdf](https://www.dia.govt.nz/diawebsite.nsf/Files/Three-waters-reform-programme/$file/farrierswier-three-waters-reform-programme-review-of-wics-methodology-and-assumptions-underpinning-economic-analysis-of-aggregation-released-june-2021.pdf)

At this stage it is not possible to fully test the projections as the standards for Aotearoa/New Zealand out to 2051 are not known, although it is reasonable to assume that there will be greater community and mana whenua expectations around environmental performance and quality, tougher standards to meet for water quality (drinking and receiving environment) and that monitoring, compliance and enforcement will be greater than it is now. This affects both operational and capital expenditure (costs will go up), including the number of staff (or contractors) that Council will need to ensure Council outcomes for water and community and legal requirements are met.

There is always a level of uncertainty and therefore risk around assumptions and forecasts, whether prepared by us for our LTPs or by others such as Government to facilitate policy decisions, such as the current Three Waters Reform process.

Officers consider that it would not be a good use of Council's limited resources to spend time and money on a further detailed review of the assumptions and modelling.

The analysis described only briefly above, along with knowledge of Council's own existing plans, as well as further specific work to understand the opportunities for a Hawke's Bay model have enabled officers to present the scenarios considered below.

To assess whether the proposed 'better off' and 'no worse off' funding to Council is sufficient, Council needs further information on the conditions that will be associated with that funding. For the purposes of the following scenarios analysis and commentary, it is assumed that the funding would provide Council with an opportunity to address a range of issues and opportunities to improve community wellbeing in partnership with mana whenua and the communities Council serves.

### **Scenarios Available to Council for Three Waters Service Delivery**

This section provides an overview of the scenarios available to Council and is followed by an analysis of the Council's reasonably practicable scenarios. In line with section 77 of the LGA, the following section presents other 'reasonably practicable' scenarios for Three Waters Service delivery in order to assess the advantages and disadvantages of each scenario. Note though that Council is not being asked at this point in time to decide on an alternative scenario to the government proposal.

Further detail and analysis on the scenarios is provided in further sections.

#### **Scenario A - Government proposed reform to a four-entity structure:**

Under this scenario, we are in entity C, a publicly owned water services entity that owns and operates three waters infrastructure on behalf of councils, mana whenua and communities.

The ownership and governance model is a bespoke model, with councils listed in legislation as owners, without shareholdings or financial interests, but an advocacy role on behalf of their communities. Iwi/Māori rights and interests are also recognised and representatives of local government and mana whenua will sit on the Regional Representative Group, issue a Statement of Strategic and Performance Expectations and receive a Statement of Intent from the Water Services Entity. Entities must also consult on their strategic direction, investment plans and prices / charges.

The law currently prohibits Council deciding to opt-in to the current proposal (given section 130 of the LGA, which prevents councils from divesting their ownership or interest in a water service except to another local government organisation such as a Council Controlled Organisation) and what we know about this scenario at present.

#### **Scenario B - Continued delivery of three water services by Council**

The potential benefits of this scenario include greater Council control and more certainty over local infrastructure integration (planning and delivery) with land use plans and council objectives. Council however faces significant risks over the medium term, including potentially high costs, in meeting the new water standards, environmental requirements and achieving compliance. The ability of non-Council water supplies to meet standards and requirements also poses a medium risk to Council and the community.

Council is in a good position relative to some to fully understand the level of current and future asset/infrastructure and compliance risk by pursuing this scenario of retained control and delivery.

Through Council's recent 2021 LTP work and associated planning, Council is largely aware of the current and future risks of delivery, compliance and finance. The causes of most of these risks are not within Council's control. This makes mitigation difficult, and many potential mitigation scenarios (such as greater investment, larger costs than currently planned, lower levels of service, compliance risk) may not be palatable to Council or the community.

### **Scenario C - Delivery of three waters services by Council at a higher level of service and investment**

This is a realistic but difficult to assess scenario within the eight-week timeframe. The issues and opportunities associated with this scenario are broadly the same as for Council delivering three waters at the service levels forecast in the LTP 2021-31. There is likely better integration with Council outcomes, objectives and plans, but even if Council can predict the investment required to meet the new water standards, environmental requirements and compliance requirements in the short term, the costs of service provision and levels of service may change significantly over the next 30 years, causing affordability issues for households, lower levels of service and compliance risks for Council.

### **Scenario D – Regional aggregation of three waters services in a Council Controlled Organisation [asset owning]**

Council, as part of a regional working group working collaboratively since 2018 has formally and comprehensively investigated and assessed the opportunity to create an aggregated entity to deliver three waters services for Hawke's Bay via an asset owning CCO. Although both a management CCO and an asset owning CCO have benefits, the detailed analysis in the [Hawkes Bay report](#) demonstrates that a regional asset owning CCO is a more effective service delivery model than the management CCO and best met the investment objectives and principles set by the participants in that review. This scenario has therefore been developed assuming that assets are owned by a CCO.

There are existing examples of CCOs, [WaterCare](#) (water and wastewater services) and [Wellington Water](#) (who don't own but do manage all three waters on behalf of their owners) and studies such as the Hawkes Bay study that have been considered in developing and analysing this scenario.

Please note that both the Auckland Council and the owners of Wellington Water are affected by the Government's proposal and are assessing their scenarios, e.g. for Wellington Water to become an asset owning company.

### **Scenario Analysis**

The analysis in the following section will provide some of the required information to enable Council to make future decisions and will inform feedback/questions to government.

Staff have used the Local Government New Zealand, Taituarā, and Te Tari Taiwhenua Internal Affairs [guidance](#)<sup>9</sup> and our own analysis to understand the potential impact of reform and other practicable scenarios (both today and in the future) in terms of service, finance and funding, economic development and growth, workforce, delivery and capability and social, cultural and environmental wellbeing.

The overview of the analysis, comparing each considered scenario against listed criteria is provided in the table below. The table (where possible) uses a 3-tier scale of high, medium and low to summarise the ability of the scenario to achieve the listed criteria. The table also uses colour to make it clear to interpret outcomes of the analysis. In some cases, 'high' is coloured green as the scenarios

<sup>9</sup> <https://www.lgnz.co.nz/assets/Three-Waters-Guidance-for-councils-over-the-next-eight-weeks-FINAL.pdf>

has been assessed as having a high likelihood of achieving a targeted benefit/criteria. In other cases, 'low' is coloured green as the scenario is assessed as having a low likelihood of resulting risk (therefore a benefit).

Scenario	Water objectives and service levels met	Financial capacity and funding	Legal / compliance risk (assuming higher stds in future)	Workforce Capability and Capacity	Achievement of Wellbeings and integration with Council wellbeing outcomes	Key Threats (Risk)	Key Opportunities (not already considered in other criteria)
<b>A - Govt proposal</b>	<b>Med</b> Increased ability to meet technical standards but questions remain about delivering local outcomes	<b>High</b> Significant signalled financial savings through aggregation	<b>Low</b> Signalled increased ability to meet new and existing standards and levels of service	<b>High</b> Increased capacity by leveraged scale and procurement/contracting models	<b>Med</b> Questions remain about ability of entity to integrate with Council and community	<b>High</b> High risk of loss of Council/community voice and influence and reduced outcomes for community.	Identified meaningful role for Maori in governance structure and proposed significant resources required for entity set up promoting employment opportunities locally
<b>B - Council delivery</b>	<b>Med</b> Council has adopted an LTP that will meet the objectives of today	<b>Med</b> Council has adopted an LTP that is at the limits of affordability	<b>Low</b> Council has signalled risk of current and future compliance standards breaches	<b>Med</b> Continued pressure to attract and retain necessary skillsets	<b>High</b> Council's current plans are integrated and aligned with community wellbeings	<b>Med</b> Ability to meet future standards and affordability constraints	



## Council Meeting Agenda

23 September 2021

<b>C – Enhanced Council delivery</b>	<b>Med</b> An enhanced work programme will increase Council's ability to meet objectives	<b>Low</b> Severe fiscal constraints and affordability challenges by further increasing investment programme	<b>Med</b> Additional investment will future-proof Council's assets and organisation from increasing standards and regulatory pressure	<b>Low</b> Increased work programme will place further pressures on workforce capacity and capability	<b>High</b> Enhanced plans would build upon those that already exist	<b>High</b> Significant future affordability constraints make the reality of this scenario likely not possible	
<b>D – Hawke's bay CCO (Asset own)</b>	<b>High</b> Standardising service levels across Hawke's Bay to ensure equity and access while retaining local voice	<b>High</b> Significant signalled financial savings through aggregation	<b>Low</b> Increased scale and skillsets will position HB entity to address new compliance challenges	<b>High</b> Optimisation of resources regionally and workforce/programme planning opportunities	<b>High</b> Entity would be able to build regionally optimal plans	<b>Med</b> Significant Practical implications of setting up CCO model, legislative change required and government support needed	Reduced costs, improved service and retained local voice. Meaningful structures built specific to and for Hawke's Bay including community and iwi / Maori

## Risk

Risks (opportunities and threats) considered for the various scenarios include:

- Financial sustainability
- Underestimating the investment Required
- Compliance failure
- Cost of Works
- Workforce, skills, Technical Capability
- Economies of Scale
- Council Plan Implementation and Integration
- Council Risk (and capacity for it)
- Household Ability to Pay
- Long Term Outcomes and wider wellbeing outcomes
- Gaps in Service Delivery and Funding Responsibilities
- Increased Incident Response Time
- (Reduction in the) Local Contractor Capacity
- Partnerships (ineffective)
- Compliance Monitoring
- Industry support
- Impact on business
- Value of Council Services
- Community perception; Loss of interest in Council – effect on candidacy
- Regional investment (lack of additional in the district due to current asset condition)
- More efficient water use
- Reduced ability to Promote Sustainable Resource Use
- Failure to Recognise Cultural Knowledge in Design
- Business Priorities Differ to Council Goals
- Loss of Community Engagement
- Lack of service integration
- Lack of Understanding of Growth Constraints
- Unclear responsibility for environmental impacts
- Gaps in infrastructure data
- Procurement outcomes
- Litigation
- Reduced levels of service / optional service level increases

### Scenario A - Government proposed reform to a four-entity structure

In summary, the greater financial capability, efficiency, affordability and community/water benefits (published by Government) of delivering three waters to the community are likely to be of significant value if they can be realised.

The key opportunities our own analysis identifies include reducing the Council's current risk profile (when considered against the status quo) including compliance risk and the risk of not meeting standards. The proposed reform programme also presents opportunity for a meaningful role for iwi/Māori in decision making.

Our analysis suggests that the key risk theme for this scenario is the loss of community/local voice in decision making and subsequent reduced outcomes for local connected water users.

Further risks that need to be mitigated include integration with spatial, growth and local planning and transparent prioritisation, households' ability to pay, and Council's financial sustainability.

Transition risks are dealt with in sections below and attachment 6.

### Scenario B - Continued delivery of three water services by Council

In summary, the potential benefits of this scenario include greater Council control and more certainty over local infrastructure integration (planning and delivery) with land use plans and council objectives.

However, Council faces risks over the short/medium term, including potentially high costs, in meeting the new water standards, environmental requirements and achieving compliance. In addition, contractor availability is limited, the construction pipeline is already substantial and inflationary pressures are growing, meaning costs are rising.

The ability of non-Council water supplies to meet standards and requirements also poses a risk to Council and the community.

These present affordability challenges for households in the future, exacerbating our current affordability challenges.

Council is also experiencing workforce challenges to meet the current requirements of three waters service delivery, Government reforms and an enlarged investment programme created by stimulus funding.

This scenario becomes less sustainable if those around us move to some form of aggregated model (which will adversely affect our ability to retain and attract workers, access technical, financial or construction support, and procure cost effective contracts to deliver services and capital works).

The causes of most of these risks are not within Council's control. This makes mitigation difficult, and many potential mitigation scenarios (such as greater investment, larger costs than currently planned, lower levels of service, compliance risk) may not be palatable to Council or the community.

Given the Government has rejected this as a sustainable solution for three waters service delivery there should not be an expectation that the Government would be willing to financially support councils to meet the new regulations beyond existing Tranche 1 stimulus funding.

There may also be broader implications for our relationship with Government, iwi/Māori and key stakeholders.

Given the analysis to date, Council continuing to deliver the three waters as a standalone entity is considered not likely to be sustainable in the medium to long term.

### **Scenario C - Delivery of three waters services by Council at a higher level of service and investment**

The issues and opportunities associated with this scenario are broadly the same as for Council delivering three waters at the service levels forecast in the LTP 2021-31.

There is likely better integration with Council outcomes, objectives and plans, but even if Council can predict the investment required to meet the new water standards, environmental requirements and compliance requirements in the short term, the costs of service provision and levels of service may change significantly over the next 30 years.

As in the case of the status quo:

- should one or more non-Council water supplies default to Council this would exacerbate Council's risk profile and financial position
- if Council's neighbours voluntarily joined a larger water services grouping or entity, we would likely experience negative impacts on our workforce capability and capacity, on our pipeline of construction and ability to deliver cost effectively and on our ability to get professional services, advice and support.

Again, there should not be an expectation that the Government would be willing to financially support councils to meet the new regulations beyond existing Tranche 1 stimulus funding.

For us this presents significant and likely insurmountable affordability challenges for households in the future as forecasted rate increases and debt increases under the current LTP are already near or above limits.

#### **Scenario D - Regional aggregation of three waters services in a Council Controlled Organisation (asset owning)**

Council is well-positioned to compare the scenario of a regional entity with other scenarios given the work completed by the collective Hawke's Bay Councils in 2018/19/20. This work that included comprehensive analysis found similar themes to those being identified by government such as that affordability and delivery challenges will grow without reform and that aggregation can support outcomes. An asset owning CCO model for the 4 Hawke's Bay councils was identified as the most beneficial outcome based on this work.

Under this scenario the entity and councils would still need to be satisfied that the changing regulatory environment was adequately provided for, including ensuring there was sufficient funding to meet legal and regulatory obligations.

However, due to scale, this scenario (better) addresses the risk that the size of investment required to meet new standards and community expectations is greater than forecast by individual councils;

- it enables an organisation to focus on the group's three water challenges and prioritise investment decisions across the region, which should lead to better environmental and community outcomes
- it provides for greater strategic, management and operational capacity and capability, workforce development and planning
- it enables efficiencies (in planning, programming, procurement and delivery) and should as a result reduce household costs and increase affordability.

As with the above scenarios, should one or more non-Council water supplies default to the CCO then this would need to be funded from the group or consumers.

There are some integration risks with spatial, growth and local planning and ensuring transparent prioritisation, the achievement of Council objectives and ensuring there is sufficient funding and that costs are affordable.

Council oversight and input considerations remain to be fully understood via the development of an agreed governance structure however the challenges identified with governance, local voice and community influence are considered less significant under this scenario than Scenario A.

Typically, a statement of intent would be prepared by the CCO (and it would be best practice for the councils to prepare a letter of expectation to guide this) and half-yearly and annual reports would be prepared. Councils would need to monitor the performance of the CCO. Consideration would need to be given to governance arrangements, including the involvement of iwi/Māori in both decision making and governance, and how council, community and mana whenua aspirations and needs will be met.

This scenario is still constrained in its ability to raise debt as the connection to council balance sheets remains under the available funding models. Changing this would require legislative change which would require the support of government.

There would also need to be agreement from all councils and each would need to undertake public consultation, which would take time and create uncertainty about the outcome.

If a new CCO is to be set up this will require council(s) to use the Special Consultative Procedure (section 83 of the LGA) and arrangements (and a policy) for the appointment of directors or trustees will need to be made (as the councils appoint the "board"), as well as transition arrangements (including workforce transition), prioritisation of investment and integration with planning at the regional and local level.

Councils would need to adequately resource the establishment or transition process (if they are changing to an asset owning arrangement).

The Government has stated that it is “not clear if sector-led reform under existing legislation would deliver the kind of transformation required to address the root causes of the challenges the sector is facing” so there should not be an expectation that the Government would be willing to financially support councils to transition to this model or change the law to enable different funding setting.

### Transition

Managing transition risks to the Government’s proposed model are likely to pose equal or greater challenge for Council and others in its grouping than the risks associated with the Government proposal. If the Government’s proposal were to proceed, effective management of the transition by Council, Government and partners will be critical.

Officers consider the following risks to be of significance during a transition phase to the government’s proposed structure:

- Staff/Contractor Retention
- Transfer of Contracted Services
- Maintaining Good Quality Assets
- Stranded Overheads
- Loss of Customer Experience
- Resistance to Change
- Speed of Change - an increase in mistakes
- Lack of Business Confidence
- Transition Team – would help but will require resourcing. Staff workloads
- Limited Transfer of Water Debt – reserve funds collected for water related services affecting Council’s financial position.
- Development / Financial Contribution Refunds - may affect Council’s charges linked to debt (including the possibility of refunds).
- Current System Unable to Cope
- Scope of Agency Service - continuing / picking up for e.g. stormwater and wastewater
- Different Local Approaches - to regional neighbours may reduce the economies of scale making regional water solutions more expensive.
- Unreasonable Economic Influence - from existing industry players
- Asset Valuation - returning a much different value than expected affecting Council’s financial position
- Deferred Decision Making - development projects to stall.
- Community Uncertainty - owners continue to call Council delays in resolving faults.
- Poor Transition Management - cause delays and confusion over responsibility exposing Council to liabilities and affecting continuity of service delivery.
- Existing Contract Liabilities - Council may be liable for compensation if contractors take legal action.

- Liability for Environmental Damage
  - Lack of clarity for monitoring environmental impacts may expose Council to liabilities
- Loss of Asset Management Systems & Data - unclear responsibilities - loss of data or failure of systems affecting continuity of service delivery.
- Impact on Bylaws -.



Noting the above risks, it is clear that transition away from the status quo to any other scenario, carries inherent risks.

A high-level overview of what we know of the transition process and risks is contained in Attachment 6

### **Council decision making and consultation**

Part 6 of the LGA, sections 76 to 90, provide the requirements for decision making and consultation, including the principles of consultation and information that needs to be provided including the reasons for the proposal and the reasonably practicable scenarios.

In particular, section 76 requires that in making a significant decision, which a decision on the future management and or ownership of three waters assets will be, councils must comply with the decision-making provisions. This is a 'higher bar' than the "promote compliance with" that applies for ordinary decisions.

Section 77 states that councils must seek to identify all reasonably practicable scenarios and then assess the advantages and disadvantages of each scenario.

Section 78 requires that in the course of making a decision a Council must consider community views but section 78(3) explicitly says that consideration of community views does not require consultation, which is reinforced by case law.

Section 79 gives Council discretion to decide how the above Part 6 requirements are met including the extent of analysis done etc. Therefore, while a decision could be challenged, a judicial review is unlikely to be successful unless the decision made by council was manifestly unreasonable, the process was flawed or the decision was beyond its powers (as given in law, ie the council did not act within the law).

However, despite section 79 of the LGA, a decision to transfer the ownership or control of a strategic asset from the council (or to it) must explicitly be provided for in the council's Long Term Plan (and have been consulted on specifically in its consultation document).

Council's existing LTP and the consultation information and process used to develop it will not suffice to meet this test, as Council did not itself have adequate information on the scenarios and the implications earlier this year when it consulted on the LTP. An LTP amendment and commensurate consultation process on the ownership and governance arrangements and asset transfers proposed would be necessary.

There are also provisions in the LGA that relate to unlawful decisions to sell or dispose of assets, which can be investigated by the Auditor-General.<sup>10</sup>

A decision to opt-out would also be affected by the consultation and decision-making requirements set out in this report, including the need to follow a robust process that could survive a judicial review, as well as make a final decision that was not manifestly unreasonable in the circumstances.

Given the Government's:

- 8 week period of engagement with mana whenua and councils,
- commitment to explore issues such as council and community influence of service outcomes, integration with other reform proposals, spatial and local planning,
- request for councils to give feedback on the proposal, identify issues and solutions, and
- uncertainty around next steps, including whether the reform may become mandatory or legislative change will remove legal barriers to opting in,

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<sup>10</sup> See sections 43 to 47 of the LGA.

it would be premature to make a decision to opt out of the reform process and may expose the Council to litigation risk.

A Government Bill to progress the reforms could address the issues raised above, for example removing the section 130 requirements has explicitly been raised.

At this stage no decision is required on future delivery arrangements. Based on the analysis in this report, Council should wait until it has further information before consulting on and/or making a decision on the Government's proposal.

It is recommended that the Council therefore notes the scenarios canvassed in this report, the high-level analysis of them and the information and decisions that are yet to be made.

If reform is not made mandatory, to ensure sufficient information is available to meet the moral and legal requirements of Council, decision-making staff will further develop the analysis of scenarios (based on further information from the Government, advice on next steps, and regional discussions) prior to Council decision-making and consultation on future water services delivery. Whether this is ultimately required will be dependent on where the Government gets to with the reform process and the decisions it makes after 30 September 2021.

### **Information that the Council requires or potential solutions to outstanding issues that it would like to convey to Government and LGNZ**

Whilst assessing the various scenarios for delivery, and noting again that no decision is required now, Council has collected and compiled its own feedback to provide to government now on the reform proposal/s. This feedback will be presented in a letter to government prior to the end of September 2021 and is summarised as follows.

- **Commercial** – following any reform, getting the dollars and cents right is really important for our ratepayers, especially some of our businesses
- **Decision-making for Reform** – we need to know more about the decision-making process from here. How will our community get to have their say?
- **Delivery and Response** – there is a heap of detail to work through for how services are delivered to our residents. This needs to be really well considered and planned for with the people who know it best.
- **Finance** – there is some financial complexity to work through if the reform goes ahead like what happens to debt and shared assets or sites etc.
- **Governance / Ownership** – we are really keen to make sure Central Hawke's Bay's voice is not lost or quietened at any future table following any sort of reform
- **Pricing** – a big part of the case for change is affordability issues. We want to know more about the numbers and calculations that have been done and we want to know more about future pricing and charging mechanisms
- **Prioritisation** – we want to know that the right work gets done on our infrastructure in Central Hawke's Bay under any proposed delivery model
- **Transition and Delivery** – during a possible handover or change process there are lots of things we need to think more about like existing contracts and plans etc.
- **Viable Alternatives** – we've done a lot of work to determine that the development of a Hawke's Bay asset-owning CCO is preferable to Council at this stage compared with the government reform proposals.

### **Conclusion/s**

While there is uncertainty about the future steps in the Government's reform proposal, and current legislative impediments to it, Council has the opportunity now to understand the information it has received (and will continue to receive) from the RFI and modelling processes, to understand its potential scenarios, including the financial, workforce and sustainability impacts for Council and the wider economic, social and cultural implications of each scenario, using the guidance that has been issued. It also provides an opportunity to engage in discussions with other councils in its entity

grouping, share information and ask questions and propose solutions to issues it sees to Government and LGNZ.

All of this information will be useful to inform future decision making by both Council and Government and consultation and engagement with mana whenua and communities.

## **Decision making compliance statements**

### **Significance**

The future of water services delivery is a significant issue. This report however does not commit to the council to a decision relating to that reform. Instead it provides initial analysis of the reform proposals for Council's information and highlights the uncertainties around information and next steps. As such the significance of this report is considered low with the report being of 'some significance'.

## **RISK ASSESSMENT AND MITIGATION**

### **Risks / Legal and Financial implications**

Significant risks, legal responsibility and financial implications have been identified in analysing the reform proposals and completing an analysis of scenarios for this report. However, there is no decision required, other than to note those issues and to request further information from Government if Council wishes to, to reduce the risks and implications to Council and its communities.

### **Te Tiriti/Treaty of Waitangi and involvement of Māori in decision making considerations**

The issues covered in this paper are important for Māori. The Crown is currently leading the engagement with iwi/Māori, mana whenua. Council has not specifically led out engagement with iwi Māori on this topic but has extended offers to present information where possible.

### **Climate Change / environmental impact**

Climate considerations (both mitigation and adaptation), resilience and environmental impacts are drivers of the reform process. While there are no specific impacts arising from this report the decisions that occur post September 2021 will have an impact on climate and environmental issues. Some of these impacts have been canvassed in this report as appropriate to the scenarios analysis that can be done with currently available information.

### **Engagement and Consultation**

Council is not required to consult at this time as no decision is being asked for or being made. Further advice regarding any future consultation requirements will be provided after September 2021. In the interim Council continues to share information with its communities via targeted media releases and information campaigns as well as the regular updating of Councils dedicated Three Waters Reform web-page.

**NEXT STEPS**

Following adoption of the recommendations set out below and at the beginning of this report, Officers will act under the guidance and direction of Elected Members with a priority being to confirm and deliver feedback to government prior to the end of September.

**RECOMMENDATION**

**That having considered all matters raised in the report:**

**RECOMMENDATION FOR CONSIDERATION**

**That having considered all matters raised in the report:**

**RECOMMENDATION FOR CONSIDERATION**

**That having considered all matters raised in the report:**

**RECOMMENDATION FOR CONSIDERATION**

**That having considered all matters raised in the report:**

- a) That Council **notes** the Government's 30 June and 15 July 2021 Three Waters Reform announcements.
- b) That Council **notes** officers' advice on the accuracy of the information provided to Council in June and July 2021 as a result of the RFI and WICS modelling processes.
- c) That Council **notes** officers' analysis of the impacts of the Government's proposed three water service delivery model on the Central Hawke's Bay community and its wellbeing, including the impacts on the delivery of water services and water related outcomes, capability and capacity, on Central Hawke's Bay District Council's sustainability (including rating impact, debt impact, and efficiency) and **notes** that based on this analysis, an alternate model to the Government proposal is preferred with the preference being for the development of a Hawke's Bay Regional entity to deliver 3 waters services.
- d) That Council **notes** the analysis of three waters service delivery scenarios available to Council at this time provided in this report.
- e) That Council **notes** that a decision to support the Government's preferred three waters service delivery option is not lawful (would be ultra vires) at present due to section 130 of the Local Government Act 2002 (LGA), which prohibits Council from divesting its ownership or interest in a water service except to another local government organisation, and what we currently know (and don't know) about the Government's preferred option.
- f) That Council **notes** that it cannot make a formal decision on a regional delivery model for three waters service delivery without doing a Long Term Plan (LTP) amendment and ensuring it meets section 130 of the LGA.
- g) That Council **notes** that the Government intends to make further decisions about the three waters service delivery model after 30 September 2021.

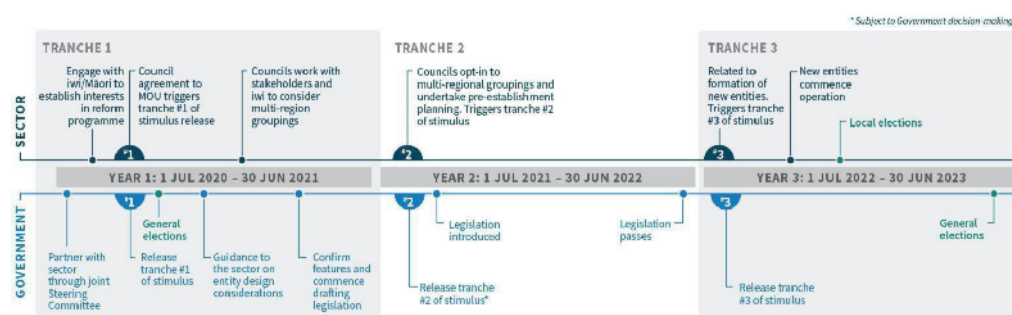
- h) That Council **notes** that it would be desirable to gain an understanding of the community's views once Council has further information from the Government on the next steps in the reform process.
- i) That Council **requests** the CEO to seek guidance on and/or give feedback to the Government (via a formal letter) on:
- the following areas of the Government's proposal that Council needs more information on:
    1. Commercial arrangements between Entity C and existing suppliers, stakeholders or partners
    2. The decision-making process for this reform programme and the current proposal/s
    3. Service delivery and response challenges for the new entity and how it will meet customer needs
    4. Financial implications of the proposals and modelling
    5. Governance and ownership considerations
    6. Pricing and charging mechanisms
    7. Prioritisation of work (maintenance and capital works) under the new entity
    8. Challenges and opportunities during any transition/change process
    9. Support from Government for the proposed and preferred Hawke's Bay model
  - the following changes to the Government's proposal/process:
    1. The establishment of a Hawke's Bay Regional model for the delivery of 3 waters services
    2. That Central Hawke's Bay is guaranteed representation in any proposed governance structure of a newly established entity
    3. That the reform process be clarified, and that community are formally and meaningfully engaged to provide feedback
- j) That Council **notes** that the CEO will report back further once they have received further information and guidance from Government, LGNZ and Taituarā on what the next steps look like and how these should be managed.
- k) That Council **in noting the above, agrees** it has given consideration to sections 76, 77, 78, and 79 of the Local Government Act 2002 and in its judgment considers it has complied with the decision-making process that those sections require (including, but not limited to, having sufficient information and analysis that is proportionate to the decisions being made).

## Attachment 1 – 2020 Background (including Taumata Arowai information and Indicative Reform Programme)

In July 2020, the Government launched the Three Waters Reform Programme to reform local government three waters service delivery arrangements, with the following objectives:

- improve the safety, quality, and environmental performance of water services
- ensure all New Zealanders have access to affordable three waters services
- move the supply of three waters services to a more financially sustainable footing, and address the affordability and capability challenges that currently exist in the sector
- improve transparency about, and accountability for, the delivery and costs of three waters services
- improve the coordination of resources and unlock opportunities to consider New Zealand's water infrastructure needs at a larger scale and alongside wider infrastructure and development needs
- increase the resilience of three waters service provision to both short and long-term risks and events, particularly climate change and natural hazards
- provide mechanisms for enabling iwi/Māori rights and interests.

The 2020 indicative timetable for the full reform programme is provided below. It was always subject to change as the reforms progressed, future Government budget decisions and Councils were advised that any further tranches of funding would be at the discretion of the Government and may depend on progress against reform objectives.



Also in July 2020 the Government announced an initial funding package of \$761 million to provide a post COVID-19 stimulus to maintain and improve water three waters infrastructure, support a three-year programme of reform of local government water service delivery arrangements (reform programme), and support the establishment of Taumata Arowai, the new Waters Services Regulator.



Following initial reports (that used publicly available council information) from the Water Industry Commission for Scotland (WICS), between October 2020 and February 2021, (all) 67 councils participated in the Government's Request for Information (RfI) on council's three waters assets, including future investment requirements. In return they received what was known as Tranche 1 stimulus funding (under a MoU and funding agreements with Government) for operating or capital expenditure that supported the reform objectives, economic recovery through job creation and maintaining, increasing and/or accelerating investment in core water infrastructure delivery, renewals and maintenance.

In line with Government policy, Taumata Arowai became a new Crown entity in March 2021 and will become the dedicated water services regulator when the Water Services Bill passes, expected to be in the second half of 2021 (the Select Committee is due to report back on 11 August 2021). They will oversee and administer, and enforce a new, expanded and strengthened drinking-water regulatory system, to ensure all New Zealand communities have access to safe drinking water. They will also provide oversight of the regulation, management, and environmental performance of wastewater and storm-water networks, including promoting public understanding of that performance.

An overview of local authority obligations under the Bill is provided below. The Bill provides for a range of compliance and enforcement tools including compliance orders, enforceable undertakings, infringement offences, and criminal proceedings, which can be taken against council officers (but not elected officials).

Taumata Arowai will have the authority to prepare standards and rules that water suppliers (such as councils) must comply with. Their [initial working drafts](#) are available online<sup>13</sup> and are currently being updated. Consultation will occur later this year. Guidance to support the operational compliance rules is also being developed and will be available when the rules are consulted on.

It is anticipated that monitoring, compliance and enforcement of standards will increase substantially on the status quo with the passing of the Water Services Bill and as Taumata Arowai begins to operate. It is also likely that the drinking water standards and their coverage (including non-Council water suppliers) and environmental standards will become more rigorous over time. This creates risks for council in meeting future standards and mana whenua and community aspirations (such as greater investment required than currently planned, risk of enforcement action).

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<sup>13</sup> [www.taumataarowai.govt.nz/for-water-suppliers/](http://www.taumataarowai.govt.nz/for-water-suppliers/)

### Water Services Bill obligations of local authorities

Table 2 from [https://www.dia.govt.nz/diawebsite.nsf/Files/Three-waters-reform-programme/\\$file/transforming-the-system-for-delivering-three-waters-services-the-case-for-change-and-summary-of-proposals-30-june-2021.pdf](https://www.dia.govt.nz/diawebsite.nsf/Files/Three-waters-reform-programme/$file/transforming-the-system-for-delivering-three-waters-services-the-case-for-change-and-summary-of-proposals-30-june-2021.pdf)

Local authorities as suppliers of water services	General obligations of local authorities
<ul style="list-style-type: none"> <li>• Duty to provide safe drinking water and meet drinking water standards, and clear obligations to act when water is not safe or fails to meet standards</li> <li>• Key provisions include: <ul style="list-style-type: none"> <li>○ Suppliers need to register with Taumata Arowai</li> <li>○ Local authority suppliers will need a drinking water safety plan and a source water risk management plan</li> <li>○ Water suppliers must give effect to Te Mana o te Wai</li> </ul> </li> <li>• Taumata Arowai will have significant compliance and enforcement powers, including powers to direct suppliers and enter into enforceable undertakings with suppliers</li> <li>• Officers, employees and agents of suppliers will have a duty to exercise professional due diligence</li> <li>• Complying with these new requirements is expected to require significant capital and operating expenditure by local authorities (including paying levies to Taumata Arowai for operation of the regulatory system)</li> </ul>	<ul style="list-style-type: none"> <li>• Local authorities will have a duty to ensure communities have access to drinking water if existing suppliers face significant problems in complying with drinking water standards including: <ul style="list-style-type: none"> <li>○ Requirements to work with suppliers and consumers to identify solutions</li> <li>○ Intervention responsibilities if a supplier is unable to meet standards, including potentially taking over management and operations of private or community supplies</li> </ul> </li> <li>• In rural communities, this could represent a significant risk (contingent liability) for local authorities</li> <li>• Local authorities will be required to make assessments of drinking water, wastewater and sanitary services to ensure communities have access to safe drinking water</li> <li>• Local authorities will need to assess drinking water services available to communities at least once every three years, including private and community supplies (excluding domestic self-supplies)</li> </ul>

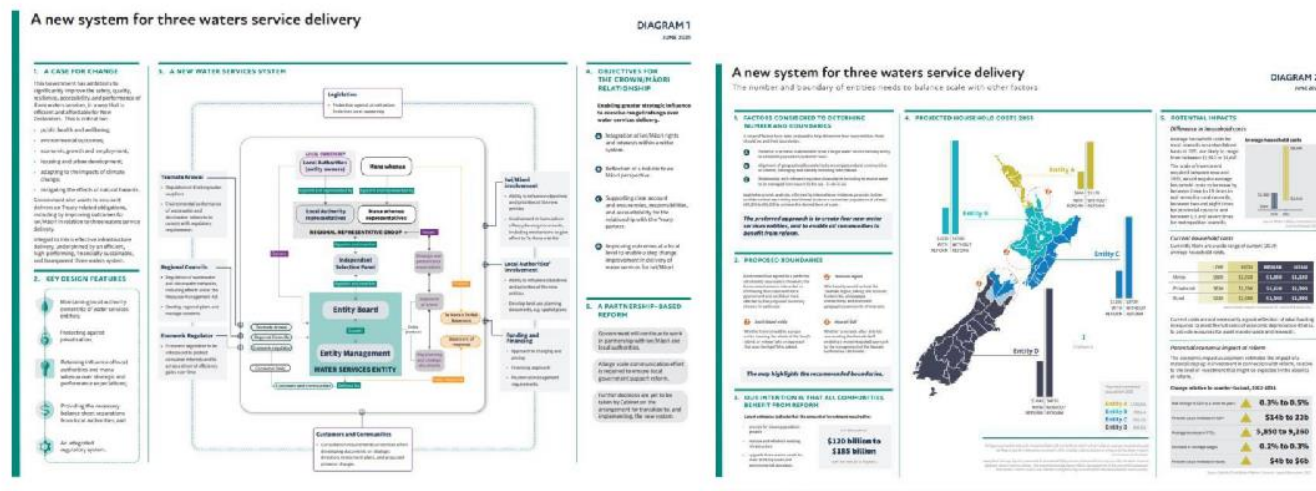
## Attachment 2 – the Government’s conclusion that the case for change has been made

1. The modelling has indicated a likely range for future investment requirements at a national level in the order of \$120 billion to \$185 billion, an average household cost for most councils on a standalone basis to be between \$1910 and \$8690 by 2051.
2. It also estimated these average household costs could be reduced to between \$800 and \$1640 per household and efficiencies in the range of 45% over 15-30 years if the reform process went ahead.
3. The efficiencies noted are underpinned by evidence across a range of countries based on joined up networks (the conclusion is that 600,000 to 800,000 connections achieve scale and efficiency), greater borrowing capability and improved access to markets, procurement efficiencies, smarter asset management and strategic planning for investment, a more predictable pipeline and strengthened benchmarked performance, governance and workforce capabilities.
4. The [briefing to the Minister](#) notes that this “investment is what WICS has estimated is necessary for New Zealand to meet current United Kingdom levels of compliance with EU standards over the next 30 years, which in its assessment (and confirmed by Beca) are broadly comparable with equivalent New Zealand standards.”
5. However, this is caveated as a conservative estimate that does not take into account iwi goals and aspirations, higher environmental standards or performance standards that are anticipated in future legislation, uncertainties in asset lives, seismic and resilience risk, supply chain issues, and the current workload to manage and deliver improvements as well as address renewal backlogs.
6. For councils with non-council drinking water suppliers in their areas there is additional risk if they are unable to consistently provide safe drinking water to their consumers, including the potential for council to have to take on the water supply. Council operating on expired consents or with consent renewals in the next 15 years also face uncertainty over the standards they will need to meet in the future and therefore the level of investment that needs to occur.
7. Councils could also add to the above list of uncertainties and challenges their business as usual workload, the workload associated with delivering on stimulus packages and associated with responding to other government reform initiatives such as reform of the Resource Management Act, and general workforce retention and attraction issues, which are exacerbated by public sector competition for talent and skills.
8. The modelling indicated that between one and four water services entities would provide the most efficiencies and reduce costs to individual households.
9. When this is added to
  - a. known variations across the nation in water suppliers’ compliance with drinking standards, including permanent and temporary boil water notices
  - b. evidence of poor health and environmental outcomes, including expired resource consents for wastewater treatment plants (and the need for 110 of these plants to go through the resource consenting process in the next 10 years)
  - c. stormwater overflows and other challenges
  - d. climate change

- e. Te Tiriti obligations and the need to uphold Te Mana o te Wai
  - f. the size and scale of current service delivery units and workforce issues
  - g. the obligations and responsibilities that councils (and other water suppliers) will face when the Water Services Bill and associated regulations are enacted
  - h. the Government has concluded that the status quo is not sustainable and that the [case for change](#) has been made.
10. The four entities and their proposed boundaries (which may yet change) and the proposed structure for the system are as follows:

### Attachment 3 – DIA two-page summary

For you to format/resize if you use it





## LGNZ two-page summary

For you to format/resize if you use it

### THREE WATERS 101.

The Government is proposing major reform of New Zealand's drinking water, wastewater and stormwater system. Here LGNZ synthesises the issues, the opportunities and what it means for local government.

**1. What's the problem?**

Councils currently own and operate three water services, which cover drinking water, wastewater and stormwater. These three services are needed to support the growth of our communities. The Government has introduced a new framework for these services, which will require all councils to deliver a new level of service from 2025.

The scale of investment needed to deliver this new level of service is large, and will only increase over time. Climate change will only increase the challenge.

- Significant investment needed in water infrastructure
- Councils can't carry future costs
- The current system lacks:
  - Financial regulation
  - Environmental outcomes
  - Performance of standards

**2. Government's proposed solution**

The Government has introduced a new framework for these services, which will require all councils to deliver a new level of service from 2025.

It proposes changing the whole system:

- A new water regulator called Te Kaitiaki
- A smaller number of large, specialist water service entities
- Water services are delivered on a significantly larger scale
- Water services providers meet standards or face significant penalties for non-compliance
- Entities have strong strategic links to councils and communities

**3. Impact on councils**

The Government proposes a significant change to the delivery of water services. For a start, councils would shift their focus from delivery to funding of water services. Responsibilities for local authorities to ensure safe drinking water for private and community supplies would transfer to new entities.

For most councils, providing water-related debt from their balance sheet would become their primary focus. Councils previously have been responsible for funding water-related infrastructure.

- Three waters kaitiakitanga focus
- Water-related debt removed from balance sheet
- Increased capacity to borrow to fund community services

We know there's not universal agreement on the case for change. But to meet councils' own RPI projections, spending across New Zealand as a whole would need to increase by 50 percent annually for the next 10 years. With strong regulatory enforcement, the picture would be very different for councils, creating difficult trade offs if large investments are required to meet water standards.

### LOCAL GOVERNMENT CAN HELP SHAPE THREE WATERS REFORM.

**What's important to the sector in this reform?**

- Everyone has access to safe drinking water and the same level of three waters service.
- Infrastructure and systems are resilient and well-funded.
- Three waters are delivered in partnership with iwi.
- Delivery is responsive to climate change.
- Catchments are managed from the mountain to the sea.
- Districts retain high-paying, skilled jobs.
- Any transition is well-managed and people are looked after.
- Local voices are heard and local priorities are responded to.

**What the sector needs from central government**

- Transparency about the process and what's on the table.
- A robust transition plan that makes sure the benefits of reform are delivered.
- Government to support councils so they can keep delivering. This means making sure councils are economically sustainable without water.
- A fair deal, including that councils are not financially worse off, and that communities are better off.
- To support and grow effective local democracy.
- That any new system reflects the relationship with mana whenua under Te Tiriti o Waitangi.

**Find out more**

We encourage you to stay informed and up to date on the reform as they evolve. We'll be with you every step of the way. Here's where you can start.

Read what the New Zealand Government has said in the Three Waters Review

Check out the info on our website: [www.lgnz.govt.nz](https://www.lgnz.govt.nz)

Get in touch if you have questions: [feedback@lgnz.govt.nz](mailto:feedback@lgnz.govt.nz)

**LGNZ is working for councils**

Our work on Three Waters is guided by the principle that we need to secure any opportunity to create the best possible outcome for local government.

We're using our influence to work with the Government on a model that better includes the perspective of our communities. Representatives from local government are helping to shape the work and guide the hard questions. We are also actively working with government on what a package might look like to support the transition to the new system.



## Attachment 4 - funding to invest in the future of local government and community wellbeing

1. On 15 July, in partnership with LGNZ under a [Heads of Agreement](#)<sup>14</sup>, the Government announced a package of \$2.5 billion to support councils to transition to the new water entities and to invest in community wellbeing.
2. The **'better off' element**: an investment of **\$2 billion** into the future for local government and community wellbeing.
  - The investment is funded \$1 billion from the Crown and \$1 billion from the new Water Services Entities. \$500 million will be available from 1 July 2022. The funding has been allocated to territorial authorities (which includes unitary authorities)<sup>15</sup> on the basis of a nationally formula that takes into account population, relative deprivation and land area.
  - The funding can be used to support the delivery of local wellbeing outcomes associated with climate change and resilience, housing and local placemaking, and there is an expectation that councils will engage with iwi/Māori in determining how to use their funding allocation.
3. The **'no council worse off' element**: an allocation of up to around \$500 million to ensure that no local authority is in a materially worse position financially to continue to provide services to its community as a direct result of the reform.
  - This element is intended to ensure the financial sustainability of councils and address reasonable costs and financial impacts associated with the transfer of assets, liabilities and revenues to new water services entities.
  - Up to \$250 million is available to meet the unavoidable costs of stranded overheads and the remainder for other adverse impacts on financial sustainability of territorial authorities (including future borrowing capacity).
  - Of this \$250 up to \$50 million is allocated to Auckland, Christchurch and Wellington Water councils, the remainder is available to other councils.<sup>16</sup> This funding is not available until July 2024 and is funded by the Water Services Entities.
4. Council's funding allocation is \$11,339,488 under the 'better off' package and \$1,000,000 under the 'no worse off' package.

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<sup>14</sup> [https://www.dia.govt.nz/diawebsite.nsf/Files/Three-waters-reform-programme/\\$file/heads-of-agreement-partnering-commitment-to-support-three-waters-service-delivery-reform.pdf](https://www.dia.govt.nz/diawebsite.nsf/Files/Three-waters-reform-programme/$file/heads-of-agreement-partnering-commitment-to-support-three-waters-service-delivery-reform.pdf)

<sup>15</sup> Please note that any allocation to Greater Wellington Regional Council (the only regional council affected by the proposed changes) is not clear at this stage.

<sup>16</sup> Due to their size and in the case of Wellington Water and Auckland's WaterCare having already transferred

water service responsibilities (to varying degrees)

5. The package is in addition to the \$296 million announced in Budget 2021 to assist with the costs of transitioning to the new three waters arrangements. The Government will “meet the reasonable costs associated with the transfer of assets, liabilities and revenue to new water services entities, including staff involvement in working with the establishment entities and transition unit, and provision for reasonable legal, accounting and audit costs.”<sup>17</sup>
6. The Government is also encouraging councils to use accumulated cash reserves associated with water infrastructure for this purpose. There are likely to be practical limitations on a council’s ability to do this set by councils’ own financial strategy and policies (including conditions on the use of the reserves ie targeted reserve funds must be used for the purpose they were collected for in the first instance e.g. if collected for capital works).
7. There are also political and / or community acceptance challenges with this approach - if the assets are transferred under a voluntary or mandatory process the reserve balances are expected to be used to invest those funds in the communities that paid for them, consistent with the conditions under which they were raised rather than pooling as a general fund. Councils and communities are unlikely to embrace using these funds instead to enable the transition.
8. The proposed national allocations are as follows:

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<sup>17</sup> 15 July 2021 FAQ [https://www.dia.govt.nz/diawebsite.nsf/Files/Three-waters-reform-programme/\\$file/three-waters-reform-programme-support-package-information-and-frequently-asked-questions.pdf](https://www.dia.govt.nz/diawebsite.nsf/Files/Three-waters-reform-programme/$file/three-waters-reform-programme-support-package-information-and-frequently-asked-questions.pdf)

Council	Allocation
Auckland	\$ 508,567,550
Ashburton	\$ 16,759,091
Buller	\$ 14,009,497
Carterton	\$ 6,797,415
Central Hawke's Bay	\$ 11,339,488
Central Otago	\$ 12,835,059
Chatham Islands	\$ 8,821,612
Christchurch	\$ 122,422,394
Clutha	\$ 13,091,148
Dunedin	\$ 46,171,585
Far North	\$ 35,175,304
Gisborne	\$ 28,829,538
Gore	\$ 9,153,141
Grey	\$ 11,939,228
Hamilton	\$ 58,605,366
Hastings	\$ 34,885,508
Hauraki	\$ 15,124,992
Horowhenua	\$ 19,945,132
Hurunui	\$ 10,682,254
Invercargill	\$ 23,112,322
Kaikoura	\$ 6,210,668
Kaipara	\$ 16,141,395
Kapiti Coast	\$ 21,051,824
Kawerau	\$ 17,270,505
Lower Hutt	\$ 38,718,543
Mackenzie	\$ 6,195,404
Manawatu	\$ 15,054,610
Marlborough	\$ 23,038,482
Masteron	\$ 15,528,465
Matamata-Piako	\$ 17,271,819
Napier	\$ 25,823,785
Nelson	\$ 20,715,034
New Plymouth	\$ 31,586,541
Opotiki	\$ 18,715,493
Otorohanga	\$ 10,647,671
Palmerston North	\$ 32,630,589
Porirua	\$ 25,048,405
Queenstown Lakes	\$ 16,125,708
Rangitikei	\$ 13,317,834
Rotorua Lakes	\$ 32,193,519
Ruapehu	\$ 16,463,190

Selwyn	\$ 22,353,728
South Taranaki	\$ 18,196,605
South Waikato	\$ 18,564,602
South Wairarapa	\$ 7,501,228
Southland	\$ 19,212,526
Stratford	\$ 10,269,524
Taranua	\$ 15,185,454
Tasman	\$ 22,542,967
Taupo	\$ 19,736,070
Tauranga	\$ 48,405,014
Thames-Coromandel	\$ 16,196,086
Timaru	\$ 19,899,379
Upper Hutt	\$ 18,054,621
Waikato	\$ 31,531,126
Waimakariri	\$ 22,178,799
Waimate	\$ 9,680,575
Waipa	\$ 20,975,278
Wairoa	\$ 18,624,910
Waitaki	\$ 14,837,062
Waitomo	\$ 14,181,798
Wellington	\$ 66,820,722
Western Bay of Plenty	\$ 21,377,135
Westland	\$ 11,150,183
Whakatane	\$ 22,657,555
Whanganui	\$ 23,921,616
Whangarei	\$ 37,928,327
<b>Total</b>	<b>\$ 2,000,000,000</b>

## Attachment 6 - Transition

1. Consideration is being given to establishing a national transition unit and local establishment entities mirroring the boundaries of the (proposed) Water Services Entities and supporting, through a reprioritisation of stimulus funding if required, council staff costs related to reform and transition, enabling staff to participate in transition priority working groups, gathering and sharing data.
2. Current considerations, in addition to funding for backfilling and / preparing for change, are:
  - support for three waters workers – including:
    - if a staff members role is primarily three waters related, an automatic transfer to the new Water Services Entity in a similar role on the same salary at the same location with the same conditions
    - advice, including Employee Assistance Programmes, legal and union representation
  - the need to increase staffing levels to implement the transition, continue business as usual and deliver current and increased infrastructure investment
  - staff and contractor retention in a time of uncertainty (and competition for resources)
  - the speed of change and the risk of mistakes and service interruptions
  - stranded overheads and the no worse off element of the funding package
  - asset transfers and valuations
  - existing contracts and contractors and any residual liabilities
  - development and financial contributions
3. What isn't clear (but will be worked through) is:
  - where the bulk of managerial and support staff (eg communications, financial, asset management) will be located, although the presumption is that they will be (at least notionally in post COVID flexible working world) located in the regional headquarters of the Water Services Entities
  - what the principles and any threshold would be for a staff member that does some three waters related work (say 50% of their time) and whether it would be their choice to move to the Water Services Entity and the implications for their employment situation
  - if all three water services are included and will transfer at the same time









**CENTRAL  
HAWKE'S BAY**  
DISTRICT COUNCIL

Ruataniwha Street,  
PO Box 127, Waipawa 4240  
New Zealand

Phone: 06 857 8060  
Fax: 06 857 7179

info@chbdc.govt.nz  
[www.chbdc.govt.nz](http://www.chbdc.govt.nz)

Dear Minister,

On 30 July 2021 Local Government New Zealand, Taituarā and Te Tari Taiwhenua Internal Affairs invited councils across New Zealand to provide feedback to the Government on the potential impacts of the proposed Three Waters Reforms by 1 October 2021.

Over the past eight weeks Central Hawke's Bay District Council (Council) has assessed the package of Three Waters Reforms proposed by the Government following decision made by Cabinet in July 2021. This assessment has included a detailed analysis of the information provided by the Government to support its package of reforms, as well as Council's own analysis of the impacts the reforms would have on Central Hawke's Bay, supplemented by independent analysis commissioned by Council and feedback received from our community in the limited time available.

Council understands that no formal decision is being sought at this point in time on whether Council supports Government's reform package or otherwise. In Council's view the Government must provide clarity to territorial authorities on if, when and how this decision will be sought. The reforms proposed by the Government are significant for how New Zealand's drinking water, stormwater and wastewater systems will be managed, and how this will impact connected ratepayers and communities. Our work over the past eight weeks has further evidenced that the proposed reforms are polarising and have triggered a range of emotions across our community. It is therefore Council's firmly held view that the Government must adequately consult the New Zealand public before the package of reforms is progressed through a select committee process.

Council also wishes to emphasise to the Government the significant challenges brought about by the pace and scale of the current Government's reform programme and the implications these reforms have on local government and provincial communities. In particular, the proposed Three Waters Reforms, Resource Management Act Reforms, and Future of Local Government will all have a bearing on the way territorial authorities conduct their core business and service their communities.

#### **Our context**

Central Hawke's Bay District Council is a small, largely rural Council servicing the communities of Tamatea Central Hawke's Bay. Like many Councils of our size, we face increasing challenges to serve the needs of our communities while balancing the constraints of affordability and resource limitations. This balance and pressure are exemplified in Council's delivery of three waters services as well as any other activity.

Council has a long history of challenges with three waters service delivery and have invested significantly in both people and plant to continue to deliver against the expectations of our communities and key stakeholders (incl. regulators). Council's most recent 2021 LTP builds upon work commenced in 2016 to 'face the facts' of aging, failing and underperforming three waters infrastructure in the district. Enhanced asset management planning built upon better understanding of asset condition, performance and community requirements has resulted in radically different investment programmes than those on Council's books only 3 years prior. These investment programmes take Council to the edge of financial and resourcing limits and will test community affordability.

Further to our own work to better understand our three waters assets and services, Council is proud to have actively participated in strong regional collaborative initiatives since 2018 to thoroughly and formally assess opportunities for improved three waters outcomes across Hawke's Bay. Council is grateful for Government's early support of this work and acknowledges the contributions and recognition made by Government of this work at the time.

It is this collaborative work within Hawke's Bay that has given Council confidence that a) there is a need for change, and b) significantly improved outcomes are possible through changed delivery models.

#### **Our feedback**

Council is firm in our determination that reform of the sector will be beneficial for users of reticulated three waters services so long as those reform programmes are delivered with and for communities. Council considers that the Government's reform proposal has not demonstrated sufficiently an ability to address the risks of large-scale aggregation of services and Council believes that due to this it is likely our communities may/will suffer from the reforms. Contrastingly, Council is confident based on the extensive and robust analysis work completed within Hawke's Bay, for Hawke's Bay, that the establishment of a Hawke's Bay asset-owning CCO to deliver three waters services would be beneficial. This option is therefore Council's preferred option for any reform.

While the establishment of a Hawke's Bay entity is Council's preferred option, Council is pleased to provide detailed feedback on the Government reform proposals as outlined below headed under 9 key theme/topic areas. We also append a list of more detailed questions that have been raised over the past 8 weeks that we request the Government to respond to.

#### **Theme 1: Decision-making for reform**

Insufficient information has been provided to date on the process post-1 October 2021, even though these reforms are likely to be transformational for how we manage our Three Waters assets and therefore transformational for the end user—the connected ratepayer. Council has a role to play to meaningfully advocate for our community, but community must also have their voices heard directly.

These proposed reforms are simply too important to our community to not allow our ratepayers to have their say. Council expects a decision-making process that clearly provides an avenue for communities to engage effectively. Council therefore requests clarity on the process going forward.

Council and community are for example still unclear on what decisions are yet to be made. Will there be an opportunity to opt-in/opt-out of these reforms or will the Government mandate these reforms?

Three Waters assets are currently owned by Council on behalf of our community. There are strongly held views in our community, and our ratepayers must therefore have a voice and be heard. While it

has been made clear that this eight-week period should be used by Councils to understand the impacts the proposed reforms would have on our community, it is critical that communities must be provided with an avenue to provide direct feedback on the proposed reforms. In Council's view, this should be done before the decisions made by Cabinet are progressed through a select committee process to examine the proposed Water Services Entities Bill, which, based on the July 2021 Cabinet, is scheduled to be introduced to the House of Representatives in 2021 (ie, before the end of this year).

#### **Theme 2: Governance / Ownership**

Council shares the concerns expressed by a number of other territorial authorities that the proposed governance and ownership structure for the new water services entities is convoluted and will mean that some councils will not have a seat at the decision-making table. While Council understands that on paper territorial authorities will retain ownership of the Three Waters assets, Council struggles to understand what benefit there is from ownership if there is not a direct ability to influence the make-up of the Board of the entities and the Statements of Strategic and Performance Expectations.

Additionally, in practice the limitation placed on membership on the Regional Representative Groups (no more than 12 members, and equal numbers of representatives from local authorities and mana whenua) means that many councils will not be represented at the governance table. This is particularly true for proposed Entity C which encompasses 22 territorial authorities.

It is fundamental that Central Hawke's Bay has a voice in any governance structure. Our connected ratepayers have invested in our Three Waters infrastructure for decades and are committed to further investment and improvements as presented in our Long Term Plan. Council is accountable to our ratepayers, therefore we believe we must have a strong voice at the table.

Council's request is that all territorial authorities (at Mayoral level) are part of the Representative Groups, and that these Groups establish the Entity Boards directly, bypassing the intermediary step of an Independent Selection Panel. While more work would need to be done to understand what this would mean for mana whenua representation, in Council's view this would enable all territorial authorities to have an equal voice and to retain some degree of accountability to their ratepayers as owners of the assets.

#### **Theme 3: Delivery and Response**

Council has spent significant resources over the past 3 years to develop a number of plans and strategies to ensure the resilience of our infrastructure and to ensure that we can continue to cater for the significant growth that our district is expected to experience. These include an Infrastructure Strategy, Asset Management Plans, an Integrated Spatial Plan and has culminated in our Long Term Plan 2021 – 2031 being adopted in June 2021 as our investment plan for the next ten years.

Council notes the direction of travel provided in the material presented to Cabinet in July 2021 on the role of territorial authorities in particular that:

- local government would continue to have primary accountability for urban and land use planning.
- The water services entities will be required to identify and make provision for infrastructure to support growth and development identified in relevant plans. This will enable them to service demand for new strategic capacity, including to meet the three waters needs of all new housing development, and commercial and industrial customers. When providing new infrastructure, the entities will need to work with urban and land use planning authorities,

and other infrastructure providers, to ensure that the delivery of infrastructure is sequenced and supports committed development, to minimise the likelihood of redundant assets.

- In parallel with the resource management reforms, it is expected that legislation will need to provide for statutory obligations on the water services entities to support an integrated planning approach. These obligations would ensure that urban planning authorities, the new water services entities, and other infrastructure providers, coordinate the planning and delivery of the right infrastructure, at the right time, in accordance with commitments in agreed urban growth strategies, and spatial and implementation plans (including those provided for under the new resource management system).

In line with this direction of travel, it is Council's request with the highest level of importance that any reform of Three Water Services must at the very least guarantee the delivery of the LTP 2021-2031 adopted by Council in June 2021, and other associated plans and strategies, such as for example Council's Infrastructure Strategy, Asset Management Plans and Integrated Spatial Plan. This is what our community expects to be delivered, and therefore these expectations must be met.

#### **Theme 4: Finance**

Council holds concern that financial complexity of the proposed reform packages has not been fully understood or communicated by Government. There is not sufficient understanding of the reasoning for using 2018 rather than 2021 LTP data in the Government modelling and there is not a full understanding of the impact of this.

The financial implications for Council during and following any reform process are also significant and need to be worked through more closely and explicitly with Councils. Council considers there to be significant treasury risk to the organisation following a reform programme.

Council requests an ongoing discussion with Government about opportunities to be supported financially through the reform programme and after the reform programme, including seeking commitment to the ongoing funding support for Councils to continue to engage with and support the new entities if/when they are stood up.

#### **Theme 5: Commercial considerations**

It is critical that clarity and certainty is provided to businesses as key customers of water networks through the reform process. Businesses need this more than individual households to enable them to make informed decisions about the future. It is vitally important for the prosperity and growth of our district, in particular in order to attract and retain business interests in our district.

This principle of equity in charges for commercial versus residential Three Waters services is essential, and we expect there to be a consistent pricing approach within an entity, and between entities, and for industry to pay for what it uses. However the information provided by Government to date offers little information on how equity will be achieved.

While Council understands, as stated in the July Cabinet papers, that equity is a key principle and that the new entities will need different charging instruments to effectively and equitably charge customers across the network, further advice on this matter will not be available before 1 October—which makes it impossible to assess the implications during this eight-week period.

**Theme 6: Prioritisation**

Closely linked to the theme of Governance and Ownership is the theme of prioritisation. As a Council with a small ratepayer base and small rural and coastal communities, Council wants guarantees that work is prioritised and carried out in a fair and transparent way across the entities. How can we give confidence for example to our small communities of Porangahau and Kairakau that they will receive the same level of service as cities such as Wellington, Palmerston North or Nelson?

As mentioned above, we expect at a minimum for entities to deliver on existing plans and strategies to meet existing and proposed levels of service for our communities.

**Theme 7: Pricing**

Council understands from the information provided by Government and modelled by WICS that connected households in Central Hawke's Bay (and across entity C) stand to pay \$1,260 on average in 2051 if these reforms are implemented. While Council has reservations about the modelling that has been undertaken, Council also requests a better understanding of a projected price path for connected households from Day One. For example, what can we expect the price to be in July 2024, in 2030, or in 2035?

Council also notes that:

- the new entities will be responsible for determining price for consumers
- there is an expectation from the Minister that the new entities will consult consumers and communities on these matters
- these obligations will be set up in legislation.

It is also clear from the material presented to Cabinet in July 2021 that the new entities will need different charging instruments to effectively and equitably charge customers across the network, however Council is concerned that further advice on this matter to Cabinet is scheduled to be prepared for Cabinet in September 2021, and therefore not in time for the eight-week period of feedback.

As high-level principles it is Council's view that base rates should be harmonised and that entities need to balance fair and equitable pricing (driven by economic regulation) with community specific needs. Council views water meters as a valuable tool to ensure some degree of equity on what consumers (commercial or residential) will be charged.

**Theme 8: Transition and delivery**

The material presented to Cabinet makes it clear that detailed work will be required to identify precisely which responsibilities, powers, functions, and assets would be transferred to, and/or held and exercised by the new entities. Council agrees that the process of unbundling water assets, liabilities and associated contracts and staff will be a technically and legally complex process.

Our networks are currently managed and serviced by a local workforce with local knowledge and experience. It is critical that local staff with expertise and experience continue to design, maintain and manage our networks. Council is therefore seeking assurances that local knowledge, local staff and local network management will be the starting point if these proposals are to be adopted.

**Theme 9: An alternate option – a Hawke's Bay Regional model**

Last year, with Government financial support we undertook and released the report of our own independent review of three waters service delivery for Hawke's Bay. In the context of Government's



water reforms, we worked together to assess the options for a regional solution to the way we manage drinking, waste and storm water services.

We are now working together as a region and with iwi representatives to compare the Government's proposal against the considerable analysis and wider perspectives that went into our own detailed review.

Thanks to our own review, we have a very good understanding of the scale of change that is needed to ensure three waters services are affordable and sustainable for our communities here in Hawke's Bay. We agree the status quo is not an option.

Unless the challenges described further above can be resolved, Council are not able to support Government's three waters service delivery reform proposal. However, experience has shown us that when working together and to our respective strengths, local and central Government and iwi can complement each other to deliver better outcomes for all. That is why we remain committed to working with you to explore an alternative to the status quo that can best meet our shared objectives and ensure we meet the expectations of our communities here in Hawke's Bay.

This aligns with the feedback provided by the collective Councils of Hawke's Bay to Ministers on August 19.

Council request further engagement with government about the opportunity and practicalities of a targeted reform programme and delivery model for Hawke's Bay only.

DRAFT

## Appendix one: Detailed Questions for government officials

### Commercial

- Will existing commercial contracts for water supply be honoured?
- Will water pricing / trade waste charges be consistent across the whole water entity area or will commercial interests/businesses be able to negotiate for better local wellbeing outcomes? Eg a cornerstone local employer?

### Decision-making for Reform

- ☐ How will iwi views be included in central decision-making?
- ☐ How will mana whenua view be included in central decision-making?
- ☐ What role will Local Councils have in the decision making that affects their assets?
- ☐ Is there going to be a public referendum on the proposals?
- ☐ How will community views be included in central decision-making?

### Delivery and Response

- ☐ Will the entities be required to get local consents for stormwater/catchment management (in particular)?
- ☐ How will the entities interact with local developers?
- ☐ How will the entities interact with resource consenting?
- ☐ How will the entities interact, in practice, with community-led growth (not developer led) – eg, spatial growth plans?
- ☐ How will community retain their democratic connection to local growth and development without specifics in either the Water Entities legislation or the new Resource Management legislation?
- ☐ Will entities be accountable to our Territorial Authorities urban/residential zones for connections/growth?
- ☐ Are our rural stormwater drains on road reserve included in the proposal?
- ☐ Will the entities own the urban curb and channel as assets? Or will they pay Council for their use?
- ☐ Stormwater and catchment management in small rural communities is nuanced and complex – often not including any hard infrastructure. How will this be managed?
- ☐ Will councils continue to be responsible for local stormwater catchment areas across open spaces and open drains?
- ☐ Local knowledge and local staff, local network management – how will this be maintained?
- ☐ Local water source and receiving environment nuances are vital to good system management locally. How will this be ensured?
- ☐ What response times will be required of the entities? Will it be the same as what councils have had to do?
- ☐ How many complaints will be required before a local issue will be resolved? Or lack of response be remedied? Elect Members often field these complaints.
- ☐ How will water entity staff be legally expected to be onsite in local emergencies? Natural disasters, weather events etc – directed by local controllers at Council or Civil Defence Emergency Management group?

### Finance

- ☐ Will shared assets (eg, Transfer Station and Wastewater Treatment Plant on same council site) still sit on council balance sheet?
- ☐ Will Council be able to rate the land that water infrastructure is built on or under as utilities as we do currently do for gas and power companies?

### Governance / Ownership

- ☐ Being one of 22 Territorial Authority owners in Entity C – how will we get “accountability” to Central Hawke’s Bay consumers?
- ☐ What are the actual benefits of ownership if not accountability of the Board?
- ☐ Outside of Governance/ownership, what other mechanisms can be in place to ensure Central Hawke’s Bay’s voice is heard and the entity delivers on priority issues for the wellbeing of our community?
- ☐ How will commercial/specialist/independent boards will add value?
- ☐ Scale – being one of 22 Territorial Authority owners in Entity C – how will Council actually get a voice in the appointment of the Board and approval of Statements of Strategic and Performance Expectations?
- ☐ Will the Governor/Representative group decide on the criteria for board appointments? Or is that going to be prescribed?
- ☐ Council owned entities governed by independent boards of who, what, how? What does it mean that half will be mana whenua?
- ☐ How will our community be confident our local voices will be heard?
- ☐ What would stop a new incoming government from changing the 3 waters legislation and selling off the assets?

### Pricing

- ☐ We have been given a model which shows 2051 pricing. Does this include inflation?
- ☐ What would price look like in 2024?
- ☐ Will it be charged via councils? Or direct to consumers? .

- ▣ How will consumers on water meters be treated? Volume charge, fixed charge or a mix?
- ▣ What confidence can we have in the calculated \$1,260 average cost per connected customer at year 2051 for Entity C? Seems too low and unable to see how it is realistic.

#### Prioritisation

- ▣ How will equity across entities be ensured when Entity C is so geographically dispersed? Will it cost our rate payers more for that compared to the other entities? (including Nelson/Marlborough AND Chatham Islands will be a challenge)
- ▣ Will government funding for the Chatham Islands still be included?
- ▣ How will we be able to ensure, at a district level, that our smallest networked communities are adequately prioritised? Eg, Porangahau and Kairakau.
- ▣ How will individual Councils retain the ability to implement locally-based initiatives?
- ▣ Will the new entity complete our local 3 waters projects?

#### Transition and Delivery

- ▣ Will existing infrastructure strategies be adopted and completed by the new entity?
- ▣ How can we assure our community that our wastewater strategy (to improve environmental and cultural outcomes right across the district) will be completed?
- ▣ How will historic issues of access be dealt, for example drinking water and wastewater connection of marae.

### 7.3 RESOLUTION MONITORING REPORT

**File Number:** COU1-1400

**Author:** Monique Davidson, Chief Executive

**Authoriser:** Monique Davidson, Chief Executive

**Attachments:** 1. Resolution Monitoring Report [↓](#)

#### PURPOSE

The purpose of this report is to present to Council the Resolution Monitoring Report. This report seeks to ensure Council has visibility over work that is progressing, following resolutions from Council.

#### RECOMMENDATION

**That, having considered all matters raised in the report, the report be noted.**

#### SIGNIFICANCE AND ENGAGEMENT

This report is provided for information purposes only and has been assessed as not significant.

#### DISCUSSION

The monitoring report is **attached**.

#### IMPLICATIONS ASSESSMENT

This report confirms that the matter concerned has no particular implications and has been dealt with in accordance with the Local Government Act 2002. Specifically:

- Council staff have delegated authority for any decisions made;
- Council staff have identified and assessed all reasonably practicable options for addressing the matter and considered the views and preferences of any interested or affected persons (including Māori), in proportion to the significance of the matter;
- Any decisions made will help 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;
- Unless stated above, any decisions made can be addressed through current funding under the Long-Term Plan and Annual Plan;
- Any decisions made are consistent with the Council's plans and policies; and
- No decisions have been made that would alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or would transfer the ownership or control of a strategic asset to or from the Council.

#### NEXT STEPS

An updated Resolution Monitoring Report will be presented to the next Council meeting 17 November 2021.

#### RECOMMENDATION

**That, having considered all matters raised in the report, the report be received.**



## Council Resolution Monitoring Report September 2021

Key	
Completed	
On Track	
Off Track	

Item Number	Item	Council Resolution or Action	Resolution Date	Responsible Officer	Progress Report
7.1	Adoption of Non Rateable income funding strategic framework	<p>a) That Council adopt the Non-rateable Income Funding Strategic Framework.</p> <p>b) That progress towards achieving the outcomes of the Non-rateable Income Funding Strategic Framework be reported to the Finance and Planning Committee as part of the regular work programme updates.</p>	10/04/2019	Monique Davidson	On Track - Work continues on the implementation of this strategy. The Finance and Infrastructure Committee and Council as a whole, have worked through a number of key policy input as part of the Long Term Plan 2021 - 2031. Following the adoption of the Long Term Plan, attention will turn to further review policy and programmes. An update on this policy work will be presented to Council in the near future. The attraction of non-rateable income continues to be a huge success, and significant attention is now going into ensuring the implementation of those projects, that have external funding attached to it. Of specific note is that work has begun on the review of Council's investment policy, which is currently with the Risk and Assurance Committee before progressing to the Finance and Infrastructure Committee.
7.2	Implementation of Dust Suppression Policy	<p>a) That Council approve targeting external funding through the creation of business cases to support investment in sealing to control dust by reallocating \$50,000 from existing carry forward budgets</p> <p>b) That Council reprioritise \$200,000 of the existing Land Transport budget/work programme to contribute to sealing of roads to control dust if required.</p>	23/05/2019	Josh Lloyd	<p>On Track - Council have signalled the targeting of additional rate income to the sealing of unsealed roads to control dust. Work completed to date to prioritise and plan for sealing will be leveraged to implement this.</p> <p>Alongside the additional rated income, Council are continuing to work with Waka Kotahi on a case for further investment.</p>
	Pound Facility	That Council approve additional capital expenditure of \$297,000 in the 2019/20 for the development of a pound facility in Central Hawke's Bay.	23/05/2019	Lisa Harrison	Off Track - Officers are currently negotiating a sale and purchase agreement on a suitable site. A formal report will be coming to the Finance and Infrastructure Committee meeting in October.

Water Security Framework - Allocation of Funding	<p>a) That \$250k from the rural reserve fund is tagged for supporting water security initiatives in Central Hawke's Bay.</p> <p>b) That council supports a collaborative approach at both a local and regional level for development of water security initiatives.</p> <p>c) That council requests staff bring back a framework which includes further information on the potential role of Central Hawke's Bay district council together with water Holdings CHB, HBRC and the Tukituki taskforce, for understanding issues of water security and creating a local package of solutions.</p>	23/05/2019	Monique Davidson	On Track - Council adopted an additional resolution on the 13th February giving the Chief Executive delegated authority to spend up to \$50,000 on helping advance the work of the Tukituki Leaders Forum. A report updating Council on this work is included was included the agenda for 3 June 2020. In August 2020, Council approved \$58,000 of financial support to Water Holding's Hawke's Bay to fund the science charges related to the IP they hold. With Tukituki Leaders Forum and Tukituki Taskforce no longer continuing, the Chief Executive no longer has any mandate to spend any further funding from the \$250,000 tagged without resolution of Council. \$71,000 has been spent of the \$250,000 to date. Council continues to support and advocate on water security. Hawke's Bay Regional Council have agreed to continue to provide regular upgrades to Council on the Water Security Programme.
Land Transport Section 17(a)	That Council adopt the completed and attached Land Transport Section 17(a) Report and support Officers to programme and complete work to meet the recommendations.	29/08/2019	Josh Lloyd	On Track - the Land Transport Strategic Framework was a key document in informing the recently update Asset Mgmt. Plan and work programme to be included in the LTP and RLTP. Officers have developed a means of reporting on the numerous listed initiatives within the Framework and this will be reported routinely at Finance and Infrastructure Committee meetings
Elected Members' Remuneration and Expenses Policy	That the council review the Elected Members' Remuneration and Expenses Policy including the childcare provision and its content before the next triennium.	14/11/2019	Monique Davidson	On Track - This work is programmed as per timeframes requested.
Water Security Framework - Allocation of Funding	<p>b) That Council give the Chief Executive delegations to utilise and make financial decisions of no more than \$50,000.00 from the \$250,000 tagged for the delivery of Water Security Initiatives.</p> <p>c) That Council in granting these delegations note that the \$50,000.00 will in principle be used to advance engagement and work within the Tukituki Leaders Forum, and specifically to ensure Central Hawke's Bay District Council has the required resources to contribute in a meaningful way.</p>	13/02/2020	Monique Davidson	On Track - Update as above. No further action at this stage required.
Motion (resolved) - Reserve Fund Replenishment	That Council requests the Chief Executive investigate options and lead a process as part of the Long Term Plan, for Council to consider an approach to the replenishment of key reserve funds and further, that this work considers external funding options.	13/02/2020	Monique Davidson	On Track - No progressive work has progressed on this item, given the affordability constraints presented in the Long Term Plan 2021-2031 timeframe. While provision has been included in the budgets for the replenishment of the Adverse Events Fund, at this stage no further replenishment of the Ward funds has been considered. This work will be further reviewed during the development and review of Councils current Investment Policy, where options for Community Endowment and partnerships with existing foundations will be considered.



	Section 17a Review Solid Waste	<p>1) Council receive the Solid Waste Section 17a Report, prepared in accordance with the requirements of Section 17a of the Local Government Act 2002.</p> <p>2) That Council adopt the combination of options in principle for inclusion in the 2021 Long Term Plan;</p> <ul style="list-style-type: none"> <li>• That Council provide a 3rd crate for recycling collection and extend services to Otane, Takapau, Ongaonga and Tikokino; and that Council includes a wheelie bin in the consultation options with community.</li> <li>• That Council provide a 120L wheeled bin for kerbside refuse from Year 3 of the Long Term Plan 2021-2031; and that Council includes status quo in the consultation options with community.</li> <li>• That the Recycling Drop off Centres in Otane, Takapau, Ongaonga and Tikokino close from Year 1 of the Long Term Plan 2021-2031;</li> <li>• That Council plan for a centralised Central Hawke's Bay Recovery and Refuse Centre in between Waipukurau and Waipawa in Year 10 on the Long Term Plan, and on opening the Centre, the Waipawa and Waipukurau Transfer Stations are closed;</li> <li>• 5a, to provide a regular rural recycling collection service at designated rural and coastal sites in partnership with existing local community organisations or groups;</li> <li>• That Council direct Officers to regularly report back to Council or Committee on the progress of the various food waste collection trials occurring in New Zealand with a plan to 'follow fast' those that have successfully implemented systems;</li> <li>• That Officers report back to Council on green and food waste collection options for Annual Plan 2022/2023.</li> </ul>	18/11/2020	Josh Lloyd	On Track - Options to improve service delivery from the 17a review were included as a key challenge through the 2021 LTP with several decisions made to improve service. Officers are now working through a transition plan for the changes., with the new service roll out to commence throughout August. Significant effort has been made through communications and operational planning to ensure the programme is successful.
10.2	Strategic Property Matters - Waipukurau	<p>a)That Council lease and develop 4 Bogle Brothers Esplanade, Waipukurau, as the Business Centre and Library for Waipukurau as outlined in this report, taking advantage of external funding of \$400,000 available from the Provincial Growth Fund for the setting up of a Regional Digital Business Hub. b)That Council contributes up to \$139,042 of capital funding towards the project, noting that this funding of \$139,042 will be required in the 2020/21 Financial Year and will be loan funded. c)That Council notes that the additional capital funding contribution towards the project, will be made up from existing rates funded library renewals, a bequest made to the library in 2018 and funding from Friends of the Library. d)That Council notes that new operational funding of \$28,232 in Years 1 – 5 of the 2021 – 2031 Long Term Plan and \$63,212 beyond Y5 for the project is required. e)That the minute relating to this item be released as publicly available information ten days from the execution of the Lease for 4 Bogle Brothers Esplanade, Waipukurau</p>	18/11/2020	Doug Tate	Complete - this project is well underway and being monitored through the organisational report updates. The facility is planned to open on Monday 27 September to the public, following delays due to COVID-19 Level 4 Lockdown restrictions.

	Community Petition	<p>1. That the Council receives the petition.</p> <p>2. That the Mayor responds to community member Dean Rangi as the instigator and submitter of the petition.</p> <p>3. That Council strongly advocate on behalf of community and urge NZTA to improve safety through the Waipawa township.</p> <p>4. That Council advocates via the Regional Land Transport Plan for inclusion of this road safety project.</p>	18/11/2020	Josh Lloyd	On Track - Officers have recently (in August / September) escalated the concerns with regard to SH2 safety through Waipawa with Waka Kotahi and long and short term plans are being expedited now.
7.3	Regional economic development review - section 17A review	<p>a) That Council receive the Section 17A Review Economic Development Report, prepared in accordance with the requirements of the Section 17A of the Local Government Act 2002.</p> <p>b) That Council receive the report titled Review of Local Government Investment in Business and Industry Support Across the Hawke's Bay Region.</p> <p>c) That Council endorse participation in the second stage of the review process with a more detailed investigation of the recommendations set out in the Giblin Group report.</p> <p>d) That Council endorses engagement with Treaty Partners and other regional stakeholders on the opportunity to create an enduring Economic Development Delivery Platform with the appropriate scale and mandate to better guide and direct economic development activity to priority areas and issues.</p> <p>e) That Council support the opportunity to embed a partnership with Māori in the new Economic Development Delivery Platform.</p> <p>f) That this Council endorses the five Councils' commitment to keeping the Hawke's Bay Business Hub open.</p>	11/02/2021	Monique Davidson	On Track - Business Hawke's Bay have announced their decision to wind up. We are committed to work constructively and positively through the upcoming transition period together with BHB, to give certainty as soon as possible and enable the great work programmes and initiatives to continue. All five councils formally received the report on local government investment in business and industry support across the region in the past weeks and have agreed to further investigation and refinement of how to build a new regional economic development agency, alongside regional partners. The five Councils are working through planning the second stage of the review. The transition of the business hub has successfully occurred, and focus now turns to developing appropriate resources for Matariki and completing engagement of the second stage of the Economic Development Review. Elected Members can expect a more comprehensive update in time.
7.5	Kairakau Water Upgrade - Project Update (Hardness)	<p>a) That Council approve to include water hardness into the treatment process - with an expected budget of \$140,000 for treatment equipment.</p> <p>b) That Council approve to in the short term collect the hardness treatment waste (brine) on site and tanker off site periodically at a lower CAPEX, but ongoing OPEX - within budget increase requested above.</p> <p>c) That Council continues to investigate the longer term solutions for discharge of the by-product from the softening process.</p> <p>d) That Council increase the project budget from \$850,000 to \$990,000 using existing Long Term Plan 2021 - Year one set budgets.</p>	3/06/2021	Darren de Klerk	<p>On Track, procurement plan for ELT approval meeting 13/07 drafted. Tender expected to be issued to market late July. Hui held with Mana Whenua.</p> <p>Tender outcome report planned for late September/ early October 2021 to be taken to relevant DFA.</p>
10.4	Procurement Plan - Waipawa Firefighting Stages 1 - 3	<p>a) That council approve the procurement plan to release contract 1140 to the open market to deliver Stages 1 – 3 of the Waipawa water firefighting and shortfalls upgrade programme.</p> <p>b) That the report and minute relating to this item be released as publicly available information on 03 June 2021</p>	3/06/2021	Darren de Klerk	Completed - works commencing by 20 September 2021 onsite.

10.5	Procurement Plan - Otane Wastewater Pump Station	<p>a) The procurement plan is adopted to approve the release of the Contract 1135 to construct and implement stage 4 a, the pump station at Otane to convey wastewater to Waipawa tender documents to the market.</p> <p>b) That the minute and report relating to this item be released as publicly available information on 03 June 2021.</p>	3/06/2021	Darren de Klerk	Completed - works commencing onsite this month.
10.2	C-1135 Tender outcome report - Otane waste water pump station	<p>a) The Tender Outcome report for the award of contract C-1135 to Stead Construction for the installation of a wastewater pump station at the Otane wastewater treatment plant is approved.</p> <p>b) That Council approve the increase in budget for the contract from \$1.136m to \$1.608m to be managed within the wider #bigwastewaterstory programme budget.</p> <p>c) That the minute relating to this item be released as publicly available information on 29th July 2021</p>	29/07/2021	Darren de Klerk	Completed - works commencing onsite this month.
10.3	C-1140 Tender outcome report - Waipawa water firefighting	<p>a) That council approve to award C1140 Waipawa Water Firefighting Stages 1 to 3 to Russell Roads as outlined in the tender outcome report.</p> <p>b) That the minute relating to this item be released as publicly available information on 29 July 2021</p>	29/07/2021	Darren de Klerk	Completed - works commencing onsite this month.
10.6	Amendment to the terms of reference and appointment of commissioners to the regulatory hearings panel	<p>a) That Council adopt the amended Central Hawke's Bay Committee Terms of Reference, specifically noting the changes and appointment of Certified Commissioners to the Regulatory Hearings Panel.</p> <p>b) That the resolution confirming the appointment of Commissioners to the Regulatory Hearing Panel is released as publicly available information upon Officers having confirmed and notified all of the participants in the Expression of Interest Process.</p>	29/07/2021	Doug Tate	Complete - Appointees to the Regulatory Hearings Panel have been notified and the website updated with the resolution released publicly. Since this resolution of Council, the Terms of Reference have been again updated to incorporate changes to the District Licensing Committee Terms of Reference.

10.7	Establishment of Central Hawke's Bay District Plan Panel	<p>a) Decision One: That Council form a District Plan Hearings Panel to hear and deliberate on the Central Hawke's Bay Proposed District Plan made up of two external independent hearing commissioners - one to act as a Chair and the second as a panel member, a further Independent External Commissioner to act as a Tikanga Specialist and three internal Councillor Commissioner appointments.</p> <p>b) Decision Two: That Council adopt and approve the following Commissioner Appointments to the Central Hawke's Bay District Plan Hearings Panel of:</p> <ul style="list-style-type: none"> <li>• Robert Schofield as the Independent Chair;</li> <li>• Boretta Lovell as an Independent Panel Member;</li> <li>• Dr Roger Maaka as an Independent Panel Member and Tikanga Specialist acting as a Commissioner in accordance with Section 34A (1A) of the Resource Management Act 1991;</li> <li>• Councillor Tim Aitken as a panel member;</li> <li>• Councillor Pip Burne as a panel member;</li> <li>• Councillor Kate Taylor as a panel member.</li> </ul> <p>c) Decision Three: That Council adopt the Terms of the Reference for the Central Hawke's Bay District Plan Hearings Panel, noting that in doing so Council specifically delegates authority under Section 34A of the Resource Management Act 1991 to the Central Hawke's Bay District Plan Hearings Panel to hear and deliberate on the Central Hawke's Bay Proposed District Plan.</p> <p>d) That the attached terms of reference relating to this item be released as</p>	29/07/2021	Doug Tate	Complete - Commissioners have been notified and the Public Excluded resolutions have been released as public information. Reporting will now be made through direct engagement with the Independent Chair to Council on the formation of the Panel and through the District Plan Key Project Status Report.
7.2	LONG TERM PLAN 2021 - 2031 DRAFT DELIBERATIONS REPORT: DRINKING WATER, STORMWATER AND WASTEWATER BYLAWS.	<p>a) That Council receive the changes made to the Proposed Water Supply, Stormwater and Wastewater Bylaws attached to this report, following its release for community consultation as part of the 2021 – 2031 Long Term Plan.</p> <p>b) That council adopt the draft 2021 Water Supply Bylaw attached to this report, with the Policy having immediate effect upon its adoption.</p> <p>c) That council adopt the draft 2021 Stormwater Bylaw attached to this report, with the Policy having immediate effect upon its adoption.</p> <p>d) That council adopt the draft 2021 Wastewater Bylaw attached to this report, with the Policy having immediate effect upon its adoption.</p> <p>e) That the submitters are thanked for their comments, which are acknowledged and further that the information contained in this report is provided to submitters.</p>	13/05/2021	Darren de Klerk	Complete - strategies/policies adopted and flowed through the LTP budgets

7.3	LONG TERM PLAN 2021 - 2031 DRAFT DELIBERATIONS REPORT: CHALLENGE 1 - PLANNING AND FUNDING OUR WASTEWATER UPGRADES	<p>a) That Council adopt Option 4 to implement the 15 year investment programme of wastewater upgrades across the six wastewater systems through loan funding.</p> <p>b) That council endorse the approach to recover a capital contribution from Trade Waste Industry contributors in addition to the current operational charges – with adoption taking place through the Revenue and Financing Policy and Annual fees and charges setting.</p> <p>c) That the submitters are thanked for their comments which are acknowledged and further that the information contained in this report is provided to the submitters.</p>	13/05/2021	Darren de Klerk	Complete - strategies/policies adopted and flowed through the LTP budgets
7.4	LONG TERM PLAN 2021 - 2031 DRAFT DELIBERATIONS REPORT: TRADE WASTE BYLAW	<p>a) That council adopt the draft 2021 Trade Waste Bylaw with minor changes as presented.</p> <p>b) That council endorse the approach to recover a capital contribution from Trade Waste Industry contributors in addition to the current operational charges – with adoption taking place through the Revenue and Financing Policy and Annual fees and charges setting.</p> <p>c) That council endorse the approach to phase or stage the recovery of capital contribution towards 100% within four years as set out in the revenue and financing policy.</p> <p>d) That Council note that industry paying for their share of capital contribution relevant to the cost of discharging was the communities preferred outcome.</p> <p>e) That the submitters are thanked for their comments, which are acknowledged and further that the information contained in this report is provided to submitters.</p>	13/05/2021	Darren de Klerk	Complete - strategies/policies adopted and flowed through the LTP budgets
7.5	LONG TERM PLAN 2021 - 2031 DRAFT DELIBERATIONS REPORT: CHALLENGE 2 - FUNDING REPLACEMENT OF OUR ASSETS	<p>a) That Council adopt Option 1 as set out in the Long Term Plan 2021 - 2031 for Challenge 2. To debt fund for 5 years, to deliver essential renewals and upgrades to our drinking water, wastewater (excluding the big waste water story upgrade) and storm water assets and community facilities assets.</p> <p>b) That the submitters are thanked for their comments, which are acknowledged and further that the information contained in this report is provided to submitters.</p>	13/05/2021	Josh Lloyd	On Track - Council will fund the increase in renewal investment via debt. Programming the renewal works is well underway.

7.6	LONG TERM PLAN 2021 - 2031 DRAFT DELIBERATIONS REPORT: CHALLENGE 3 - CREATING A WASTE FREE CHB	<p>a) That Council adopt Option 1 as set out in the Long Term Plan 2021 – 2031 for Challenge 3, specifically that Council selects the following service delivery approach for Solid Waste:</p> <ol style="list-style-type: none"> <li>1. Extend the recycling and rubbish service at an increase of \$42,000 per year, and</li> <li>2. Introduce a wheeled bin refuse service in year 3, and</li> <li>3. Introduce a 3 crate system for recycling, and</li> <li>4. Close the drop off centres in Otane, Takapau, Tikokino and Ongaonga and the create a targeted rural recycling scheme.</li> </ol> <p>b) That the submitters are thanked for their comments, which are acknowledged and further that the information contained in this report is provided to submitters.</p> <p>c) That Council increases the UAGC contribution to Solid Waste activities from \$35k to \$70k.</p>	13/05/2021	Josh Lloyd/Jordy	On Track - The roll out of the new recycling services is well underway. Kerbside collections have been extended to new townships and are going well. Education and engagement campaigns continue to support the roll out of these new services. Focus now turns to the roll out of the rural trailer service which has delayed due to COVID lockdown restrictions but is programmed for commencement in early October.
7.7	LONG TERM PLAN 2021 - 2031 DRAFT DELIBERATIONS REPORT: CHALLENGE 4 - HOW WE PAY FOR GROWTH	<p>a) That Council note that Option 1 – that Developers pay for the full cost of growth was the communities preferred option.</p> <p>b) That Council notes K Bayliss' submission relating to the remission of development contributions and takes no action at this time.</p> <p>c) That Council receive the changes made to the Proposed Development Contributions Policy attached to this report, following its release for community consultation as part of the 2021 – 2031 Long Term Plan.</p> <p>d) That Council adopt the Proposed Development Contributions Policy 2021 attached to this report, with the Policy having immediate effect upon its adoption.</p> <p>e) That the submitters are thanked for their comments, which are acknowledged and further that the information contained in this report is provided to submitters.</p>	13/05/2021	Doug Tate	Complete - the policy took immediate effect, with the website and other locations being updated. Submitters were thanked in writing as part of the overall Long Term Plan Response process.
7.8	LONG TERM PLAN 2021 - 2031 DRAFT DELIBERATIONS REPORT: FINANCIAL AND INFRASTRUCTURE STRATEGY	<p>a) That the submitters are thanked for their comments which are acknowledged and further that the information contained in this report is provided to the submitters.</p> <p>b) That the Financial and Infrastructure Strategies pending amendments following Councils decisions on the key 4 challenges and other activities be endorsed, ready for adoption when the Long-term Plan 2021 – 2031 is considered for adoption.</p> <p>c) That the Treasury Management Policy (including Investment and Liability Policies) attached to this report be adopted.</p>	13/05/2021	Brent/Josh	Complete - Submitters thanked and strategies/policies adopted
7.9	LONG TERM PLAN 2021-2031 DRAFT DELIBERATION REPORTS: PLANNING AND REGULATORY SERVICES	a) That the submitters are thanked for their comments which are acknowledged and further that the information contained in this report is provided to the submitters.	13/05/2021	Doug/Lisa/Robyn	Complete - Submitters were thanked in writing as part of the overall Long Term Plan Response process.



7.1	LONG TERM PLAN 2018-2028 DRAFT DELIBERATION REPORTS: LAND TRANSPORT	<p>a) That the submitters are thanked for their comments which are acknowledged and further that the information contained in this report is provided to the submitters.</p> <p>b) That Council continue to lobby and leverage Waka Kotahi to provide funding to the sealing of unsealed roads.</p> <p>c) That Council increases the land transport rate by \$200,000 per year to progress sealing of unsealed hot spots.</p>	13/05/2021	Josh/Shawn	Complete - Submitters thanked, Waka Kotahi being leveraged through development of a business case for sealing, rating income for rural roads sealing increased.
7.11	LONG TERM PLAN 2018-2028 DRAFT DELIBERATION REPORTS: PLACES AND OPEN SPACES	<p>a) That the submitters are thanked for their comments which are acknowledged and further that the information contained in this report is provided to the submitters.</p> <p>b) That Council encourage the clubs of Russell Park to actively participate in Councils Community Facility Plan, intended to commence this calendar year, subject to the confirmation of funding in the 2021 – 2031 Long Term Plan.</p> <p>d) That Council reconsiders the request for temporary changing rooms, following the completion of the Community Facilities Plan, wider club feedback relating to the timing and scope of any multisport hub project for Russell Park and an assessment of actual demand and need, either in the 2022/23 Annual Plan or as an Officer report.</p> <p>That Council supports the concept of the development of the sports hub project at Russell Park. Recognising it as a key strategic asset for Central Hawkes Bay.</p>	13/05/2021	Doug/Jennifer	On Track - Submitters were thanked in writing as part of the overall Long Term Plan Response process. Work on the Community Facilities Review is underway, with a specific focus on Russell Park to occur as the project progresses.
7.12	LONG TERM PLAN 2018-2028 DRAFT DELIBERATION REPORTS: COMMUNITY LEADERSHIP	a) That the submitters are thanked for their comments which are acknowledged and further that the information contained in this report is provided to the submitters.	13/05/2021	Doug	Complete - Submitters were thanked in writing as part of the overall Long Term Plan Response process.
7.13	LONG TERM PLAN 2018-2028 DRAFT DELIBERATION REPORTS: SOLID WASTE	a) That the submitters are thanked for their comments which are acknowledged and further that the information contained in this report is provided to the submitters.	13/05/2021	Josh	Complete - submitters were thanked

7.14	MANAGEMENT SUBMISSION TO THE LONG TERM PLAN 2021 - 2031 DELIBERATIONS	<p>a) That Council note the Management submission presented to Council, outlining recommended changes to the Long Term Plan 2021 – 2031 budgets, since draft budgets were initially adopted.</p> <p>c) The Council repurposes up to \$160,000 of funding in Year 1 of the Long Term Plan identified to support the upgrades of the Central Hawke's Bay District Community Trust Assets, in order for a full and comprehensive review of the Trust's assets and future maintenance and renewal liabilities to be identified for the Pool Complex, Gymnasium and Stadium and Sports Turf Complex.</p> <p>d) That Council acknowledges that the Trust will require financial support for the implementation of any short-term works to remediate and make safe the ceiling of the indoor pool complex and that the remaining funds identified in Year 1 of the Long Term Plan to support the upgrades required of the Central Hawke's Bay District Community Trust Assets are retained, with a further report to Council being made, prior to the release of any funds.</p> <p>e) That The Trust and Council work collaboratively as part of the Central Hawke's Bay Community Facilities Plan Review, to understand the role and opportunities for the Trust now, and into the future.</p> <p>f) That Council provide funding of \$37,813 in Year 1 of the Long Term Plan, funded through debt for covers of the Waipawa Centennial Memorial Pool.</p> <p>g) That Council loan fund a \$30,000 contribution to the Hawke's Bay</p>	13/05/2021	Doug/Brent	Complete - LTP Budgets updated accordingly
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7.15	REVENUE AND FINANCING POLICY, AND FEES AND CHARGES 2021/22	<p>1. That Council adopts the revision to the "Revenue and Financing Policy" as set out in Attachment 1 as per amendment.</p> <p>2. That Council adopts the Fees and Charges for the financial year dated 2021/22 as set out in Attachment 2.</p> <p>3. That Council specifically adopts to introduce a trade waste capital contribution charges as set out in Trade Waste Fees and Charges sections B13-B22.</p> <p>4. That Council specifically adopts to phase in the Trade Waste capital contribution to be 100% within four years, commencing with a 33% contribution in Year One, 37% in Year Two, and 75% in Year Three.</p> <p>5. That Council give notice pursuant to Section 103 of the Local Government Act 2002 of its intention to prescribe the fees payable for the period 1 July 2021 to 30 June 2022 in respect of certificates, authorities, approvals, consents, and services given or inspections made by the Council under the Local Government Act 2002, the Building Act 2004, the Building (Infringement Offences, Fees, and Forms) Regulations 2007, the Amusement Devices Regulations 1978, the Resource Management Act 1991, Health (Registration of Premises) Regulations 1966, Sale and Supply of Alcohol (Fees) Regulations 2013, the Gambling Act 2003, the Burial and Cremation Act 1964, and the Central Hawke's Bay District Council Bylaws as set out in the Fees and Charges Schedule 2021/22.</p> <p>AMENDMENT</p>	13/05/2021	Brent/Darren	Complete - strategies/policies adopted and flowed through the LTP budgets
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**7.4 DISTRICT LICENSING ANNUAL REPORT 2020/2021****File Number:** COU1-1400**Author:** Lisa Harrison, Customer Relationships and Experience Manager**Authoriser:** Doug Tate, Group Manager Customer and Community Partnerships**Attachments:** 1. District Licensing Annual Report 2020/2021 [↓](#)**RECOMMENDATION**

**That, having considered all matters raised in the report, the report be noted.**

**PURPOSE**

The purpose of this report is that Council is required to report annually on the proceedings and operations of the District Licensing Committee under section 199 of the Sale and Supply of Alcohol Act 2012.

**SIGNIFICANCE AND ENGAGEMENT**

This report is provided for information purposes only and has been assessed as being of some importance.

**DISCUSSION**

The Sale and Supply of Alcohol Act 2012 ("The Act") requires all District Licensing Authorities to report annually on their proceedings and operations. This report includes statistics around On/Off licences and manager's certificates.

This report is provided to you for your information. The report is also sent to the Alcohol Regulatory and Licensing Authority (ARLA).

**IMPLICATIONS ASSESSMENT**

This report confirms that the matter concerned has no particular implications and has been dealt with in accordance with the Local Government Act 2002. Specifically:

- Council staff have delegated authority for any decisions made;
- Council staff have identified and assessed all reasonably practicable options for addressing the matter and considered the views and preferences of any interested or affected persons (including Māori), in proportion to the significance of the matter;
- Any decisions made will help 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;
- Unless stated above, any decisions made can be addressed through current funding under the Long-Term Plan and Annual Plan;
- Any decisions made are consistent with the Council's plans and policies; and
- No decisions have been made that would alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or would transfer the ownership or control of a strategic asset to or from the Council.

**NEXT STEPS**

This report will be noted as being publicly available as required under Section 199 of the Sale and Supply of Alcohol Act 2012.

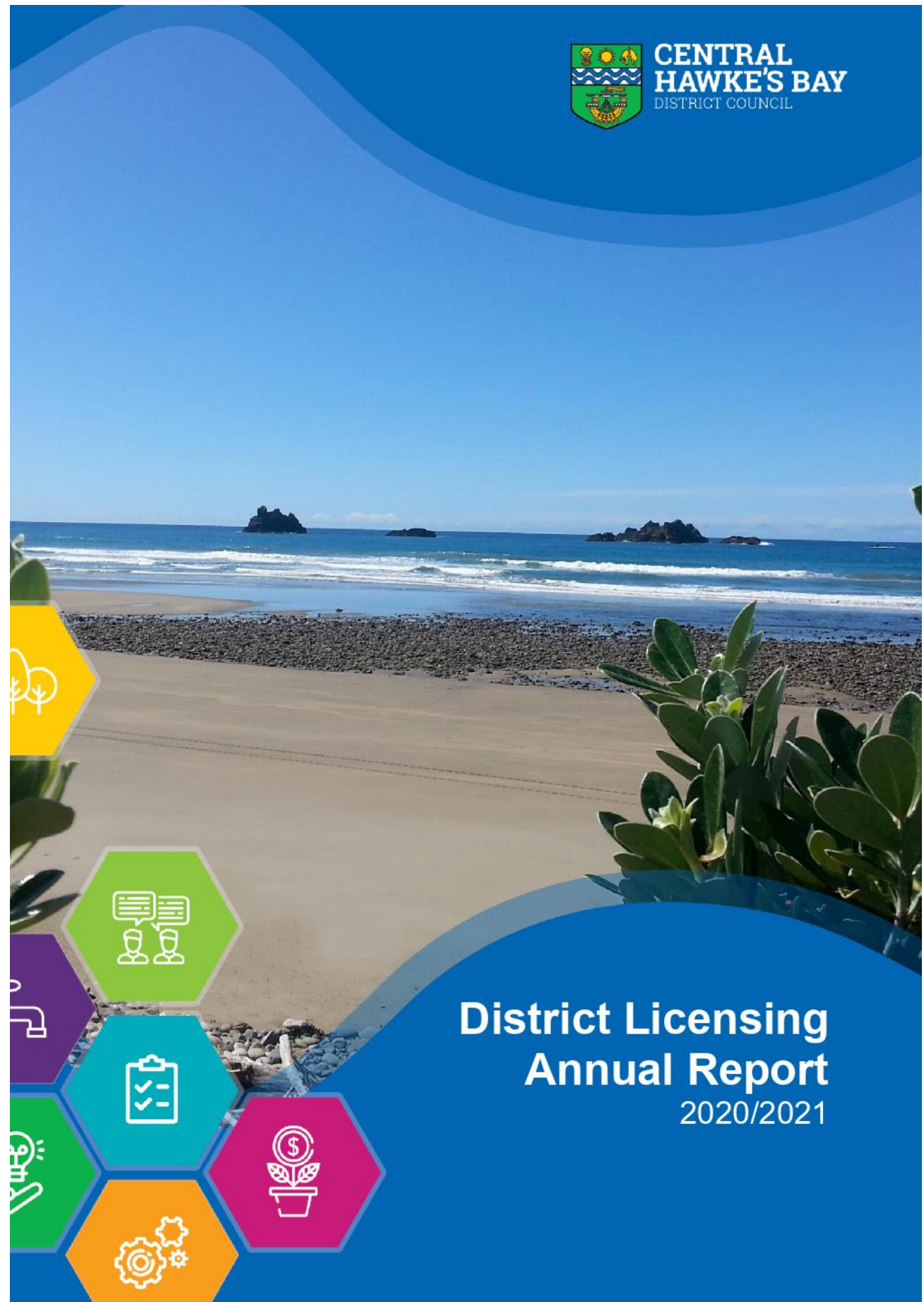
**RECOMMENDATION**

**That, having considered all matters raised in the report, the report be noted.**



**CENTRAL  
HAWKE'S BAY**  
DISTRICT COUNCIL

# District Licensing Annual Report 2020/2021





# DISTRICT LICENSING ANNUAL REPORT

## ANNUAL REPORT 1 JULY 2020 -30 JUNE 2021

### Introduction

The Central Hawke's Bay District Council, as a territorial authority, is required to report annually on the proceedings and operations of the District Licensing Committee.

Section 199 of the Sale and Supply of Alcohol Act 2012 requires all District Licensing Authorities to report annually on their proceedings and operations. This report fulfils this statutory requirement for the financial year: 1 July 2020 to 30 June 2021.

### Trends

We have not noticed any significant change in the numbers of applications or application types that we have received this financial year. However, there have been some notable trends:

- There has been an increase in managers' certificate renewals and new applications received. The total received in the 20/21 year is 69 compared to 58 received in the 19/20 year.
- We have issued 3 Temporary Authority Applications in the 20/21 year, compared with 8 in the 19/20 year. Temporary Authorities are issued where a premise has changed hands and is so the business can continue to run until their On/Off Licence has been granted under the new ownership.

### DLC Hearing

Last year a DLC hearing was held for an application that we received for an On and Off Licence for the OngaOnga General Store. The application was opposed by the Liquor Licensing Inspector and agencies involved, being the NZ Police and the Hawke's Bay District Health Board.

A Hearing date was set for the 23<sup>rd</sup> September 2020. The hearing resulted in the District Licensing Committee declining both applications, the applicant did not appeal or reapply.

### Improvements

#### *Proactive Monitoring of licensed premises*

The Environmental Health Team, alongside the Hawke's Bay District Health Board and NZ Police undertook a Controlled Purchase Operation (CPO) in the Waipukurau and Waipawa townships this year May.

Controlled Purchase Operations (CPOS) are planned operations designed to monitor and enforce the provisions relating to the sale of alcohol to minors in the Sale and Supply of Alcohol Act 2012 (SSAA). They involve supervised volunteers aged under 18 years attempting to buy alcohol from licensed premises.

The businesses targeted for this CPO were supermarkets, restaurants, and bottle stores. No premises failed the CPO compared to the previous year where 3 premises failed.

#### *Seamless Delivery*

There is a strong focus on how we can streamline our services going forward. We have been working with an online provider, which is currently funded by central government, to enable our customers to submit their licences online. This portal will be a step forward in providing customer excellence to our local businesses. The roll out of this online portal will be completed through October/November 2021.

#### *Communication*

Council has met its obligations under the Act regarding public notices (which requires public notices be published in a local newspaper and a timeframe is put in place for any objections to be raised).

A focus of the 2021-2022 year will be around how we provide proactive communication to our community about the requirements of and responsibilities of safe drinking.

### Preparing for the Future

Central Hawke's Bay economic growth projections still provide some cause for optimism concerning future growth in the district. This includes increased population growth and localised pockets of high growth in the district. However due to the pandemic, we are not certain of the long-term sustainability of some businesses which may be affected by the effect of the pandemic.

We have planned to take a much more proactive approach to environmental health services in the 2021/22 year with a focus on education and communication around what services we can provide.

We will also be continuing to focus on additional monitoring of our premises, with a focus on the wider district, to ensure that we are meeting the object of the Sale and Supply of Alcohol Act which is that—

- a) the sale, supply, and consumption of alcohol should be undertaken safely and responsibly; and
- b) the harm caused by the excessive or inappropriate consumption of alcohol should be minimised.

***Together  
we thrive!***

## DISTRICT LICENSING STATISTICS

Number of On-Licence, Off-Licence and Club Licence Applications received:

Application Type	Number received in fee category: Very Low	Number received in fee category: Low	Number received in fee category: Medium	Number received in fee category: High	Number received in fee category: Very High
ON Licence new		1	1		
ON Licence variation					
ON Licence renewal		4	4		
OFF Licence new			2	1	
OFF Licence variation					
OFF Licence renewal	1		3		
CLUB Licence new	1				
CLUB Licence variation					
CLUB Licence renewal	2				
TOTALS	4	5	10	1	0
Total fee payable to ARLA (GST incl)	\$69.00	\$172.50	\$517.50	\$86.25	-

Annual Fees for Existing Licences received:

Licence Type	Number received in fee category: Very Low	Number received in fee category: Low	Number received in fee category: Medium	Number received in fee category: High	Number received in fee category: Very High
ON Licence		1	6		
OFF Licence	2	1	3	1	
CLUB Licence	10				
TOTALS	12	2	9	1	0
Total fee payable to ARLA (GST incl)	\$207.00	\$69.00	\$465.75	\$86.25	-

## Managers' Certificate Applications received:

Certificate Type	Number received
Managers Certificate NEW	20
Managers Certificate RENEWAL	34
<b>TOTALS</b>	<b>54</b>
Total fee payable to ARLA (GST incl)	\$,1522.50

## Special Licence Applications received:

Licence Type	Number received in fee category: Class 1	Number received in fee category: Class 2	Number received in fee category: Class 3
Special Licence	1	11	6
<b>TOTALS</b>	<b>1</b>	<b>11</b>	<b>6</b>

## Temporary Authority Applications received:

Certificate Type	Number received
Temporary Authority	3
<b>TOTAL</b>	<b>3</b>

## Permanent Club Charter Payments received:

Certificate Type	Number received
Permanent Club Charter Payments	0
<b>TOTAL</b>	<b>0</b>

**7.5 ANNUAL DOG CONTROL POLICY AND PRACTICES REPORT 2020/2021****File Number:** COU1-1400**Author:** Lisa Harrison, Customer Relationships and Experience Manager**Authoriser:** Doug Tate, Group Manager Customer and Community Partnerships**Attachments:** 1. Dog Control Policy and Practices Report 2020/2021 [↓](#)**RECOMMENDATION**

**That, having considered all matters raised in the report, the report be noted.**

**PURPOSE**

The purpose of bringing this report to Council is to formally report on the effectiveness of the Central Hawke's Bay District Council's dog policy and control practices. This report is required under the Dog Control Act 1996.

The report includes statistics for registrations and complaint investigation, as well as key achievements for the reporting period.

**SIGNIFICANCE AND ENGAGEMENT**

This report is provided for information purposes only and has been assessed as being of some importance.

**DISCUSSION**

The Dog Control Act 1996 ("The Act") requires all territorial authorities to report annually on their dog control policy and procedures. The legislation sets out specific statistics that are required to be reported on, including the number of registered dogs, dogs classified as menacing or dangerous, and the number of complaints in the year.

This report is provided to you for your information. The report is also sent to the Department of Internal Affairs and will be published on our website. It is important that the public are able to access this information, via our website so that they can see the work Council is doing to support dog control and public safety.

**IMPLICATIONS ASSESSMENT**

This report confirms that the matter concerned has no particular implications and has been dealt with in accordance with the Local Government Act 2002. Specifically:

- Council staff have delegated authority for any decisions made;
- Council staff have identified and assessed all reasonably practicable options for addressing the matter and considered the views and preferences of any interested or affected persons (including Māori), in proportion to the significance of the matter;
- Any decisions made will help 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;
- Unless stated above, any decisions made can be addressed through current funding under the Long-Term Plan and Annual Plan;
- Any decisions made are consistent with the Council's plans and policies; and

- No decisions have been made that would alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council or would transfer the ownership or control of a strategic asset to or from the Council.

**NEXT STEPS**

This report will be provided to the Department of Internal Affairs and placed on our website for the public to view.

**RECOMMENDATION**

**That, having considered all matters raised in the report, the report be noted.**







## DOG CONTROL POLICY AND PRACTICES

### ANNUAL REPORT 1 JULY 2020 -30 JUNE 2021

#### Introduction

The Central Hawke's Bay District Council, as a territorial authority, is required to manage and enforce provisions pursuant to the Dog Control Act 1996 (the Act) and subsequent amendments in 2003, 2004, 2006 and 2010.

S10A of the Act requires the Council to report annually to the Secretary of Local Government on its Dog Control Policy and practices. This report fulfils this statutory requirement for the dog registration year: 1st July 2020 to 30 June 2021.

#### The Council's Dog Policy and Practices

The Council adopted its Dog Control Policy in June 2017. The objectives of the policy are to:

1. Provide a practical framework for the care and control of dogs throughout the district while minimising any danger, distress and nuisance to the community in general.
2. Integrate control measures passed through the Dog Control Act and Council's Dog Control Bylaws together with targeted education to modify the behaviour of both dogs and their owners to avoid nuisance situations.
3. Encourage owners to make better provision for the control and care of their dogs and to clarify why Council undertakes Dog Control functions, the way those functions are undertaken and how Council intends to make changes to continually improve the service

#### Fees

A \$10.00 early bird discount was offered for the 2020/2021 year. This is not being offered for the 2021/2022 (current financial year).

We also offer a Responsible Dog Owner (RDO) status for owners who have lived in the area for one registration year. This status qualifies you for a discounted registration rate as noted below.

Category	Fees
Urban	\$112.00
Rural/Working Dogs	\$56.00
Responsible Dog Owner (RDO)	\$76.50
Gold Card Holders (Pensioners)	\$38.00
Early Bird Discount	\$10.00

#### Key Achievements

##### Community engagement

This year we continue to have a focus on proactive communication around what our animal services and compliance team provide to the Community.

This year we have continued to improve our overall engagement with the community, including holding our annual 'Doggie Day Out' event. The 'Doggie Day Out' was a great chance for the community to come and see what animal services is all about and for us to provide key messages about safety and the responsibility of being a good dog owner. We had a number of stalls set up on the day, which included a range of animal services.

##### Customer Service

We got out into the community around dog registration time and offered 'pop-ups' in the community to come and register your dog as well as offering microchipping services. These 'pop ups' were a great success in the rural communities.

##### Education

Last year we rolled out our 'Dog Safety' messaging to our internal contractors and some external businesses. We have received positive feedback on the quality of the presentation and key messages provided. We continue to offer this to organisations in the community, that are out and about in our community where they may encounter dogs on properties.

We are currently collaborating with our neighbouring districts in regard to a regional roll out of dog safety programmes in our schools. However, we always take any opportunity to provide some key safety messages to our tamariki. Most recently Waipukurau Primary School had a bring a pet to work/school day and our team leapt at the opportunity to provide some key messaging to year 5 and 6 students, which was really well received.



## DOG CONTROL STATISTICS

### Number of Dogs Registered

2020/2021	2019/2020	2018/2019	2017/2018
5091	5224	5211	5117

### Dangerous and Menacing

The number of dogs classified as dangerous (under section 31 Dog Control Act 1996)

Category	2020-2021
Dangerous by owner conviction S31(1)(a)	0
Dangerous by sworn evidence S31(1)(b)	0
Dangerous by owner admitting in writing S31(1)(C)	1
<b>Total number of dogs classified in 2019/20 year</b>	<b>1</b>
<b>Total dangerous dogs in the District</b>	<b>7</b>

The number of dogs classified as menacing (under section 33A or section 33C Dog Control Act 1996)

Category	2020/2021
Menacing by behaviour S33A(1)(b)(i)	4
Menacing by breed characteristics S33A(1)(b)(ii)	0
Menacing by Schedule 4 breed S33C(1)	0
<b>Total number of dogs classified in 2020/21 year</b>	<b>4</b>
<b>Total menacing dogs in the District</b>	<b>28</b>

### Number of infringement notices issued

2020/2021	2019/2020	2018/2019	2017/2018
33	75	85	24

### Probationary owners and disqualified owners

Probationary	Disqualified
0	0

### Number of dog owners prosecuted by Central Hawke's Bay District Council

There were no dog owners prosecuted by the Central Hawke's Bay District Council.

Of the 36 dog attacks investigated, 10 dogs were euthanised due to the severity of the attack, and 27 infringements were issued for various offences in relation to the attacks investigated.

### Dog-related complaints

Category	2020/2021	2019/2020	2018/2019	2017/2018*
Attacks on people	7	14	8	3
Attacks on dogs/animals	29	17	11	7
Barking dogs	103	97	85	172
Uncontrolled dogs i.e., rushing	29	33	10	
Miscellaneous/Bylaw breach i.e., not on lead, fouling, general enquiries	390	309	237	
Wandering and/or impounded	219	211	142	68
<b>Total</b>	<b>777</b>	<b>681</b>	<b>493</b>	<b>250</b>



## 7.6 RESIDENT'S OPINION SURVEY RESULTS 2021

**File Number:** COU-1400

**Author:** Lisa Harrison, Customer Relationships and Experience Manager

**Authoriser:** Doug Tate, Group Manager Customer and Community Partnerships

**Attachments:** 1. Central Hawke's Bay District Council Resident Opinion Survey Report 2021 [↓](#)

### RECOMMENDATION

**That, having considered all matters raised in the report, the report be noted.**

### PURPOSE

The purpose of this report is to provide elected members with the overall highlights received from the 2021 Resident's Opinion Survey.

### SIGNIFICANCE AND ENGAGEMENT

This report is provided for information purposes only and has been assessed as minor significance.

### BACKGROUND

In 2017 Council commissioned a comprehensive resident consultation programme, to help us better understand resident perspectives and aspirations. This consultation, known as Project Thrive, had a significant influence on Council's 2018 – 2028 Long Term Plan (LTP).

The development of the 2018-2028 LTP saw a number of new activity performance measures being established, with resident's satisfaction being a key performance measure, measured through an annual independent resident's survey.

In 2019 and 2020 we re-engaged Research First to complete our second and third Resident's Opinion Surveys so that we could track our performance based on the 2018 survey results. The method that Research First used to complete their surveys was a mixed method of online and phone surveys.

This year we engaged a new service provider, AskYouTeam, based on feedback and a reflection of how we were undertaking the survey. This has meant this year; we have been able to broaden our engagement by offering a different mixed method compared to previous years.

The 2021 survey was conducted using a mixed method approach being an online survey and also offering residents the opportunity to complete the survey via hard copy. The online survey provided an option for those with a preference to participate online and for those that preferred a hard copy survey to complete this was available as an insert into the CHB mail or was available at all of our service centres.

The 2021 survey was undertaken between 20 May – 29 June 2021. Council was pleased to see an increase in participation from our community, with a total of 472 completed surveys, compared to 315 completed surveys in 2020.

### DISCUSSION

The purpose of this survey is to formally record Council's performance in relation to our Level of Service Performance Measures for activities as defined in the Long Term Plan 2018 – 2028 and to gain various other information relating to activities of the organisation.

A total of 472 residents completed this year's Resident's Opinion Survey, compared with 315 in 2020 and 420 in 2019.

The key highlights from the 2021 Resident's Opinion Survey are:

	2018	2019	2020	2021
• Proportion satisfied with overall performance of the Council in the past 12 months	• 84%	• 83%	• 86%	• 79%
• The Council has responded to community needs and issues in the past 12 months	• 49%	• 55%	• 66%	• 82%
• How well has the Council communicated about Council services	• 56%	• 64%	• 71%	• 84%
• You trust Council to do the right thing for the district and its communities	• 55%	• 59%	• 64%	• 66%
• You're confident that Central Hawke's Bay District Council is going in the right direction	• 58%	• 63%	• 68%	• 66%

While there is movement across the criteria overall, including some results reducing, the results show an overall clear trend of improvement over the last 4 years. Overall data is accurate to +/- 2.5-5.0% margin. A copy of the complete 2021 Resident's Opinion Survey Results is attached.

As part of the 2021 -2031 Long Term Plan review, Council has had the opportunity to review and assess how it measures its performance in relation to its Long Term Performance Measures. To this end, many of the performance measures from the 2018-2021 Long Term Plan have also been replaced, however customer satisfaction measured through this survey has remained in many activities.

### IMPLICATIONS ASSESSMENT

This report confirms that the matter concerned has no particular implications and has been dealt with in accordance with the Local Government Act 2002. Specifically:

- Council staff have delegated authority for any decisions made;
- Council staff have identified and assessed all reasonably practicable options for addressing the matter and considered the views and preferences of any interested or affected persons (including Māori), in proportion to the significance of the matter;
- Any decisions made will help 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;
- Unless stated above, any decisions made can be addressed through current funding under the Long-Term Plan and Annual Plan;
- Any decisions made are consistent with the Council's plans and policies; and
- No decisions have been made that would alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or would transfer the ownership or control of a strategic asset to or from the Council.

### NEXT STEPS

Based on the results from the 2021 Resident's Opinion Survey, some feedback has already been dealt with immediately as request for service, while others will feed into asset management plans, group plans and overall customer experience improvement plans.

**RECOMMENDATION**

**That, having considered all matters raised in the report, the report be noted.**





A RESEARCH REPORT  
FOR LOCAL GOVERNMENT

# Central Hawke's Bay District Council Resident Opinion Survey

August 2021





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# 1.0 Summary of findings

**79%** Are satisfied with the performance of Central Hawke's Bay District Council in the previous 12 months

**67%** Are confident that Central Hawke's Bay District is going in the right direction

**85%** Believe that Central Hawke's Bay District is a great place to live

**66%** Trust the Council to do the right thing for the district and its communities

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## 1.1 Top-performing areas

**96%** Are satisfied with cemeteries

**91%** Are satisfied with cleanliness of public toilets

**95%** Are satisfied with the services and facilities at a park or reserve they visited

**89%** Are satisfied with swimming pools – being only the Waipawa Pool

**94%** Are satisfied with environmental health services

**88%** Are satisfied with the services and facilities of the library they visited

**93%** Are satisfied with wastewater services

**85%** Are satisfied with the Council's economic and community development activities

**83%** Are satisfied with the drinking water supply

**85%** Are satisfied with stormwater drainage

**92%** Are satisfied with the kerbside rubbish collection

**82%** Are satisfied with the kerbside recycling collection

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## 1.2 Communication

**90%** Believe the Council communicates well about elected Council business

**84%** Believe the Council communicates well about Council services

**82%** Thought the Council responded well to the community's needs and issues over the last 12 months

### 1.3 Key results over time

		2018	2019	2020	2021	Different to 2018	2021 score using only very satisfied + satisfied
<b>Proportion satisfied with overall performance of the Council in the past 12 months</b>	Very satisfied + satisfied + neutral	84%	83%	86%	79%	↓	59%
Cemeteries	Very satisfied + satisfied + neutral	98%	96%	97%	96%		73%
Parks and reserves		96%	94%	95%	95%		83%
Environmental health services					94%		75%
Wastewater services		86%	93%	91%	93%	↑	74%
Drinking water supply		81%	82%	83%	83%		77%
Kerbside rubbish collection > Compared over time against solid waste services (rubbish and recycling)		85%	81%	77%	92%	↑	77%
Cleanliness of public toilets		91%	87%	91%	91%		70%
Swimming pools – being only Waipawa Pool		79%	90%	94%	88%	↑	66%
Libraries – being only Waipawa Library		96%	94%	93%	88%	↓	83%
Economic and community development activities		89%	88%	89%	84%		50%
Stormwater		87%	85%	92%	85%		68%
Kerbside recycling collection > Compared over time against solid waste services (rubbish and recycling)		85%	81%	77%	82%	↑	

### 1.3 Key results over time cont.

		2018	2019	2020	2021	Different to 2018	2021 score using only very satisfied + satisfied
Building consents and compliance		72%	77%	79%	73%		49%
Other compliance and monitoring		66%	91%	72%	72%	↑	54%
Animal services		79%	85%	73%	71%	↓	60%
Waste transfer station		85%	81%	77%	71%	↓	52%
Roading in Central Hawke's Bay (not including state highways)		78%	78%	72%	68%	↓	46%
How well has the Council communicated about elected Council business	Very well + well	47%	56%	52%	90%	↑	
How well has the Council communicated about Council services		56%	64%	71%	84%	↑	
The Council has responded to community needs and issues in the past 12 months		49%	55%	66%	82%	↑	
Central Hawke's Bay District is a great place to live	Somewhat agree + agree + strongly agree	92%	92%	93%	94%		
Confident that Central Hawke's Bay District is going in the right direction		58%	63%	68%	66%		
Trust the Council to do the right thing for the district and its communities		55%	59%	64%	66%	↑	



## 2.0 Survey context

In 2018, Central Hawke's Bay District Council conducted an annual residents' survey for the first time, setting a baseline level of service metrics before the subsequent adoption and implementation of the 2018–28 Long Term Plan.

This was followed up in 2019 and 2020 with two further annual iterations of the survey. All three iterations were administered by Research First.

Declining participation has led to the Council taking a slightly different approach in 2021. This has included engaging AskYourTeam for the provision of the online survey and a decision to abandon landline telephone surveys altogether.

### 2.1 Method

The 2021 residents' survey was conducted using a mixed online survey and hard copy approach.

Hard copy surveys were distributed using a number of methods, including inserts into newspapers along with advertising (timed specifically around a long weekend) as well as copies being available at strategic Council locations across the community.

The online survey provided an option for those with a preference to participate online. These surveys were provisioned and made available to residents using a number of digital channels, including kiosks, links on the Council's websites and posts on the Council Facebook page. Newspaper advertisements, with QR codes were also used.

The online survey ran from 20 May 2021 to 29 June 2021.

Responses achieved

	Number of respondents	% of respondents
Paper	260	55%
Online	212	45%
Total	472	100%

The total number of responses has increased significantly from 315 in 2020 to 472 in 2021. The population of Central Hawke's Bay according to the 2018 Census is 14,142. Overall data is accurate to +/- 2.5–5.0% margin of error at the 95% confidence level (i.e. if 50% of respondents stated they are satisfied with a council facility, we could be 95% sure that between 45% and 55% of the entire population also feel this way).

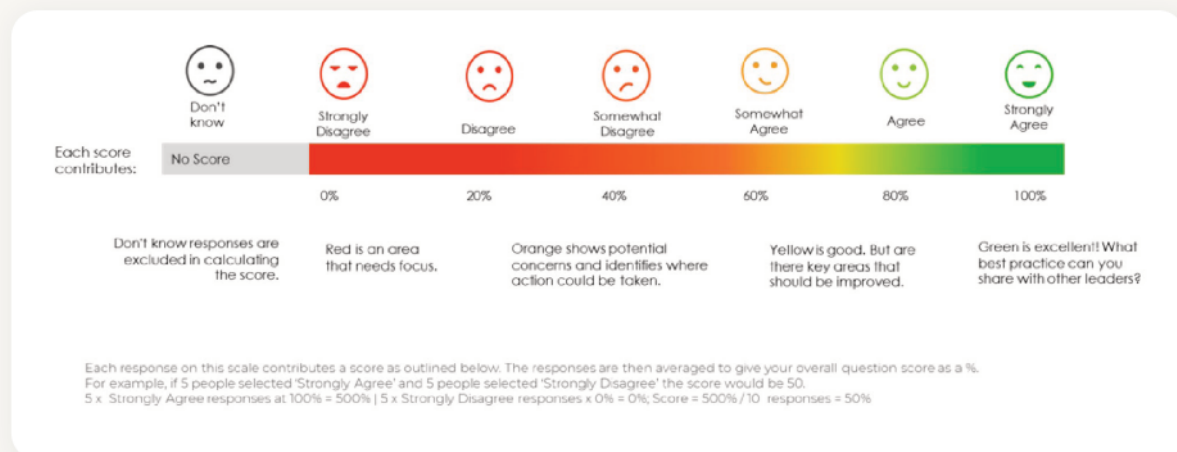
In some cases, respondents chose to answer 'don't know' rather than rate a service or facility. Where this is the case, these responses have been removed from the analysis and the subtotal of respondents calculated.

Please note the following:

- > In certain cases, the sum of individual responses will not add up to totalled figures due to rounding conventions.
- > Where sample sizes are low, the findings should be treated with some caution.
- > The positive scores for all individual measures have been calculated as per 2018, 2019 and 2020 for the purposes of comparison - for example: satisfaction score = neither satisfied nor dissatisfied + satisfied + very satisfied. Where available, we have also given the score for just those responses that are satisfied or very satisfied.
- > Our recommendation is that, going forward, the Council considers using only those responses that aren't satisfied or very satisfied rather than include neutral responses as well.
- > For the rating scale of very poor – very well, scores are calculated using those results for well + very well.

## 2.1 Method cont.

For the rating scale strongly disagree – strongly agree, agreement ratings were made on a 7-point Likert scale. Responses are reported as an average score and are scored as shown below.



## 2.2 Participation by demographics

The following tables show the responses achieved and the demographic information obtained.

### By age

	Total achieved		Compared by method	
	Number of respondents	Percentage	Paper %	Online %
15-17	2	.5%	0%	100%
18-24	5	1%	60%	40%
25-34	41	9%	17%	83%
35-44	72	15%	24%	76%
45-54	65	14%	40%	60%
55-64	83	18%	51%	49%
65-74	117	25%	71%	29%
75+	80	17%	94%	6%
Prefer not to say	7	1.5%	100%	0%
Total respondents	472	100%	55%	45%

*\*As defined by Statistics New Zealand, subnational population estimates 2018*

### By gender

	Total achieved		Compared by method	
	Number of respondents	Percentage	Paper %	Online %
Female	285	60%	46%	54%
Male	162	34%	65%	35%
Another gender	2	0%	100%	0%
Prefer not to say	23	5%	87%	13%
Total	472	100%	55%	45%

### By location

	Total achieved		Compared by method	
	Number of respondents	Percentage	Paper %	Online %
Blackhead Beach	0	0.0%		
Elsthorpe	2	0.4%	100%	0%
Kairakau	1	0.2%	100%	0%
Mangakuri	1	0.2%	100%	0%
Ongaonga	10	2.1%	80%	20%
Otane	41	8.7%	59%	41%
Porangahau	17	3.6%	35%	65%
Shoal Bay (Aramoana)	4	0.8%	100%	0%
Takapau	25	5.3%	28%	72%
Te Paerahi	0	0.0%		
Tikokino	9	1.9%	56%	44%
Waipawa	126	26.7%	45%	55%
Waipukurau	235	49.8%	63%	37%
Whangaheue	1	0.2%	0%	100%
Total	472	100%	55%	45%

## 2.2 Participation by demographics cont.

### Rural and coastal areas compared with urban

	Total achieved		Compared by method	
	Number of respondents	Percentage	Paper %	Online %
Urban community	361	76%	57%	43%
Rural area + coastal community	111	24%	50%	50%
Total	472	100%	260	212

### By Homeowner status

	Total achieved		Compared by method	
	Number of respondents	Percentage	Paper %	Online %
Yes	435	23%	55%	45%
No	24	12%	46%	54%
Unsure	13	56%	77%	23%
Total	472	100%	260	212

### By time in the Hawke's Bay

	Total achieved		Compared by method	
	Number of respondents	Percentage	Paper %	Online %
5 years or less	108	23%	43%	57%
6 to 10 years	58	12%	41%	59%
More than 10 years	266	56%	57%	43%
Prefer not to say	40	8%	95%	5%
Total	472	100%	260	212

## 3.0 Overall performance

### 3.1 Satisfaction with the overall performance of Council

Residents are satisfied with the Council's performance. Seventy-nine percent state that they are satisfied with the overall performance of Central Hawke's Bay District Council over the last 12 months.

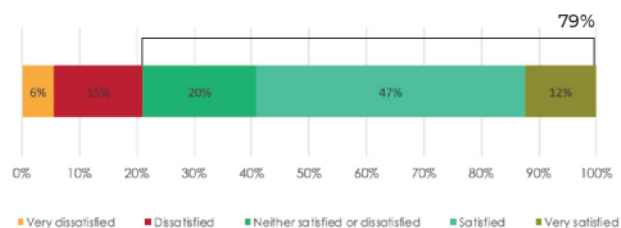
This result has declined slightly since 2018.

Overall, please rate the performance of Central Hawke's Bay District Council over the last 12 months

*\*Excludes don't know/unable to say.*

*\*This score includes those who are neither satisfied nor dissatisfied for consistency with previous years' results and reports.*

*\*The score for only those residents who are satisfied or very satisfied is 59%.*



### 3.2 Suggested improvements

Residents were asked two questions to which they were able to make comment.

"If there was one area/activity that Central Hawke's Bay District Council could focus on to deliver a thriving community, what would it be?"

"Are there any other comments or suggestions you'd like to make?"

From the comments made against these two question, we have been able to draw out a number of potential areas or opportunities for the council to focus on for improvement.

*\*Please note that we have referred to the number of times these areas have been commented on, rather than as a percentage of the comments. This is because in some instances, residents have listed multiple areas of improvement in one comment.*

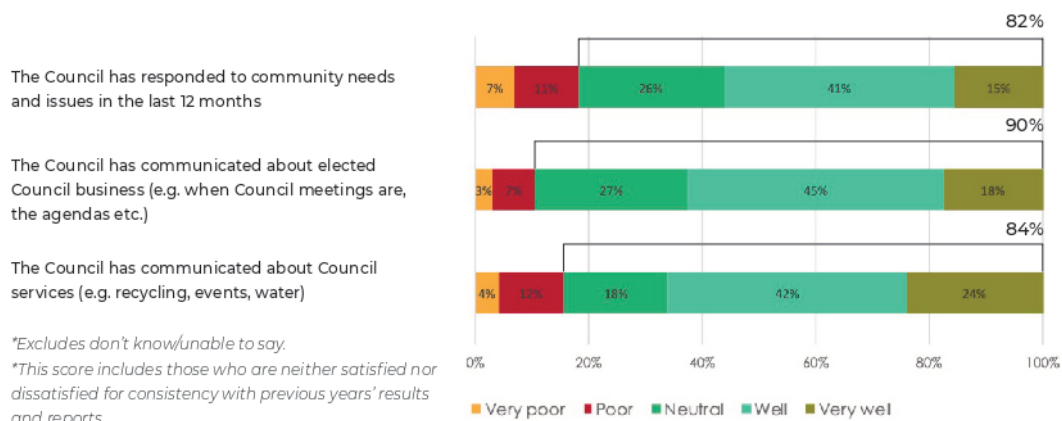
Areas for improvement	Number of references/comments
Water - drinking water, wastewater, sewerage	84
Rubbish/recycling	65
Roading/traffic Control	64
Council spending/management/rates	58
Library (the majority associated with the closure/building of the Waipukurau Library)	28
Housing	16
Improved communication/consultation	15
Maintenance/infrastructure	15
Parks, playgrounds, sports and recreational facilities	12

## 4.0 Community leadership

### 4.1 Governance

Residents' opinions of how well the Council is communicating have been steadily improving since 2018:

- > The Council is communicating well regarding Council services (84% compared with 56% in 2018 and 71% in 2020).
- > The Council is responding well to community needs and issues (82% compared with 49% in 2018 and 66% in 2020).
- > The proportion of residents who believe the Council is communicating well regarding elected Council business has shown the most significant improvement (90% compared with 47% in 2018 and 52% in 2020).



\*Excludes don't know/unable to say.

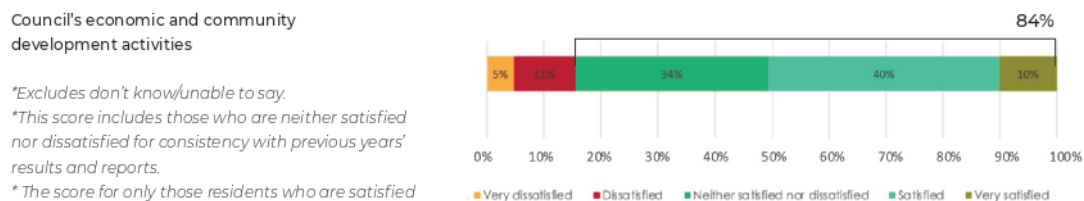
\*This score includes those who are neither satisfied nor dissatisfied for consistency with previous years' results and reports.

\*The scores for only those residents who are satisfied or very satisfied were 56%, 63% and 66% respectively.

### 4.2 Economic and Social Development

Residents were asked to rate how satisfied they are with the Council's economic and community development activities (e.g., Mayor's Taskforce for Jobs, Provincial Growth Fund applications, Safer CHB, youth development and positive ageing).

The results show that 85% are satisfied with these activities, which is consistent, albeit slightly lower, with the previous years' surveys.



\*Excludes don't know/unable to say.

\*This score includes those who are neither satisfied nor dissatisfied for consistency with previous years' results and reports.

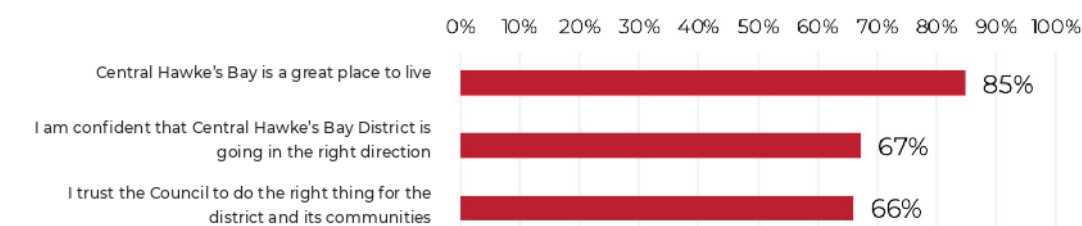
\*The score for only those residents who are satisfied or very satisfied was 50%.



### 4.3 Other perceptions of the Council

Almost all residents believe that Central Hawke's Bay is a great place to live, and over half of them show trust and confidence in the Council.

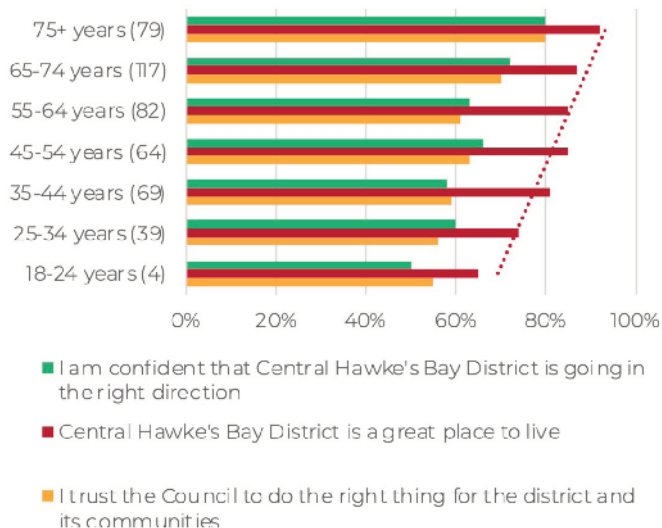
These results have not changed significantly over time.



*\*These scores are based on a 7-point agreement scale. Responses are reported as an average score and are scored as described in section 2.1 Method.*

#### Results by age

Age has a significant impact on the positivity of responses to these questions.



Whilst there is a degree of consistency in results for residents aged between 25 and 64, Older generations have a far higher level of agreement than younger residents.

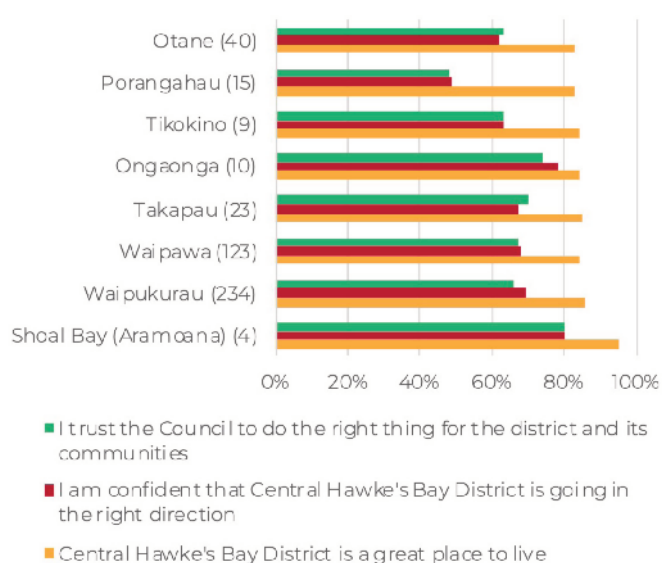
For the question "Central Hawke's Bay is a great place to live", residents aged 75 + had a high score of 92%, down to a low score of 65% for those aged between 18 and 24.

This trend is mirrored in the other two questions as well.

### 4.3 Other perceptions of the Council cont.

#### Results by location

Whilst there is general consistency across most locations in terms of the residents' level of positivity (or agreement) with these questions, the results for Porangahau<sup>1</sup> are significantly lower around trust and confidence than the other regions.



For the question "I am confident that Central Hawke's Bay District Council is going in the right direction" residents from Porangahau scored 49% (40% for residents aged 55–64).

For the question "I trust the Council to do the right thing for the district and its communities", residents from Porangahau scored 48% (with a low score of 33% for residents aged 65–74).

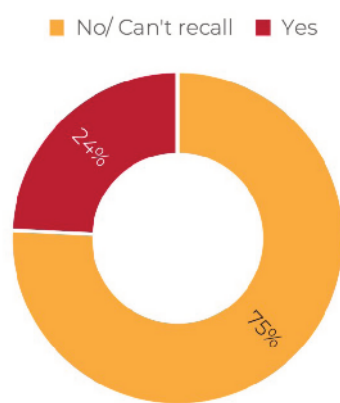
<sup>1</sup>The number of respondents for Porangahau is 15.

## 5.0 Planning and regulatory

### 5.1 Animal control

Of those people who have used the Council's animal services in the last 12 months, 71% are satisfied with the service. Satisfaction with animal services has not changed significantly over time.

#### Use of animal services



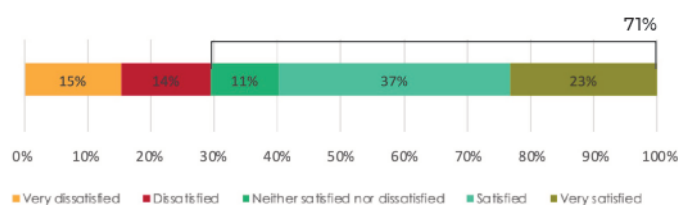
There are no significant differences in the satisfaction scores amongst the various demographic groups other than a high level of dissatisfaction in animal services from those respondents from Tikokino. All respondents from Tikokino<sup>2</sup> answered dissatisfied to this question.

#### How satisfied were you with the services provided by animal services

*\*Excludes don't know/unable to say.*

*\*This score includes those who are neither satisfied nor dissatisfied for consistency with previous years' results and reports.*

*\*The score for only those residents who are satisfied or very satisfied was 60%.*



<sup>2</sup>There were 9 respondents to this question from Tikokino.

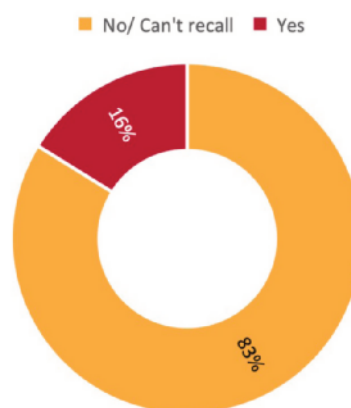
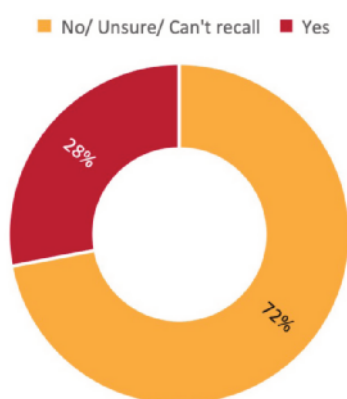
## 5.2 Compliance and monitoring

Twenty-eight percent of residents have used building consents and compliance services. One in ten have used other compliance or monitoring services.

Over 15% of residents have used other compliance and monitoring services (e.g. freedom camping, noise control).

Use of building and planning consents services

Use of compliance and monitoring services



\*Excludes don't know/unable to say.

\*This score includes those who are neither satisfied nor dissatisfied for consistency with previous years' results and reports.

\*The score for only those residents who are satisfied or very satisfied was 49%.

Out of those who have used these services, 73% are satisfied with building consents and compliance services, and 72% are satisfied with other compliance and monitoring services. The levels of satisfaction with these services have not changed over time, and there are no significant differences in satisfaction amongst the demographic groups.

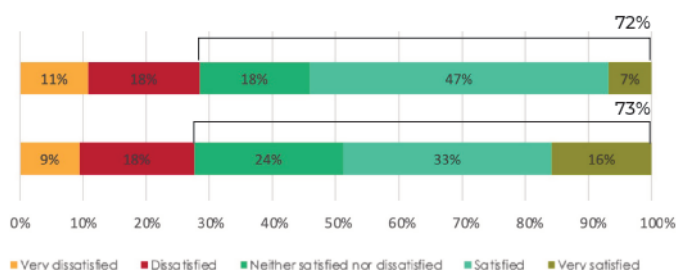
How satisfied were you with the compliance and monitoring services

How satisfied were you with the building and planning consents services

\*Excludes don't know/unable to say.

\*This score includes those who are neither satisfied nor dissatisfied for consistency with previous years' results and reports.

\*The score for only those residents who are satisfied or very satisfied was 42%.



## 6.0 Roding and transport

Sixty-seven percent of residents are satisfied with the roading in the district, which is statistically similar to the previous years' data.

Residents aged 18-64 are significantly less likely to be satisfied with the roading (59%) compared with 79% of those aged 65+).

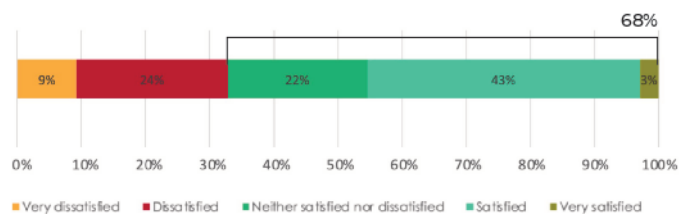
There are no other significant differences amongst the demographic groups.

### Roding in Central Hawke's Bay (not including state highways as they are looked after by NZTA)

*\*Excludes don't know/unable to say.*

*\*This score includes those who are neither satisfied nor dissatisfied for consistency with previous years' results and reports.*

*\*The score for only those residents who are satisfied or very satisfied was 46%.*

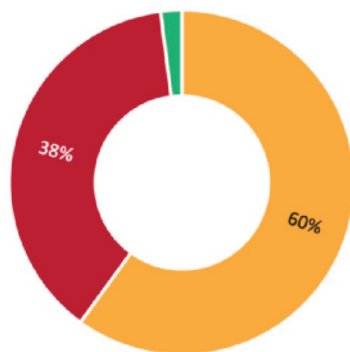


## 7.0 Solid waste

### 7.1 Kerbside recycling services

Is kerbside recycling available where you live?

Yes No Unsure



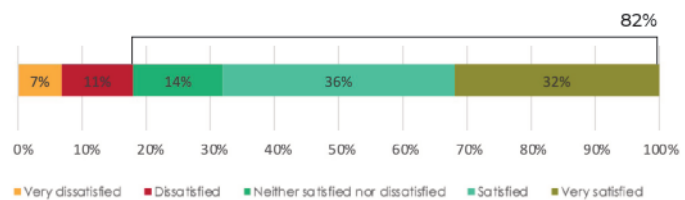
Kerbside recycling services are available to 60% of residents of the district. Residents living in rural and coastal areas are less likely than those living in urban areas to use kerbside recycling collection.

How satisfied are you with the kerbside recycling?

*\*Excludes don't know/unable to say.*

*\*This score includes those who are neither satisfied nor dissatisfied for consistency with previous years' results and reports.*

*\*The score for only those residents who are satisfied or very satisfied was 68%.*

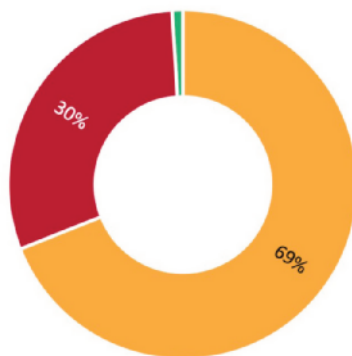




## 7.2 Kerbside rubbish services

Is kerbside rubbish collection available where you live?

Yes No Unsure



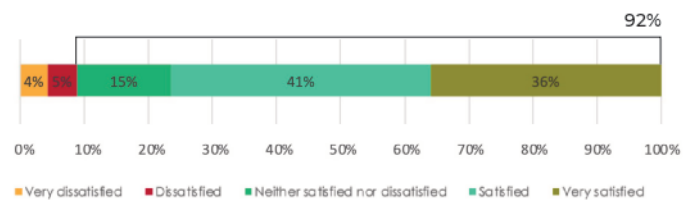
Of these residents, 92% are satisfied with the service provided with no significant difference between the level of satisfaction between rural/coastal areas and urban areas.

How satisfied are you with the kerbside rubbish collection?

*\*Excludes don't know/unable to say.*

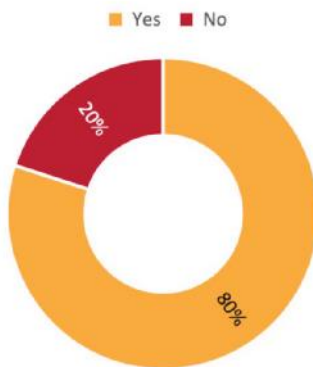
*\*This score includes those who are neither satisfied nor dissatisfied for consistency with previous years' results and reports.*

*\*The score for only those residents who are satisfied or very satisfied was 77%.*



### 7.3 Waste transfer station services

In the last 12 months, have you used a waste transfer station (rubbish dump)?



In the last 12 months 80% of residents have used waste transfer station services.

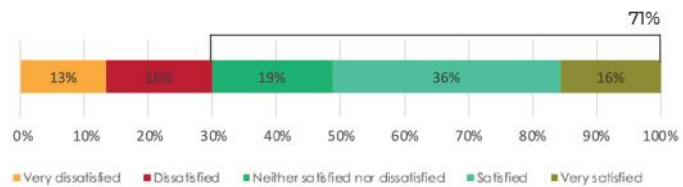
Of all district residents who have used a waste transfer station in the last 12 months, 71% are satisfied with the service provided with no significant difference between demographic groups.

How satisfied are you with the waste transfer station (rubbish dump)?

*\*Excludes don't know/unable to say.*

*\*This score includes those who are neither satisfied nor dissatisfied for consistency with previous years' results and reports.*

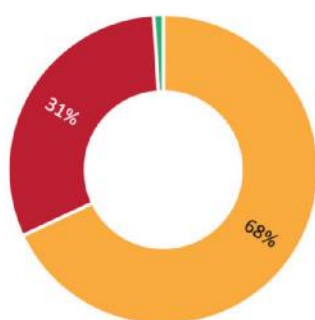
*\*The score for only those residents who are satisfied or very satisfied was 52%.*



## 8.0 Water services

Where you live, does Central Hawke's Bay District Council supply drinking water?

Yes No Unsure



Nearly 70% of Central Hawke's Bay residents have access to Council-supplied drinking water.

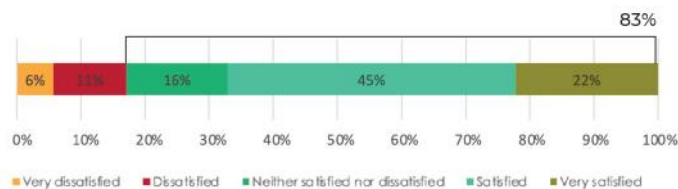
Of all these residents, 83% are satisfied with the drinking water supply. This is a similar result to 2018 (81%) and 2020 (83%). Levels of dissatisfaction are slightly higher in rural/coastal areas than urban areas with no significant difference between demographic groups.

How satisfied are you with the drinking water supply?

*\*Excludes don't know/unable to say.*

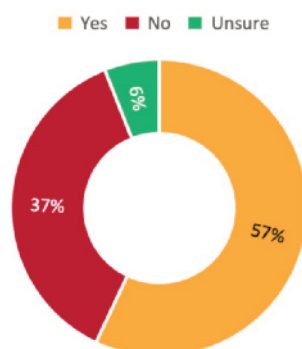
*\*This score includes those who are neither satisfied nor dissatisfied for consistency with previous years' results and reports.*

*\*The score for only those residents who are satisfied or very satisfied was 67%.*



## 9.0 Wastewater services

Where you live, does Central Hawke's Bay District Council provide wastewater services?



Fifty-seven percent of residents have access to wastewater services from the Council.

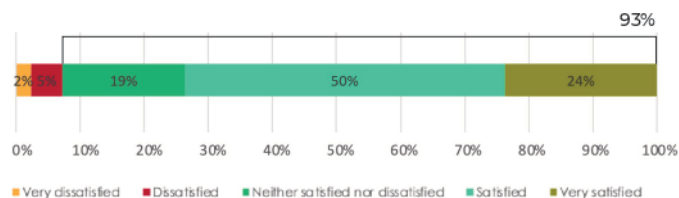
Of those who have used the Council's wastewater services, 93% are satisfied with the service. Satisfaction with wastewater services has not changed significantly over time, and there are no significant differences in the satisfaction scores amongst the various demographic groups.

How satisfied are you with the wastewater?

*\*Excludes don't know/unable to say.*

*\*This score includes those who are neither satisfied nor dissatisfied for consistency with previous years' results and reports.*

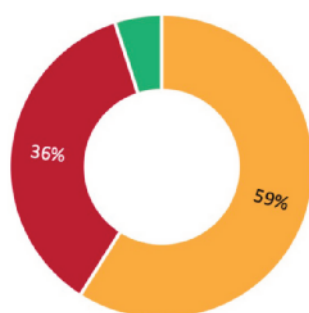
*\*The score for only those residents who are satisfied or very satisfied was 74%.*



## 10.0 Stormwater

Where you live, does Central Hawke's Bay District Council provide stormwater drainage?

Yes No Unsure



Fifty-nine percent of residents have access to stormwater drainage services from the Council.

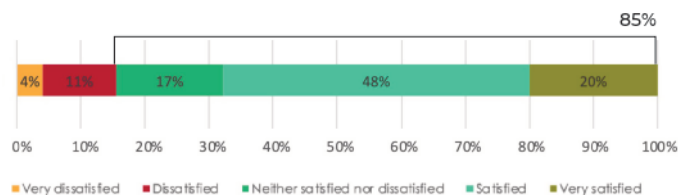
Of those who have used the Council's stormwater drainage services, 85% are satisfied with the service. Satisfaction with stormwater drainage has not changed significantly over time but has declined slightly since last year (92% in 2020). There are no significant differences in the satisfaction scores amongst the various demographic groups.

How satisfied are you with the stormwater drainage?

*\*Excludes don't know/unable to say.*

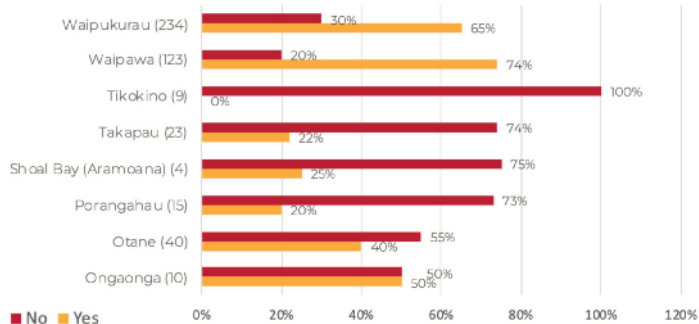
*\*This score includes those who are neither satisfied nor dissatisfied for consistency with previous years' results and reports.*

*\*The score for only those residents who are satisfied or very satisfied was 68%.*



### Provision of stormwater drainage by location

Where you live, does Central Hawke's Bay District Council provide stormwater drainage?



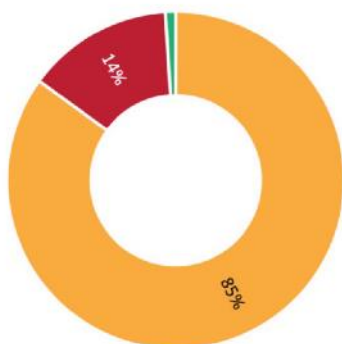
Residents living in rural and coastal areas have less availability of stormwater drainage than those living in urban areas.

## 11.0 Recreation and community facilities

### 11.1 Parks and Reserves and Waipawa Pool

In the last 12 months, have you used a park or reserve in Central Hawke's Bay?

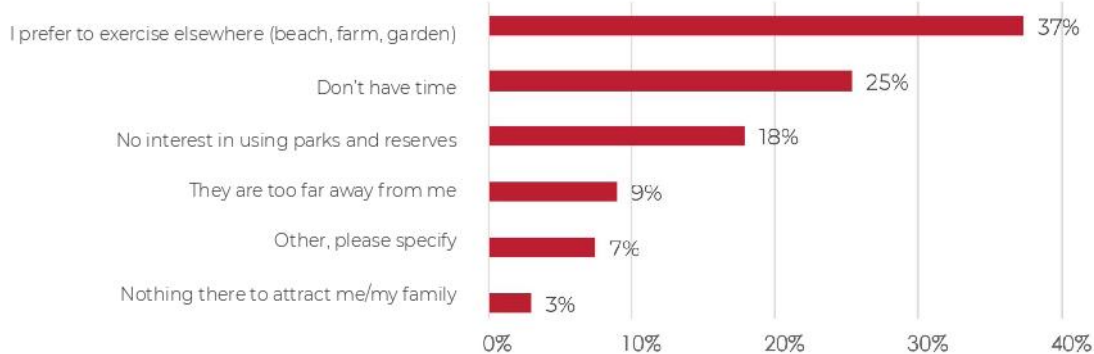
Yes No Can't recall



Eighty-five percent of residents have used/visited parks and reserves in the district in the last 12 months.

Residents who had not used these services gave a variety of reasons. Thirty-seven percent said that they prefer to exercise elsewhere, while 25% referred to a lack of time.

You mentioned that you haven't been to a park or reserve. What's the main reason for that?





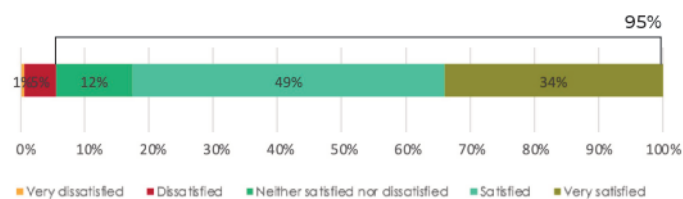
Ninety-five percent of residents who visited parks and reserves are satisfied with the services and facilities. This is consistent with the previous years' results.

#### How satisfied are you with the services and facilities at the park or reserve you visited?

*\*Excludes don't know/unable to say.*

*\*This score includes those who are neither satisfied nor dissatisfied for consistency with previous years' results and reports.*

*\*The score for only those residents who are satisfied or very satisfied was 83%.*



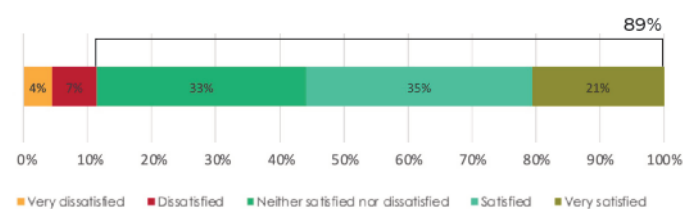
Eighty-nine percent of residents were satisfied they are with the Waipawa Pool. While this is slightly lower than in 2020 (94%), it is a significant increase from the 2018 score of 79%.

#### Swimming pools - being only the Waipawa Pool

*\*Excludes don't know/unable to say.*

*\*This score includes those who are neither satisfied nor dissatisfied for consistency with previous years' results and reports.*

*\*The score for only those residents who are satisfied or very satisfied was 56%.*



There are no significant differences between the demographic groups for either of these measures.

## 11.2 Public toilets

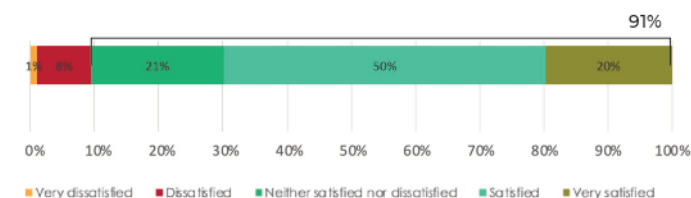
Satisfaction with the cleanliness and provision of public toilets was 91%. This result is similar to the previous years, and there are no significant differences between the demographic groups.

#### Cleanliness and provision of public toilets

*\*Excludes don't know/unable to say.*

*\*This score includes those who are neither satisfied nor dissatisfied for consistency with previous years' results and reports.*

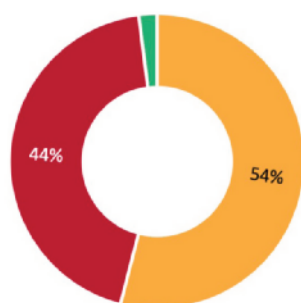
*\*The score for only those residents who are satisfied or very satisfied was 70%.*



### 11.3 Libraries

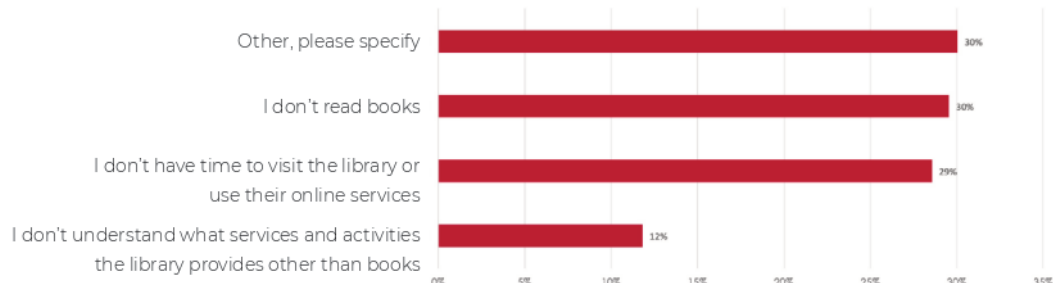
In the last 12 months, have you used a library in Central Hawke's Bay?

Yes No Can't recall



Fifty-four percent of residents had used a Council library in the last 12 months.

You mentioned you hadn't used the library. What's the main reason for that?



Of those residents that haven't used the Waipawa Library, there were three very similarly rated reasons all scoring around 30%. Eleven percent of people who haven't used the Waipawa library answered that a lack of understanding of the services and activities provided was their primary reason for not using the facility.

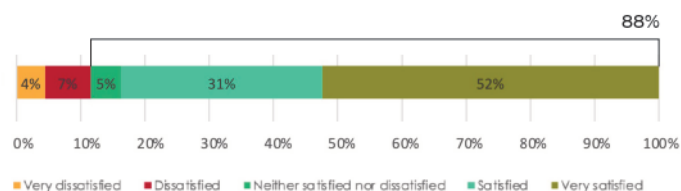
Of those who specified "other", 37% stated the fact that the Waipukurau Library is closed as the reason for not using the library. Twenty-seven percent stated that they don't use libraries or they aren't relevant to them as a reason for not going to the Waipawa Library (stating the use of online or e-books as the major alternative).

#### How satisfied were you with the services and facilities at the library you visited?

*\*Excludes don't know/unable to say.*

*\*This score includes those who are neither satisfied nor dissatisfied for consistency with previous years' results and reports.*

*\*The score for only those residents who are satisfied or very satisfied was 83%.*



Of residents who did use the Waipawa Library 89% are satisfied, which is consistent with previous years' scores. There are no significant differences between demographic groups.

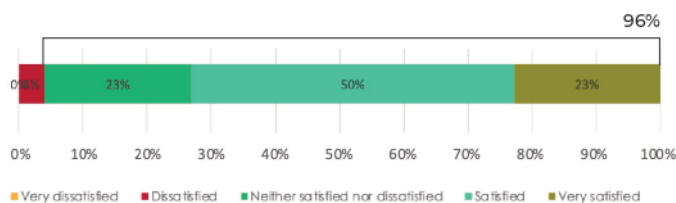
## 11.4 Cemeteries

#### Cemeteries

*\*Excludes don't know/unable to say.*

*\*This score includes those who are neither satisfied nor dissatisfied for consistency with previous years' results and reports.*

*\*The score for only those residents who are satisfied or very satisfied was 73%.*



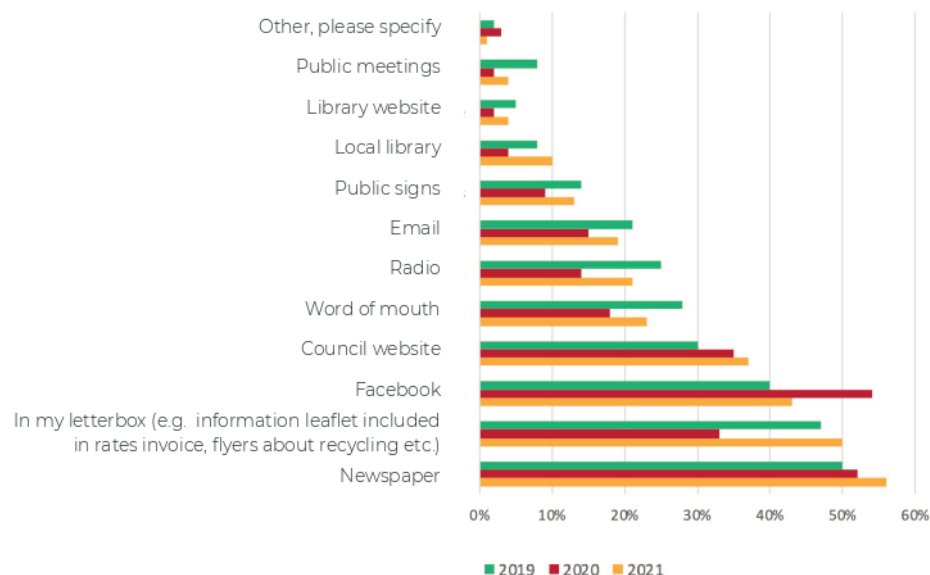
Ninety-six percent of residents are satisfied with the Council cemeteries. This is statistically similar to previous surveys, and there are no significant differences between demographic groups.

## 12.0 Communication preferences

As in 2019 and 2020, residents were asked how they currently receive information about the Council's services. Although there are several differences between results, only the following are statistically significant:

- > The use of Facebook decreased significantly in 2021, dropping to a similar level to 2019.
- > Receipt of Council information (including all forms of information) via letterboxes has increased significantly.

In the past year please tell us how you received information about the following Council services



Residents were again asked to select their top three preferred ways of receiving information and updates about Council services.

Even though there appear to be several differences between the 2019, 2020 and 2021 results, only the following are statistically significant:

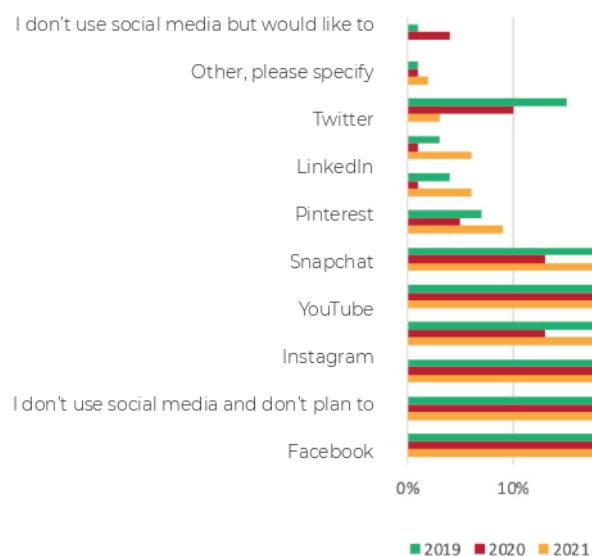
- > Preference for Facebook has decreased significantly between 2020 and 2021.
- > Preference for email and information in letterboxes has increased significantly.

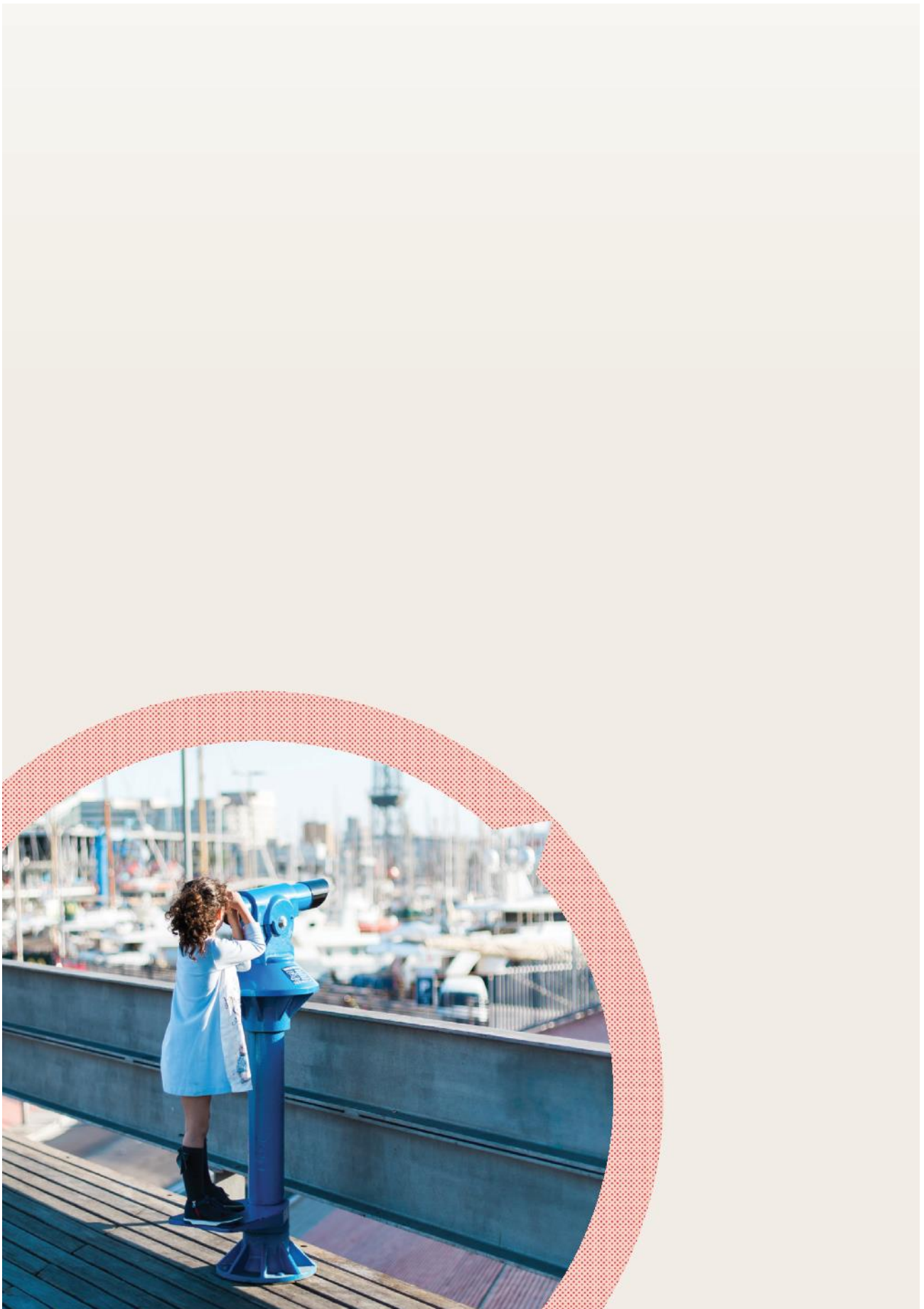
Surprisingly, the interest in information provided in letterboxes is equally shared between older residents (75+ years) and younger residents (18–24 years) as is their lack of interest in receiving emails. Not surprisingly older residents (75+ years) have no interest in Facebook and younger residents 18–24 years have no interest in newspapers.

All residents were asked which social media channels they use on a regular basis. Facebook remains the most frequently used platform but has declined slightly from 2020. In fact, there has been a steady decline in interest in social media channels in 2021 (except for Pinterest), mirrored by an increase in residents who don't use social and are not intending to.

Not surprisingly, the interest in using social media declines with age, and desire not to use it increases with age.

Please tell us your top three preferred ways of receiving updates about Council services









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to know  
more?

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we can help your organisation.

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+64 6 280 5305



**7.7 HAWKE'S BAY LOCAL AUTHORITY SHARED SERVICES - COUNCIL CONTROLLED ORGANISATION EXEMPTION**

**File Number:** COU-1400

**Author:** Brent Chamberlain, Chief Financial Officer

**Authoriser:** Monique Davidson, Chief Executive

**Attachments:** Nil

**PURPOSE**

To obtain a decision from the Council to continue to exempt the Hawke's Bay Local Authority Shared Services Limited (HBLASS) from the requirements imposed on Council Controlled Organisations (CCOs) under the Local Government Act 2002 (LGA).

**RECOMMENDATION FOR CONSIDERATION**

**That having considered all matters raised in the report:**

- a) the report titled 'Hawke's Bay Local Authority Shared Services – Council Controlled Organisation Exemption' be received.**
- b) the exemption of Hawke's Bay Local Authority Shared Services (HBLASS) from the Council Controlled Organisation requirements (Local Government Act Section 7(3)) is approved.**
- c) that all five Hawke's Bay Councils are required to resolve that the HBLASS Limited be exempted from being a CCO be noted.**
- d) Council will actively support shared and common goal setting, decision-making, resourcing including financial contribution, staff and communication.**

**EXECUTIVE SUMMARY**

The purpose of this report is to obtain a decision from the Council to exempt the Hawke's Bay Local Authority Shared Services (HBLASS) from the requirements imposed on Council Controlled Organisations (CCO) under the Local Government Act 2002 (LGA).

The exemption will allow a reduced reporting requirement for the Trust under the LGA.

This report concludes by recommending that the HBLASS be exempt from being a CCO under the LGA.

**BACKGROUND**

It is proposed that the Council continues to exempt HBLASS from the requirements imposed on Council Controlled Organisations (CCOs) under the Local Government Act 2002 (LGA). The continuation of this exemption must be approved by all five councils. Section 7(6)(a) of the LGA also stipulates that a Council must review any exemptions granted under section 7 within 3 years after it was first granted. The LGA allows a local authority to exempt organisations from being CCOs. The following are the relevant sections of the LGA:

**7 Exempted organisations**

- (1) The Governor-General may, by Order in Council made on the recommendation of the Minister, exempt an organisation for the purposes of section 6(4)(i).
- (2) The Minister may make a recommendation only if—
  - (a) the organisation is subject to monitoring and reporting requirements under an enactment; and
  - (b) in the Minister's opinion, the organisation's accountability under that enactment is of a similar nature and effect to that required of a council-controlled organisation under this Act.
- (3) A local authority may, after having taken account of the matters specified in subsection (5), exempt a small organisation that is not a council-controlled trading organisation, for the purposes of section 6(4)(i).
- (4) An exemption must be granted by resolution of the local authority.
- (5) The matters are—
  - (a) the nature and scope of the activities provided by the organisation; and
  - (b) the costs and benefits, if an exemption is granted, to the local authority, the council-controlled organisation, and the community.
- (6) A local authority must review an exemption it has granted—
  - (a) within 3 years after it is granted; and
  - (b) after the first review, not more than 3 years following the last review under this section.
- (7) A local authority may, at any time, revoke an exemption it has granted.

Section 7(1): amended, on 28 June 2006, by section 5(1) of the Local Government Act 2002 Amendment Act 2006 (2006 No 26).

Section 7(2): substituted, on 28 June 2006, by section 5(2) of the Local Government Act 2002 Amendment Act 2006 (2006 No 26).

Section 7(6)(b): replaced, on 8 August 2014, by section 5 of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).

**DISCUSSION**

Historically HBLASS was a CCO set up by all five Hawkes Bay Councils to delivered joint shared services. Currently this CCO is in recess and isn't trading, but is still legally in existence.

This isn't to say that the 5 councils aren't undertaking joint shared services/procurement. For example Napier City Council is providing website hosing for all five Councils, all five Council buy their insurances, electricity, and internal audits together.

If the CCO exemption isn't granted then the CCO will be subject to full reporting requirements, including an audit by the auditor general, annual budgets, annual reports, and statements of intent be prepared.

All five Hawke's Bay Councils are being requested to resolve that the HBLASS Limited be exempted from being a CCO, and such an exemption requires consent from all five Councils.

**RISK ASSESSMENT AND MITIGATION**

The requirements of being a CCO will still need to be met if the Councils wish to continue with the Company in its current format, including the preparation of a Statement of Intent. This work has currently been put on hold.

The HBLASS Limited legal entity can be reactivated in the future if business models, organisational, contract or procurement changes require a separate legal entity.

This recommendation relates to operational efficiency given the size and breath of the organisation, but should this level of activity change in the future this exemption can be revoked at any time.

The other Hawkes Bay Councils involved in the Company are making similar resolutions.

#### **FOUR WELLBEINGS**

This decision has no impact on Cultural, Social, or Environmental Wellbeings, but does have the impact of reducing the economic burden on a dominant company.

#### **DELEGATIONS OR AUTHORITY**

This decision is required to be made by the Local Authority under the Local Government Act 2002.

#### **SIGNIFICANCE AND ENGAGEMENT**

In accordance with the Council's Significance and Engagement Policy, this matter has been assessed as not significant and no consultation is required.

#### **OPTIONS ANALYSIS**

Council has two options:

*Option 1* – continue to exempt the Hawke's Bay Local Authority Shared Services Limited (HBLASS) from the requirements imposed on Council Controlled Organisations (CCOs) under the Local Government Act 2002 (LGA).

All five Hawke's Bay Councils are required to resolve that the HBLASS Limited be exempted from being a CCO.

*Option 2* - Not approve the recommendation and reactivate HBLASS Limited requiring the HBLASS Limited to report as required under the LGA.

The level of reporting required of a CCO under the LGA is disproportionate to the size, type and breadth of the operations.

#### **Recommended Option**

This report recommends option number one, continue to exempt the Hawke's Bay Local Authority Shared Services Limited (HBLASS) from the requirements imposed on Council Controlled Organisations (CCOs) under the Local Government Act 2002 (LGA) for addressing the matter.

#### **NEXT STEPS**

Council Officers will adjust the reporting requirements for Hawke's Bay Local Authority Shared Services Limited (HBLASS) based on today's decision.

This decision needs reviewing in 3 years' time, or earlier if desired.

#### **RECOMMENDATION**

**That having considered all matters raised in the report:**

- a) the report titled 'Hawke's Bay Local Authority Shared Services – Council Controlled Organisation Exemption' be received.**
- b) the exemption of Hawke's Bay Local Authority Shared Services (HBLASS) from the Council Controlled Organisation requirements (Local Government Act Section 7(3)) is approved.**
- c) that all five Hawke's Bay Councils are required to resolve that the HBLASS Limited be**

**exempted from being a CCO be noted.**

- d) Council will actively support shared and common goal setting, decision-making, resourcing including financial contribution, staff and communication.**



**8 MAYOR AND COUNCILLOR REPORTS****MAYOR'S REPORT FOR SEPTEMBER 2021**

**File Number:** COU1-1400

**Author:** Alex Walker, Mayor

**Authoriser:** Monique Davidson, Chief Executive

**Attachments:** Nil

**EXECUTIVE SUMMARY**

The purpose of this report is to present Her Worship the Mayor's report.

This report will be presented to Council on the day.

**RECOMMENDATION**

That the Mayor's report for September 2021 be received.

**STRATEGY AND WELLBEING COMMITTEE CHAIR REPORT****File Number:** COU1-1400**Author:** Caitlyn Dine, Governance & Support Officer**Authoriser:** Monique Davidson, Chief Executive**Attachments:** 1. Committee Chair Report [↓](#)**PURPOSE**

The purpose of this report is to present the Strategy and Wellbeing Committee Chair Report.

**RECOMMENDATION**

That the Strategy and Wellbeing Committee Chair Report for September 2021 be received.



23 September 2021

# Strategy & Wellbeing

## CHAIR REPORT

### Strategy and Wellbeing success.....

Happy SPRINGTIME!! Best time of the year.

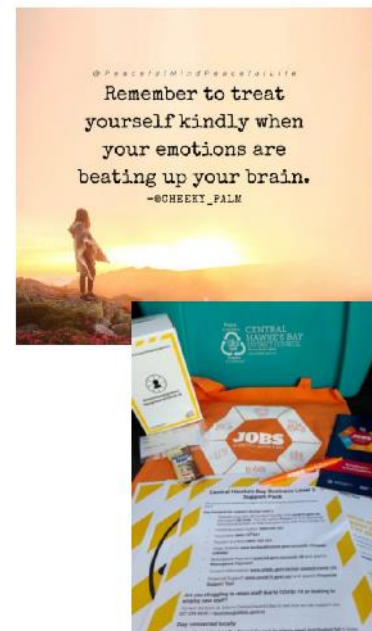
The last few weeks can be summed up in a few activities, 3 Waters reform, COVID and Level 4&3. Sadly, New Zealand found itself in the very real lockdown again. A stark reminder that COVID is still having a very real effect in our lives. Our hearts and prayers go to those businesses and communities feeling the very real effects.

All the above can add serious stress to community wellbeing and its certainly harder to be strategic when people are in what feels like a pressure cooker and dealing with daily challenges. Its vital that we pull together and the same goes for us at council as we continue to be committed to working as a team and having each other's back – yes, we can have opposing views, but we are all rowing in the same direction – wider community wellbeing by Trust, Honesty, Respect, Innovation, Valuing People and Excellence.



### Strategy and Wellbeing or Deputy Mayor Focused Activities:

18 July, Tikokino Community Planning  
 26 July, CHB Consumer Power Trust AGM  
 27 July, Meeting with community, Kieran McNulty & Bankers Ass  
 29 July, Council Meeting  
 29 July, Kurawaka Cultural Training  
 2 August, New Recycling Service rollout  
 4 August, Community meeting re Wakarara Subdivision  
 5 August Civic Award Ceremony  
 9 August, Three Waters Webinar  
 10 August, BAS  
 11 August, Onga 7's  
 11 August, Safer CHB Meeting  
 12 August, Finance & Infrastructure  
 12 August, Takapau Community meeting  
 13 August, Onga Onga Restoration project  
 16 August, Regional Collaboration Day  
 17 August, Community Facilities Workshop  
 18 August, Lockdown  
 19 August, CHB Network of Networks meeting  
 23 August, Food Secure Network Meeting  
 24 August, Community Facilities Catch up  
 25 August, STEN Network Meeting  
 26 August, Strategy & Wellbeing Committee  
 31 August, CHB Fire and Education meeting  
 1 & 8 Sept, Three Waters Reform community meeting  
 7 Sept, Local Business Check-in  
 9 Sept, Council Workshop  
 13 Sept, Maori Language Week begins










Together we Thrive! E ora ngātahi ana!



### Strategy and Wellbeing Priority Updates:

Below is the list of Strategy and Wellbeing priorities, the lead councillors, and achievements over the past 8 weeks.

Priority	Lead Councillors	Achievements
Lead and monitor the implementation of Waste Free CHB Strategy  Wellbeing: Environment	Cr Minehan Prof Maaka Cr Taylor Cr Burne	<ul style="list-style-type: none"> <li>Clean up week rescheduled to end of October</li> <li>Roll out of new service has been going well we have had a good response from community</li> </ul> 
Lead the delivery of the Social Housing Strategic Framework  Wellbeing: Economic and Social	Cr Wichman Prof Maaka Cr Minehan Cr Annand	<ul style="list-style-type: none"> <li>Policy Review of our retirement housing proposal submitted for application to Govt. infrastructure fund –</li> <li>Exciting development in working with investment partners in future housing space</li> </ul> 
Monitor the implementation of the Economic Development Strategy  Wellbeing: Economic	Cr Aitken Cr Greer	<ul style="list-style-type: none"> <li>Local Business COVID support packs</li> <li>BA5's</li> <li>Local business check-in</li> <li>Business survey sent out to networks</li> </ul> 
Monitor the implementation of the Environmental Strategy  Wellbeing: Environment	Cr Aitken Prof Maaka Cr Greer Cr Annand	<ul style="list-style-type: none"> <li>3 Waters reform community information sessions</li> <li>Leachate to Land project nearly complete</li> </ul> 
Review the current Community Wellbeing Strategy and monitor the implementation of a revised Social Development Strategy  Wellbeing: Social	Cr Annand Cr Taylor Cr Burne	<ul style="list-style-type: none"> <li>Civic awards Ceremony</li> <li>Digital Hub nearly complete</li> <li>Strong mobilisation of Network of Networks during COVID lockdown</li> </ul> 
Develop a Māori/Iwi Engagement Strategy  Wellbeing: Cultural	Cr Wichman Prof Maaka Cr Annand	<ul style="list-style-type: none"> <li>Amazing activities to recognise Maori Language Week</li> </ul> 
Monitor development and implementation of Community Plans  Wellbeing: Social	Cr Taylor Cr Minehan Cr Burne	<ul style="list-style-type: none"> <li>Visit to Onga Onga to view the restoration Coles Factory</li> </ul> 

*Together we Thrive! E ora ngātahi ana!*

**FINANCE AND INFRASTRUCTURE COMMITTEE CHAIR'S REPORT****File Number:** COU1-1400**Author:** Caitlyn Dine, Governance & Support Officer**Authoriser:** Monique Davidson, Chief Executive**Attachments:** Nil**PURPOSE**

The purpose of this report is to present the Finance and Infrastructure Committee Chair Report.

This report will be presented to Council on the day.

**RECOMMENDATION**

That the Finance and Infrastructure Committee Chair Report be noted.

**RUATANIWHA WARD REPORT****File Number:** COU1-1400**Author:** Caitlyn Dine, Governance & Support Officer**Authoriser:** Monique Davidson, Chief Executive**Attachments:** Nil**PURPOSE**

The purpose of this report is to present the Ruataniwha Ward Report.

This report will be presented to Council on the day.

**RECOMMENDATION**

That the Ruataniwha Ward Report for September 2021 be received.



**ARAMOANA/RUAHINE WARD REPORT****File Number:** COU1-1400**Author:** Caitlyn Dine, Governance & Support Officer**Authoriser:** Monique Davidson, Chief Executive**Attachments:** 1. Aramoana/Ruahine Ward Report [↓](#)**PURPOSE**

The purpose of this report is to present the Aramoana/Ruahine Ward Report.

**RECOMMENDATION**

That the Aramoana/Ruahine Ward Report for September 2021 be received.



## Key activities and achievements over the last 8 weeks

Our Aramoana/Ruahine ward councillors have been very busy over the past eight weeks since I last wrote this report.

### Tim Aitken

At the time of writing this report I look outside and see it is raining, this is a welcome relief for our farming community who have been dealing with two years of below average rainfall.

On Wednesday Hawke's Bay Regional Council with the support of the Regional Advisory Group formally launched the drought web app. This app is the first of its kind in New Zealand and has been developed to build drought resilience in the community with funding from Ministry for Primary Industries in partnership with the Hawke's Bay Rural Advisory Group.

To access this app, click [here](#) for further information.

You can find a copy of HBRC's media release here: <https://www.hbrc.govt.nz/home/article/1155/hawkes-bay-regional-council-launches-drought-indicator-web-app?t=featured&s=1>

Here's a link to the Facebook post with the TV1 story: <https://www.facebook.com/HBRegionalCouncil/posts/4418589458179229>

As with all my other councillors my time has mainly been taken up with Covid 19 and the Three Waters. It is time for Central Government to start talking about how they are going to control it once we open the borders and when. As a councillor I have had more calls on Three Waters than anything else over the nearly five years I have been in this role, no one I have talked to are saying that it is good idea.

### Kate Taylor

Since the last council meeting, like everyone else, my councillor time has really been taken up with Covid-19 and Three Waters-related issues. I have watched a large number of webinars and presentations on 3W and attended the Regional Collaboration Day in Hastings that was centred around it too. We've also had our online drop-in sessions and councillor workshop.

With Cr Greer, Cr Annand and Mayor Alex, I saw the great progress being made with the restoration of the Coles Joinery Factory and other museum buildings in Onga Onga - see pictures!

Other activities have included the Porangahau Hall AGM, CHB Consumers Power Trust AGM and the inaugural workshop for the new community facilities strategy. I am also fortunate to be continuing with the Level 2 Te Reo through council and EIT. I am also fortunate to be continuing with the Level 2 Te Reo through council and EIT, and the cultural training through Doc and Raina Ferris at Kurawaka at Porangahau.

Thanks to Cr Annand, I also had the opportunity to chair the Strategy and Well-being meeting held via zoom in lockdown. It was interesting to see the extra steps that help the creation of the agenda and checking of the minutes.

## Key Meetings/Functions Attended by Aramoana/Ruahine Ward councillors:

### Jerry Greer

- Aug 4 - Community Discussion Wakarara Subdivision. Aug 5th Attended Civic and Community Awards Ceremony. CHB Municipal Theatre.
- Aug 10 - Attended Business after 5 at Waipukurau Club. Aug 11th Attended Argyll East Hall Agm.
- Aug 12 - Finance and Infrastructure Meetng.
- Aug 13 - Visited the Onga onga Museum Complex and also had an in depth look at the Restoration progress on The Coles Factory.
- Aug 16 - Attended the HB Regional Collaboration Day in Hastings. 3 Waters HB Model Discussed at length.
- Aug 17 - Attended Community Facilities Workshop.
- Aug 26 - Strategy and Wellbeing Meeting
- Sept 1 and 8 - Three Waters Presentation to Community members online.
- Sept 9 – 3 Waters workshop All Day.

Photos Below:



*Together we Thrive! E ora ngātahi ana!*

**9 CHIEF EXECUTIVE REPORT****9.1 BI MONTHLY ORGANISATION PERFORMANCE REPORT AUGUST - SEPTEMBER 2021****File Number:** COU1-1400**Author:** Monique Davidson, Chief Executive**Authoriser:** Monique Davidson, Chief Executive**Attachments:** 1. August - September Organisation Performance Report [↓](#)**PURPOSE**

The purpose of this report is to present to Council the organisation report for August - September 2021.

**RECOMMENDATION**

**That, having considered all matters raised in the report, the report be noted.**

**SIGNIFICANCE AND ENGAGEMENT**

This report is provided for information purposes only and has been assessed as being of some importance.

**DISCUSSION**

This reports seeks to update Council on a number of key projects and priorities for Central Hawke's Bay District Council.

**FINANCIAL AND RESOURCING IMPLICATIONS**

This report does not present any financial or resourcing implications.

**IMPLICATIONS ASSESSMENT**

This report confirms that the matter concerned has no particular implications and has been dealt with in accordance with the Local Government Act 2002. Specifically:

- Council staff have delegated authority for any decisions made;
- Council staff have identified and assessed all reasonably practicable options for addressing the matter and considered the views and preferences of any interested or affected persons (including Māori), in proportion to the significance of the matter;
- Any decisions made will help 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;
- Unless stated above, any decisions made can be addressed through current funding under the Long-Term Plan and Annual Plan;
- Any decisions made are consistent with the Council's plans and policies; and
- No decisions have been made that would alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or would transfer the ownership or control of a strategic asset to or from the Council.

**NEXT STEPS**

The next six weekly organisation report will be presented to Council on 17<sup>th</sup> November 2021.

**RECOMMENDATION**

**That, having considered all matters raised in the report, the report be noted.**







## E ORA NGĀTAHI ANA – TOGETHER WE THRIVE.

This report provides an update of the organisation's activity over the August 2021 – September 2021 period and provides a snapshot of some of the organisation's achievements and activity over the period.

In 2018 Council opted to participate in the CouncilMARK™ Programme, which is an assessment programme designed to improve the public's knowledge of the work councils do, and to support Council to further improve the service and value we deliver to community.

The CouncilMARK™ programme is underpinned by significant research commissioned by LGNZ, including the New Zealand Local Government Survey of over 3,000 citizens and businesses. This provided important country-wide insights into New Zealanders' perceptions of local government.

The CouncilMARK™ Programme incorporates a set of performance measurement principles and underlying performance indicators, namely the Performance Assessment Framework (PAF), that guide the team of independent assessors.

The PAF is broken down into the following four priority areas:

1. Priority Area One – Governance, Leadership and Strategy
2. Priority Area Two – Financial Decision Making and Transparency
3. Priority Area Three – Service Delivery and Asset Management
4. Priority Area Four – Communicating and Engaging with the Public

Following our assessment in 2018, Council has continued to focus on continuous improvement in light of the report recommendations. In September 2021, Council will participate in a re-assessment and throughout August Officers have spent considerable time preparing for this. Our 2018 CouncilMARK assessment provided us with a solid benchmark and gave us confidence that we were heading in the right direction. In this 2021 assessment we seek to understand and affirm that we are still progressing in the right direction, while also seeking feedback and guidance that will continue to enhance and guide the growth of our organisation, our people and our community.

During August, we have progressed in understanding the **Governments 3 Waters Reform programme**, in order to be in a position to provide feedback to government at the end of September. Albeit during lockdown, Council held 3 virtual "Elected Member Drop in Sessions" and have provided information via multiple mediums in order to assist the community in understanding the government's proposal.

Over the past four years we have had a strong focus on our water and wastewater infrastructure. Because of this dedicated work, Central Hawke's Bay is lucky to have a clear understanding of the significant funding that this infrastructure will require and the cost to our connected households both now and for the future. We also know how important the infrastructure is to ensuring a thriving future for our community. We also understand that what is being proposed by Government is a major shift away from how we view the local ownership and decision-making that we currently enjoy.

Further to the 3 Waters Reform Programme, there are also other related things happening, led by Government, which will affect us in some way. While it can be difficult to clearly explain how these many pieces of the puzzle fit together, we need to acknowledge it and work with what we do know.

As well as a reform of the delivery of 3 Waters Services (the potential movement from Council ownership to a 4-entity model), a new regulator is also being set up to manage new legislation. This new regulator (Taumata Arowai) will give effect to new legislation (the Water Services Bill) that will set the rules for how we make sure water is safe to drink across all of New Zealand. Changes to environmental standards for freshwater (our rivers, streams, lakes and aquifers) as well as change planned for the Resource Management Act are all set to have some additional sway on us in Central Hawke's Bay over the next few years.

Level 4 and Level 3 Alert status, following the Delta outbreak has without a doubt had an impact on the Council business and wider community. I am pleased to report that we had 100% of staff working from home during Level 4, and while an impact on the programme and budget for our capital work programme, the team through careful planning have been able to ensure majority of projects are back into action and remain on track. Once again we have made every effort, through good business continuity planning to ensure business as usual within the alert level rules has continued.

Finally, at the time of writing this report we are celebrating Te wiki o te reo māori – A huge thank you to our dedicated team who ensured that as an organisation we made a real effort and contribution to the celebration and revitalisation of Te reo māori. Celebrating the language isn't just a task for during the week itself, but each day as we build on the Pou Tahī of the Tūhono mai Tūhono atu Strategy which identifies the need to integrate mana whenua values, culture and language into the business of Council. A special mention to those 28 staff and Elected Members who are currently enrolled in Level 2 with EIT.

*"Whaowhia te kete mātauranga – Fill the basket of knowledge"*

**Monique Davidson**

**Chief Executive**

Chief Executive Report

2



## CENTRAL HAWKE'S BAY

DISTRICT COUNCIL

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

# Together we thrive!

Our Strategic Direction for Central Hawke's Bay

### What we know - Our DNA -



**WORKING TOGETHER**

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



**CUSTOMER EXCELLENCE**

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



**THINKING SMARTER**

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

### What we stand for - Our Values -



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

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

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

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



### Why we do what we do - Our Purpose -

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



### The outcomes we want to achieve - Our Objectives -



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

### How we'll reach our outcomes - Our Focus -



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

# Activity

## Updates

### SOCIAL AND ECONOMIC DEVELOPMENT



#### Safer Central Hawke's Bay

The Safer Central Hawke's Bay coalition has met once in this reporting period as have each of the four work streams - Violence Free CHB, Road Safety Work stream, Community Resilience & Wellbeing and Warmer Safer Homes. The Safe Communities Foundation of New Zealand is undergoing a transition and will cease to exist from January 2022. The Safe Communities Networks in New Zealand have met and agreed to explore the development of a community-led and owned network.

Safer Central Hawke's Bay partner agencies have been active during the recent COVID Delta lockdown, engaging with and supporting clients and members and disseminating information out to the community.

#### Positive Ageing

The network has formally met once during this reporting period however it has also come together remotely several times during the 3-week COVID Delta lockdown period to coordinate the welfare response and share information. Impact on our older residents was noticeably reduced during this latest lockdown, and this was due to a number of factors including:

- No requirement for over 70's to self isolate during lockdown
- Continuation of some critical services including Meals on Wheels and Home Support Services
- Strengthened network and implemented learnings from the previous lockdown
- Quick community response by partner agencies

The Older Drivers Information pack has been completed and distributed to key organisations including General Practices. This pack collates information to assist our older residents who are confronted with the challenge of whether they continue to drive or not. It provides information on where to access local support to assist older residents and their families affected by this issue to make informed decisions.

The network also provided feedback to council officers on barriers to accessing drop off recycling centres.

#### Disability Reference Group

The meeting scheduled for 18 August was postponed due to the COVID Delta lockdown. The group did meet remotely as part of the Network of Networks approach to the Welfare response for the August COVID lockdown and vital community and sector information was distributed to the disability community via this group.

#### Central Hawke's Bay Food Secure Network

Supported by funding from the Ministry of Social Development, a Central Hawke's Bay Food Secure network have formed and worked together to develop the 2021 CHB Food Security Action Plan. This plan articulates how as a district we will strive to meet our vision of "Every person in our community has access to affordable, nutritious and sustainable food to meet their cultural and dietary needs".

The network will drive the implementation of the food security plan, responding with solutions that reflect community aspirations and meet local needs. This will allow a forum for collaboration, identification and pooling of resources and abilities. The network currently includes stakeholders from across a range of sectors with the goal of expanding the network as we continue to work to implement the plan.





### Waka Tākaro – Central Hawke's Bay Play Trailer

An application was made to Sport Hawke's Bays Tumanawa Fund to obtain funding to build a Play Trailer which is a resource that will be used by community to encourage and promote the concept of "Play". The purpose of this trailer is to educate and encourage free play within the Central Hawke's Bay Community and is a resource to be used by community at events or gatherings. Along with the trailer, an application was made for a resource to be able to promote, educate and encourage the use of the Play Trailer. This funding was for a wage for a year and the role is called a Play Activator. Blanche Paewai-Ashcroft has been contracted to complete the role of the Play Activator and a team of people from Council and Sport Hawke's Bay are working alongside her to create the Play Trailer, which has been named Waka Tākaro. Over the coming months there will be a launch of the trailer and plan to embed its use into community.



Here is a photo of the trailer. It is yet to be sign written and filled with resources for children within the community to play with.

## COMMUNITY FUNDING

### Creative Communities Fund

The next round of Creative Communities Funding closed on 27<sup>th</sup> August 2021 after the closing date was extended due to the change in COVID alert levels. Eight applications were received and the panel is due to meet to discuss these applications on Wednesday 22<sup>nd</sup> September 2021.

### Community Voluntary Organisation Support Fund (CVOS)

The CVOS fund closed on the 6<sup>th</sup> August 2021 and a total of 4 Category One applications and 22 Category Two applications were received. Applications are now with the Assessment Committee who will meet on Monday 27<sup>th</sup> September to distribute the funds.

### Community Pride and Vibrancy Fund

The Community Pride and Vibrancy Application has received two applications in this reporting period.

The first application was from the Waipawa Spring Festival Committee for the Waipawa Duck Day event scheduled for Saturday 9 October. The Fund provided \$1,500 towards this event.

The second application was received from the Hatuma Half Marathon Organising Committee for costs towards the Hatuma Half Marathon event for 2022. The fund contributed \$1890.00 to assist with the costs of marketing and promoting the event, which is a key annual event in the districts sporting calendar.

### Sport New Zealand Rural Travel Fund

The next round of the Sport New Zealand Rural Travel Fund will open in November 2021.

## 2021 CIVIC AWARDS

The annual ceremony was presented by Mayor Alex Walker on the 5<sup>th</sup> August at the CHB Municipal Theatre where we awarded nine Community Service Awards, two Organisation of the Year Awards and the Civic Honours Award was presented to Mr John Oliver. We had a great turn out of almost 200 people from the community supporting their friends

or family receiving awards. It is great to see all the outstanding community service and commitment that goes on in Central Hawkes Bay.

## COMMUNITY PLANS

Community Planning for the Tikokino district is underway and following the community workshop held on the 18 July, a draft plan has been developed and is distributed to the working group.

We are working to confirm a date for the Otane Community Plan planning day, within the contexts of Level 2 restrictions.

## CULTURAL ENGAGEMENT – TUHONO MAI TUHONO ATU

### Priorities

During this period there has been a noted increase in hui with mana whenua. Council continues to support marae in a range of activities to build capacity. The priority areas for cultural engagement for this period have included:

- Continuing to implement components of cultural competency into our council work culture
- Supporting and participating in ELT's Te Reo level 2 with 28 council staff enrolled
- Supporting ELT and Governance to increase cultural capability at Kurawaka event centre in Porangahau
- Establishing approaches and processes for engagement with hapu and iwi, that are driven by hapu and iwi
- Supporting the continued establishment of capacity and capability within local Maori infrastructure.
- Regular Pou Whatuia advisory meetings schedule with governance and executive leadership teams.
- Working with a range of external planners on various projects to initiate engagement with hapu and iwi
- Identifying engagement workgroups within hapu and iwi and nurturing these relationships
- Collaboration with libraries team to complete projects (Te Reo training for staff & te wiki o te reo māori).

### Te Kupenga

The Te Kupenga team of Maori Managers focus for this period has been to review its terms of reference. The Te Kupenga Te Reo application continues to increase in popularity with over 1000 uploads. The current project Te Kupenga has been working on is the communications and feedback to community about the Three waters reform. Up and coming events include Te wiki o te reo māori celebrations. the Te Kupenga team are distributing a range of quiz's for council staff to participate in.

## ECONOMIC DEVELOPMENT

### Business and Industry check-ins during COVID-19 resurgence

There have been a number of regional and local check-ins and online meetings since the resurgence of COVID-19. The general purpose has been to gauge how businesses and industry sectors were managing under Level 4 and Level 3 lockdown conditions, what their planning was for Level 2, what level of confidence they had around their business/economic recovery etc. Common themes that came through included supply chain, shipping and subsequent stock issues, vaccination access for staff, long term effects such as costs of inflation and price hikes, critical skills shortage across the region and across all sectors. Encouraging customers to shop local is an ongoing priority.

We have communicated regularly with our local businesses in Central Hawke's Bay to ensure they are kept up to date with the various support resources available from COVID-19 and fact sheets produced by Council. This has included a business pack distributed to each business the week of 6 September to main street and other businesses in the District.

### Economic Development Review across Hawke's Bay

All five Hawke's Bay Councils are seeking business views on support for business and industry development in Hawke's Bay. A short 10-minute survey seeking Hawke's Bay business feedback on priorities for ratepayer funding assistance that is targeted at supporting business and industry development in Hawke's Bay has been sent out across the region.

This information will be used to build a more detailed picture of priorities, the funding that might be required, and the best way to deliver these activities and services for Hawke's Bay.

### **Economic Recovery**

The resurgence of COVID-19 Delta variant has affected progress in August and September for our projects initiated from funding gains we have secured from the Crown Infrastructure Partners Fund and the Provincial Growth Fund..

#### Tukituki trails extension project

Over the August-September period, work on the Tuki Tuki trails has continued to process forward

#### Berm walking and cycling trails

Work has continued to maintain the new and old Tukituki trail berm trails. The project has kept on one staff member for this work who is working out really well. Although the loop is not complete a number of people have started exploring these new trails.

#### Kahahakuri Creek bridge

The resource consent has been granted through the Hawkes Bay Regional Council for the Kahahakuri bridge, due to material delays the work has been scheduled for the end of October. We have also put an application in for another bridge over Wilsons creek, this bridge will be 11m long and 1.2m wide and will be built and installed by abseil access at the same time as the Kahahakuri bridge.

#### Limes and pathways

9kms of stopbank has been resurfaced with limesand to date with 6km further to be complete. Although there is continued work happening on the trails including work to trails access, signage and further extensions these new limestone trails are currently being well used by the community.



#### Gumtree Farm Mountain Bike Park



The Rotary River Pathway Trust have been working to create a number of new tracks and extend existing. Two new ones this month have been completed and ridden - Reesies Ripa & Mars Bar.

#### Worker Redeployment Package – Vegetation management

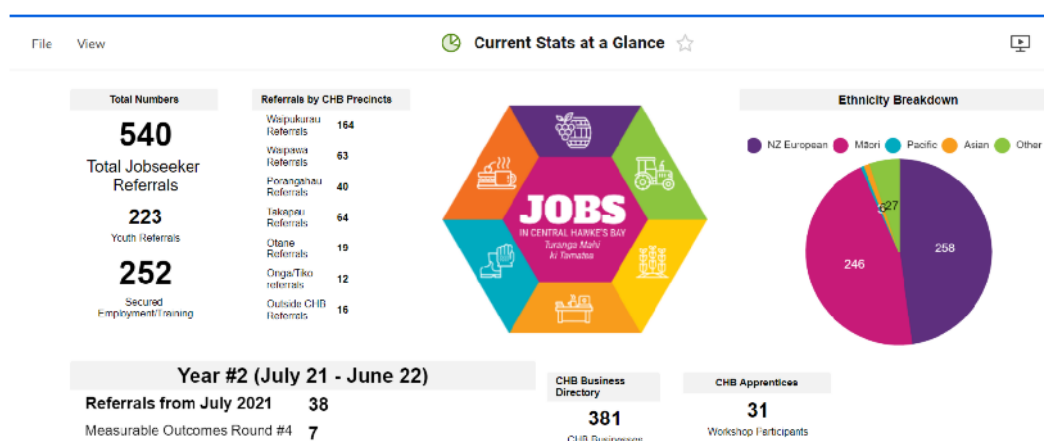
The PGF funded vegetation management programme has been extended until 3<sup>rd</sup> of September. The tranche has employed 4 people who have been adversely affected by covid. This has seen a number of gardens around town getting a revamp including the green patch, Bogle Brothers Esplanade and a huge amount of work on Pukekaihou. This team has been led by George Frederic of Recreational Services who is helping with garden design.

#### Rakei Ora – Bringing Wellbeing to Marae Tihei Tamatea

Over the month of August, the Rakei Ora project has worked closely with marae trustee to complete work with contractor and trades onsite. This project was due to be completed on the 31<sup>st</sup> of August but due to the covid alert level changes the end date has been extended, this will allow us time to secure all trades to complete works and complete contract obligation.

### **Jobs in Central Hawke's Bay - Turanga Mahi ki Tamatea**

Local Jobs for Local People - the Jobs in Central Hawke's Bay team continues to support local jobseekers and employers to connect the dots and facilitate sustainable employment in our community. New job seekers continue to visit the Mobile Employment Hub with 38 new referrals since July 2021.



The Jobs in Central Hawke's Bay team continue to work alongside Complete Coaching HB to provide one on one coaching and support for our youth. This partnership continues with this second round of funding as the results achieved in the first round were invaluable for our Youth. To date 17 participants have been referred, 11 have moved into sustainable employment supported with ongoing pastoral care for up to 6 months and 5 others are still being coached.

The partnership with CONNECT Driver Licensing continues with some great results. Driver Licenses is a barrier that prevents our community from being able to obtain sustainable employment therefore this partnership is important for the work the team are completing. 154 people have been referred for licensing support. As of 1<sup>st</sup> September 2021, 26 learner licenses, 30 restricted licenses, and 12 full licenses have been achieved.

In partnership with the Hawke's Bay Chamber of Commerce, the third Growing Great Entrepreneurs course has been supporting our local startup businesses to thrive. COVID has prevented the completion of the latest course however the four participants are still being supported by a referral to business mentoring. This business mentoring occurs on a fortnightly basis with David Trim and is available for them six months after they complete the course. The 10

participants from the first two courses have successfully started 7 businesses and have access to this fortnightly business mentoring and this is proving successful. The team is also working alongside MSD to make opportunities available for those who can apply for business startup funding offered by MSD.

In partnership with Shop CHB monthly Business After 5's (BA5) occur for local businesses to connect, encourage and support each other. Each event features a short keynote speaker on a relevant topic and then time for casual networking and discussion. The last BA5 was Tuesday 10<sup>th</sup> August and the theme was "Is your business accessible for all?" The BA5 sessions are now on hold due to COVID restrictions however we continue to support business in other ways such as providing COVID business support packs and also keeping them informed via email and social media.

We are still recruiting for a suitable Business Connector to join the team who will work alongside our local business to assist with any support they might need and help them to continue to thrive.

The Skills training and employment network continue to meet on a regular basis. This is another forum for networking, communicating and collaborating as it is made up of variety of local community organizations working in the skills, training and employment sector.

The partnership with the Central Hawke's Bay College continues to develop and a Student Pathway Survey has been created to connect with Year 12 & 13 students so their contact details and permission can be collected. Once they choose to leave school, the college will contact the Youth Transitions Coordinator so the student can be followed up and supported into employment, further education or training. The Youth Transitions role is also in the process of developing a Student Resource Pack that students who leave school can have which gives them all the local information they need to know to thrive once they leave school, from further training opportunities to how to pay rent, find a flat, get a job. This initiative will be launched through the Skills Training and Employment Network once it is finalised.

INZONE Careers Coach - The team are working with CONNECT (one of our STEN partners) to bring the INZONE Careers Coach to Central Hawke's Bay as this is seen as an inspirational tool for students and jobseekers to utilise.



### He Ringa Whānau Ora

He Ringa Whānau Ora has been well received in the community and kaimahi are busy working with a number of individuals and whānau who are experiencing the impacts of drug addiction. One of the He Ringa Whānau Ora kaimahi roles became vacant in June and has now been filled. The service has continued to be provided during the recent level 4 and 3 lockdown period; however, without the ability to meet whānau face to face. These restrictions increased the already challenging nature of this work however all those who are participating in the programme were well supported throughout this time.

### Ngā ara Tipuna ki Tamatea

The project continues with a soft launch of the facilities, website and products occurring in July, as the final parts of the Nga Ara Tipuna story come together.

Major progress was made through the period, completing the removal of over 90 tonnes of asbestos and contaminated soil from the Racecourse Road entrance and the site has had substantial landscape planting completed. The final steps for the main site at Hunter Park/Pukekaihai are the installation of the remaining pou on Racecourse road, the balance of palisading and the remaining landscaping. The last major structure that will be placed at the top of is currently under construction for th

This project continues to be a priority focus and is on track for project completion substantially by September 2021. In our previous report at the time of writing the construction team had identified a large area of ground with asbestos in it at Hunter Park. This required the draw down of contingency from the Provincial Growth Fund and the removal of over 90 tonnes of asbestos and contaminated soil, having a major impact on the delivery of work and the balance of programming at other sites.

All of the structures are now in, with signage and the remaining installation aspects the last pieces to be installed. This will follow with planting.

The last key structure will be a pou on the top of the Hunter Park/Pukekaihai that will be unveiled as part of the Official opening at this time proposed for 15 October.

We are still experiencing delays in the operational aspects of the project, with significant delays from the Charities Office in the processing of both the IP and Operational Trust. Recruitment for the business development manager role for the project has now closed and at the time for writing, hui was being held on the next steps.

Communications continue to be a focus as we build up to the opening of the project, being well-received by the wider community.

## CENTRAL HAWKE'S BAY TOURISM

### Tourism

#### Tourism Coordinator

Stacey Larsen joined Hawke's Bay Tourism on Monday August 23<sup>rd</sup> as maternity replacement for Felicity Carr for a 12-month contract. While Stacey's onboarding with Hawke's Bay Tourism so far has been in lockdown Level 4/Level 3, she has already introduced herself virtually to Central Hawke's Bay event organisers for Spring Fling. Stacey will have induction into Council the week commencing 13<sup>th</sup> September.

#### Spring Fling

Unfortunately, the COVID-19 resurgence has meant that the Spring Fling festival has been affected with several events either cancelled or postponed. Regular updates are provided ongoing through the official website [springfling.nz](http://springfling.nz), social media (on both the Hawke's Bay Tourism and Central Hawke's Bay District Council pages), and via email to all affected ticket holders and event organisers. So far, the launch event on Father's Day, Ongaonga Victorian Market and Fair, and Dinner in the Daffodils are the only events to be cancelled. The Hatuma Half Marathon which was happening mid-September to coincide with Spring Fling is now being held as a virtual event. Taniwha Daffodils was rescheduled to start Saturday 11<sup>th</sup> September under Level 2 conditions and as per advice received from COVID-19 business help line to event organiser.





## DRINKING WATER

### Drinking-Water Compliance

All monitored drinking water networks were compliant through July and August, pending final discretionary approval by the DWA. Some minor upgrades to water quality analytical equipment were undertaken, this included an upgraded UVT monitor at Takapau and a replacement Chlorine analyser at Tikokino Road WTP. These were installed as part of reliability and resilience upgrades in order to maintain drinking water compliance at these sites. This work also included standardising equipment across the sites.



UVT Analyser



Chlorine Analyser

### Operational update

Despite the resurgence of COVID-19, the Three Waters Operations team were able to continue over the level four lockdown and even welcome three new team members, Jorja Tairua-Gray Jay Ruwhiu and Nicola Hart. They are a welcome addition to the team and were able to integrate themselves seamlessly into the team despite the limitation of the lockdown. A reduction in the number of new service requests provided the reticulation team with an opportunity to tackle a number of historical and high priority issues, whilst continuing the focus on leaks, breaks and operational improvements.

A number of high priority projects have commenced throughout August and September which will introduce a suite of new assets into the CHBDC network. These assets will provide a welcome respite to the teams, having completed numerous repairs on some of the older and higher risk assets in the district. This will also provide greater levels of protection to our networks, ensuring that the risk to supply is significantly reduced.

The team were able to tackle a historical water issue at Mitre10 in Waipukurau during August, having found a leaking coupler which had contributed to localised flooding in the area for some time. The owner was extremely grateful for the teams' efforts and is pleased to see the progress being made on addressing some of the more onerous and long-term network issues. The asset will ultimately be upgraded as part of the renewals programme but it is imperative that issues like this are resolved to mitigate any long-term effects.

### Waipukurau Second Supply

The production bore yield testing has been completed and the drilling contractor has de-mobilised from site. Downer continue to work on renewal of stage 1 pipework from the current Waipawa Bore treatment plant to the Tikokino road gate, with the 1<sup>st</sup> cut in completed on the 8<sup>th</sup> September. Works commenced 5<sup>th</sup> July and due to Covid are now expected to be completed by late September. Land negotiations on easements for pipelines and reservoirs is progressing with compensation letters being finalised for presenting to affected owners. Officers have held 3 hui's and

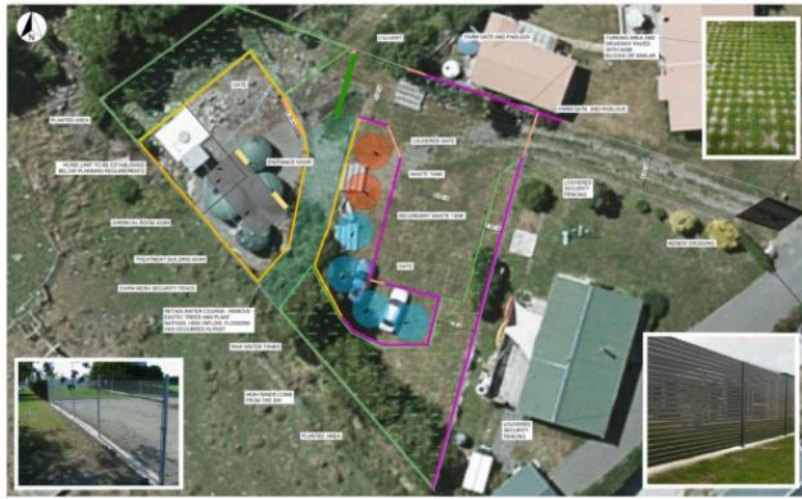
The map displays the Waipara River catchment area, highlighting various fire fighting infrastructure projects and supply phasing. Key features include:

- C1189 Phase 1, Stage 1 (Owner Onsite)**: Located in the upper left corner.
- C1152 Bone Field Validation (Robur Drilling Complete)**: Located in the upper left corner, below C1189.
- C1134 Phase 1, Stage 1 (in Tender)**: Located in the upper center.
- C1174 Phase 1, Stage 3 (Generals - in Tender)**: Located in the upper center, below C1134.
- Phase 1, Stage 1/2 Combined with C1140 Fire Fighting Stage 1 & 2 (Stantec Lead)**: Located in the upper right.
- C1140 Fire Fighting Stage 3 (Mathew St (Stantec Lead))**: Located in the upper right, below the previous phase.
- Waipara**: Located in the upper right, near the river mouth.
- Waipara River**: Labeled in the center right.
- C1140 Phase 1, Stage 4-6 (in design)**: Located in the center right.
- Tukituki River**: Labeled in the lower center.
- Waipukurau**: Labeled in the lower center.

The map shows the river network, roads, and various infrastructure points marked with colored dots and lines, indicating the progress and location of different projects.

The project has been delayed slightly as we iron out some commissioning and turbidity (air) risks at the site. Design involving a run to waste system is being completed and being tendered, with a target to commence work at the end of September. Further testing will happen once this work is complete. This work is progressing as a priority to allow the upgrade to be finished and the system commissioned.

The tender has been delayed due to Covid but is now due 10<sup>th</sup> September. Discussion with the MCT's solicitor has been taking some time with slow responses to lease clarifications. QEII have provisionally agreed to the proposed terms. Tender analysis is expected to take 2 weeks with an intent to bring the paper for approval later in September signalling a October commencement, subject to lease.



Stage 4 planning is underway, and aligns with the Waipukurau Second Water Supply to ensure the expected benefits from that project are factored into the future stages of this project. Expecting to have that understood in coming months and we will then confirm what Stage 4 scope consists of.

Procurement is complete and council has awarded a contractor to Russell Roads to deliver the first 3 stages of the Waipawa Firefighting upgrade programme – works are due to start on Stage 1 and 2 on the 2th September 2021 and be completed by the Christmas break.

Stage 3 was planned to start in July 2022, but depending on progress and budget may be able to start earlier in 2022.

The final network tie-ins that were delayed due to the Covid-19 level 4 lockdown have now been completed. The new water network now has multiple cross connections and improved resiliency and all houses have been connected to the new mains. The water main renewal is now mostly complete with just final reinstatement works to be completed. Work in the area will no cease however with Higgins due to start installing a major upgrade to the stormwater network in Nelson Street and the intersections with Reservoir Road and Gaisford Terrace, this will involve new sumps, leads and mains pipework.

## Backflow Prevention

A project to install backflow prevention devices is underway to improve compliance and protect the health of residents of Central Hawke's Bay. A representative was sent to the annual Water New Zealand Backflow Conference to gain information of how the rollout should occur. Funding is set aside in the newly adopted Long Term Plan to deliver a framework for rolling out backflow prevention and out of this funding, the Waipukurau WWTP will be the first premises to receive a backflow preventor. A register of high risk premises, required for Health Act compliance, is also under development.





## WASTEWATER

### Wastewater Treatment Operational Performance

Optimisation of the CHBDC wastewater programme continues as we continue to roll out a suite of improvements across the district. The team have reported steady progress in improvements to both the Waipawa and Waipukurau WWTPs as routine chemical dosing and rigorous plant maintenance begins to demonstrate consistently improved results. The wastewater team has experienced great change with the appointment of the new Team Leader, Reuben Easter, back in July. His experience and expertise are being demonstrated in not only the improved operation of the plants but also the very detailed and strategic response to some of the ongoing project discussions and planning.

Waipawa WWTP has undergone a number of improvements, having introduced online pond level monitoring, optimisation of our dosing programme and a number of quality-of-life improvements to ensure efficient and safe operation of the plant. The new penstock has now arrived and will be installed later this month pending the results of a site survey to provide greater visibility and management of our pond levels, creating a more effective control mechanism for our emergency discharges.

The annual waste water compliance reports for 2021 were issued in the month of August to Hawke's Bay Regional Council for review. We are yet to receive a response for HBRC we are confident of a favourable response, and expect they will be pleased at both our recent progress, our ongoing improvement programme and the LTP.

### Trade Waste Reviews and Improvements

An improvement programme is underway largely supported by a new Trade Waste Bylaw which came into effect on May 13 2021. [The new bylaw can be viewed here](#). Central to this project was the development of a new charging regime that will see Trade Waste inputs paying for capital upgrades proportional to their contribution to waste received at the treatment plant – the first month of contributions has been invoiced. New consents for traders are being reviewed, monitoring and compliance is having an overhaul and new traders are being identified.

### Inflow and Infiltration Management.

This programme of work is underway with manhole repairs, pipe relining, hydraulic modelling, flow monitoring and CCTV. The learnings from these works have been applied to a district-wide project to identify and remediate wastewater defects which is nearing the end of the procurement process. An approach to dealing with private side defects was adopted along with a wider strategy at a council meeting on the 12<sup>th</sup> of August. The communications around this are under development.

### Waipawa, Waipukurau, Otane Wastewater Upgrade and Consenting Project

In October 2020, Council adopted a new wastewater strategy outlining the approach to be taken across the district. The 2021-2031 Long Term Plan confirms the future investment for these major programmes of work: <https://www.chbdc.govt.nz/home/article/738/council-confirms-wastewater-investment-for-the-future?t=featured&s=1>

Work is progressing, with significant focus on the DAF, desludging and Otane to Waipawa project pipeline and other activities. Further detailed below.

### Ōtāne to Waipawa Pipeline (Stages 1,2 and 3)

The Ōtāne to Waipawa wastewater pipeline is well underway with approximately 7.2km of pipeline in the ground across Stages 1, 2 and 3. Stage 1 between Racecourse Rd and Dee St is fully complete. Stage 2 between Racecourse Road and the Waipawa WWTP has all but 900m of pipe installed as well as 90% of all the details along the route. Stage 3 to link the Ōtāne WWTP to the northern end of stage 1 was impacted by the Covid-19 L4 lockdown however is now underway with an open cut section from the WWTP to Ellison Street mostly done, in conjunction with this both potable water lines and power ducting is being run to enable the future commissioning of the Ōtāne Pump Station

### Otane to Waipawa – Pump Station (Stage 4)

Stead Construction were awarded the contract to construct a Wastewater pumping station at the Ōtāne WWTP for the future conveyance of Ōtāne's wastewater to the Waipawa WWTP. Construction was due to commence during the Covid-19 Level 4 lockdown however is now planned for mid-September. Council are currently working with Stead to finalise contract management plans and final construction details.

### **Waipawa & Waipukurau WWTP Short term Improvements**

The installation of DAF units at the Waipawa WWTP, and in 2022 at the Waipukurau WWTP aims to improve the ability to meet consent compliance in the short term, by providing customized and optimized tertiary treatment. These systems would effectively take the place of the non performing lamella clarifiers. With the improved treatment quality post DAF units, it is expected that the sand filters and the UV treatment process will also see an improvement in their efficiency. This work is occurring alongside and to complement the longer term upgrades.

A contract has been awarded to Envirosol Limited for the supply and installation of the DAF unit at the Waipawa WWTP and work to finalise the design is almost complete after recently held Hazard and Operability and Safety in Design workshops. Most of the equipment, including the main DAF unit, is currently in transit. Arrival of the DAF unit is expected mid November with commissioning work early in 2022.

### **Waipawa WWTP Pond desludging**

Hydracare are undertaking the desludging of the oxidation pond at the Waipawa WWTP, this has included the removal of the existing dried solids from the geobag area. Following inspection of the existing liner post solids removal, a complete liner replacement has been completed as well as some minor drainage improvements to this area. The existing dried solids from the Waipukurau WWTP have also been removed and the need for a complete liner replacement there also identified. The dredge to complete the Waipawa pond desludging was expected to arrive onsite the week of the Covid-19 lockdown however is now expected on the 15<sup>th</sup> of September, council will work with contractors Hydracare to have the Waipawa WWTP pond desludged by the end of November.

### **Ōtāne Wastewater Resource Consent**

An extension and variation to the current resource consent was lodged on the 31<sup>st</sup> March 2021 to align with the wider work programme for the larger project. Affected parties from the previous consent variations have all been contacted and approval sought, council officers are continuing to engage with those parties yet to provide a response. A collated response to HBRC, including feedback from affected parties, is planned for September 2021 to gain the extension needed for this consent to support activities underway in Ōtāne.

### **Porangahau and Te Paerahi Wastewater Upgrade Consenting Project**

Late August 2021 we hit a significant milestone and lodged the long term and transitional consents for Pōrangahau and Te Paerahi wastewater systems.

This is a culmination of over 2 years work for the project team, and significant support from the BECA and LEI team.

In a nutshell we are requesting;

- 4 years to continue operating Te Paerahi
- 6 years to continue operating Pōrangahau
- 35 years for land discharge at new common land site.

### **Takapau Wastewater Upgrade Consenting Project**

Following further engagement, Council has an agreement with a landowner to investigate a land discharge scheme for the dry weather discharge from Takapau. The consent has been lodged, design is underway including a cultural impact assessment of the project. CHBDC has responded to the section 92 and is now seeing the consent process in discussion with HBRC.



## STORMWATER

### Stormwater Operational and Compliance update

We are beginning to see improvements across the board in our storm water compliance monitoring

Another positive couple of months for our storm water compliance as we continue to see improvements in our sampling data and frequency of our sampling despite a significantly dry winter season. Maintenance plans are currently under review as we look to strategise the upkeep of our waterways whilst minimising the adverse effects that cleaning and maintenance can often cause.

Interaction with the public in regard to the storm water networks is generally positive, with a fairly minimal list of significant issues throughout the months of August and September. Working closely together, Three Waters and Consents have been able to quickly review and resolve a number of localised property issues, and will continue to closely monitor consent applications to ensure implementation of appropriate mitigation measures. This will ensure adherence to the LTP, and allow correct and safe upkeep of our networks while we look to the upgrade of them in the future.

Annual Storm Water Compliance reports for 2021 were issued in the month of August to Hawke's Bay Regional Council for review. We are yet to receive a response for HBRC we are confident of a favourable response, and expect they will be pleased at both our recent progress, our ongoing improvement programme and the LTP.



## LAND TRANSPORT

### Waka Kotahi 3 Year Programme

The Road to Zero and Low Cost / Low Risk safety improvements have been confirmed as of 7/09/2021. The request for \$1,050,000 per year for each of the next 3 years has been fully approved which is positive news for Central Hawke's Bay. This portion of the regular work programme was the last to be confirmed through the funding approval process by Waka Kotahi with a number of Councils across New Zealand getting significantly less than they had requested.

### Contract Works 20 / 21

#### Maintenance and Re-seals - Downer

Programming of the activities took place through July and August and will ensure we are meeting the challenges of the network and maintaining the levels of service. As traffic volumes change the inspection frequency for our cyclic activities will be reviewed so that we are responsive to the needs of our rate-payers and the road network. Due to the COVID lockdown some programmed works have been delayed but the maintenance contractor and council staff proceeded with all safety related work and regularly inspected the network to prevent any damage to our roads and bridges. These delays will not have a major impact on the completion of the programme

#### Bridges, Structures and Area Wide Pavement Treatments - Higgins

Progress was made on both Tipene's and Eparaima with the Higgins crews completing safety work through the lockdown although with some delay in the programme. Under level 2 work will continue in full swing.

Designs for the upcoming year are underway and our contractor is fully resourced to complete new work. These designs include renewal of Gunson's Bridge, intersection improvements for the higher risk intersection identified in the HPMV study

Work was delayed on the completion of the footpath on Matthew Street to acquire materials for the redesigned retaining wall and COVID lockdown.

The work being done on Reservoir and Nelson Street replacing aged water and wastewater infrastructure will be supplemented by a pavement re-build as part of our Area Wide Pavement Treatment programme

### Minor Events Activity

The weather this winter so far has not caused any damage to the road network so the minor events activity has not been used

### Other Works

Our Consultant along with preparing designs for the physical works for the upcoming year, has also been working on a road safety strategy, a business case for Wimbledon and Porangahau Roads to present to NZTA to request a higher funding assistance rate as the function of the roads have changed from a local road to a through road carrying a large amount of product to the Port of Napier from south of the District Boundary acting as a State Highway and are developing a tool which will assist in identifying the impacts of traffic growth on the running of the network to minimise safety risks and congestion



## SOLID WASTE

### Service Delivery Change

Following Council deliberations in May, clear direction was provided on future service delivery offerings for solid waste services. Around 5500 crates were ordered (SULO Plastics Auckland) and delivered to Council in Mid-July in preparation to deliver crates to over 3800 homes across Central Hawkes Bay.

Delivery to each household began during the week of the 26th of July 2021 with the support of Smart Environmental and The Clean Up Gals in assisting with a streamline delivery process.

The new service delivery change saw Waipukurau and Waipawa receive 1 teal crate for Paper and Cardboard to add to their kerbside recycling service. As well as the extension of kerbside recycling service to the townships of Otāne, Ongaonga, Takapau and Tikokino, These four townships received all three crates.

- 60L Black Crate – Plastics and Cans
- 45L Red Crate – Glass
- 60L Teal Crate – Cardboard and Paper

A comprehensive and robust communications plan was developed and delivered to ensure our communities and those townships new to kerbside recycling were supported and the educational material provided to also assist them on their new recycling journey. The month leading up to the roll out gave Solid Waste Officers the opportunity to also add Waste Free CHB collateral to existing collection trucks. Adding the new vinyl prints to the glass truck also added the great message of glass being endlessly recyclable.

Solid Waste officers also presented a Council workshop, this gave the team the ability to share a lot of the detail and operational planning that was happening since Council deliberations in May. The workshop also provided the Council with more insight into timelines for the roll out and where they could assist within the engagement space. An engaging and informative video was also created for online social media platforms utilising our elected members to share an informative message about each crate – see link below for video.

[https://youtu.be/8j\\_3gS-EalU](https://youtu.be/8j_3gS-EalU)

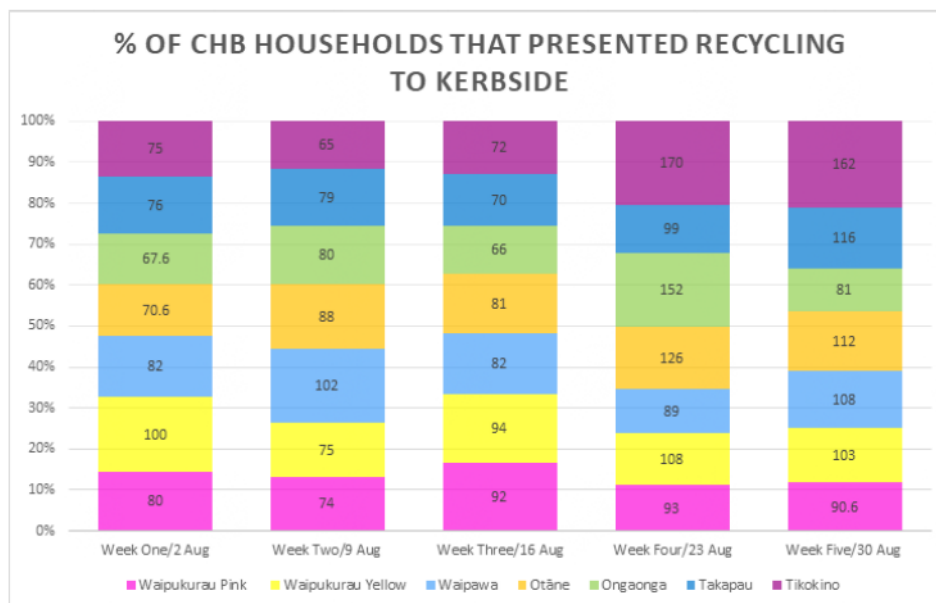




The below table provides the weekly % of households across CHB who presented recycling to kerbside. The percentage was determined by using the number of households that crates were delivered to at the beginning of the roll out.

Total number of households that received crates to each township:

- Waipukurau Pink – 906
- Waipukurau Yellow – 1085
  - Waipawa – 821
  - Otāne - 293
  - Ongaonga – 71
  - Takapau – 242
  - Tikokino - 87



### Waste Free CHB

A more detailed update on waste Free CHB was provided to the Strategy and Wellbeing Committee in March. The update included detail on progress and priorities under four key headings that make up Wastefree CHB (Operations, Programme and Events, Community/Partnerships, Communications and Engagement). The update presented the diagram below which illustrates the diversity of the Wastefree CHB umbrella.

Waste Free CHB supported Plastic Free July and provided free community workshops and events:

- 'Living without a rubbish bin' - Two free community presentations by 'The Rubbish Trip' in Waipukurau and Waipawa
- Zero Waste Household Cleaners – Free community workshop
- Bees Wax Wraps- Free community workshop
- Composting and Bokashi workshop





### Leachate to Landfill

Unfortunately, COVID-19 delayed the completion of this project which was reliant on concrete pouring, pump installation and commission before an official opening can take place. This was planned for 26<sup>th</sup> August 2021 – but is now rescheduled for 07<sup>th</sup> October 2021.

The project website provides regular updates: <https://www.chbdc.govt.nz/our-district/projects/the-big-wastewater-story/leachate-to-land/>



## CONSENT

Resource Consent application numbers have steadied in July and August following unprecedented numbers of applications received as a result of the early implementation of the Development Contributions policy on May 13, however are still 15% ahead of the same period last year. Notification of the Proposed District Plan on 28 May resulted in another influx of rural subdivision applications in particular as customers sought to maximise the opportunity to subdivide to under the Operative District Plan rules with small minimum lot sizes. The vast majority of subdivision applications received in July and August have been for rural subdivision.

Building consents applications have remained steady and 5% ahead of 2020 volumes. This current Covid lockdown period has resulted in significant materials shortages and we are now seeing this translate to an unusually high number of building consent variation applications based on product substitutions.

External processors remain under pressure due to increased volumes and for the most part we are managing to achieve agreed service levels and high-quality customer service. Being available to respond to customer queries remains a high priority.

### Data on consent volumes from the 1 July – 31 August 2021 reporting period

#### Building Consents:

Total consents: 64

New dwellings: 28

Total value: \$11.7M

**Resource Consents:**

Total consents: 53

Number of new lots to be created: 116

The year-on-year numbers below follow on from a period of unprecedented growth for our District with numbers continuing to increase month on month, albeit at a slower rate. We continue to rely heavily on the good work within our team as well as our consultants.

The growth in consents is expected to continue and the workload increase as we work our way through processing several large subdivisions and the implementation of the Proposed District Plan. The requirement for engineering input has escalated as subdivision volumes and infrastructure complexity increases.

A summary of consenting volumes and value compared with the previous year is provided below.

YTD COMPARISON 1 JULY - 31 AUGUST				
Building Consents YTD	Aug-20	Aug-21	No. Change	% change
Volume - applications	61	64	3	4.9%
New dwellings	30	28	-2	-6.7%
Total \$value (Million)	\$9.1	\$11.7	\$2.6	9.2%
Resource Consents			No. Change	% change
Volume - applications	46	53	7	15.2%
Volume - approved	40	57	17	42.5%
No. new lots to be created	99	116	17	17.2%

**Resourcing:**

The continued volume increase in consent applications due to general growth and the introduction of the Proposed District Plan has placed further pressure on team resources to deliver.

We rely heavily on the support of external consultants, National Processing Ltd and Stantec, and are finalising contract details with The Property Group (TPG) for the provision of resource consent processing services to manage the increased complexity as we transition through the introduction of the Proposed District Plan.

The recent recruitment of a Development Engineer is a welcome addition to the consenting team and will provide the additional technical skill required to support a strong customer and delivery focus, particularly through subdivision engineering approval and construction phases. The appointment of two new building consent officer cadets will provide the ability to build internal capability and capacity in what is an incredibly tight labour market.

**EMERGENCY MANAGEMENT****Covid-19 resurgence**

Central Hawke's Bay along the rest of New Zealand moved to Alert Level 4 at 11.59pm on Tuesday 17 August, due to community cases of the Covid-19 Delta variant being detected in Auckland. An Incident Management Team (IMT) within Council was swiftly set-up, led by the Local Controller.

The IMT had 3 clear objectives for the response to this event:

- Minimise disruption above the current Level 4 restrictions as much as possible

- Ensuring effective and timely communication of key messages and Council changes
- Support the District to adopt and implement Covid-19 best practices.

The IMT coordinated internally and with the Hawke's Bay Civil Defence Management Controller Group daily, and relayed any relevant information to staff and to the community. Strong emphasis was put on ensuring good communication channels with the community, and ensuring a robust welfare response for our community's most vulnerable.

As Cabinet made decisions to downgrade Central Hawke's Bay to Alert Levels 3 and 2, the IMT adapted its response to ensure that key services could gradually resume in a safe manner. This involved splitting-up Council staff into teams, with a basic premise that the teams should not overlap or interact to ensure business continuity in the face of a potential contamination or one of our staff being deemed a close contact.

The response is ongoing at the time of writing, with the Controller and IMT adapting this response in light of new information and in order to ensure that Council can continue to deliver its services to the community with minimum disruption.



## PLACES AND OPEN SPACES

### Garden Bed Renewals and Irrigation

Since autumn Open Spaces and additional members of PGF-funded Tranche 5 have been planting feverishly. Besides the work being done at Hunter Park/ Pukekaihai, Ruataniwha Street in Waipukurau, the Green Patch and Bogle Brothers garden beds have seen a rejuvenation. High Street in Waipawa has also received a makeover with a painting of the bollards and garden bed renewals!

Plants are selected for amenity as well as robustness. However, in the first few years of the plants life they often need more care, especially in hot and dry CHB summer conditions. That is why, where there are connections (Bogle Brothers, Green Patch, the new Dump station and High Street), irrigation has or will be going in to ensure that the investment in these new plants is there for residents and visitors to enjoy for a long time. This is also better use of staff resources, but there are a few sites that will still see manual irrigation.

### Retirement Housing

During lockdown tenants were contacted at least twice to see how they were doing and if they needed any supports. They were appreciative of the call and only a couple were happy to be directed for assistance. With the inability to go ahead with the onsite meetings scheduled. The call-arounds identified a number of individuals that are concerned about their rent rises and are happy for Council to refer their names to MSD who has said they will call them directly.

Visits will be re-organised in near future to Waipawa and Waipukurau as face-to-face allows. This is also to share and get feedback from tenants on the planned Retirement Housing Policy.

Regarding the Healthy Homes Standard: All retirement housing units have heating and the project to get extractor fans in all units (a few already have them) is underway.

### Otane Cemetery

The entrance refurbishment is underway with the old fence removed and posts repurposed to a chain and bollard style. We are waiting on arrival of chain at this writing and will soon renew the Otane Cemetery sign. Planting

### Public Toilet Updates

Site visits for contractors to Whangaehu and Pourerere were cancelled during lockdown and are rescheduled for 16 September. This will provide confirmation of an installation date for the Whangaehu toilet that will then be communicated to local residents. A more detailed project plan for the Pourerere renewal will be developed.

### Playground Safety Improvements

The Skate ramp in Takapau that had rotting plywood underneath, loose support boards, and weld joins that had come loose is now being rehabilitated and (crossing fingers) is all back in shape for the upcoming school holidays. Youth have really missed this small, but important focus of activity at the Takapau Memorial Sports park.

The timber needed for the rehabilitation of surfaces at Nelly Jull and priority of Hunter Park has pushed these safety play improvements out further. They have been considered low risk and are no longer on target to be completed by school holidays but is hoped work will commence following school holidays and completed by early November.

### Community Halls

Most of the Community Halls have their Annual Reports in and have had their AGM's. A few have been affected by the lockdown. Their annual meeting is still planned for the 14 of September with plan to use this time to engage with them around the Community Facilities Strategy work – Thriving Communities.

## LIBRARIES

### Preparing for the Knowledge and Learning Hub

As work is well underway in The Knowledge and Learning Hub and we prepare for its opening, the community is starting to be excited that things are really happening, and they will soon have library services back in Waipukurau. We are busy working on the collection, focussing on providing a bright and exciting looking collection, but temporarily we will still be able to access what we call the 'Stack', which for now will reside in the old library.

The wider team are preparing programmes and activities, however constrained within the current COVID-19 Level 2 Restrictions.

The community is eager to regain access to their Waipukurau Library services, and with the media release now public, it is fabulous to be able to give them a set date to mark on their calendars!

### Staff Development

LIANZA recently offered professional development opportunities via a Weekend School on Inclusivity. With one of our Strategic Framework goals to be Relevant to All and Leading the Way this was an excellent opportunity for us to learn more about how other libraries are achieving this and investigate ways we could be more inclusive for our community. Topics discussed covered different ways of reaching out to teens, families, the LGBTQIA+ community, children with sensory needs, and helping to bridge the digital gap for community members who may struggle to access devices. Sharing gardens, creativity, thinking outside the box, and upskilling staff awareness of inclusive vocabulary and thought were all ideas presented, and we are excited to begin exploring how we can improve the inclusivity of our libraries.

Palmerston North Libraries hosted a Library Assistants Day, with the time split between experiencing their MakerSpace facilities and presentations from experienced librarians on topics such as copyright, resilience and kindness, NZ Book Awards, Treaty of Waitangi how it relates to libraries in partnership. Staff who attended this day returned with renewed passion for the opportunities and services that libraries can provide.

### Programming within the Library

NZLPP continue to achieve some fantastic results for the Central Hawke's Bay District Libraries. The He Kura Kainga space has integrated tangata whenua values, culture and language into our Council with the launch of our first Te Reo Māori resource and Te Ao Māori space on the Hub, an increase in the use and visibility of Te Reo and Mātauranga Māori with bilingual signage in public and council facilities, the use of karakia to open and close formal and informal meetings, gatherings, events and programmes. Our staff are championing Te Wiki o Te Reo Māori by participating in the programmes and workshops that have been organised for the week. The Māori collection within Waipawa library has grown in resources, content and programmes with our small collection for the Knowledge and Learning Hub renewed and refreshed. The He Kura Kainga role now has a suite of programmes that are available to run during the year for all ages.



Winter Readers had just been pushed out to the schools when we went into Lockdown but will continue to move ahead once we are able to meet with participating classes. The winter reading programme is always one of the highlights of our year so we will look forward to being able to continue with this.

With the onset of lockdown, staff once again showed their resilience and flexibility, turning their attention to how they could reframe our existing programmes to allow a version of them to be offered online, increasing promotion of the already available digital resources, and ensuring the community was able to continue to interact with the Libraries and our team. Crafternoons became virtual, online storytime resources were provided, and a daily literary quiz via facebook was introduced. Facebook was the primary communication resource for these, suitable due to its ability to allow interaction. These or other online programmes will continue to be offered at this time.

Talk Digital: Lockdown edition allowed customers who required assistance with their devices – so important for reducing the impact of isolation for many – to phone in via the Council or the regular Library number, and continue to access this service.

Due to the nature of our services, it can be difficult to have the team together all in one place for training, so one upside of lockdown for us was the ability to have all the team partake in training together, taking the opportunity to upskill in Teams, Recollect, Excel, and our latest online resource Niche Academy. Lessons learned in the first lockdown meant that this time more staff had the ability to access our Library Information System, ensuring that cataloguing, ordering, and receipting of books could continue from home, before then being covered and prepared for the shelves. It also meant that customer requests and queries could be actioned rather than delayed until we were able to return to site, allowing for improved customer service during lockdown.

We look forward to Te Wiki o Te Reo Māori and the range of staff events that Te Rangimarie has been organising in conjunction with Pam Kupa.



# Safety

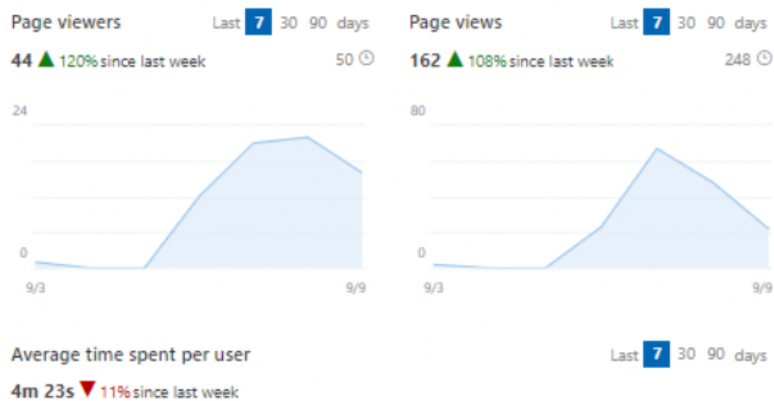
## And Wellbeing

### HEALTH AND SAFETY OVERVIEW

The raft of identified improvements identified in the Gap Analysis Project continue to be put into action, with a recent "pause in planned activities" while the organisation focus moved to the changes in Covid-19 Alert levels to support our people, people leaders and the IMT with up-to-date and accurate health advice.

#### Covid-19

The H&S team with support of the Records Management Officer created [a set of central intranet pages](#) to act as a repository and 'one stop shop' for all guidance related to Covid-19. This platform has proved useful in reducing the volume of email messages and links being sent to staff and acts as a guide for best practice across the business. Below is some analytics from the Level 2 page.



- The H&S team in conjunction with our annual influenza vaccination vendor have submitted a joint expression of interest to become a workplace Covid-19 vaccination site. At this point there is no update on the success of this application.

#### Focusing on our "Aggressive Customer / Public Interactions" Critical Risk

The H&S team in support of the IMT, have created a robust guide for managers and workers to ensure there are no misinterpretations of the requirements placed on Council under the recent Covid-19 health orders.

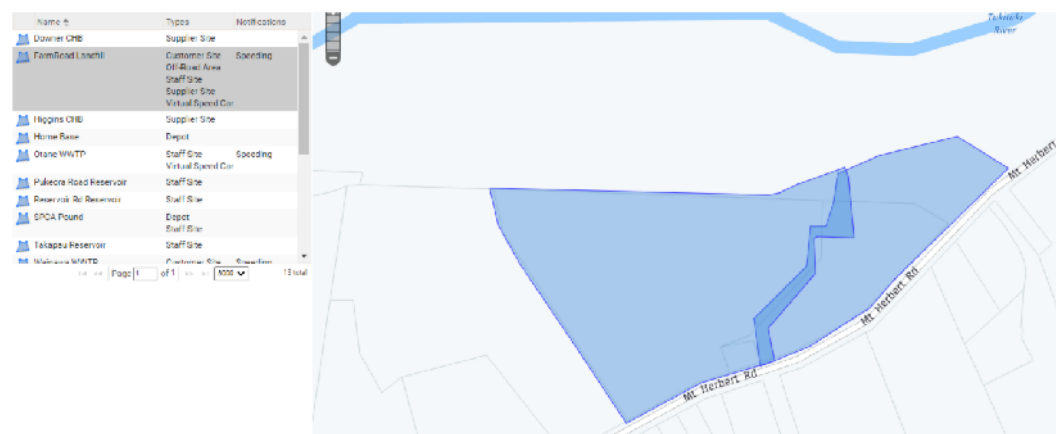
- The guide establishes the systems Council have in place in order to meet the requirements of the order and clarifies the expectations on staff if they are met with a customer who chooses not to contact trace or use a face covering – in order to reduce the risk of aggression
- The guidance has been socialised via a meeting for public facing staff and made accessible on the Level 2 Covid-19 page.

#### Focusing on our "Driving" Critical Risk

- Our vehicle GPS vendor, Eroad and the H&S team have been working together to develop a suite of improvements for the product to add additional safety benefit to the business and drivers
- One improvement is driver notification when the vehicle enters a 'Geofenced area'. The H&S team have accepted the offer to be one of the first customers to test the new feature. This feature offers the potential to notify the driver of critical risks at a site or location, or of 'flags' raised on a property/person

- **Overspeed events have continued to decrease** since the installation of the vehicle GPS system. Recently the GPS system data was used in an investigation in response to a complaint regarding the speed of one of our vehicles. The data proved invaluable as it was able to show our driver was driving appropriately for the situation.
- **Other driving safety measures** have also continued to improve including harsh braking events.

Image: Two geofences, one surrounding the Mt Herbert Road waste water plant, while the other surrounds the Mt Herbert Road transfer station.



### Focusing on our "Isolated and Lone Working" Critical Risk

Prior to the recent Covid-19 Alert level changes, the lone worker device usage continued to grow. The additional units for the 3Waters and the Building Consents Team have arrived. Work is planned to enable the Veolia vehicles to host the bridge units. Council's lead in this space has resulted in Veolia taking steps to adopt similar devices nationally.

### Our System for Managing our Critical Risks

During Alert Levels 4 and 3, work progressed to complete the capturing of the bowtie information and import it into Council's specialist Bow-tie software.

- **In support of this work** an existing part time worker has been taken on in a casual capacity to complete the data capture and importation
- **Both staff involved** have received training in the software, developed an import template and begun a QA process on the previously captured data in preparation for importation to the software. Below is an image of Council's first complete bow-tie.

### Focusing on our 'Contractor Management' Critical Risk

The next critical risk "in focus" is contractor management, with the HS&W Team rolling out contractor management training for activity managers, workshopping concepts ahead of the review of the Contract Management Manual. It has been decided to amalgamate the H&S Contractor Management Guidance into the wider Contract Manager Manual to embed H&S into normal operations.

### H&S Training

Recently a plan has been developed for the delivery of critical H&S training with the following areas prioritised:

- Health & Safety Leadership
- Contractor Management
- Risk Management (Risk/Hazard ID and Risk Assessment)

### HS&W Committee Refresh

Recently the Committee turned its attention to "reimagining itself" in order to lift the performance of the Committee. A human centred innovation model was used to guide the process. Work is underway to execute the resulting outcomes – [a dashboard on progress can be seen here](#).

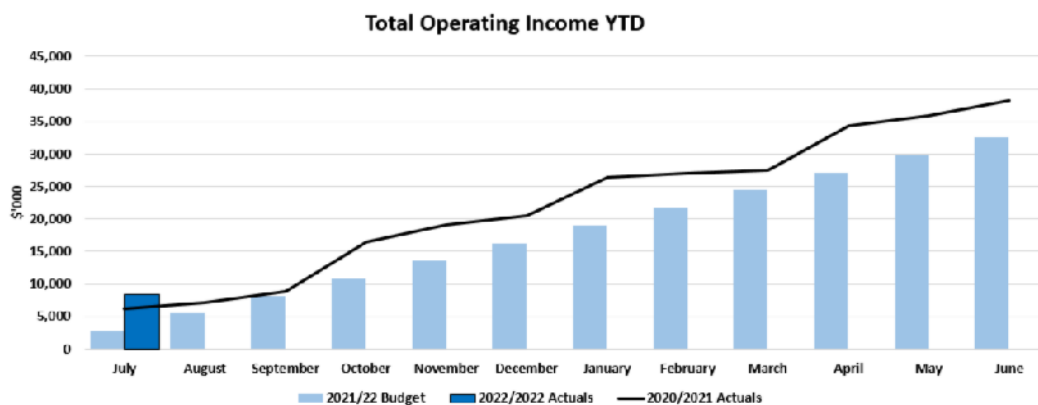
# Financial

## Performance

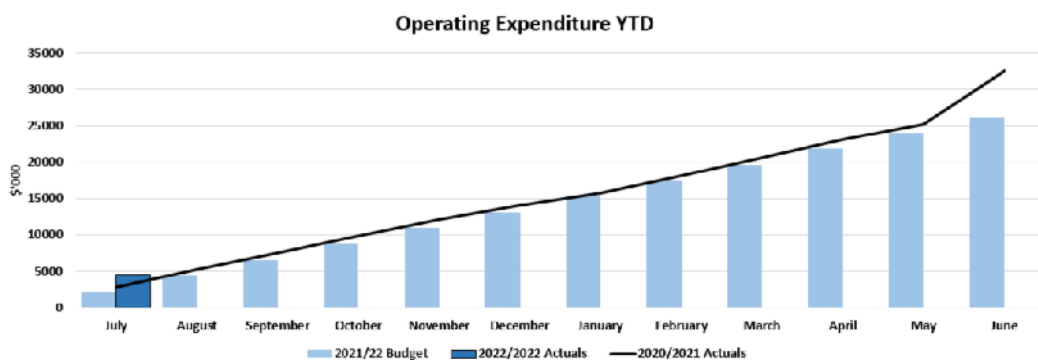
### FINANCIAL PERFORMANCE ENDING 31 JULY 2021

The graphs and tables below show the financial results for Council covering the financial results for the 1 month ended 31 July 2021.

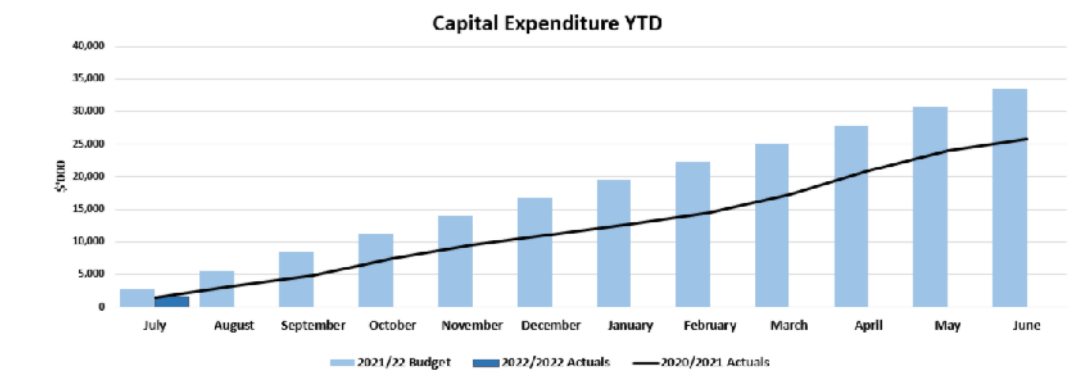
Being the first month of the new financial year it's too early to see any trends that emerging. Likewise the results are somewhat skewed by reversals of year end accounting adjustments. For example Julys revenue includes the release of \$1.4m of grants treated at "Revenue in Advance" at 30 June. It's not new money, we were just showing it as unearned at 30 June. July also includes quarter ones rates invoice as income, which is phased differently to budget. Similarly, the annual dog registration revenue is all appearing in July



The operating expenses look high compared to budget, but this is due to Council spending grants received in the previous year (tranche one 3 Waters and Covid Economic Recovery projects).



Again the phasing of the capital budgets needs reviewing.



## #the BIG Waste Water Story

## #the BIG Water Story

#TheBigWaterStory programme of work, the Waipukurau Second Supply is making good progress. Formal landowner compensation letters are being finalised, and most pipeline and reservoir due diligence complete. Some additional due diligence is being planned for the reservoir location and in discussion with Iwi, a preparatory consent developed for geotechnical either side of the river to allow informed discussion at maraes. The production bore contractor has now demobilised from site, and replacement of the AC main out of the bore-field (tagged as Stage 1) is entering final stages. Stage 2 and 3 were received from tender 3<sup>rd</sup> September and under analysis with a plan to bring this decision paper to council.

The Kairakau Water Supply Upgrade also makes progress with the tender due from market 10<sup>th</sup> September. In addition, a hui was held with local iwi agreement to develop a more detailed archaeological report to support the project initiated. This information is expected 10<sup>th</sup> September and construction remains planned to be underway by late spring 2021.


#TheBigWastewaterStory programme has advanced over the last few months, with Stage Two of the Otāne to Waipawa Wastewater Pipeline underway in March, Stage Three commenced at the start of September, linking the end of stage 1 works at Racecourse Road/White Road to the Ōtāne Treatment Plant. The Ōtāne pump station is due to commence very shortly and the final design of the Waipawa inlet works (Stage 5) is also underway.

New Resource consents for both Takapau and Porangahau/Te Paerahi have been lodged, a response and decision on the variation and extension to the Ōtāne discharge consent is due shortly and work is underway on an application for consent to receive Ōtāne's flows at Waipawa.

Over the next few weeks Council will commence de-sludging of the WWTP ponds, progress infiltration and inflow (I&I) studies to understand and reduce flows and start the installation of upgraded tertiary treatment (DAF) in Waipawa to improve treatment in the short term.

### Otāne to Waipawa Wastewater Pipeline

The Otāne to Waipawa Wastewater Pipeline Project forms part of Project 1: WOW, to upgrade our wastewater plants and remove wastewater discharges from waterways.



**STAGE 1 (2021-2024)**  
 Build a pipelines to convey Otāne waste to Waipawa and on to Walker Road

STAGE 1 BREAKDOWN			
Part	Description	Timeframe	Status
1	Pipeline - White Rd/Dee St to Racecourse Rd	Completed	✓
2	Racecourse Rd to Waipawa WWTP	Currently Underway Nov 21	🔄
3	Dee St to Otāne WWTP	Aug 21 - Oct 21	🔄
4a	Ōtāne Pump Station - Treated conveyance	Aug 21 - Feb 22	🔄
4b	Ōtāne Pump Station - Raw conveyance	2020 - 2027	⏸️
5	Waipawa WWTP Inlet	Dec 21 - Feb 22	⏸️

✓ Completed   🔄 Underway   ⏸️ Pending
 


**CHBCD PROJECT MANAGER**  
**Ben Swinburne**  
 06 857 8060

**CHBCD PROJECT ENGINEER**  
**Shane Kingston**  
 06 857 8060

**FULTON HOGAN HEAD CONTRACTOR**  
**Stephen Barns**  
 027 281 8714

Thanks for your patience and support whilst we complete this work.

Together we Thrive! E ora ngā tāhī ana! • 06 857 8060 • [www.chbcd.govt.nz](http://www.chbcd.govt.nz)



**CENTRAL HAWKE'S BAY**  
DISTRICT COUNCIL



## TRANCHE ONE – 3 WATERS REFORM PROGRAMME

Council identified a number of projects as part of the 3 Waters reform programme tranche one – below is a brief update on the programme –



A recent update was given via a Key Project Status Report – to date just over \$5.07m of our \$11.09m has been spent and all of our projects within the programme are committed and planned to be delivered by our March 2022 deadline.

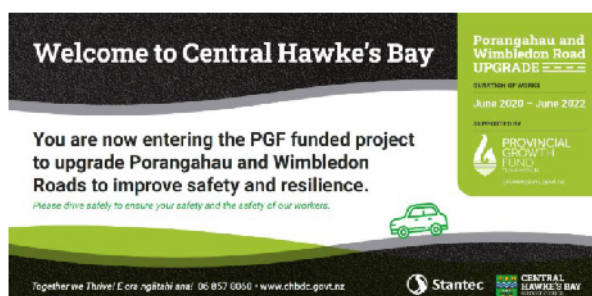
1. **Regional 3 Waters** – work is underway with other councils to identify and understand private water supplies, as part of a private water supply identification regional project, which may include a contingency fund to assist private water supplies – another project in planning is to investigate work required to synergise a regional engineering code of practice to assist our supply partners working in Hawke's Bay.
2. **Water Safety Planning** – source protection mapping and catchment risk assessment work is underway to support our water safety plans. A Sustainable Water Management Plan has been developed and [can be viewed here](#).
3. **Otane to Waipawa Pipeline Stage 2** – the pipeline is well underway as documented above, and we are now progressing into Stage 3.
4. **Waipukurau Second Water Supply** – Borefield is complete and Tikokino Road Stage 1 pipe replacement is underway, Stage 2 and 3 replacement is planned to start in early October, future decisions to be tabled in Feb/ March 2022 once more understanding on the project including iwi engagement.
5. **Wastewater Treatment Improvements** – enabling works before a DAF filtration system is installed is underway.
6. **Wastewater Desludging** – Dry solids removal complete at Waipawa and Waipukurau, and actual desludging to be started in early October 2021 at Waipawa.
7. **Bylaw Reviews** – Updated bylaws were adopted on May 13 2021, work is underway on communicating and implementing the changes
8. **Software implementation** – a new project management software is now live and supporting the programme, and a 3 waters monitoring and wider infrastructure consent management tool is being rolled out to support operational compliance and visibility.
9. **Water Renewals** – a project to renew water mains is well underway in Waipukurau across Nelson and Reservoir roads – aiming for completion in late September 2021. Following this a stormwater upgrade is also planned.
10. **Wastewater Renewals** – this fund is focussed on expediting our I&I programme, starting with physical works in Otane and studies in other towns.
11. **Kairakau Water Upgrade** - \$300k was reallocated to increase the budget and scope for Kairakau water upgrade, this is progressing with tendering underway and construction planned to start in Spring 2021.





## PGF ROADING PROGRAMME – PORANGAHAU TO WIMBLEDON

PHASE	DESIGN/ BUILD	
TIMELINE	JAN 2020 START DATE	JUNE 2022 END DATE
PROGRESS	45%	
BUDGET	Total Budget \$20.1m Spend to Date: \$7.3m	
RISKS		



### Scope

To upgrade Porangahau and Wimbledon Roads to improve safety and resilience along the route from Waipukurau to the Tararua border on Wimbledon Road.

### The Contractor

Stantec and Council have been delivering the design, procurement and contractor supervision of this significant programme of work.

We now have four different contractors onboard to deliver the main components of this programme, Concrete Structures, Fulton Hogan, Downer and Russell Roads.

Funded through the PGF by MBIE – the programme is well underway, and we can expect to see significant construction through to 2022.

### Communications

An interactive map has been created and can be visited here:

[https://experience.arcgis.com/experience/947a211cafb44a96a063fcd1e8d3a461/page/page\\_10/](https://experience.arcgis.com/experience/947a211cafb44a96a063fcd1e8d3a461/page/page_10/)

Webpages for the programme and individual projects can be found here: <https://www.chbdc.govt.nz/our-district/projects/porangahau-wimbledon-road-upgrade/>

An e-newsletter is set up and is being sent out monthly. Sign up is available via the Council website, along with the ability to view past editions.

### Progress Update

August 2021 continued the momentum built to date, with a large focus on completing as much of the design across the project as possible to allow construction to flow as we head into the summer months.

With the only current construction underway in August 2021 being Stage 2 of the Flaxmill upgrades, the Safety Improvements currently on Wimbledon Roads, and the guardrails being completed on Porangahau Road.

Unfortunately, on the 18<sup>th</sup> August – the country went into lockdown Level 4, and all works were made safe and ceased – this has impacted the project and programme – which is still to be determined by how much and how long as we understand the costs and impact with our contractors.

Unlike March 2020 where the programme was not under construction, this lockdown is likely to have impacts.

Contractors worked diligently to make sites safe and prepare plans to work safely.

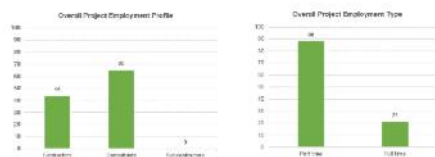
Downer were able to prepare a level 4 plan to allow the safety improvements to continue with only a few days stand down, but with heightened PPE and controls to keep team members safe.

The works on Flaxmill undertaken by Russell Roads were suspended, and have just restarted under Level 3 conditions, with again heightened PPE and controls.

Stantec are currently working with our Mayors Taskforce for Jobs to spend time with our local college and offer a number of day in the life of an engineer, alongside time in schools to talk with interested students.

In early August 2021, CHBDC in partnership with Stantec employed a Graduate Engineer to support the programme of works as construction is planned to ramp up over summer 2021/22.

A community engagement event planned for Friday 20<sup>th</sup> August 2021 had to be cancelled and will be rescheduled hopefully for late September 2021 when safe to do so, this is to gather feedback on the safety improvement programme and slow vehicle bays.

**Employment Statistics to Date:**

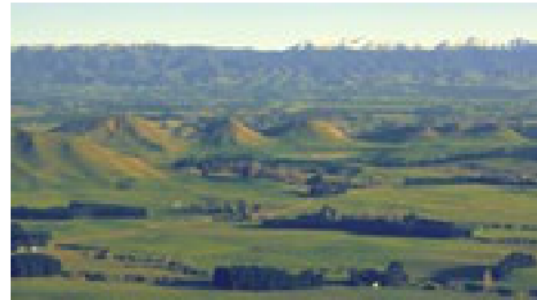
The team pivoted well and has created a map for these two projects during lockdown to allow the community to still give feedback remotely, and we aim to release this as part of the engagement plan in the coming weeks before a decision is made on the location of the Slow Vehicle Bay.

Spend to date on the programme is \$8.05m



## DISTRICT PLAN REVIEW

PHASE	Notification – Summary of Submissions Preparation	💡 📋 ✎ ⚙️ ✔️
TIMELINE	AUG 2021 START DATE	May 2021 NOTIFICATION
PROGRESS	80%	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>
BUDGET	\$1,800,749	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>
RISKS		<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>



## Scope

The Proposed District Plan was notified on 28 May 2021 with submissions closing on 6 August 2021. The focus of the review is now on the preparation of the summary of submissions ahead of notification of the summary for further submissions.

## Progress Update

A total of 122 submissions have been received on the Proposed District Plan, including ten late submissions. Many of the submissions are multi-topic capturing provisions from several chapters of the Plan and include a wide range of relief sought. The preparation of the summary is a very exacting process as each submission must be analysed and assessed in detail to ensure that all points of submission are identified and that the relief sought from Council is accurately recorded. The summary will form the basis for the Planning Reports to be presented to the Hearings Panel.

One of the chapters in the Proposed District Plan that received most submissions is that providing for the identification and protection of Significant Natural Areas. It is also notable that seven submissions have been received on the new Sites and Areas of Significance to Māori and Papakainga provisions.

In accordance with the requirements of Schedule 1 of the Resource Management Act (RMA) Council is required to prepare a summary of submissions and that this summary is notified to allow the lodgement of further submissions on the summary. Making a further submission is limited to tests of public interest included in the RMA and must be lodged with Council within a ten-day period of the summary being released.

The summary of submissions will be complete by 10 September followed by a period for internal review and audit, as well as a legal review, of the summary to ensure it is accurate and reflects the points of submission and relief sought. Following the audit, the summary will be notified on 11 October with submissions closing on 29 October 2021. Council is required to follow the RMA statutory process relating to notification and access to the summary. The process of appointment of the District Plan Hearings Panel is now complete and it is proposed to arrange an induction day for members of the Panel to meet with the independent Chair, Commissioner Scholfield, and Panel member Commissioner Lovell to begin addressing many of the procedural matters relating to the hearings.

The Communications and Engagement Strategy is currently being amended to address public communication and information during the summary and further submissions phase of the review.



## POUND PROJECT

PHASE	DESIGN	💡 📋 ✏️ ⚙️ ✓
TIMELINE	JUN 2018 START DATE	JULY 2022 END DATE
PROGRESS	5%	■ □ □ □ □ □ □ □ □ □
BUDGET	\$700k TOTAL PROJECT	■ ■ ■ ✓ ■ ■ ■
RISKS		■ ✓ ■ ■ ■ ■ ■



## Scope

To build a purpose built Pound Facility for Central Hawke's Bay that meets:

- Ministry for Primary Industry (MPI) standards and;
- The needs of the community now and into the future.

## Progress Update









Work was undertaken with an external stakeholder around a potential land swap opportunity. After further assessment it was established that this was not a viable option.

Work is now underway with an external stakeholder to acquire a section of land. A site has been identified, further due diligence for this site and conceptual design work is currently underway.

An update will be provided at the Council Meeting on 23 September 2021.

The Customer Relationships and Experience Manager is continuing to manage the relationship with the SPCA in the interim.

## REGIONAL DIGITAL BUSINESS HUB

PHASE	DESIGN	    
TIMELINE	DECEMBER 2020 START DATE	SEPTEMBER 2021
PROGRESS	20%	
BUDGET	\$513,749	
RISKS		

**The Project**

The project proposes to establish a regional digital business hub at 4 Bogle Brothers Esplanade, in Waipukurau – commonly known as the old 'Bucks Building'.

The new facility will provide for temporary library services for Waipukurau for at least five years, as well Councils Service Centre, AA Services and other community activities. The current 'pop-up' facility at the Railway Station will be closed and retained for additional business hub meeting space that can be hired out.

The building will remain in private ownership with Council making a number of improvements to the premises, while leasing the premises for a term of up to 11 years.

**Progress Update**

Since our last update, the project has made significant progress, despite the Level 4 COVID-19 restrictions impacting the delivery of the programme.

Prior to the Level 4 COVID-19 restrictions, the facility had been planned to open on 1 September. The restrictions had an impact where work on site was not possible and most significantly, has impacted the change-over of technology and rebooking contractors into complete work.

With construction now well underway again following delays due to Level 4 lockdown, the final interior changes and fit out are planned for the week of 20 September, ready for doors to open to the public on Monday 27 September.

In advance of the launch, it has been given a fitting local name, along with an interpretation gifted by local Manawhenua. The new facility will be known as 'The Knowledge and Learning Hub - Te Huinga Wai'. Te Huinga Wai – can interpreted as the place where waters come together. In Tamatea/Central Hawke's Bay there are numerous examples of this, including the waters of Mākāretu, Māharakeke, Tukipoho and Tukituki, Manga-anuku and Waipawa and the Waipawa and Tukituki. Like the Knowledge and Learning Hub, this interpretation represents the confluence of people, water, knowledge and ideas coming together.

**10 PUBLIC EXCLUDED BUSINESS****RESOLUTION TO EXCLUDE THE PUBLIC****RECOMMENDATION**

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) under section 48 for the passing of this resolution</b>
<b>10.1 - Resolution Monitoring Report - Public Excluded</b>	<p>s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p> <p>s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
<b>10.2 - Central Hawke's Bay Consumers Power Trust 2021 Trustee Election</b>	<p>s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p> <p>s7(2)(f)(i) - free and frank expression of opinions by or between or to members or officers or employees of any local authority</p>	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
<b>10.3 - August District Plan Key Projects Status Report</b>	<p>s7(2)(f)(i) - free and frank expression of opinions by or between or to members or officers or employees of any local authority</p> <p>s7(2)(g) - the withholding of the information is necessary to maintain legal professional</p>	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7



	privilege	
<b>10.4 - C1126 - Extension of Desludging Contract</b>	<p>s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p> <p>s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p> <p>s7(2)(j) - the withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage</p>	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
<b>10.5 - C1148 - Tikokino Road Water Main (Stage 2 and 3) - Tender Outcome Report</b>	<p>s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p> <p>s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
<b>10.6 - C1173 - Tender Outcome Report (3 Waters Consultancy Support Panel)</b>	<p>s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p> <p>s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

**11 DATE OF NEXT MEETING**

**RECOMMENDATION**

THAT the next meeting of the Central Hawke's Bay District Council be held on 17 November 2021.

**12 TIME OF CLOSURE**