

Together we thrive!



Long Term Plan 2018-28

Consultation Document
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.

The Journey So Far – From the Council

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

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

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

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

Together we Thrive – Our Mission –

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

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

Why we do what we do – Our Purpose –

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



The outcomes we want to achieve – Our Objectives –



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

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

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

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

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

While developing the capital program for this LTP, we continue to deal with the issue of breaching resource consent requirements at the Waipukurau and Waipawa Wastewater Treatment Plants. There is more investigation work to do to find a viable solution for these issues. This is highlighted in detail on page 5.

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

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

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

Have Your Say

We encourage you to take the time to get involved. Consultation runs from 19 February to 29 March.

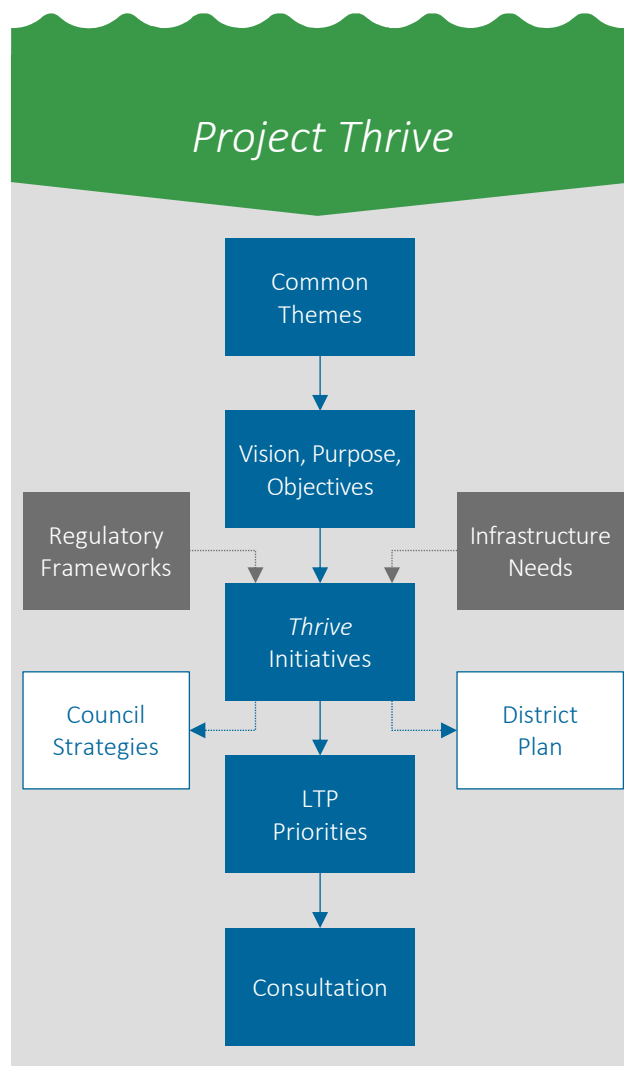
You can comment on the Key Initiatives that are outlined in the document or anything else that you would like Council to consider.

For more information, including the supporting information for this consultation document, you can:

- visit www.chbdc.govt.nz or
- visit the Council office, service centre or library.

Final decisions will be made by June 2018 and will be available on www.chbdc.govt.nz in July.

THE PROCESS SO FAR



Long Term Plan 2018-28 Consultation Document

Why do we do a Long Term Plan?

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

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

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

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

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

What each activity provides can be affected by many things. For example, law changes can alter the rules a Council must follow in providing a service. They can also require Council to provide something to a certain standard to protect people's health and wellbeing (e.g. drinking water standards). Communities may want

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

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

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

Your elected representatives have used your feedback from *Project Thrive* to work through all the key activities, infrastructure needs and future initiatives to bring you this Consultation Document. It is a culmination of more than 12 months of listening, learning, investigating, discussing and prioritising to try and deliver the outcomes required to meet your expectations and for our community to thrive.

The document you are reading is our LTP consultation document. It outlines the key issues raised as a result of this LTP review and asks for your feedback before we finalise the LTP.



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

Tama Bucknell, EPIC Ministries

The key initiatives

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

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

There are a number of initiatives that will support this and we have identified a number of specific initiatives and plans that we need your feedback on.

These initiatives are:

1. The Big Water Story – our three waters infrastructure
2. Funding for drinking water and wastewater in our district
3. Upgrade of the Waipawa Memorial Centennial Baths
4. Developing Town and Community-specific Plans
5. Funding of Emergency Management for Central Hawke's Bay

For each of these initiatives we have discussed the options available, the impact of those options and have outlined the preferred option of the Council. These can be seen over the following pages.

We have also talked about a number of other things that the Council needs to consider and we have detailed those as well.

Looking after our district – delivering services to our community

Looking after our infrastructure – our 30 year infrastructure strategy

Looking after the finances – our Financial Strategy

We encourage you to read through all sections of this document as they do fit together like a jigsaw puzzle and will greatly assist your understanding of what we are proposing.

Waipukurau and Waipawa Wastewater Treatment Plants

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

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

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

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

There is more detailed investigation work to do to find a viable solution for these issues which will include community and expert input. Two options highlighted in the Report include activated sludge treatment or discharge to land. The estimated costs for these options range between \$11million and \$36 million. While investigation allowances and minor improvements are budgeted in the proposed capital program of \$2.1m, we understand that more significant investment will be needed and will require formal consultation with the community once the viable options have been identified and funding options determined.

Reviews of what work is required, how much it will cost, how it will be prioritised and how it could be funded will be carried out during 2018 and 2019. This is likely to result in an amendment to this Long Term Plan sometime over the next 1 to 2 years.

Supporting Information.

The Report is available on the website www.chbdc.govt.nz, at Council Offices and at the Libraries

1. The Big Water Story – How do we make sure our three waters infrastructure is fit for the future?

The Issue

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

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

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

WE HAVE SOME WORK TO DO SO THAT WE:

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

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

Drinking Water

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

Waste Water

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

Stormwater

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

*The figures included in these tables include both rate funded and loan funded expenditure. **Normal renewal expenditure is not included.** Build resilience in our waters infrastructure by having second supplies, firefighting capacity and right sized reticulation systems

The Options

1. Invest based on the Big Water Story plan	2. Invest over a longer period	3. Continue maintaining the existing assets
<p>To carry out all the proposed works for the first 10 years such as the Second Water Supply for Waipukurau and Main Trunk Renewal for Waipawa wastewater (see list of projects on the previous page), Council would fund the investment from loans which would be repaid over 35 years. This means that payment for the infrastructure is spread over the different generations of residents that will use the network. In the first 10 years this would mean an average rates increase in Year 1 (2018/19) of \$42.37 and by Year 10 the total increase would be \$342.43 for those connected to all three water services (see table below for the detail of each activity). Borrowing for the three activities would increase to a total of \$22.8m.</p>	<p>The infrastructure programme could be done over a longer time frame. For example in Waipukurau and Waipawa, upgrades to pipes, connections and pumps to build resilience could be spread over 20 years; the Waipukurau Second Supply could be delayed by 4 years; and Otane alternative supply could be delayed by 2 years. The delayed programme would reduce the rate impact in the short term and limit the Year 1 rates increase to \$18.57, through to a Year 10 increase of \$295.10. Borrowing for the three activities would reduce by \$3.6m.</p> <p>This option could impact the levels of service for those connected as the new connections inside the zone would put pressure on the current infrastructure. Also any expansion of the supply zones could be delayed as the resilience work inside the network (upgrades to pipes, connections and pumps) allows future options for expansion.</p>	<p>The maintenance of the existing assets would include only renewal work based on historical expenditure and those projects required based on resource consents for the current supply.</p> <p>Based on the projections for growth and the requirements of meeting legislation, this option would likely reduce the levels of service for existing users. New connections inside the zones would put pressure on the current networks which could mean a potential loss of service to current connections. Also we would be unable to expand the current zones for the networks. This could also limit future growth in the district due to lack of infrastructure.</p>

The Preferred Option

Council's preferred option is option 1. To meet our desired outcomes for a thriving Central Hawke's Bay, the Council must provide infrastructure based on the estimated growth of the district, the need to build resilience and ensure the infrastructure is fit for the future. This proposed work-programme will provide for this as well as maintaining the current level of service for existing connections. Delaying the upgrade works would only be delaying the rates impact and not decreasing it overall. The impact on the external borrowings of Council is included on page 23.

Below is the rate increase for ratepayers connected to the networks each year based on the funding of the loan required for the above capital programme. This is based on current connections and will reduce as new connections are made during the 10 years of the capital programme.

Yearly rates increase for the three waters

ACTIVITY	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Water Supply	29.40	106.74	158.04	169.50	182.80	192.69	202.16	209.41	217.15	222.43
Wastewater	8.24	36.58	69.02	91.89	103.50	104.59	105.04	106.19	107.61	108.82
Stormwater	4.73	10.32	11.18	11.18	11.18	11.18	11.18	11.18	11.18	11.18
Total	42.37	153.64	238.24	272.57	297.48	308.46	318.38	326.78	335.94	342.43

*Average based on current connections. Each year includes the rate increase from the previous year.

2. How do we fund our Drinking Water and Wastewater Infrastructure?

Currently all of the costs associated with our water and wastewater activities are paid for by the people connected to the networks through the targeted water and wastewater rates.

In 2017/18 the budgeted Annual Plan spending on the water and wastewater is 21.7% of the total spend for Council.

During *Project Thrive*, the whole community gave us a strong message that water and wastewater are important for all – residential, urban, business and rural.

Council believes that there is a wider benefit to the whole district in ensuring that our drinking water and wastewater infrastructure is fit for purpose.

- The safe disposal of wastewater minimises the otherwise harmful effects to our environment.
- Conservation of our drinking water affects the summer flows of our rivers that we use and enjoy.
- Our businesses rely on durable infrastructure to provide products and services to the whole community.
- Smart growth requires quality infrastructure by allowing for the development of businesses and industries which provide employment.

- Durable infrastructure ensures our children are not burdened with paying for aging infrastructure due to underinvesting now.

These factors were also key in how [#thebigwaterstory](#) began.

In recognising the wider benefits to the community, a balance is needed between the district wide benefit, the benefits of the services for those connected to the network and the affordability of those services and investment in them.

Based on this Council is proposing to fund 5% of the rates requirement for Water Supply and Wastewater from a district wide uniform annual charge.

In the supporting information there is a Statement of Proposal that includes the detailed information and the draft Revenue and Financing Policy that details how this will be collected.

Supporting Information

Statement of Proposal and other supporting information is available on the website www.chbdc.govt.nz, at Council Offices and at the Libraries



“We need good and adequate water supply for our towns”

Feedback during
Project Thrive

The Options

1.

Retain the current funding for drinking water and wastewater.

Based on the current funding model where all rates required for water and wastewater are paid by those connected there is no change to the way the rates are collected.

The annual water charge for the first 3 years of the LTP for those connected to the network would be

2018/19	\$669
2019/20	\$751
2020/21	\$795

The annual wastewater charge for the first 3 years of the LTP for those connected to the network would be

2018/19	\$883
2019/20	\$946
2020/21	\$1,019

2.

Change the funding of water and wastewater to have a **District Wide Targeted Rate set on uniform basis of 5%** of the total funding requirement. This would be paid for by everyone in the district whether or not you are connected to the network.

This funding model will see 5% of the rates funding requirements for water and wastewater paid district wide*. This has been proposed as a District Wide Targeted Rate set on uniform basis. This would be paid by all ratepayers in the district whether or not you are connected to the networks.

For both water and wastewater this totals

2018/19	\$49
2019/20	\$53
2020/21	\$57

The annual water charge for the first 3 years of the LTP including the 5% for those connected to the network would be

2018/19	\$648
2019/20	\$729
2020/21	\$771

The annual wastewater charge for the first 3 years of the LTP including the 5% for those connected to the network would be

2018/19	\$866
2019/20	\$928
2020/21	\$1,000

3.

Change the funding of water and wastewater to have a **District Wide Targeted Rate set on uniform basis of 7.5%** of the total funding requirement. This would be paid for by everyone in the district whether or not you are connected to the network.

This funding model will see 7.5% of the rates funding requirements for water and wastewater paid district wide*. This has been proposed as a District Wide Targeted Rate set on uniform basis. This would be paid by all ratepayers in the district whether or not you are connected to the networks.

For both water and wastewater this totals

2018/19	\$73
2019/20	\$80
2020/21	\$85

The annual water charge for the first 3 years of the LTP including the 7.5% for those connected to the network would be

2018/19	\$643
2019/20	\$723
2020/21	\$764

The annual wastewater charge for the first 3 years of the LTP including the 7.5% for those connected to the network would be

2018/19	\$858
2019/20	\$919
2020/21	\$990

*Assessed for each Separately Used or Inhabited Part of a rating unit (SUIP). Based on current SUIP numbers.

The Preferred Option

Council's preferred option is option 2. The change to the funding has been included in the budgets at the rate of 5% by way of a District Wide Targeted Rate set on uniform basis. The Council feel that this reflects the right balance between the benefits to those connected the networks and the community as a whole who benefit from there being durable water and wastewater infrastructure in our community that is fit for purpose, control our environmental impact and provide for smart growth. However, Council would also seriously consider using Option 3 but would like your feedback on this.

3. How do we upgrade the Waipawa and District Centennial Memorial Baths?

The Waipawa and District Centennial Memorial Baths were opened in 1962 thanks to significant fundraising by the Central Hawke's Bay community.

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

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

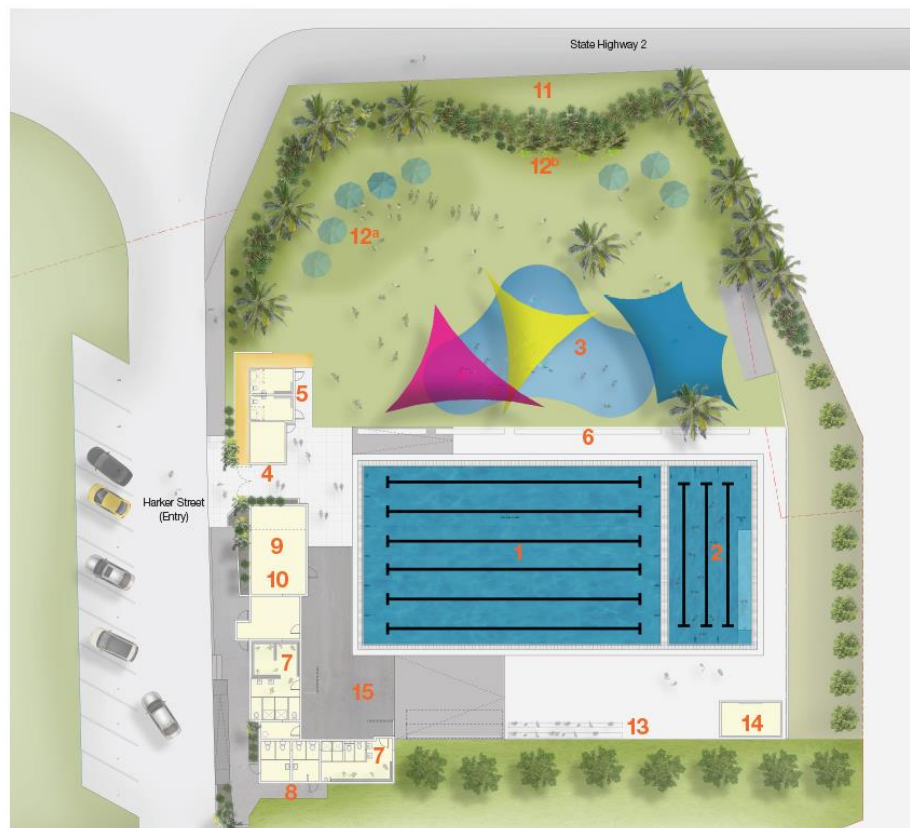
Prior to the discovery Council had started investigation work on the development of the Waipawa Baths with the view to go out to the community as a separate consultation with a number of possible options. Due to the pool not being open for the 2017/18 year and this being a reduction in the level of service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

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

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

A proposed design used to estimate cost of a full upgrade

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



The Options

1.

Upgrade to the pool with a 25m pool and Splashpad at a cost of \$870,000 with Council loan funding \$650,000 and the balance to be fundraised by the community

The project would be scheduled to be completed in the first year of the LTP with loan funding from Council of \$650k and the \$220k remaining being fundraised via sponsorship and from the wider community.

This option would require the funding to be raised before the project could be started and there is the potential that the pool wouldn't be open for the 2018/19 summer if the funds are not raised in time.

The Uniform Annual General Charge has been budgeted to include \$8.13 for the repayment of the loan.

2.

Upgrade of the pool to a 25m lap pool only at a cost of \$700,000 which is fully loan funded by Council.

This option allows for the current 33m pool to be replaced by a 25m lap pool and would be completed in the first year of the LTP. Council would fully fund the upgrade of the pool

The Uniform Annual General Charge would be \$8.75 for the repayment of the loan. This does not include upgrades to the changing rooms or any other facilities at the baths.

3.

A staged upgrade to the pool estimated at \$1.72m with Council loan funding \$650,000 and the remainder being fundraised and completed as funds become available.

This option allows for the current pool to be replaced by a 25m lap pool and a 7m Learn to Swim pool. This would be completed in the first year of the LTP at a cost of \$900k with Council loan funding \$650k. The \$250k remaining would need to be fundraised via sponsorship and from the wider community. This would be underwritten by the Council from reserves to ensure the project is completed for the 2018/19 summer.

The remaining parts of the project would be completed as funds are raised via sponsorship and from the wider community.

The Uniform Annual General Charge has been budgeted to include \$8.13 for the repayment of the loan.

The Preferred Option

Council's preferred option is option 3. This option ensures the Waipawa and District Centennial Memorials Baths remains a significant asset for the community. A staged approach to the completion of the pool allows time for us to do the fundraising for the completion of the project. With first part of the project would include the completion of the 33m pool to be replaced by a 25m lap pool and a 7m Learn to Swim pool for the pool to be open over the 2018/19 summer. The remaining parts of the project would be completed over the next 2-3 years as the fundraising is completed. Whatever option is decided, Council will be seeking significant community partnership to ensure a successful project.

Community Partnership

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

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

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

4. How do we plan for the future for our Towns and Communities?

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

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

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

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

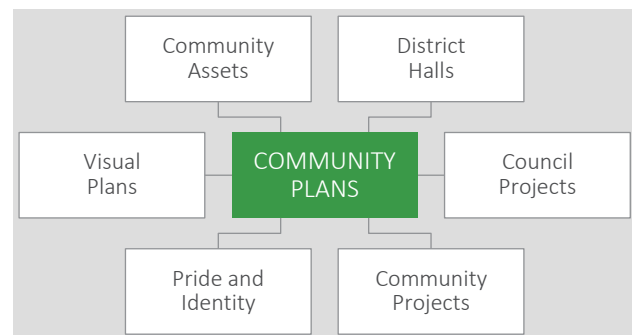
You confirmed this to us throughout *Project Thrive* and your elected members believe that this community planning approach allows council and community to work together in a far more constructive way.

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

Town Centre Plans identify the issues and opportunities, provide a long term vision and recommends actions that need to be taken to achieve that vision.

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

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



The Options

1.

Address plans and issues for the Town Centres and Communities at the time of each issue.

An issues or plans for the towns would be done as issues arise. Development of infrastructure and services would be planned as they arose.

2.

Develop Town Centre Plans for Waipukurau and Waipawa and Community Plans for Tikokino, Onga Onga, Takapau, Porangahau and Otane.

With this option, a budget of \$50,000 per year has been included to develop the Town and Community Centre Plans. These would be developed over the next ten years and would include consultation with the community about what is important and what issues need addressing. This allows for a thought out and focused development of the towns and villages that maintains their identity. This would feed into the development of a long term vision and action plans that would be supported by Council and the Community.

The Preferred Option

Council's preferred option is option 2. Funding has been included in the budgets for completing the Town Centre and Community Plans. We will be looking for keen community participation from groups and individuals.

Work with communities on these plans would begin in 2018/19. From the second year of the Long Term Plan a budget of \$50,000 per year has been included to further develop and implement the Town and Community Centre Plans. This will be staged over a number of years and also allows for revision of the plans once they have been developed. This has the impact of increasing the UAGC by \$7.81.

5. How do we fund Emergency Management?

Hawke's Bay is situated in one of the most seismically-active parts of the world.

We are periodically in the path of former tropical cyclones, other adverse weather events and at risk from earthquakes, tsunami and volcanos. It is likely that, during a lifetime, at least one major natural disaster will affect our communities.

The Hawke's Bay Civil Defence Emergency Management Group is made up of the Wairoa District, Hastings District, Napier City, Central Hawke's Bay District and Hawke's Bay Regional Councils. As a collective, it is responsible for the reduction of risks and the readiness, response and recovery of our communities to disasters. Our Mayor represents us at the joint governance committee that oversees this activity.

In 2011 the Canterbury Earthquakes resulted in the largest coordinated response and recovery to a natural disaster in New Zealand since the Hawke's Bay earthquake in 1931.

As a result of lessons identified from Canterbury and a review of the Hawke's Bay civil defence capability, the councils started a process of strengthening the way the Group works with communities and partner organisations to increase our resilience to disasters.

As a Group, it has developed the Civil Defence Emergency Management into a shared service model with a common vision, objectives and work programme. In early 2017, the Group adopted a common structure with all civil defence staff now working in the same organisation, administered by Hawke's Bay Regional Council.

Consequently, the existing fragmented funding model now constrains the Group's cooperative and collaborative intent to increase Hawke's Bay's overall resilience to disasters.

All of the Councils across Hawke's Bay are consulting to bring the funding and operation of Civil Defence Emergency Management together.

The Options

1.

Fund the costs of Civil Defence through Hawke's Bay Regional Council Rate.

To support the shared service model for Civil Defence Emergency Management, the rating for the group would be included in the rates from Hawke's Bay Regional Council and would not be included in our General Rate. This is a reduction of \$128,000 in the General Rate and would reduce the rate by \$19.94 on average.

2.

Continue to fund Civil Defence through the General Rate.

If this does not go ahead, we would be required to fund the Civil Defence Management for Central Hawke's Bay. This would add \$128,000 to the budget and increase the General Rate by \$19.94 on average.

The Preferred Option

Council's preferred option is option 1. There is a reduction in the budget for the removal for the requirement to fund Civil Defence Management of \$128,000. The historical funding of \$47,000 has been reallocated from Civil Defence to other parts of the budget.

We believe that taking a shared service approach to Civil Defence and Emergency Management is the best way to improve the capability for Hawke's Bay to respond to and bounce back from a disaster. This proposed change to how we fund civil defence will help this to happen.

Looking after the district

The Council looks after our District by providing a wide range of services, facilities and infrastructure for the current and future ratepayers.

During the planning process, we look at how these services are being delivered and if they meet the needs of our community. We also look at what assets are required to deliver these services and how the Council will maintain these assets, including the capital investment required.

In Council speak, this is known as “levels of service”. The levels of service are a promise that the Council makes to you about providing services, whether it’s the length of time for a building consent, the number of transfer stations in our district or the quality and amount of roading in our community.

Supporting Information

Levels of Service Performance Measures and other supporting information is available on the website www.chbdc.govt.nz, at Council Offices and at the Libraries

What this means to you

- If we reduce any levels of service by removing or limiting them, we can generally reduce costs and therefore rates.
- The reverse of that is also true. More services or extensions of services generally cost us more and the extra funding needs to be raised and be affordable for our current and future communities.
- You also want to be sure that the services required by you in the future are not put in jeopardy by decisions we make today.

As part of *Project Thrive*, we heard from the community that while we needed to keep rates affordable, it is important for Council to balance affordability with creating a thriving district.

This is reflected in the information and costs highlighted in the Consultation Document. There has been a focus on developing a sustainable capital program, inclusion of initiatives from *Project Thrive*, continued review of value of service delivery and maintaining the current service levels based on the feedback from *Thrive*.



Looking after the big stuff – Infrastructure Strategy

Part of how the Council looks after our community is by providing a key group of services and assets – roading, water supply, waste water and storm water.

Collectively the assets that Council builds and maintains to provide these services are known as local infrastructure.

As part of the LTP process, the Council looks at the current infrastructure and reviews what needs to be done to maintain these assets and whether new assets are required.

The Council looks at

- How it will renew and replace existing assets
- How it will respond to growth or decline in demand by increasing or decreasing population
- How it will manage the renewal or replacement of existing assets over their lifetime
- How planned increases or decreases in levels of service will be allowed for
- How public health and environmental outcomes will be maintained or improved
- How natural hazard risks will be addressed in terms of infrastructure resilience and financial planning

This helps develop the 30 year Infrastructure strategy and takes into account issues that may significantly impact on Council operations, future demand for Council services and the likely direction of legislation and policies.

Infrastructure is a big ticket item and the cost of maintaining and developing the assets needs to be affordable for our current and future ratepayers. By looking out beyond the next 10 years to what is required over the next 30 years, we are balancing the current ratepayers' ability to pay and the future ratepayers having a well maintained and functioning infrastructure.

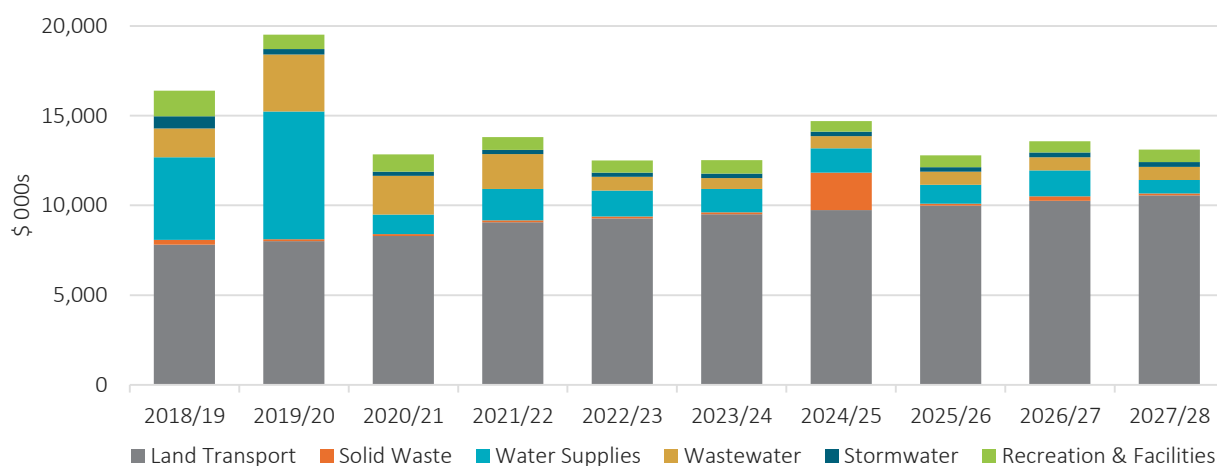
Over the next 30 years, Central Hawke's Bay population is expected to increase overall. In 2018 the population of the district is estimated at 13,840. Over the period to 2028 an increase of 360 people to 14,200 is expected (2.6%) and then it is expected to increase to 14,900 by 2,048 (7.66%).

During this period the average age of the population is expected to increase. In 2018, the average age is 44.2 years and by 2028 this is expected to be 46.4 years. The increase in numbers of people over 65 is expected to rise from 2,800 to 4,950, an increase of 76.8%.

Although the total population is set to increase by 1,060 in the next 30 years, the number of households is expecting a greater increase of 1075 due to the fall in the average household occupancy. This is a common trend in New Zealand due to the interaction of a range of social/community factors such as the ageing population, breakdown of the traditional marriage situation, growth of sole parent households and increasing demand for rental housing.

The impacts of the population changes have been taken into account when developing the investment required in our infrastructure assets.

Capital Expenditure by group of activities for first 10 years



To be able to predict the investment required, an understanding of the condition of the assets is important. As Roding assets are above ground and are regularly inspected we have a very sound knowledge of the assets. We have also done considerable work with our Three Waters asserts doing surveying, CCTV inspections and constant gathering of contractor feedback and are confident about our knowledge of these assets.

Water Supply

Water Supply is a key focus for us in the next 30 years. Along with changes in legislation and policies following the Havelock North Water Enquiry, the strong message from *Project Thrive* helped us develop the capital programme for the next 30 years. It looks at building resilience in the current networks to cope with the number of new residential and business connections in the current zones and then allow for the expansion of the networks for the projected growth in houses and population.

Before we are able to expand the networks, the current networks need to be upgraded to ensure that those currently connected maintain the same level of service when the networks are expanded. This includes increasing the size of the pipes and upgrading the reticulation. Currently \$8.1m has being included in the first 10 years of the budgets for Waipukurau and Waipawa.

A second supply for Waipukurau is being investigated to increase drinking water storage and to provide for redundancy should anything happen to the Pukeora reservoir or pipe into town. This will also assist with providing pressure to the whole Waipukurau network. This is in the budget for year 2018-2020 at a cost of \$5.7m.

A larger trunk main for Otane has also been budgeted in 2018-20 at a cost of \$2.7m. This is to provide security of supply as there is currently a single pipe supplying water from Waipawa.

The review of the District Plan will assist with the identification of growth areas for Central Hawke's Bay and a budget of \$4.9m has been included starting in 2027 for 25 years to expand the networks and allow for the population growth projected based on the outcome of the District Plan Review.

	AREA	PROJECT	2018-28 \$000S	2029-38 \$000S	2039-48 \$000S
Water	Waipukurau	Second Supply	5,716		
		New Main from Pukeora		4,952	
		New Industrial Area		1,419	
		Build Resilience	3,981		
	Waipawa	Build Resilience	4,125		
	Otane	Alternative Supply	2,701		
	Takapau, Porangahau, Kairakau & Pourerere	Treatment Upgrades	2,303		
	Network Wide	Extension for Growth	374	2,759	1,790
	Network Wide	Renewals	2,698	7,546	10,770
Total			21,898	16,676	12,560



Wastewater

While developing the capital program for this LTP, we are dealing with the issue of breaching resource consent requirements at the Waipukurau and Waipawa Wastewater Treatment Plants. There is more investigation work to do to find a viable solution for these issues and although investigation allowances and minor improvements have been made in the proposed capital program of \$2.1m, we understand that more investment will be needed and will require another consultation with the community once the viable options have been identified. This is likely to result in an amendment to this Long Term Plan sometime over the next 1 to 2 years. Reviews of what work is required, how much it will cost, how it will be prioritised and how it could be funded will be carried out during 2018/19.

Over the next 10 years there will be treatment upgrades of \$3.6m at Otane, Takapau and Porangahau. There will also be an upgrade to the Waipawa Main Trunk which goes from McGreevy Street area to the wastewater ponds of \$1.7m. To allow for growth in the district, extension to the network, based on the District Plan Review, start in 2030 and over the next 16 years a total of \$5.6m has been included. These projects will include extensions of the reticulation network based on the outcome of the District Plan Review. Also budgeted is \$4.9m to enable growth for the industrial area of Waipukurau and upgrades to industrial area reticulation.

	AREA	PROJECT	2018-28 \$000S	2029-38 \$000S	2039-48 \$000S
Wastewater	Waipukurau	Treatment Improvements	1,060		
		New Industrial Area & Current Reticulation		4,915	
		Build Resilience	487		
	Waipawa	Main Trunk Renewal	1,770		
		Treatment Improvements	1,060		
		Build Resilience	128	266	
	Takapau	Treatment Upgrade	831		
	Otane	Treatment Upgrade	845		
	Porangahau/ Te Paerahi	Treatment Upgrade	1,849		
	Network Wide	Extension for Growth		2,571	3,018
	Network Wide	Renewals	5,085	7,576	11,877
	Total		13,117	15,328	14,895

Stormwater

Stormwater is a key focus for us as it has an impact on the environment with the majority of the stormwater being released into our streams and rivers. Along with the drains that run alongside the roads and are included with the roading infrastructure, we also maintain a stormwater network across both Waipawa and Waipukurau. There are also smaller networks across the townships of Otane, Takapau, Porangahau, Te Paerahi, Kairakau, and Blackhead Beach.

Upgrades to the Waipukurau CBD have been included in the first two years at a budget of \$698k along with \$310k of resilience upgrade across the first 10 years of the LTP. This continues for years 11-30 with a programme of upgrades to build resilience across the networks.

Extensions to the networks have been included further out in the capital programme and will be prioritised based on the outcome of the District Plan Review

	AREA	PROJECT	2018-28 \$000S	2029-38 \$000S	2039-48 \$000S
Stormwater	Waipukurau	CBD Improvements	698		
		Build Resilience		4,152	
	Waipawa	Build Resilience		2,039	
	Network Wide	Build Resilience	310		
		Extension for Growth			8,153
		Renewals	1,943	1,073	4,023
	Total		2,951	7,264	12,176

Roading

The roading network in Central Hawke's Bay is the Council's biggest asset. At the end of June 2017 it accounted for \$660m of the \$783m held by Council. Our district has 1,264km of roads with 73km of urban roads and 1191km of rural roads.

Most of the roads are sealed at a total of 863km with the remaining 401km being unsealed roads. Over the next 30 years the number of kilometres of road is not expected to change as the roading network is able to cope with the projected increase in population. However if there is development that happens in urban areas, the number of kilometres of road may change. Any roads created through development will be paid for by the developer.

The Council manages the roading network in conjunction with the New Zealand Transport Agency (NZTA) who subsidises the maintenance and renewal work. In 2015 the NZTA agreed that the Funding Assistance Rate (FAR) paid to CHBDC would be 60% of the cost of maintenance and renewal. We apply to NZTA on a three yearly basis for funding and the funding for the 2018-21 period is expected to be approved in May 2018.

We have assessed the risk of alterations to the funding as 'Low' based on previous history of successful funding approval and our increase in expenditure matching NZTA's expectations.

During the next 3 years, we will spend \$150k inspecting all the bridges and structures in the district to assess when and how much will be required for bridge replacement in the future. We have budgeted \$50k in Year 1 to start the Bridge Replacement Fund and this will continue adjusted by inflation to build up over the next 30 years. Once the inspection programme has been completed, this amount will be reassessed based on the requirements.

There has also been \$50k inflated added to the budget on an annual basis for the extension of the footpath network based on feedback from *Project Thrive* as part of being a connected community.

Prioritisation criteria are being developed and any surplus funds from the footpath renewals will be added to this to fund additional footpaths in the following years.

			2018-28	2029-38	2039-48
AREA	PROJECT		\$000S	\$000S	\$000S
Roading	Network Wide	Road Surface Renewals	46,284	61,033	78,127
		Future Bridge Renewals	1,129	1,457	1,865
		Safety renewals	12,645	16,414	21,011
		Road Structure Renewals	23,647	30,695	39,293
		Emergency Renewals	4,984	6,445	8,251
		Footpaths and Carparks	3,834	5,132	6,569
	Total		92,523	121,176	155,116

Solid Waste

Solid Waste has been included to show the investment in 2024/25 for a new cell at the Landfill. This has been estimated at \$1.98m.

Supporting Information

The Infrastructure Strategy and other supporting information is available on the website www.chbdc.govt.nz, at Council Offices and at the Libraries

Looking after the numbers – Financial Strategy

At the heart of looking after our finances is the requirement of Council to balance the needs of our current and future ratepayers and delivering the District's services and infrastructure in a prudent and sustainable manner. This is delivered by the Financial Strategy.

The Financial Strategy outlines how Council will fund its expenditure, the major issues relating to its ability to achieve what is presented in the LTP and the impact this will have on services, debt and rate levels.

We have been faced with a number of challenges when developing the Financial Strategy. During *Project Thrive*, the community told us that we need to be committed to making sustainable investment in durable infrastructure for drinking water, wastewater and stormwater.

We came out to you with the #bigwaterstory in November 2017 and this has been included in the LTP based on your feedback. While developing this capital program, we are also dealing with the issue of breaching resource consent requirements at the Waipukurau and Waipawa Wastewater Treatment Plants.

There is more investigation work to do to find a viable solution for these issues and although investigation allowances have been made in the capital program, we understand that more investment will be needed and will require another consultation with the community once the viable options have been identified.

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

Just like you, we experience rising costs through inflation. As part of the planning, we have built in inflation allowances into the budgets.



Projected Population and Household Numbers over the next 30 years.

YEAR	TOTAL POPULATION	NO. OF HOUSEHOLDS	MEDIAN AGE (YEARS)	AVERAGE HOUSE OCCUPANCY	65+
2018	13,840	5,625	44.2	2.46	2,800
2028	14,200	6,160	46.4	2.31	3,650
2038	14,550	6,430	48.6	2.26	4,455
2048	14,900	6,700	51.0	2.22	4,950

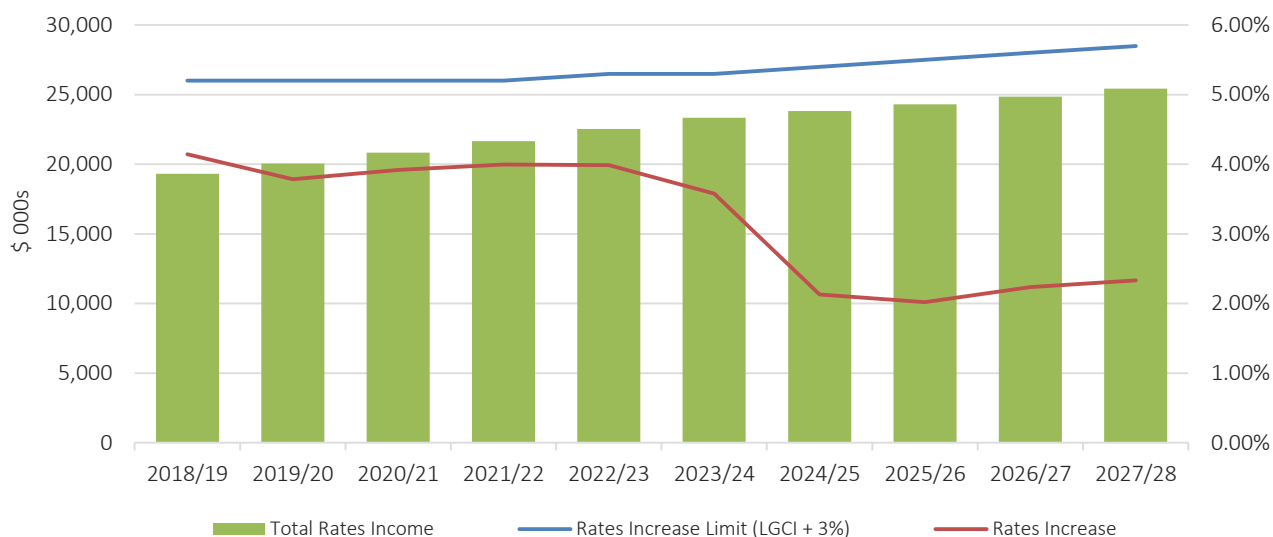
Rates

Rates income accounts for 66% of the revenue of Council over the next 10 years.

This meets our financial limits around rates which are:

- The percentage increase each year will not exceed Local Government Cost Index + 3%.
- Total rates to existing ratepayers will not exceed the LTP projected total rates + 1%

Proposed total rates and rates increase – 2018-28



Rates have been forecast to increase by an average of 3.21% (including inflation) over the next 10 years. This will see the total rates rise to \$25.7m in 2027/28. Annual increases will vary according to the timing of various projects and funding proposal outlined in this Consultation document.

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	AVERAGE	
Total %	2.47	4.14	3.79	3.92	4.00	3.99	3.58	2.13	2.02	2.24	2.33	3.21
Non targeted %		5.06	2.43	2.71	3.90	3.54	3.09	1.46	2.88	2.49	2.56	3.01
Targeted %		2.23	6.70	6.41	4.19	4.88	4.54	3.43	0.40	1.75	1.90	3.64
LCGI	1.80	2.00	2.20	2.20	2.20	2.30	2.30	2.40	2.50	2.60	2.70	2.29

Supporting Information

The Financial Strategy and other supporting information is available on the website www.chbdc.govt.nz, at Council Offices and at the Libraries

The impact of the proposed rate increases for the next three years on a sample of properties across the district have been included to give you an idea of the impact in your area.

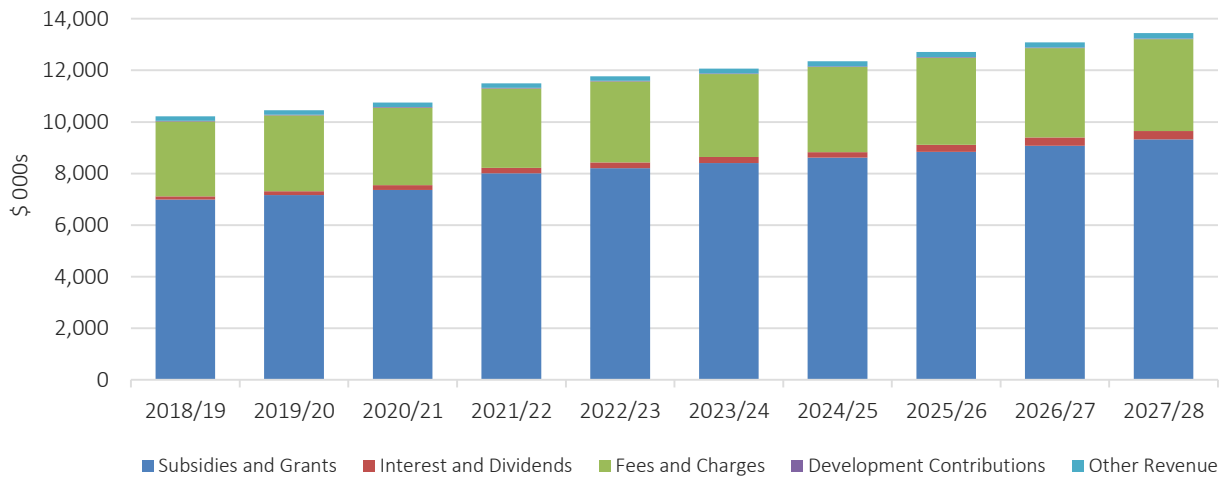
PROPERTY DESCRIPTION			2015 VALUES		2017/18	2018/19			2019/20			2020/21		
Type	District	Value	Land value	Capital value	Amount	Amount	Change \$	Change %	Amount	Change \$	Change %	Amount	Change \$	Change %
Residential town	Waipukurau	Low	18,000	73,000	2,131	2,219	88	4.1%	2,369	150	6.8%	2,498	129	5.5%
	Waipukurau	Medium	77,000	200,000	2,562	2,707	145	5.7%	2,843	136	5.0%	2,988	145	5.1%
	Waipukurau	High	77,000	260,000	2,691	2,862	172	6.4%	2,990	128	4.5%	3,141	151	5.0%
	Waipawa	Low	35,000	180,000	2,406	2,541	136	5.6%	2,678	136	5.4%	2,818	141	5.3%
	Waipawa	Medium	35,000	170,000	2,384	2,516	131	5.5%	2,653	138	5.5%	2,793	140	5.3%
	Waipawa	High	27,000	255,000	2,544	2,713	169	6.7%	2,839	126	4.6%	2,987	148	5.2%
	Otane		54,000	205,000	2,239	2,301	62	2.8%	2,466	165	7.2%	2,598	132	5.4%
	Porangahau	Low	27,000	59,000	1,984	2,055	71	3.6%	2,215	160	7.8%	2,339	124	5.6%
	Porangahau	High	27,000	175,000	2,129	2,192	64	3.0%	2,355	163	7.4%	2,484	129	5.5%
	Takapau		20,000	110,000	2,029	2,097	68	3.3%	2,257	161	7.7%	2,383	126	5.6%
	Takapau	Lifestyle	265,000	425,000	2,230	2,297	66	3.0%	2,418	121	5.3%	2,503	85	3.5%
	Tikokino		48,000	170,000	690	778	88	12.8%	804	26	3.3%	823	20	2.5%
Beach	Blackhead		230,000	420,000	1,495	1,569	73	4.9%	1,609	41	2.6%	1,651	42	2.6%
	Kairakau		175,000	435,000	1,999	2,064	65	3.3%	2,180	117	5.7%	2,261	80	3.7%
	Mangakuri		360,000	800,000	2,321	2,372	50	2.2%	2,428	56	2.4%	2,495	67	2.8%
	Te Paerahi	Low	175,000	245,000	2,618	2,663	45	1.7%	2,834	172	6.4%	2,975	141	5.0%
	Te Paerahi	Medium	270,000	495,000	3,187	3,217	30	0.9%	3,399	182	5.7%	3,557	158	4.6%
Rural	District	Lower	300,000	310,000	1,530	1,614	83	5.4%	1,655	42	2.6%	1,696	41	2.5%
	District	Lower	390,000	460,000	1,943	2,036	92	4.8%	2,085	50	2.4%	2,138	53	2.5%
	District	Medium	1,560,000	1,990,000	7,043	7,028	-15	-0.2%	7,172	144	2.1%	7,364	192	2.7%
	District	Medium	620,000	670,000	2,847	2,910	63	2.2%	2,976	66	2.3%	3,052	76	2.5%
	Aramoana	High	3,140,000	3,670,000	13,425	13,312	-112	-0.8%	13,575	263	2.0%	13,937	362	2.7%
	Ruataniwha	High	3,420,000	4,220,000	14,870	14,724	-145	-1.0%	15,014	290	2.0%	15,418	404	2.7%
	Ruahine	High	10,200,000	10,850,000	41,532	41,006	-526	-1.3%	41,793	787	1.9%	42,898	1,105	2.6%
	Ruahine	Medium	1,770,000	2,310,000	8,012	7,978	-34	-0.4%	8,140	162	2.0%	8,359	219	2.7%
Commercial	Waipukurau		165,000	520,000	6,883	7,001	118	1.7%	7,357	356	5.1%	7,790	433	5.9%
	Waipawa		58,000	87,000	2,380	2,364	-16	-0.7%	2,514	150	6.3%	2,647	133	5.3%
Industrial	Waipukurau		150,000	360,000	4,068	4,158	90	2.2%	4,336	178	4.3%	4,570	235	5.4%
Council average %					2.47%		4.14%		3.79%		3.92%			

Other Revenue

Other revenue to pay for Council services comes from a number of areas including Subsidies and Grants, Fees and Charges, Interest Income and other sources.

Council is investigating other sources of revenue to assist with affordability for our rate payers. Council will also be reviewing the Development Contributions policy once the draft District Plan is notified.

The graph below breaks down the revenue expectation over the next 10 years. The majority of the Other Revenue is made up of the subsidy from NZTA to maintain our roading network. This is 68% of revenue other than rates.

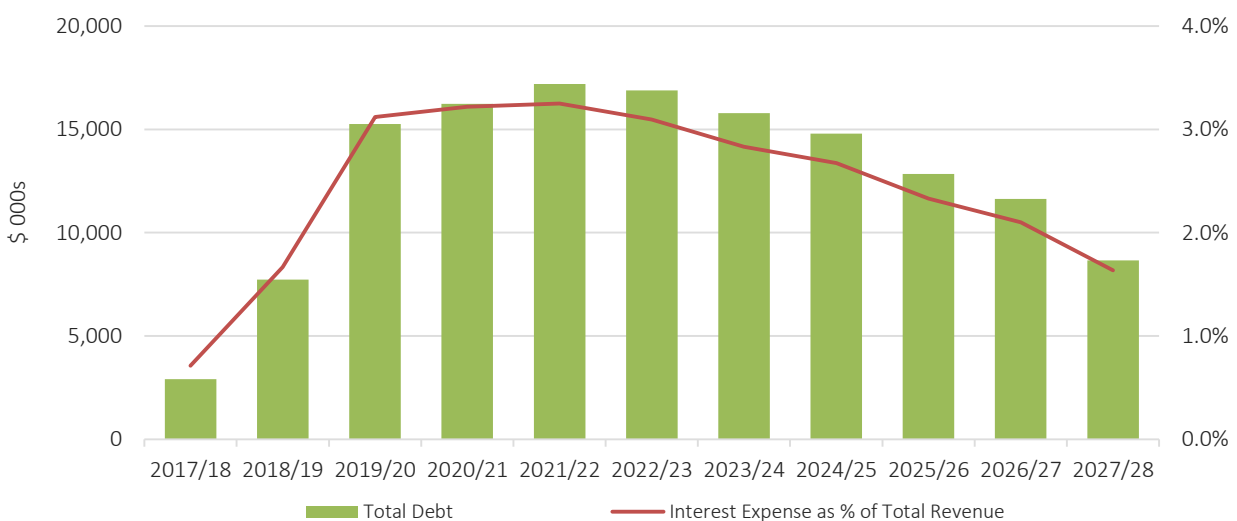


Debt

Debt is used for those projects that result in services that apply across generations of ratepayers.

When we build or upgrade infrastructure or facilities, the use of debt means that the cost of the project is paid for across the generations rather than the ratepayers in the year that it is built. It also means that it is affordable for the current ratepayers. The graph below shows the debt profile of the Council over the next 10 years peaking at \$17.2m. This meets our debt limits which are:

- Total debt of \$2,000 per population – \$27.68m
- Interest expense as a percentage of total revenue – 10%



Where do my Rates go?

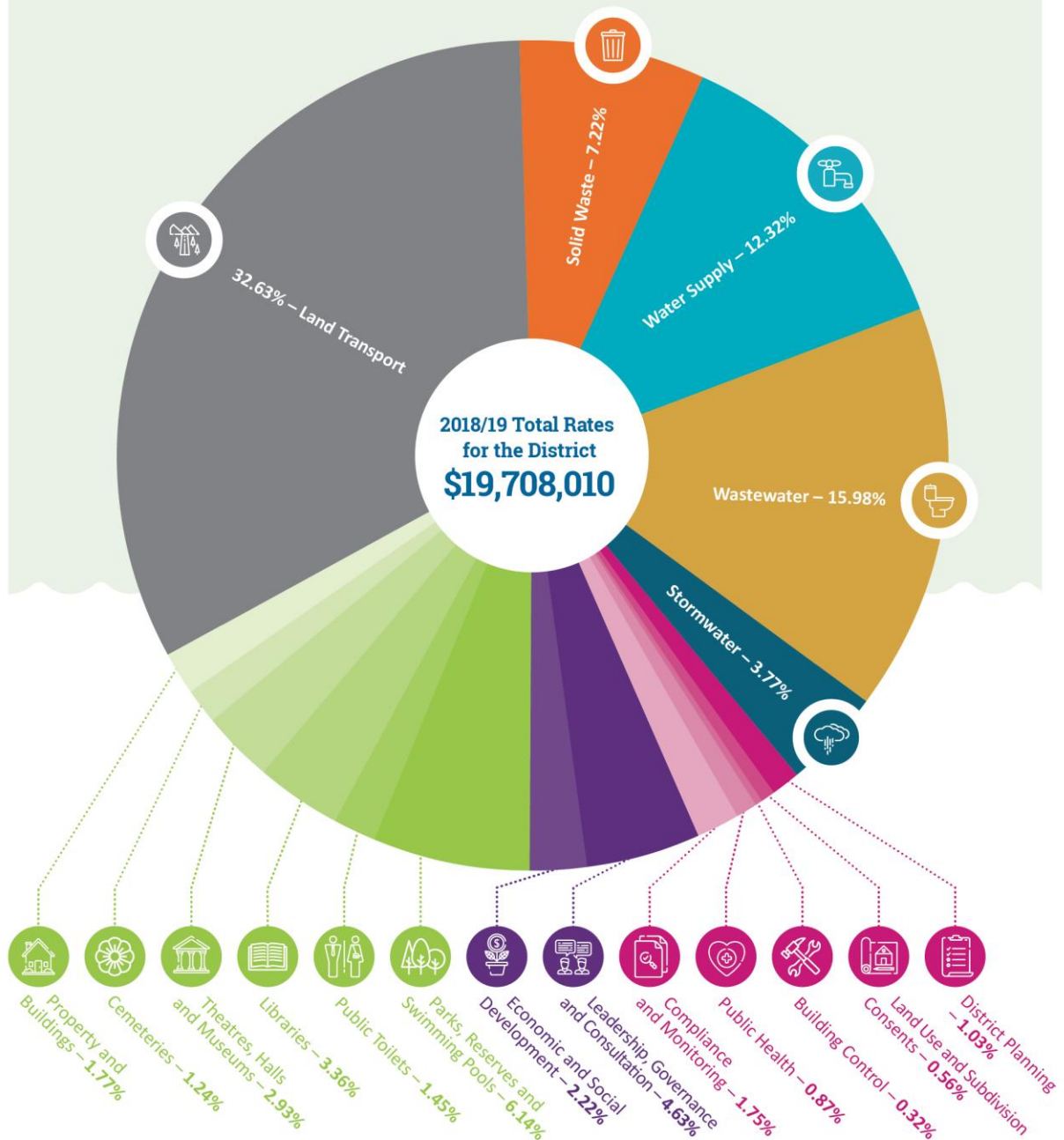
As a property owner, it may sometimes be hard to visualise where your rates payments are going.

This graphic shows the range of services that your 2018/19 rates will go towards. Many of them you use daily without thinking.

In total, rates make up about 66% of the Council's annual income.

Key

- Planning and Regulatory Group
- Community Leadership Group
- Recreation and Community Facilities Group
- Land Transport
- Solid Waste
- Water Supply Group
- Wastewater Group
- Stormwater Group



*This infographic includes the total rate increase for 2018/19.
The increase for individual properties will vary depending on where you live,
the services you receive, the capital and land value of your property.*



To the reader:

**Independent auditor's report on Central Hawkes Bay District Council's
consultation document for its proposed 2018/28 Long-Term Plan**

I am the Auditor-General's appointed auditor for Central Hawkes Bay District Council (the Council). Section 93C of the Local Government Act 2002 (the Act) requires an audit report on the Council's consultation document. We have done the work for this report using the staff and resources of Ernst & Young. We completed our report on 8 February 2018.

Opinion

In our opinion:

- the consultation document provides an effective basis for public participation in the Council's decisions about the proposed content of its 2018/28 long-term plan, because it:
 - fairly represents the matters proposed for inclusion in the long-term plan, and
 - identifies and explains the main issues and choices facing the Council and district, and the consequences of those choices; and
- the information and assumptions underlying the information in the consultation document are reasonable.

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

Without modifying our opinion, we draw your attention to the disclosure on page 5, about the resource consent breach for the Waipukurau and Waipawa wastewater treatment plants. This requires more investigative work in order to find a viable solution and complete the remedial work to meet resource consent requirements for both plants. The cost of this work could be significant and is not included in the consultation document and the associated supporting information. Council expects further consultation with the community will be required once solutions are identified and the potential costs are known. This is likely to result in further costs in addition to those included in the financial forecasts for the consultation document and an amendment to the 2018/28 Long-Term Plan.

Basis of opinion

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

We assessed the evidence the Council has to support the information and disclosures in the consultation document. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the consultation document.

We did not evaluate the security and controls over the publication of the consultation document.

Responsibilities of the council and auditor

The Council is responsible for:

- meeting all legal requirements relating to its procedures, decisions, consultation, disclosures, and other actions associated with preparing and publishing the consultation document and long-term plan whether in printed or electronic form;
- having systems and processes in place to provide the supporting information and analysis the Council needs to be able to prepare a consultation document and long-term plan that meet the purposes set out in the Act; and
- ensuring that any forecast financial information being presented has been prepared in accordance with generally accepted accounting practice in New Zealand.

We are responsible for reporting on the consultation document, as required by section 93C of the Act. We do not express an opinion on the merits of any policy content of the consultation document.

Independence

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

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

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

David Borrie
Ernst & Young
On behalf of the Auditor-General
Wellington, New Zealand

Have Your Say

We heard your feedback during *Project Thrive* and now we want to hear your views on our LTP, so we encourage you to take the time to get involved. The public consultation runs from **19 February to 29 March 2018**.

There are a number of ways you can give feedback depending on what suits you. These include:

Written Feedback

You can contribute feedback online at www.chbdc.govt.nz or fill out the attached feedback form drop it into the Council offices or libraries or send to:

Central Hawke's Bay District Council
P O Box 127
Waipawa 4210

You can also email us at thrive@chbdc.govt.nz.

In Person

Come and talk to us at one of our Have Your Say events. This is the opportunity for you to give feedback in person and be heard by the Council.

- There's no need to register or pre-book
- There's no need to make a submission ahead of the event
- People have a chance to hear the views of others as well as saying your own
- Note-takers capture the feedback
- Subject-matter experts are available to answer questions
- Elected members will be present: their role is to listen to the conversation and ask questions to seek understanding

Events will be held in Waipukurau and Waipawa on the following dates:

Waipukurau	Xx/xx/xx
Waipawa	Xx/xx/xx

We will also be having Pop Ups with Ivan the Caravan in the following towns:

**WAIPUKURAU | WAIPAWA | OTANE |
TAKAPAU | PORANGAHAU | ONGA ONGA**

The events will run from 3pm to 7pm and we will have information available including the ability to submit on the day. For the dates of the pop ups please visit our website www.chbdc.govt.nz.

Social Media

Comments made through Facebook will be considered feedback:

[Post on facebook.com/CHBDistrictCouncil](https://www.facebook.com/CHBDistrictCouncil)
– using #chbltp

Alternatively if you have questions for one or more of you Councillors or Mayor you can phone them.

Alex Walker	+64 27 860 7752
Tim Aitken	+64 27 472 4587
Kelly Annand	+64 27 472 4587
Shelley Burne-Field	+64 27 630 6363
Tim Chote	+64 27 448 2014
Gerard Minehan	+64 27 479 3773
Brent Muggeridge	+64 21 332 353
Ian Sharp	+64 21 614 311
David Tennent	+64 27 445 0952

Where To Find More Information

You can find everything you need to know at www.chbdc.govt.nz including the supporting information and the online feedback form.



Alex Walker
Mayor



Monique Davidson
Chief Executive

We are very proud about the development of the Long Term Plan so far but really want your feedback. Please get involved.

Submission Form

YOUR details

Submitters Name:

Postal Address:

Day Phone:

Night Phone:

Mobile:

Email:

Do you wish to present your comments to Council in person at a hearing?

Yes ☐

No ☐

Please note that your submission (including any personal information supplied) will be made available to Councillors and the public.

Submissions Close on 29 March 2018 at 5pm

Submission Questions

1.

How do we make sure our Three Waters Infrastructure is fit for the future?

Invest based on the plan ☐

Invest over a longer time frame ☐

Maintain the current assets ☐

Please provide any comments

2.

How do fund our drinking water and wastewater infrastructure?

Retain the current funding ☐

District wide charge at 5% ☐

District wide charge at 7% ☐

Please provide any comments

3.

How do we upgrade the Waipawa and District Centennial Memorial Baths?

Council funds \$650k of 25m pool and Splashpad ☐

Council funds \$700k of 25m pool only ☐

Council funds \$650k of staged project ☐

Please provide any comments

4.

How do we plan for the future of our Towns and Communities?

Address each issue at the time ☐

Develop Town Centre and Community Plans ☐

Please provide any comments

5.

How do we fund Emergency Management?

Fund costs of Civil Defence through Regional Council rates ☐

Continue to fund through the CHBDC General rate ☐

Please provide any comments

ANY OTHER SUGGESTIONS

You are able to comment on anything included in the Consultation Document or provide any other feedback.

Need more room? You can attach extra pages but please make sure they include your name and contact information.