

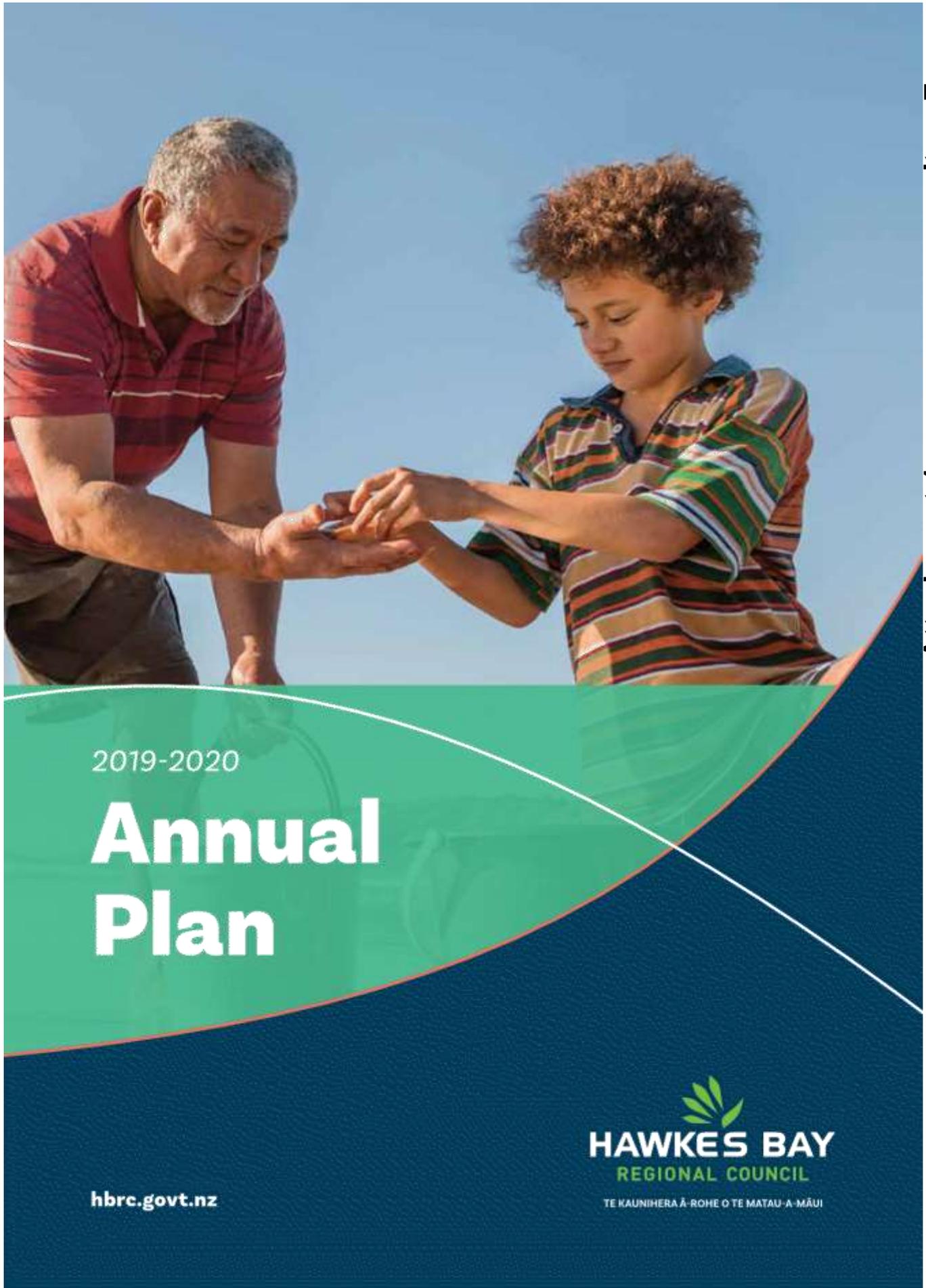


Meeting of the Corporate and Strategic Committee

Date: Wednesday 5 June 2019
Time: 9.00am
Venue: Council Chamber
Hawke's Bay Regional Council
159 Dalton Street
NAPIER

Attachments Excluded From Agenda

ITEM	SUBJECT	PAGE
7.	HBRC 2019-20 Annual Plan	
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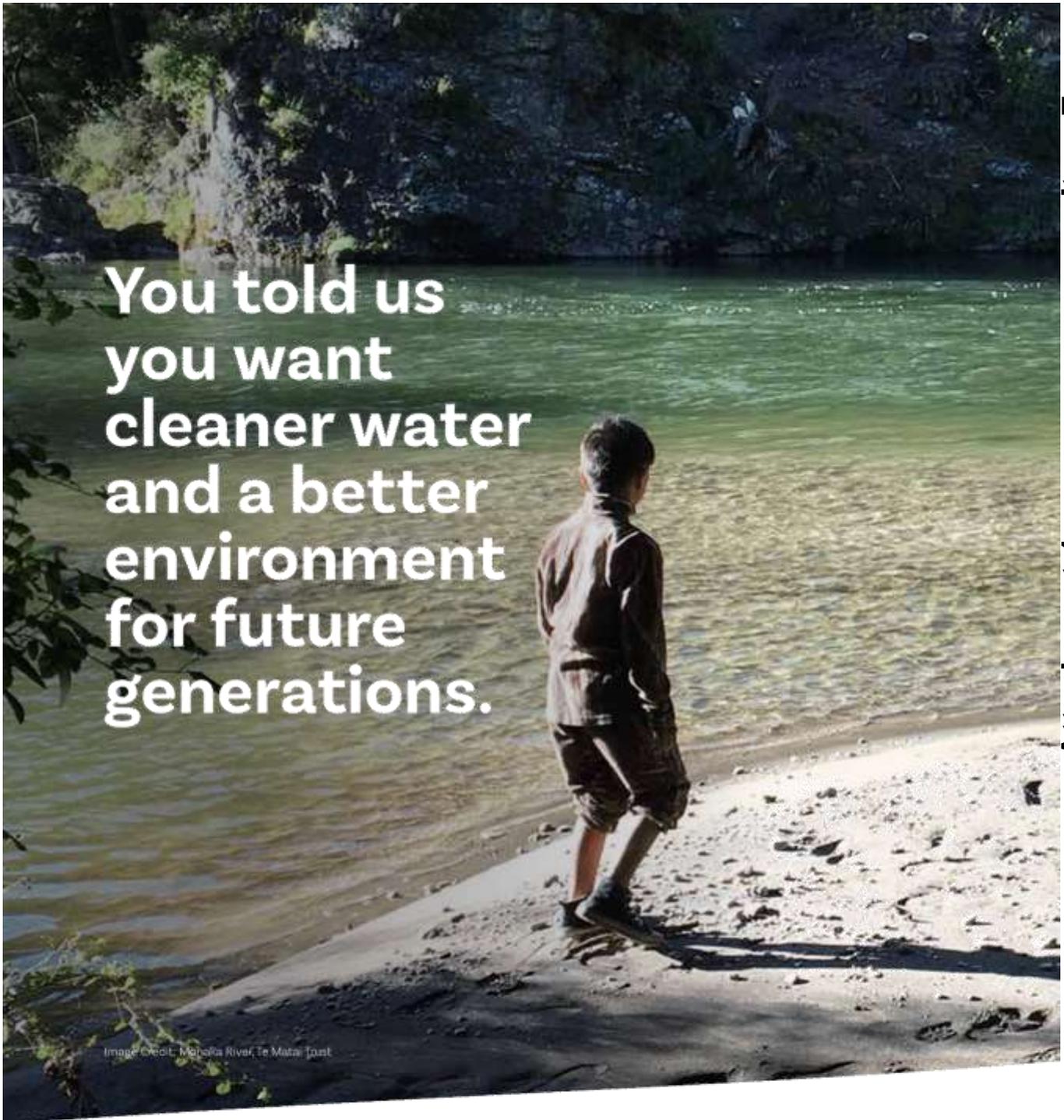
2019-2020

Annual Plan

hbrc.govt.nz


HAWKES BAY
REGIONAL COUNCIL

TE KAUNIHERA Ā-ROHE O TE MATAU-A-MĀUI



You told us
you want
cleaner water
and a better
environment
for future
generations.

Image Credit: Mataora River, Te Matai Trust

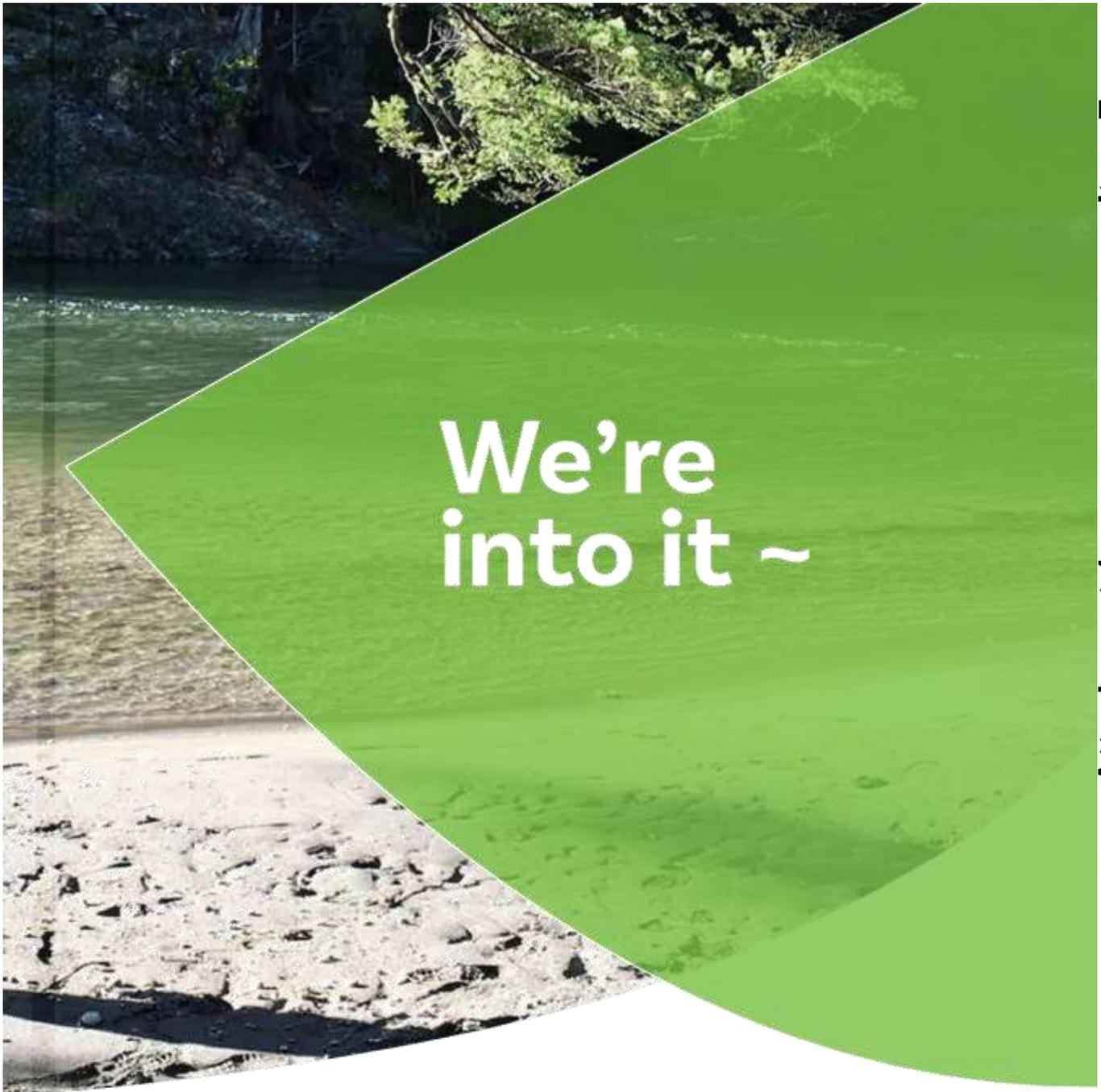
2019-20 ANNUAL PLAN

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The Resource Management
Group of the Hawke's Bay
Regional Council is ISO 9001
2008 certified.

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Item 7

Attachment 1

~ We're well into the work we need to do to enhance our environment for our community, now and for the future.

MESSAGE FROM THE CHAIR & CHIEF EXECUTIVE
HE KUPU NĀ TE TOIHĀU ME TE KAIWHAKAHAERE MATUA

Into Action

“This year, in our Annual Plan for 2019-20, we’re well underway with the additional staff, structure and support needed to protect and enhance our environment – continuing on the path we set ourselves last year.”

Kia ora tātau.

In last year’s Long Term Plan for 2018-28 we set a path to accelerate our work across the region.

Armed with your feedback to our plan and with the additional funding from your rates, user charges, borrowing, investment income and government grants, we’re making faster improvements to river and stream quality, wetlands, land, the marine environment and the biodiversity of our region.

As part of our step-change approach, ratepayers in Central Hawke’s Bay and Wairoa will already see more Regional Council staff on the ground. The Sustainable Homes programmes is active for the whole region and our partnerships are beginning to bear fruit. We’re also very aware of the influence of climate change which is increasingly reflected in the Council’s work programmes, such as erosion

control, flood protection, water security and coastal hazards, to name just a few areas of our focus.

There is no adjustment to the forecast change in rates for 2019-20. As we accelerate the Regional Council’s work, this year’s Annual Plan confirms the forecast general rate increase of 7.9%.

Partnerships help us achieve so much more than would otherwise be possible. Our Te Pou Whakarae Pieri Munro joined the Regional Council late in 2018, you can read his message on the following page. Pieri’s valuable perspective is helping us to work more closely with tāngata whenua and across relevant central and local government agencies.

As always, we encourage your regular contact with us – face to face, through meetings, phone calls, social media and our website. Please keep in touch with your Councillors on issues that matter to you.



This plan for 2019-20 is consistent with the direction of travel we set in last year’s Long Term Plan.

The full Long Term Plan along with this plan is online or at Regional Council offices in Napier, Taradale, Waipawa and Wairoa.

hbrc.govt.nz

4 – KUPU WHAKATAKI | INTRODUCTION

~ We're making faster improvements to **river and stream quality, wetlands, land, the marine environment and the biodiversity of our region.**

Lastly - and significantly - our current work includes a separate and well-publicised major effort to progress an option to offer shares in Napier Port. If this goes ahead, this would fund the Port's growth requirements over the next decade. More information on this proposed transaction is on our website - hbrc.govt.nz.

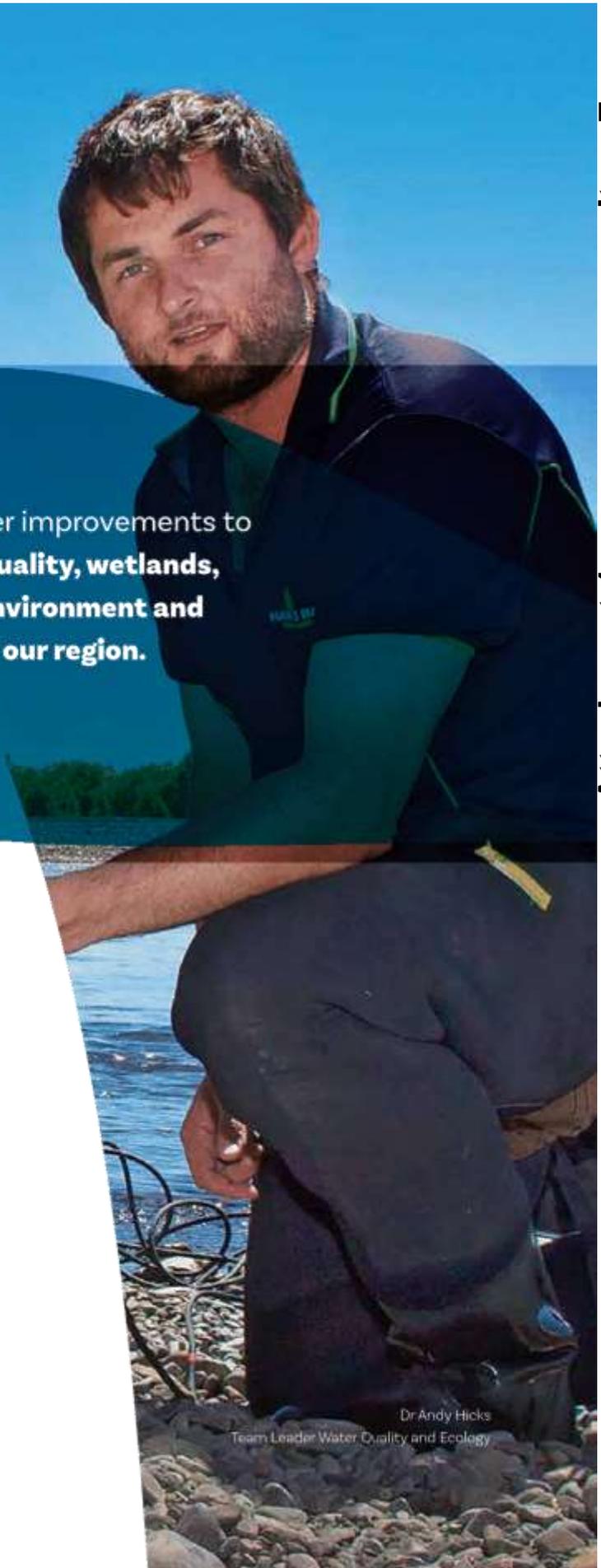
Ngā mihi nui,



Rex Graham
Chair



James Palmer
Chief Executive



Dr Andy Hicks
Team Leader Water Quality and Ecology

MESSAGE FROM TE POU WHAKARAE
HE KUPU NĀ TE POU WHAKARAE

Te Pou: Support Pillar

“We’re developing our Māori Partnerships Strategy focused around two major themes: enhanced engagement with iwi, hāpu and whanau, and increased staff capability to engage the right people, at the right time and in the right way.”

Tēnā koutou katoa e āku rangatira.

My name is Pieri Munro and I descend from a rich and diverse heritage. Each of us can lay claim to this if we look far enough back and answer the question: who am I and where do I come from?

In late 2018 the Regional Council appointed me to the position of Te Pou Whakarae.

A Māori term for our Chief Executive is Te Tumu Whakarae. Te Pou signifies a support pillar and so I - alongside my peer group managers - comprise the executive leadership team led by James Palmer, responsible and accountable for every element of our Regional Council business.

In this Annual Plan, we describe our business objectives for the year ahead. Who, how and when we engage with iwi and tāngata whenua in all our business activity is a legislative requirement that we are determined to do well.

The Regional Council is developing its Māori Partnerships Strategy focused around two major themes: enhanced engagement with iwi, hāpu and whanau, and increased staff capability to enable us to engage the right people, at the right time and in the right way. Since my commencement, I have met

many people internally and externally, as a lead-in to the strategy, to muster people's views on what great engagement might look like. That contribution has been invaluable.

This year the Māori Partnerships Group increases to a team of three. There is a wonderful metaphor that captures the energy of the Regional Council, our intent and commitment ahead:

He waka eke noa, E tu ki te kei o te waka kia pakia koe e nga ngaru o te wa.

An all-inclusive journey, stand tall at the kei of the waka and feel the spray of the future biting at your face.

My view of the world today and ahead is via my moko, my granddaughter Lily. What I do and see today is tempered through her eyes and her understanding of the world as it should be. Hangaia he Ao e te tirohanga whatu mokopuna.

Paimarire,



Pieri Munro
Te Pou Whakarae

~ “He waka eke noa,
E tu ki te kei o te
waka kia pakia koe
e nga ngaru o te wa.

*An all-inclusive journey,
stand tall at the kei of the
waka and feel the spray of
the future biting at your face.”*

Te Tai Tokerau Pou
Celestial Compass, Waitangi Regional Park

ABOUT THIS DOCUMENT
 NGĀ KŌRERO O TĒNEI PUKAPUKA

Our Planning Cycle

Our Plan 2019-20 is our Annual Plan that corresponds to year two in the Long Term Plan cycle.

We have included highlights of the work already under action or planned to start during this Annual Plan period, the associated costs, and any variations from what was forecast. For more detail we recommend you read this plan alongside the **2018-28 Long Term Plan¹** - on our website. We can also send you a copy, on request.

We are on track and full steam ahead with our Long Term Plan strategy. This year's Annual Plan confirms the forecast average rate increase of 7.9%. We have not carried out formal consultation, however we informed the community about this plan using newspapers, social media and our website, in April and June 2019.

Please note that the financial information contained in this plan is based on assumptions, which Regional Council reasonably expects to occur. Actual results achieved may vary, however we have endeavoured to ensure our financial forecasts are as accurate as possible based on current information.

An Annual Report is produced at the end of each financial year, which describes the work our Council has undertaken. It focuses on actual performance against what was forecast, covering both levels of service and financial performance against targets. The Annual Report for Year 1 of the Long Term Plan i.e. 2018-19 will be available late 2019.



Long Term Plan

*This is a 10 year plan that is reviewed every three years. It lets you know what we are going to do, why and how we are going to fund it.

Annual Plan

Produced in years two and three of each Long Term Plan review cycle. It sets your rates for that year, and highlights any variances from our Long Term Plan forecasts.

Annual Report

Produced every year. It lets you know whether we did what we said we would in the previous year.

¹ There was an amendment to the Long Term Plan in April 2019. This explicitly gave the authority for the Regional Council to make a decision to transfer the ownership of Napier Port (being a strategic asset), and to establish a Council Controlled Organisation (CCO) to act as the listed entity to facilitate a potential Initial Public Offer (IPO) transaction for Napier Port.

HAWKE'S BAY REGIONAL COUNCIL
TE KAUNIHERA Ā-ROHE O TE MATAU-A-MĀUI

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Our Vision & Values

Our Vision

*WE WANT a healthy environment,
a vibrant community and a
prosperous economy*

Our Purpose

*WE WORK with our community to
protect and manage the region's
precious taonga of rivers, lakes, soils,
air, coast and biodiversity for health,
wellbeing and connectivity*



Te whakapakari tahi i tō tātau **taiao**. Enhancing our **environment** together.

Our Focus

WE PRIORITISE

1

Water quality, safety and certainty.

*Kia kounga, kia haumaru,
kia pūmau te pai o te wai.*

2

Smart, sustainable land use.

*Kia koi, kia ukauka te
whakamahinga o te whenua.*

3

Healthy and functioning biodiversity.

*Kia ora, kia mahi tika te
kanorau koiora.*

4

Sustainable services and infrastructure.

*Kia ukauka ngā ratonga me ngā
hanganga ā-rohe.*

Our Values

WE BELIEVE IN

Partnership & Collaboration

*we work with our community
in everything we do*

Accountability

*we hold ourselves to account
to deliver results, be responsive
to community expectations,
and the best use of ratepayers'
funds and assets*

Transparency

*we report on what we do
and the value this delivers
for our community*

Excellence

*we set our sights and
expectations high, and never
stop striving to do better*

FOR THE YEAR 2019-20
MŌ TE TAU 2019-20

Our Highlights

“We’re on a clear path to plant more trees, lose less soil to waterways, have cleaner water, a healthier marine environment and better biodiversity.”

The Long Term Plan for 2018-28 has put us on a clear path to plant more trees, lose less soil to waterways, target cleaner water, a healthier marine environment and better biodiversity. We’re also adapting our plans in response to the increasing influence of climate change.

In the year ahead, programmes initiated during 2018 will strengthen and gain momentum, as we pursue the community outcomes described in our Long Term Plan – a healthy environment, a vibrant community and a prosperous economy.



We have grouped the highlights by our four focus areas, which together contribute to our community outcomes.



WATER
Water quality, safety and certainty



LAND
Smart sustainable land use



BIODIVERSITY
Healthy and functioning biodiversity



INFRASTRUCTURE & SERVICES
Sustainable services and infrastructure



“The influence of climate change is increasingly reflected in the Council’s work programmes, such as erosion control, flood protection, water security and coastal hazards.”

Daniel Fake
Resource Technician

FOR THE YEAR 2019-20
MŌ TE TAU 2019-20

Our Focus Areas

WATER
Water quality,
safety and
certainty



LAND
Smart and
sustainable
land use

Water Security

This has the greatest opportunity to meet the environmental, social and economic challenges we face in our communities. We're working on a programme that includes a regional freshwater assessment, new opportunities for the Heretaunga and Tukituki catchments, and technology that can deliver a much clearer map of groundwater resources.

Integrated Catchment Approach

With larger teams now operating in Wairoa and Waipawa, staff are developing the Regional Council's capacity to work more closely with landowners, to coordinate quality farm plans, erosion control plans, nutrient budgets, riparian buffer planting and offer specialist advice.

Erosion Control Scheme

We have introduced a subsidy of up to 75% to incentivise large-scale planting on erosion prone land. It commenced in 2019 with a plan for region wide uptake.

Freshwater Improvement Fund

The funding partnership with Government continues to develop local activity to benefit Lakes Tūtira and Whakakī.

TANK Plan Change

This is about how we manage the waterways of the Tūtaekurī, Ahuriri, Ngaruroro and Karamū catchments. The plan for the land, water and people of Heretaunga Plains is progressing, with pre-notification in early 2019 and a public consultation likely to happen in late 2019.

Regulation

In Year 1 of the Long Term Plan there was an increase in planning, consenting and compliance staff to support stronger environmental monitoring and enforcement. More compliance staff will come on board in 2019-20 - in line with our plan for Year 2 of the Long Term Plan. This will help us to handle the pollution calls to our 24 hour/ 7 day service, significant increases in abatement and infringement notices issued and prosecutions made.

Future Farming Initiative

This partnership for change is focused on establishing a local hub of knowledge, research, education and opportunity for profitable and resilient farming. We want to ensure the health of the region's soil and water, communities and farmers into the future.

Partnerships

The Regional Council is working closely with tāngata whenua entities, local councils and the wider government sector. Strong partnerships are critical to many of our workstreams, helping us to make the most of funding opportunities, policy changes and governance groups that support our community, such as the three waters committee, joint drinking water committee, the Heretaunga Plains Urban Development Strategy and Tukituki Task Force.





BIODIVERSITY

Healthy and functioning biodiversity

Biodiversity Strategy and Action Plan

An implementation team is working through the priority actions: ecosystem mapping and priority, developing a cultural framework, operating the Hawke's Bay Biodiversity Foundation, developing a group of statutory agencies, establishing a Biodiversity Forum, and developing a process for proactive landowner engagement.

Regional Pest Management Plan

Operative from February 2019, the plan aims to limit the adverse effects of unwanted plants, animals, horticultural and marine pests.

Predator Free Hawke's Bay

The first phase of the Predator-Free by 2050 project called Whakatipu Mahia is under way and initially working to remove possums from 14,500 hectares of land on Mahia Peninsula within four years. Staff have re-located to Mahia to work on this.

~ *"We're working closely with tāngata whenua entities, local councils and the wider government sector."*



INFRASTRUCTURE & SERVICES

Sustainable services and infrastructure

Napier Port Share Offer

The possibility of a minority share offer in 2019 would mean shares, of up to 45% in an initial offering, in Napier Port would be listed and traded on the New Zealand Stock Exchange to fund the Port's investment in a new wharf. The Regional Council has committed to retaining at least 51% ownership of this strategic local asset.

Sustainable Homes

The scheme now applies across the region to include Clean Heat, insulation, solar power systems, double glazing, water storage and septic tanks. As of late 2018, eligible ratepayers can now borrow up to \$20,000 at 6% from the Regional Council and repay this over 10 years by way of a voluntary targeted rate.

Civil Defence

The Hawke's Bay Civil Defence Emergency Management team now operates as a single shared service team. The rebuild of the regional Emergency Control Centre is progressing and expects to open as a new permanent facility in late 2019.

Coastal Hazards Strategy 2120

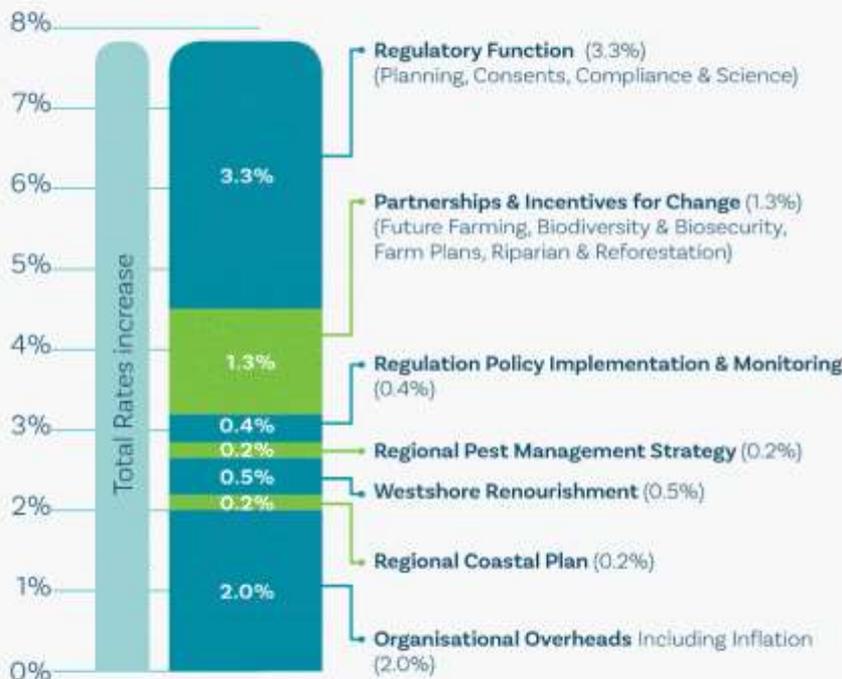
The Regional Council is working directly with Napier and Hastings Councils on this long-term project. Over the next year, staff will model the options developed with the community to test for possible unintended consequences between Clifton and Tangoio. The project will then move to design, costs and funding. Public consultation will occur before final decisions are made.

FOR THE YEAR 2019-20
MŌ TE TAU 2019-20

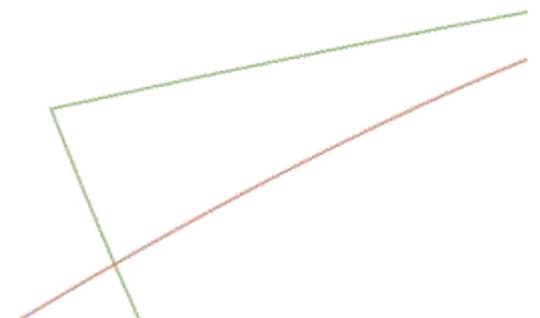
Rates

2019-20 Rates at a glance

The 7.9% rates increase forecast in the Long Term Plan for 2019-20 represents:



* This year a larger percentage of our Economic Development rate shifts to commercial ratepayers, those who benefit the most from this activity. The ratio shifts from 50:50 commercial: urban to a 70:30 split.



FOR THE YEAR 2019-20
MŌ TE TAU 2019-20

Expenditure

2019-20 Expenditure at a glance

The below reflects the seven groups of activities that were introduced and described in detail in our Long Term Plan 2018-28:



~ To check the rates for your individual property, go to hbrc.govt.nz and search: **#myproperty**

2019-2020 ANNUAL PLAN
2019-20 MAHERE Ā-TAU

Financial Information

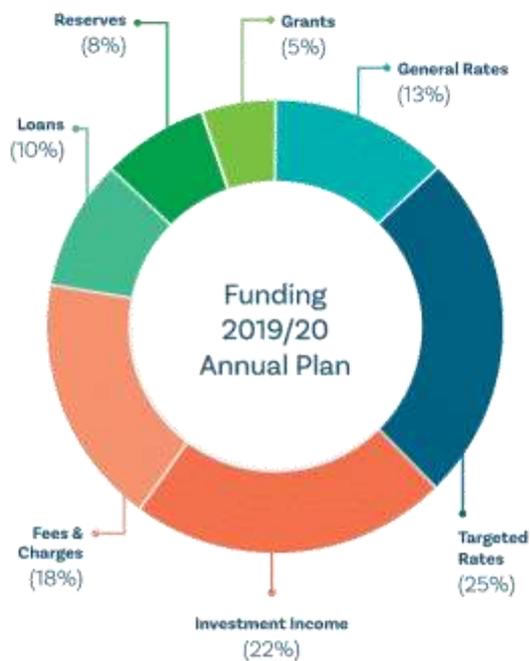
The 2018-28 Long Term Plan, amended in April 2019, included a revised Financial Strategy.

The revised Financial Strategy covers the funding of a significant proposed investment in Napier Port, achieved through the offer of shares to the public. An Initial Public Offering (IPO) on the New Zealand Stock Exchange would provide public ownership of up to a 49% stake in Napier Port.

The IPO transaction provides for the following objectives:

- Retain majority community ownership of Napier Port
- Secure the investment Napier Port requires to enable growth
- Protect ratepayers from the costs of funding the development
- Diversify and de-risk the Regional Council's investments to better protect ratepayers
- Retain exposure to the future financial performance of a growing strategic asset

Other changes to the Financial Strategy include increases in fees and charges for regulatory and science activity, leveraging low external debt levels and a change in investment funding, by using managed funds to obtain higher returns.



Fees and Charges

Section 36 of the Resource Management Act (RMA) enables local authorities to allocate fixed charges to specific resource users, for various administrative and monitoring activities.

These charges are calculated each year based on the cost of service delivery. They include hourly rates, consent fees, water monitoring charges, compliance monitoring, navigation and zone-based water science charges.

The charges will be notified and published on our website for the 2019-20 year from July.

Charge rates (excl. GST) for the purpose of calculating actual costs per hour	
Item	Per Hour
Executive	\$137
Governance and Partnerships	\$87
Strategic Planning	\$102
Integrated Catchment Management	
-Science	\$108
-SOE Reporting (Environmental Information)	\$85
-Client Services	\$93
-Water Information Services	\$93
-Catchment Management	\$102
-Biodiversity and Biosecurity	\$93
Asset Management	\$102
Consents and Compliance	
Resource consent processing	\$154
Resource consent administration	\$93
Compliance/Impact monitoring of consents and Approving, monitoring & auditing of Tier 1 Marine Oil Spill Contingency Plans, monitoring the new NESPF for forestry and monitoring of Resource Management Act regulations.	\$144
Emergency Management	\$82
Transport	\$90
Corporate Services	\$71
Disbursement costs shall be charged at the rates set out below:	
Accommodation	\$150 a night per person
Public notification	Actual advertising costs
Photocopying	20c per A4 page B&W 40c per A4 page colour 30c per A3 page B&W 70c per A2 page B&W
External laboratory testing	Actual cost
Consultant fees	Actual cost



Prospective Statement of Comprehensive Revenue and Expense

	Note	Annual Report 2017/18 (\$'000)	Year 1 LTP 2018/19 (\$'000)	Year 2 LTP 2019/20 (\$'000)	Annual Plan 2019/20 (\$'000)
REVENUE					
Revenue from activities	1	6,548	9,198	9,925	10,522
Revenue from rates	2	19,475	22,829	24,640	24,643
Revenue from grants		5,383	3,368	3,430	3,628
Other revenue	3	15,479	16,029	101,946	101,508
Fair value gains on investments	7(a)	3,697	3,195	3,315	3,137
Reduction in ACC Leasehold Liability		-	917	936	936
Total Operating Revenue		50,582	55,536	144,192	144,374
EXPENDITURE					
Expenditure on activities	1	41,317	44,332	45,478	49,052
Finance costs	1	2,803	2,447	2,854	2,556
Depreciation & amortisation expense	5	2,905	2,925	3,259	3,231
Fair value losses		-	-	-	-
Other expenditure		965	-	-	-
Impairment		-	-	-	-
Total Operating Expenditure		47,990	49,704	51,591	54,839
OPERATING SURPLUS					
Operating Surplus Before Income Tax		2,592	5,832	92,601	89,535
Income tax expense		-	-	-	-
Operating Surplus After Income Tax		2,592	5,832	92,601	89,535
OTHER COMPREHENSIVE REVENUE AND EXPENSE					
Gain / (loss) in other financial assets		48,394	-	10,884	11,196
Gain / (loss) in revalued intangible assets		283	-	(8,985)	(8,985)
Gain / (loss) in revalued managed funds		-	1,000	2,680	2,680
Gain / (loss) in revalued property, plant and equipment assets		-	1,436	-	-
Total Other Comprehensive Revenue and Expense		48,678	2,436	4,579	4,891
TOTAL COMPREHENSIVE REVENUE AND EXPENSE		51,270	8,268	97,180	94,426
Statement For General Funding Position					
CAPITAL EXPENDITURE					
Property, plant, equipment & intangible assets	5	3,153	5,594	6,696	5,519
Infrastructure assets - flood & drainage		896	3,307	3,424	3,734
Infrastructure assets - open spaces & regional assets		213	160	160	160
Forestry assets		160	-	211	207
Community net lending from reserves		-	2,007	2,219	250
Sustainable homes net lending		1,268	911	168	168
Advances to Napier / Gisborne rail		17	1,500	-	-
Public debt repayments	4(a)	3,840	4,252	5,165	4,819
Total Capital Expenditure		9,547	17,731	18,043	14,857
RESERVE AND PUBLIC DEBT FUNDING					
Reserves funding	6	5,221	8,867	(81,666)	(79,699)
Public debt funding	4(a)	4,000	7,010	11,362	9,096
Leasehold annuity funding		-	-	-	-
Fair value gains on investments	7(a)	(3,697)	(3,195)	(3,315)	(3,137)
Fair value gains on other comprehensive income		(48,678)	(2,436)	(4,579)	(4,891)
Reduction in ACC Leasehold Liability		863	(917)	(936)	(936)
Total Reserve & Loan Funding		(42,291)	9,329	(79,135)	(79,568)
UNDERLYING SURPLUS / (DEFICIT)	8	(568)	(135)	2	1

Prospective Statement of Changes In Net Assets / Equity

Note	Annual Report 2017/18 (\$'000)	Year 1 LTP 2018/19 (\$'000)	Year 2 LTP 2019/20 (\$'000)	Annual Plan 2019/20 (\$'000)
Net Assets / Equity at the Start of the Year	544,476	562,909	571,177	604,014
Total Comprehensive Revenue and Expense	51,270	8,268	97,180	94,426
	51,270	8,268	97,180	94,426
Net Assets / Equity at the End of the Year	595,746	571,177	668,358	698,440

Prospective Statement of Financial Position

Note	Annual Report 2017/18 (\$'000)	Year 1 LTP 2018/19 (\$'000)	Year 2 LTP 2019/20 (\$'000)	Annual Plan 2019/20 (\$'000)
ASSETS				
Non Current Assets				
Property, plant & equipment	21,453	24,120	27,329	25,693
Intangible assets	5,273	6,895	7,460	7,422
Infrastructure assets	173,004	176,268	190,110	190,309
Investment property	47,102	54,520	57,246	52,596
Forestry assets	10,698	10,589	10,404	11,198
Finance assets	9,313	71,331	156,010	161,424
Investment in council-controlled organisations	283,500	246,985	239,000	274,515
Advances to council-controlled organisations	-	-	-	-
Napier / Gisborne rail lease	218	1,701	1,701	1,718
Total Non Current Assets	550,561	592,409	689,260	724,875
Current Assets				
Inventories	122	35	35	122
Trade & other receivables	9,969	8,989	9,169	9,169
Finance assets	57,216	20,732	22,585	13,487
Advances to council-controlled organisations	-	-	-	-
Cash & cash equivalents	27,309	3,900	7,677	3,874
Total Current Assets	94,616	33,656	39,466	26,652
TOTAL ASSETS	645,177	626,065	728,726	751,527
NET ASSETS / EQUITY				
Accumulated comprehensive revenue and expense	9	305,237	325,116	323,875
Fair value reserves	9	209,443	174,963	216,770
Other reserves	9	81,066	71,098	157,795
Total Net Assets / Equity	595,746	571,177	668,357	698,440
LIABILITIES				
Non Current Liabilities				
Borrowings	19,125	20,753	26,210	22,152
ACC Leasehold Liability	14,115	16,967	16,050	12,465
Provisions for other liabilities & charges	555	657	670	710
Total Non Current Liabilities	33,795	38,376	42,930	35,327
Current Liabilities				
Trade & other payables	9,895	9,433	9,622	9,622
Borrowings	3,900	5,165	5,904	5,904
ACC Leasehold Liability	745	936	917	1,238
Provisions for other liabilities & charges	1,096	977	997	997
Total Current Liabilities	15,636	16,512	17,438	17,760
Total Liabilities	49,431	54,888	60,369	53,087
TOTAL NET ASSETS / EQUITY AND LIABILITIES	645,177	626,065	728,726	751,527

Prospective Cash Flow Statement

Note	Annual Report 2017/18 (\$'000)	Year 1 LTP 2018/19 (\$'000)	Year 2 LTP 2019/20 (\$'000)	Annual Plan 2019/20 (\$'000)
CASH FLOW FROM OPERATING ACTIVITIES				
Cash to be provided from:				
Receipts from customers	6,770	11,376	12,209	12,806
Rates	19,475	22,829	24,640	24,643
Dividends received	10,000	10,000	90,900	90,900
Interest received	2,549	3,297	7,702	7,714
Grants	5,720	3,368	3,430	3,828
Other income	174	554	1,060	610
GST	-	-	-	-
	44,688	51,424	139,941	140,301
Cash to be applied to:				
Payments to suppliers	23,272	23,530	23,505	25,876
Payments to and behalf of employees	17,408	19,683	20,751	22,154
Finance expense	2,803	2,447	2,854	2,556
	43,483	45,660	47,110	50,386
Net Cash Flows from Operating Activities	1,205	5,764	92,831	89,915
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash to be provided from:				
Disposal of property, plant & equipment	215	946	289	310
Disposal of investment properties	5,739	-	-	-
Disposal of financial assets	76,516	8,294	14,887	14,548
Disposal of forestry assets	-	485	985	485
	82,470	9,725	16,161	18,343
Cash to be applied to:				
Purchase of property, plant & equipment	2,198	3,539	5,466	4,289
Purchase of intangible assets	955	2,055	1,230	1,230
Construction of infrastructure assets	1,517	3,467	3,584	3,894
Community lending	-	2,918	2,387	418
Purchase of financial assets	57,184	15,479	97,312	96,634
Forestry asset development	160	-	211	207
Purchase of investment properties	-	425	0	0
Advances to Investment Company	(94)	-	-	-
Water Augmentation	-	-	-	1,666
Napier / Gisborne rail	17	1,500	-	-
	61,937	29,383	110,190	108,338
Net Cash Flows from Investing Activities	20,533	(19,658)	(94,029)	(92,995)
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash to be provided from:				
Loans drawn	3,900	7,010	11,362	9,096
Leasehold annuity	-	-	-	-
	3,900	7,010	11,362	9,096
Cash to be applied to:				
Loans repaid	3,740	4,252	5,165	4,819
Leasehold freeholding proceeds paid to ACC	4,850	1,119	1,222	1,222
	8,590	5,372	6,387	6,041
Net Cash Flows from Financing Activities	(4,690)	1,638	4,975	3,055
Net Increase / (Decrease) in Cash & cash equivalents	17,048	(12,255)	3,777	(26)
Opening cash & cash equivalents	10,261	16,155	3,900	3,900
Closing Cash & cash equivalents	27,309	3,900	7,677	3,874

Note 1 - Activity Revenue & Expenditure

Note	Annual Report 2017/18 (\$'000)	Year 1 LTP 2018/19 (\$'000)	Year 2 LTP 2019/20 (\$'000)	Annual Plan 2019/20 (\$'000)
REVENUE				
Groups of Activities				
Strategic Planning	48	-	-	-
Asset Management	1,028	2,033	2,038	2,159
Integrated Catchment Management	3,896	4,182	4,522	5,023
Consents & Compliance	1,384	2,589	2,969	2,978
Emergency Management	165	119	119	119
Transport	14	153	153	118
Governance & Partnerships	13	122	124	125
	6,548	9,198	9,925	10,522
Less internal Revenue	-	-	-	-
TOTAL REVENUE FROM ACTIVITIES	6,548	9,198	9,925	10,522
EXPENDITURE				
Groups of Activities				
Strategic Planning	5,208	4,946	4,894	4,761
Asset Management	10,813	10,531	10,619	11,649
Integrated Catchment Management	16,456	17,781	19,123	21,294
Consents & Compliance	3,577	4,336	4,829	5,002
Emergency Management	1,777	2,389	2,394	2,377
Transport	4,417	4,863	4,984	5,204
Governance & Partnerships	3,016	3,574	3,392	3,180
	45,264	48,420	50,235	53,467
Less Internal Expenditure	(179)	(177)	(181)	(181)
Total Group Activities	45,085	48,243	50,054	53,286
Other Activities				
Regional Income Collection Expenditure	1,940	1,461	1,537	1,553
Interest Paid on Regional Income Loans	-	-	-	-
Total Other Activities	1,940	1,461	1,537	1,553
Less finance costs				
- interest on borrowings	(1,388)	(1,328)	(1,632)	(1,334)
- payments associated with the transfer of Napier leasehold cashflows to ACC	(1,415)	(1,119)	(1,222)	(1,222)
Total finance costs	(2,803)	(2,447)	(2,854)	(2,556)
Less depreciation and amortisation expense	(2,905)	(2,925)	(3,259)	(3,231)
TOTAL EXPENDITURE ON ACTIVITIES	41,317	44,332	45,478	49,052

Notes 2 & 3 - Rates & Other Revenue

Note	Annual Report 2017/18 (\$'000)	Year 1 LTP 2018/19 (\$'000)	Year 2 LTP 2019/20 (\$'000)	Annual Plan 2019/20 (\$'000)
Note 2: Rates				
General Funding Rates				
Uniform Annual General Charge (UAGC)	2,707	2,648	2,685	2,891
General Rate on Land Value	1,821	4,304	5,577	5,537
Total General Funding Rates	4,528	6,952	8,262	8,428
Targeted Rates				
Upper Tukituki Catchment Control Scheme	734	708	728	722
Separate Flood Control & Drainage Schemes	289	553	564	565
Wairoa Rivers & Streams Scheme	162	166	171	171
Central & Southern Areas Rivers & Streams Scheme	233	238	243	243
Heretaunga Plains Flood Control & Drainage Schemes	5,446	5,247	5,375	5,370
Biosecurity Schemes	1,719	1,830	1,986	1,887
Subsidised Public Transport	1,613	1,620	1,653	1,653
Clean Heat Administration Rate	584	583	583	583
Sustainable Land Management	753	783	878	851
Economic Development Rate	2,342	1,850	1,894	1,871
Coastal Erosion Rate	-	169	169	169
Emergency Management Uniform Annual Charge	1,072	2,130	2,134	2,130
Total Targeted Rates	14,947	15,877	16,378	16,215
TOTAL RATES	19,475	22,829	24,640	24,643

Rating Base Information

The projected number of rating units in the region as at 30 June 2019 are 72,180.

The projected total capital value of rating units in the region as at 30 June 2019 is \$38,531,850,150.

The projected total land value of the rating units in the region as at 30 June 2019 is \$20,877,999,050.

Note 3: Other Revenue				
Dividends	10,000	10,000	90,900	90,900
Interest	2,721	3,297	7,702	7,714
Leasehold rents	2,593	2,178	2,284	2,284
Forestry income	8	526	1,032	582
Subvention payments	144	28	28	28
Napier - Gisborne Rail Returns	22	-	-	-
Other income	(9)	-	-	-
Net gain / (loss) on disposal of assets				
TOTAL OTHER INCOME	15,479	16,029	101,946	101,508

Note 4(a) - External Debt & Interest Expense

Note	Annual Report 2017/18 (\$'000)	Year 1 LTP 2018/19 (\$'000)	Year 2 LTP 2019/20 (\$'000)	Annual Plan 2019/20 (\$'000)
LOAN REQUIREMENTS				
New Borrowings				
Sustainable Homes Advances to Householders	2,655	2,700	2,250	2,250
Systems Integration Loans	1,245	1,555	1,230	1,230
Public Good Capital Assets Loans	100	260	160	160
Additional Building Loan	-	-	1,000	1,000
Science Loans	-	495	2,222	2,368
Integrated Catchment Activities Loans	-	2,000	2,500	2,088
Building Mechanical Services Upgrade	-	-	2,000	-
Total New Borrowings	4,000	7,010	11,362	9,096
Principal Repayments				
Sustainable Homes Advances to Householders	2,100	2,408	2,655	2,466
Systems Integration Loans	378	495	634	572
Operations Group and Wairoa Office Extensions	60	60	60	60
Technical Equipment Loan (Monitoring Bores)	10	10	10	10
HPFCS Flood & River Scheme Loan	45	45	45	45
Karamu & Tributaries Scheme Loan	40	40	40	40
Public Good Capital Assets Purchases	742	731	752	752
Sawfly Remediation Loans	140	-	-	-
Upper Tukituki Scheme Loans	30	30	30	30
Additional Building Loan	61	31	81	88
Science Loans	214	262	364	371
Public Consultation on Oil & Gas Energy Engagement	20	20	20	20
Integrated Catchment Activities Loans	-	121	375	365
Building Mechanical Services Upgrade	-	-	100	-
Total Principal Repayments	3,840	4,252	5,165	4,819
TOTAL LOAN MOVEMENT	160	2,758	6,197	4,277
Loan Balances				
Sustainable Homes Advances to Householders	14,315	14,681	14,274	12,689
Systems Integration Loans	2,631	3,541	4,137	3,610
Operations Group and Wairoa Office Extensions	390	330	270	270
Technical Equipment Loan (Monitoring Bores)	30	20	10	10
HPFCS Flood & River Scheme Loan	160	115	70	70
Karamu & Tributaries Scheme Loan	80	40	-	-
Public Good Capital Assets Purchases	3,516	3,075	2,484	2,424
Upper Tukituki Scheme Loans	70	40	10	10
Additional Building Loan	138	138	1,057	1,200
Science Loans	1,565	1,949	3,807	3,961
Public Consultation on Oil & Gas Energy Engagement	130	110	90	90
Integrated Catchment Activities Loans	-	1,879	4,004	3,723
Building Mechanical Services Upgrade	-	-	1,900	-
Total Outstanding Loan Balances	23,025	25,918	32,114	28,056
Loan Interest Expense				
Sustainable Homes Advances to Householders	797	777	769	661
Systems Integration Loans	141	153	198	153
Operations Group Office Extensions	18	20	17	17
Technical Equipment Loan (Monitoring Bores)	4	2	1	1
HPFCS Flood & River Scheme Loan	11	8	5	5
Karamu & Tributaries Scheme Loan	9	4	1	1
Public Good Capital Assets Purchases	237	195	165	158
Sawfly Remediation Loans	2	-	-	-
Upper Tukituki Scheme Loans	7	4	2	2
Additional Building Loan	18	10	48	44
Science Loans	116	100	181	164
Public Consultation on Oil & Gas Energy Engagement	4	5	6	6
Integrated Catchment Activities Loans	-	49	159	122
Building Mechanical Services Upgrade	-	-	79	-
TOTAL LOAN INTEREST EXPENSE	1,364	1,328	1,632	1,334

Note 4(b) - Internal Debt & Interest Expense

	Note	Annual Report 2017/18 (\$'000)	Year 1 LTP 2018/19 (\$'000)	Year 2 LTP 2019/20 (\$'000)	Annual Plan 2019/20 (\$'000)
Loan Requirements					
New Borrowings					
Hydrology Equipment		-	100	250	250
Transport Electronic Ticketing		40	250	-	-
Makara Scheme Loan		-	-	-	-
Biodiversity Loan		-	100	100	100
Tangoio Easements		100	-	-	-
Total New Borrowings		140	450	350	350
Principal Repayments					
Computer Equipment		80	80	80	80
Hydrology Equipment		160	165	183	170
Makara Scheme Loan		7	9	9	9
Transport Electronic Ticketing		-	25	25	25
Biodiversity Loan		-	5	15	15
Tangoio Easements		-	10	10	-
Total Principal Repayments		247	294	321	299
TOTAL LOAN MOVEMENT		(107)	156	29	51
Loan Balances					
Computer Equipment		420	340	260	260
Hydrology Equipment		980	915	983	660
Makara Scheme Loan		200	214	208	182
Transport Electronic Ticketing		-	225	200	221
Building Mechanical Services Upgrade		-	-	-	-
Biodiversity Loan		-	95	180	185
Tangoio Easements		-	90	80	100
Total Outstanding Loan Balances		1,600	1,879	1,910	1,608
Loan Interest Expense					
Computer Equipment		16	13	11	11
Hydrology Equipment		38	33	34	35
Makara Scheme Loan		7	7	8	7
Transport Electronic Ticketing		-	5	9	9
Biodiversity Loan		-	3	6	6
Tangoio Easements		-	4	3	4
TOTAL LOAN INTEREST EXPENSE		61	65	71	71

Note 5 - Depreciation and Amortisation

Note	Annual Report 2017/18 (\$'000)	Year 1 LTP 2018/19 (\$'000)	Year 2 LTP 2019/20 (\$'000)	Annual Plan 2019/20 (\$'000)
Capital Expenditure on Property, Plant & Equipment				
Land and Buildings	-	275	2,000	-
Motor Vehicles and Plant	1,017	1,144	781	1,273
Science Equipment	672	772	2,377	2,708
Technical Equipment	103	268	23	23
Computer Equipment	218	945	260	260
Office Furniture and Equipment	121	135	25	25
Intangible Assets - Other	955	2,055	1,230	1,230
Capital Work in Progress	67	-	-	-
Total Capital Expenditure on Property, Plant & Equipment	3,153	5,594	6,696	5,519
Proceeds of Property, Plant & Equipment Disposals				
Land and Buildings	-	-	-	-
Motor Vehicles and Plant	186	521	289	310
Hydrological Equipment	11	-	-	-
Technical Equipment	-	-	-	-
Computer Equipment	-	-	-	-
Office Furniture and Equipment	-	-	-	-
Intangible Assets	-	-	-	-
Total Proceeds from Disposal of Property, Plant & Equipment	197	521	289	310
Depreciation on Property, Plant & Equipment				
Buildings	449	475	494	410
Motor Vehicles and Plant	636	484	484	553
Hydrological Equipment	371	409	510	533
Technical Equipment	46	60	76	71
Computer Equipment	262	304	318	350
Office Furniture and Equipment	54	74	86	45
Intangible Assets (Amortisation)	435	493	665	643
Property, Plant & Equipment Asset Depreciation	2,253	2,299	2,633	2,605
Depreciation on Infrastructure Assets				
Infrastructure Assets	652	626	626	626
Infrastructure Asset Depreciation	652	626	626	626
TOTAL DEPRECIATION & AMORTISATION	2,905	2,925	3,259	3,231

Note 6 & 7 - Reserve Movements & Fair Value Gains

Note	Annual Report 2017/18 (\$'000)	Year 1 LTP 2018/19 (\$'000)	Year 2 LTP 2019/20 (\$'000)	Annual Plan 2019/20 (\$'000)
Note 6: Funding from Reserves				
Project Scheme Reserves	(1,385)	847	296	1,009
Dividend Equalisation Reserve	-	-	(2,054)	(1,906)
Specific Regional Projects Reserve	-	-	-	-
Tangoio Soil Conservation Forestry Reserve	290	299	513	507
Asset Replacement Reserve	3,086	4,510	1,504	2,047
Infrastructure Asset Depreciation Reserve - Other Movement	497	1,133	1,254	1,228
Sale of Land Investment Reserve	1,404	1,465	(83,600)	(83,090)
Sale of Land Non-Investment Reserve	289	939	800	826
Council Disaster Damage Reserves	249	(114)	(114)	(71)
Scheme Disaster Damage Reserves	287	(153)	(187)	(187)
Other Reserves	504	(59)	(80)	(62)
Total Net Funding from Reserves	5,221	8,867	(81,666)	(79,699)
Note 7a: Fair Value Gains from Investments				
Investment Property at beginning of year	49,047	51,499	54,520	50,123
Additions	-	425	0	0
Disposals	(4,856)	-	-	-
Movement during the year	(4,856)	425	0	0
Fair value gains (included in statement of comprehensive revenue and expense)	2,911	2,596	2,726	2,473
Investment Property at end of year	47,102	54,520	57,246	52,596
Note 7a: Fair Value Gains from Forestry Assets				
Forestry Assets at beginning of year	9,769	10,475	10,589	10,812
Additions	160	-	211	207
Disposals	-	(485)	(985)	(485)
Movement during the year	160	(485)	(774)	(278)
Fair value gains (included in statement of comprehensive revenue and expense)	769	599	589	664
Forestry Assets at end of year	10,698	10,589	10,404	11,198
Other fair value gains (included in the statement of comprehensive revenue and expense)	17	-	-	-
Total Fair value gains & losses (included in statement of comprehensive revenue and expense)	3,697	3,195	3,315	3,137

Note 8 - Reconciliation to Underlying Surplus / (Deficit)

Note	Annual Report 2017/18 (\$'000)	Year 1 LTP 2018/19 (\$'000)	Year 2 LTP 2019/20 (\$'000)	Annual Plan 2019/20 (\$'000)
Note 8: Underlying Surplus / (Deficit) Reconciliation				
Groups of Activities Underlying Surplus / (Deficits)				
<i>[From Cost of Service Statements]</i>				
Strategic Planning	(2,461)	(2,733)	(2,726)	(2,611)
Asset Management	(4,597)	(3,000)	(3,022)	(3,287)
Integrated Catchment Management	(7,461)	(10,139)	(11,397)	(11,655)
Regulation - Consents & Compliance	(1,946)	(1,680)	(1,791)	(1,955)
Civil Defence	75	(149)	(150)	(138)
Transport	(84)	(173)	(182)	(200)
Governance & Partnerships	(2,728)	(3,221)	(3,161)	(2,950)
Less Internal Expenditure & Income	1	179	181	181
Regional Income Collection	1	(1,940)	(1,537)	(1,553)
Fair Value Losses				0
Total Groups of Activities Surplus / (Deficit)	(20,963)	(22,379)	(23,785)	(24,168)
Less Capital Expenditure				
<i>[From Statement of Comprehensive Revenue and Expense]</i>				
Capital Expenditure	(9,547)	(17,731)	(18,043)	(14,857)
Add Back:				
Capital Expenditure in Groups of Activities	5,924	11,656	12,538	10,665
Total Non-Groups of Activities Capital Expenditure	(3,623)	(6,075)	(5,505)	(4,192)
Plus General Funding				
Revenue from Rates	2	19,475	22,829	24,643
Other Revenue	3	15,479	16,029	101,946
Grants [From Statement of Comprehensive Revenue and Expense]		5,383	3,368	3,430
Loan Funding	4	4,000	7,010	11,362
Leasehold Annuity Funding		-	-	-
Less:				
Other Revenue in Groups of Activities	(25,225)	(26,478)	(27,454)	(27,084)
Other expenditure		-	-	-
Total Non-Groups of Activities General Funding	19,112	22,758	113,924	111,791
Plus / (Less) Reserves Funding				
<i>[From Statement of Comprehensive Revenue and Expense]</i>				
Reserves Funding	6	5,221	8,867	(81,666)
Less:				
Reserves Funding in Groups of Activities	(315)	(3,305)	(2,965)	(3,731)
Total Non-Groups of Activities Reserves & Loan Funding	4,906	5,562	(84,631)	(83,430)
Underlying Surplus / (Deficit)	(568)	(135)	2	1

Note 9 - Council Reserve Funds

	Accumulated Funds (1) (\$'000)	Infrastructure Asset Renewal (2) (\$'000)	Waioeroa Rivers & Streams (3) (\$'000)	Special Scheme (4) (\$'000)	Dividend Equalisation (5) (\$'000)	Coastal Marine Area (6) (\$'000)	Asset Replacement (7) (\$'000)	Regional Disaster Damage (8) (\$'000)	Scheme Disaster Damage (9) (\$'000)	Clive River Dredging (10) (\$'000)	Tangolo Soil Conservation (11) (\$'000)	Maungaharuru Tangitu (12) (\$'000)	Sale of Land Investment (13) (\$'000)	Sale of Land Non-Investment (14) (\$'000)	Rabbit (15) (\$'000)	Ngati Pahawera (16) (\$'000)	Total Other Reserves (\$'000)	Fair Value Reserves (\$'000)
ANNUAL PLAN 2019/20																		
At 1 July 2019	318,254	942	968	5,942	-	-	(740)	2,177	3,632	1,016	2,777	341	55,754	909	70	94	73,882	211,879
Deposits in year	89,535	2,712	65	232	1,906		7,777	71	248	87	103	114	83,000	1,230	3	0	97,548	4,891
Withdrawals in year	(83,914)	(234)		(1,340)			(6,895)	0	-	(920)	(610)	-	(2,760)	(876)	0	0	(13,634)	-
At 30 June 2020	323,875	3,420	1,033	4,834	1,906	-	142	2,248	3,880	183	2,270	455	135,994	1,263	73	94	157,795	216,770

Related Activities to Reserve Funds

	Accumulated Funds (1) (\$'000)	Infrastructure Asset Renewal (2) (\$'000)	Waioeroa Rivers & Streams (3) (\$'000)	Special Scheme (4) (\$'000)	Dividend Equalisation (5) (\$'000)	Coastal Marine Area (6) (\$'000)	Asset Replacement (7) (\$'000)	Regional Disaster Damage (8) (\$'000)	Scheme Disaster Damage (9) (\$'000)	Clive River Dredging (10) (\$'000)	Tangolo Soil Conservation (11) (\$'000)	Maungaharuru Tangitu (12) (\$'000)	Sale of Land Investment (13) (\$'000)	Sale of Land Non-Investment (14) (\$'000)	Rabbit (15) (\$'000)	Ngati Pahawera (16) (\$'000)	Total Other Reserves (\$'000)	Fair Value Reserves (\$'000)
ACTIVITIES ^N denotes related activity																		
Strategic Planning	✓						✓											
Asset Management	✓	✓	✓	✓			✓	✓	✓	✓								✓
Integrated Catchment Management	✓			✓			✓				✓	✓	✓	✓				✓
Regulation	✓			✓			✓											
Civil Defence	✓			✓			✓											✓
Transport	✓			✓			✓											
Governance & Partnerships	✓												✓	✓				
Regional Income Collection	✓				✓	✓							✓			✓		✓

Purpose of Reserve Funds

Reserve Type	Definition
1 Accumulated Funds	Funds required for the operating and capital requirements of Council.
2 Infrastructure asset depreciation reserve	A reserve established to fund the renewal of scheme infrastructure assets as required by the Local Government Act 2002.
3 Wairoa rivers & streams reserve	A reserve established to fund flood mitigation and recovery work within the Wairoa District.
4 Special scheme reserves	Reserves established for each scheme to account for rating balances that arise each year as a consequence of the actual income and expenditure incurred in any one year. Includes flood and drainage, biosecurity, transport, emergency management and healthy homes.
5 Port dividend equalisation reserve	A reserve established to smooth out the dividend receipts from the Port so that fluctuations in Council's general funding rates are minimised.
6 Coastal marine area reserve	A reserve established to meet the statutory requirements on the use of rental income earned on Council's endowment leasehold land.
7 Asset replacement reserve	A reserve established to fund the replacement of operating property, plant and equipment, which are not scheme based.
8 Regional disaster damage reserve	A reserve established to meet the commercial insurance excess of \$600,000 on each event, the uninsured 60% of edge protection damage and the costs of managing the response and recovery for a disaster event.
9 Scheme disaster damage reserve	Reserves established to meet each scheme's share of Local Authority Protection Programme (LAPP) insurance excess and other costs to restore scheme assets that are not recoverable from other sources.
10 Clive river dredging reserve	A reserve established to meet the expenditure of dredging requirements on the Clive River.
11 Tangoio soil conservation reserve	A reserve established to separate the revenues and expenses associated with the Tangoio Soil Conservation Reserve as this reserve is managed and overseen by Council on behalf of the Crown.
12 Catchment Fund	A reserve established for the Maungaharuru - Tangitu catchment fund. This is funded from a yearly contribution from the Tangoio soil conservation reserve.
13 Sale of land investment reserve	A reserve established to hold the proceeds of endowment leasehold land sales to be reinvested in accordance with Council's policy on "Evaluation of Investment Opportunities" approved on 30 April 2008.
14 Sale of land non-investment reserve	A reserve established to hold transfers from the Sale of Land Investment Reserve to be invested in accordance with Council's policy on "Open Space Investment" approved on 25 June 2008 and Council's Investment Policy set out in the 2009/19 10 Year Plan.
15 Rabbit reserve	A reserve established to fund costs expected to be incurred with growing rabbit populations. The reserve is limited to a maximum balance of \$100,000.
16 Ngati Pahauwera reserve	A reserve established to ring-fence funding for Ngati Pahauwera Rivers Initiatives. For the clean up of the Mohaka, Waikari and Waihua Rivers and their catchments.
17 Fair value reserves	A reserve required by generally accepted accounting practice to account for movements in the value of assets subject to regular fair value assessments.

Funding Impact Statement (Whole of Council, Annual Plan Disclosure Statement)

The following information is presented for compliance with Local Government (Financial Reporting) Regulations 2011. In accordance with the regulations, the information presented is incomplete (in particular, the information presented does not include depreciation and internal transactions such as overheads) and it is not prepared in compliance with generally accepted accounting practice. It should not be relied upon for any other purpose than compliance with the Local Government (Financial Reporting) Regulations 2011.

	Year 1 LTP 2018/19 (\$'000)	Year 2 LTP 2019/20 (\$'000)	Annual Plan 2019/20 (\$'000)
Sources of operating funding			
General rates & uniform annual general charges, rates penalties	6,952	8,262	8,428
Targeted rates	15,877	16,378	16,215
Subsidies & grants for operating purposes	3,368	3,430	3,628
Fees & charges	9,198	9,925	10,522
Interest & dividends from investments	13,297	98,602	98,614
Local authorities fuel tax, fines, infringement fees & other receipts	2,732	3,344	2,894
Total operating funding	51,424	139,941	140,301
Applications of operating funding			
Payments to staff & suppliers	44,332	45,478	49,052
Finance costs	2,447	2,854	2,556
Other operating funding applications	-	-	-
Total applications of operating funding	46,779	48,332	51,608
Surplus / (deficit) of operating funding	4,645	91,609	88,693
Sources of capital funding			
Subsidies & grants for capital expenditure	1,882	2,345	2,314
Development & financial contributions	-	-	-
Increase / (decrease) in debt	2,758	6,197	4,277
Gross proceeds from sale of assets	1,006	1,274	795
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	5,646	9,816	7,386
Applications of capital funding			
Capital expenditure:			
- to meet additional demand	435	2,160	160
- to improve the level of service	2,090	2,080	2,387
- to replace existing assets	6,536	6,251	6,863
	9,061	10,491	9,410
Increase / (decrease) in reserves	(4,970)	85,988	83,730
Increase / (decrease) of investments	6,200	4,946	2,939
Total application of capital funding	10,291	101,425	96,079
Surplus / (deficit) of capital funding	(4,645)	(91,609)	(88,693)
Funding balance	0	0	0
Reconciliation from Funding Impact Statement to of Comprehensive Revenue and Expenditure Statement			
Surplus / (deficit) of operating funding (above)	4,645	91,609	88,693
Depreciation & amortisation expense	(2,925)	(3,259)	(3,231)
Reduction in ACC Leasehold Liability	917	936	936
Fair value gains on investments	3,195	3,315	3,137
Operating Surplus After Income Tax per Statement of Comprehensive Revenue and Expenditure	5,832	92,601	89,535

Annual Plan Disclosure Statement

Annual Plan disclosure statement for the year ending 30 June 2020

The purpose of this statement is to disclose the council's planned financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenue, expenses, assets, liabilities, and general financial dealings. The council is required to include this statement in its annual plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

Benchmark	Planned 2019/20	Achieved
Rates Affordability Benchmark		
Total rates revenue will not exceed 50% of total revenue	17.07%	YES
Annual rate revenue will not exceed 8% of operating expenditure	3.30%	YES
For this benchmark, a) the council's planned rates income for the year must not exceed 50% of total income, and b) the council's planned rates increase for the year must not exceed 8% of operating expenditure		
Debt Affordability Benchmark		
Debt / Total revenue not exceed 150%	19.43%	YES
Interest / Annual rates income not exceed 20%	1.77%	YES
For this benchmark, the council's planned borrowing is compared with debt to total revenue ratio not exceeding 150% and total interest expense on external public debt not exceeding 20% of total annual rates income		
Balanced Budget Benchmark		
equal or greater than 100%	263.27%	YES
For this benchmark, the council's planned revenue (excluding development contributions, vested assets, financial contributions, gains on derivative financial instruments, and revaluations of property, plant or equipment) is presented as a proportion of its planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant or equipment). The council meets the balanced budget benchmark if its operating revenue equals or is greater than its operating expenses.		
Essential Services Benchmark		
equal or greater than 100%	596.49%	YES
For this benchmark, the council's planned capital expenditure on network services is presented as a proportion of expected depreciation on network services. The council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services (NB Council only has one network service and that covers the flood and drainage schemes) Capital expenditure on flood protection and control works are funded by a combination of depreciation, reserve funding and borrowing for new assets. Not all infrastructure assets are depreciated as items such as stop banks do not drop in value.		
Debt Servicing Benchmark		
equal or less than 10%	0.92%	YES
For this benchmark, the council's planned borrowing costs are presented as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluation of property, plant and equipment) Because Statistics New Zealand projects that council's population will grow as fast as the national population growth rate, it meets the debt servicing benchmark if councils' planned borrowing costs equal or are less than 10% of its planned revenue.		

2019-2020 ANNUAL PLAN
2019-20 MAHERE Ā-TAU

HBRC Funding Impact Statement

Introduction

This Funding Impact Statement sets out the impact that the Hawke's Bay Regional Council's (HBRC) Revenue and Financing Policy has on ratepayers.

The Revenue and Financing Policy clearly identifies beneficiaries of HBRC activities paying for the cost of those activities by targeted rates or direct charges, whichever is the most efficient administratively.

Public benefit is funded through a combination of investment income and general rates. Private benefit is funded through targeted rates and/or direct charges.

At various points of the Funding Impact Statement, a level of rates or charges is specified.

All the rates and levels of rates included in this Funding Impact Statement are GST inclusive.

Due dates for payment of rates

The rates for the 2019/20 financial year are due and payable on 1 October 2019. Pursuant to Section 57 of the Local Government (Rating) Act 2002, a penalty charge of 10% will be imposed on any outstanding current rates as at 1 February 2020. A further 10% will be charged on total rates, including penalties outstanding on 1 July 2020.

Definition of 'Separately used or inhabited part of a rating unit' (SUIP)

When a fixed amount is set for each property, whether it be a Uniform Annual General Charge (UAGC) for general funding rates or a Uniform Targeted Rate (UTR) for Targeted Rates, then a fixed amount is charged for each separately used or inhabited part of a rating unit, this includes any portion inhabited or used by [the owner/a person other than the owner], and who has the right to use or inhabit that portion by virtue of a tenancy, lease, licence, or other agreement.

This definition includes separately used parts, whether or not actually occupied at any particular time, which are used by the owner for rental (or other form of occupation) on an occasional or long term basis by someone other than the owner. For the purpose of this definition, vacant land and vacant premises offered or intended for use or habitation by a person other than the owner and usually used as such are defined as 'used'.

For the avoidance of doubt, a rating unit that has a single use or occupation is treated as having one separately used or inhabited part. Therefore, units in a rest home, retail shops in a shopping complex, and additional farm houses are charged with separate UAGCs or UTRs.



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Where two or more rating units are contiguously joined, owned by the same ratepayer and used for the same purpose, or a farm property with separately titled paddocks, then only one UAGC or UTR will be payable. The only exception is for the UTR covering the economic development rate which is set on each rateable property. HBRC's intention is that this mix of rating bases better reflects the benefits delivered to the general community while addressing some of the rate level volatility experienced by those ratepayers in the community whose land values have increased by more than the average.

HBRC directly collects rates for all rating units contained within its boundaries and where specific rates are set across District/City boundaries on a value basis, then the rates are set on Estimate of Projected Valuation (equalisation) which recognises annual movement of values across the region for each territorial authority.

Section 21 of the Local Government (Rating) Act 2002 (LGRA) requires that Uniform Annual General Charges and targeted rates set on a uniform basis are not to exceed 30% of the total revenue from all rates sought by Hawke's Bay Regional Council for the budgeted year. The rates making up this category amount to 26.63% of Council's total rates in 2019-20 and are therefore within the limits prescribed by the Act. All years of the 10 Year Plan are within the prescribed limit set down by the Act.

Inspection and objection to HBRC's Rating Information Database

The Rating Information Database (RID) is available for inspection at HBRC offices at 159 Dalton Street Napier and on Council's website www.hbrc.govt.nz. Ratepayers have the right to inspect the RID records and can object to their rating liability on the grounds set out in the Local Government (Rating) Act 2002.

Comparison of Rates on Specific Commercial Properties

Description of rates	Rating Basis	Napier Hotel		Napier Retail		Hastings Office	
		2018-19	2019-20	2018-19	2019-20	2018-19	2019-20
Details for Comparison							
Capital Value (\$)	CV	3,300,000	3,300,000	2,060,000	2,060,000	5,650,000	5,650,000
Land Value (\$)	LV	1,200,000	1,200,000	530,000	530,000	1,390,000	1,390,000
Area (Hectares)	Area	0.4011	0.4011	0.0401	0.0401	0.3220	0.3220
General Rate	LV	276.00	369.12	121.90	163.03	354.45	456.89
Uniform Annual General Charge	Fixed	42.64	44.93	85.28	89.86	42.64	44.93
General Funded Rates		318.64	414.05	207.18	252.89	397.09	501.82
HPFCS Direct	CV	293.04	305.91			576.87	579.69
HPFCS Indirect	CV	71.61	74.58	44.70	46.56	140.69	141.82
Karamu & Tributaries Dge D2	LV					505.82	512.91
Subsidised Transport	LV	234.00	242.16	103.35	106.95	300.52	299.68
Central Rivers & Streams	CV	22.11	23.10	13.80	14.42	43.51	44.07
Healthy Homes /Clean Heat	LV	75.72	77.04	33.44	34.03	97.16	95.35
Economic Development	CV	731.28	1,057.32	456.50	660.02	1,440.19	2,005.19
Meeanee Napier Puketapu Dge D1	LV	256.92	260.64				
U.T.T.F.C.S	LV						
Wairoa River & Streams Scheme	CV						
Coastal Hazards	Fixed	3.24	3.20	6.48	6.40	3.24	3.20
CDEM Emergency Mgmt	Fixed	34.33	33.94	68.66	67.88	34.33	33.94
Targeted Rates (\$)		1,722.25	2,077.89	726.93	936.26	3,142.33	3,715.85
Total Rates (\$)		2,040.89	2,491.94	934.11	1,189.15	3,539.42	4,217.67
Dollar Increase			451.05		255.04		678.25
Percentage Increase			22.10%		27.30%		19.16%

(continued)

Description of rates	Rating Basis	Hastings Retail		Waipukurau Office		Wairoa Retail	
		2018-19	2019-20	2018-19	2019-20	2018-19	2019-20
Details for Comparison							
Capital Value (\$)	CV	560,000	560,000	195,000	210,000	235,000	185,000
Land Value (\$)	LV	460,000	460,000	40,000	60,000	45,000	80,000
Area (Hectares)	Area	0.0941	0.0941	0.0717	0.0717	0.2022	0.2022
General Rate	LV	117.30	151.20	11.65	16.34	13.06	21.75
Uniform Annual General Charge	Fixed	42.64	44.93	42.64	44.93	42.64	44.93
General Funded Rates		159.94	196.13	54.29	61.27	55.70	66.68
HPFCS Direct	CV	57.18	57.46				
HPFCS Indirect	CV	13.94	14.06				
Karamu & Tributaries Dge D2	LV	167.39	169.74				
Subsidised Transport	LV	99.45	99.18				
Central Rivers & Streams	CV	4.31	4.37	1.68	1.30		
Healthy Homes /Clean Heat	LV	32.15	31.56				
Economic Development	CV	147.74	198.74	55.26	59.45	116.56	52.28
Meeanee Napier Puketapu Dge D1	LV						
U.T.T.F.C.S	LV			2.46	2.71		
Wairoa River & Streams Scheme	CV					26.09	16.28
Coastal Hazards	Fixed	3.24	3.20				
CDEM Emergency Mgmt	Fixed	34.33	33.94	34.33	33.94	34.33	33.94
Targeted Rates (\$)		554.73	612.25	93.73	97.40	176.98	102.50
Total Rates (\$)		714.67	808.38	148.02	158.67	232.68	169.18
Dollar increase			93.71		10.65		-63.50
Percentage Increase			13.11%		7.19%		-27.29%

Comparison of Rates on Specific Urban Properties									
Description of rates	Rating Basis	Napier Hill		Napier South		Flaxmere		Havelock North	
		2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20
Details for Comparison									
Capital Value (\$)	CV	1,010,000	1,010,000	375,000	375,000	136,000	136,000	750,000	750,000
Land Value (\$)	LV	375,000	375,000	225,000	225,000	33,000	33,000	320,000	320,000
Area (Hectares)	Area	0.0760	0.0760	0.0650	0.0650	0.0439	0.0439	0.0777	0.0777
General Rate	LV	86.25	115.35	51.75	69.21	8.42	10.85	81.60	105.18
Uniform Annual General Charge	Fixed	42.64	44.93	42.64	44.93	42.64	44.93	42.64	44.93
General Funded Rates (\$)		128.89	160.28	94.39	114.14	51.06	55.78	124.24	150.11
HPFCS Direct	CV			33.30	34.76	13.89	13.95		
HPFCS Indirect	CV	21.92	22.83	8.14	8.48	3.39	3.41	18.68	18.83
Meeanee/Napier/Puketapu Dge	LV			48.17	48.87				
Subsidised Transport	LV	73.13	75.68	43.88	45.41	7.13	7.11	69.18	68.99
Central/Sthn Rivers/Streams	CV	6.77	7.07	2.51	2.63	1.05	1.06	5.78	5.85
Karamu Dge Havelock D2H	Fixed					12.01	12.18	12.08	12.37
Karamu Enhance Havelock D2H	Fixed							11.29	11.56
Coastal Hazards	Fixed	3.24	3.20	3.24	3.20	3.24	3.20	3.24	3.20
Healthy Homes/Clean Heat	LV	23.66	24.08	14.20	14.45	2.31	2.26	22.37	21.95
Economic Development	Fixed	16.41	9.76	16.41	9.76	16.41	9.76	16.41	9.76
CDEM Emergency Management	Fixed	34.33	33.94	34.33	33.94	34.33	33.94	34.33	33.94
Targeted Rates (\$)		179.46	176.56	204.18	201.50	93.76	86.87	193.36	186.45
Total Rates (\$)		308.35	336.84	298.57	315.64	144.82	142.65	317.60	336.56
Dollar Increase			28.49		17.07		-2.17		18.96
Percentage Increase 1			9.24%		5.72%		-1.50%		5.97%

(continued)									
Description of rates	Rating Basis	Taradale		Hastings		Wairoa		Central HB	
		2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20
Details for Comparison									
Capital Value (\$)	CV	580,000	580,000	430,000	430,000	135,000	275,000	293,000	485,000
Land Value (\$)	LV	330,000	330,000	200,000	200,000	30,000	81,000	113,000	170,000
Area (Hectares)	Area	0.1105	0.1105	0.1012	0.1012	0.1832	0.1832	0.1407	0.1407
General Rate	LV	75.90	101.51	51.00	65.74	8.71	22.02	32.92	46.31
Uniform Annual General Charge	Fixed	42.64	44.93	42.64	44.93	42.64	44.93	42.64	44.93
General Funded Rates (\$)		118.54	146.44	93.64	110.67	51.35	66.95	75.56	91.24
HPFCS Direct	CV	51.50	53.77	43.90	44.12				
HPFCS Indirect	CV	12.59	13.11	10.71	10.79				
Meeanne/Napier/Puketapu Dge	LV	70.65	71.68						
Subsidised Transport	LV	64.35	66.59	43.24	43.12				
Central/Sthn Rivers/Streams	CV	3.89	4.06	3.31	3.35			2.52	3.01
Wairoa River & Streams Scheme	CV					14.99	24.20		
U.T.T.F.C.S.	LV							6.94	7.67
D2 Karamu & Tributaries	LV			72.78	73.80				
Healthy Homes/Clean Heat	LV	20.82	21.19	13.98	13.72				
Coastal Hazards	Fixed	3.24	3.20	3.24	3.20				
Economic Development	Fixed	16.41	9.76	16.41	9.76	16.41	9.76	16.41	9.76
CDEM Emergency Management	Fixed	34.33	33.94	34.33	33.94	34.33	33.94	34.33	33.94
Targeted Rates (\$)		277.78	277.30	241.90	235.80	65.73	67.90	60.20	54.38
Total Rates (\$)		396.32	423.74	335.54	346.47	117.08	134.85	135.76	145.62
Dollar Increase			27.42		10.93		17.77		9.86
Percentage Increase 1			6.92%		3.26%		15.18%		7.26%

Comparison of Rural Rates in three Districts

Description of rates	Rating Basis	Hastings		Hastings	
		2018-19	2019-20	2018-19	2019-20
Details for Comparison					
Capital Value (\$)	CV	2,970,000	2,970,000	4,070,000	4,070,000
Land Value (\$)	LV	2,310,000	2,310,000	3,350,000	3,350,000
Area (Hectares)	Area	346.0189	346.0189	610.8591	610.8591
General Rate	LV	589.05	759.30	854.25	1,101.15
Uniform Annual General Rate	Fixed	42.64	44.93	42.64	44.93
General Funded Rates		631.69	804.23	896.89	1,146.08
HPFCS Indirect	CV	73.95	74.55	101.34	102.16
Central/Sthn Rivers/ Streams	CV	22.87	23.17	31.34	31.75
Plant Pest Strategy	Area	192.07	195.69	339.08	345.48
Animal Pest Strategy	Area	607.70	625.91	1,072.83	1,104.98
Sustainable Land Management	Area	299.39	324.15	528.54	572.25
Porangahau Flood Control	LV				
Wairoa River & Streams Scheme	CV				
Coastal Hazards	Fixed	3.24	3.20	3.24	3.20
U.T.T.F.C.S	LV				
Economic Development	Fixed	16.41	9.76	16.41	9.76
CDEM Emergency Management	Fixed	34.33	33.94	34.33	33.94
Targeted Rates (\$)		1,249.96	1,290.37	2,127.11	2,203.52
Total Rates (\$)		1,881.65	2,094.60	3,024.00	3,349.60
Dollar Increase			212.95		325.60
Percentage Increase 2			11.32%		10.77%

(continued)

Central HB		Central HB		Wairoa		Wairoa	
2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20
<i>Details for Comparison</i>							
2,020,000	2,720,000	7,800,000	9,200,000	4,320,000	5,927,000	1,001,000	1,092,000
1,510,000	2,120,000	6,700,000	7,900,000	3,650,000	5,113,000	910,000	1,001,000
282.9764	282.9764	437.9615	437.9615	1293.4496	1293.4496	598.0000	598.0000
439.86	577.49	1,951.71	2,151.96	1,059.23	1,390.22	264.08	272.17
42.64	44.93	42.64	44.93	85.28	89.86	42.64	44.93
482.50	622.42	1,994.35	2,196.89	1,144.51	1,480.08	306.72	317.10
17.37	16.86	67.08	57.04				
157.08	160.04	243.11	247.69	717.98	731.52	331.94	338.20
496.98	511.88	769.18	792.23	2,271.64	2,339.72	353.39	379.89
244.84	265.09	378.94	410.28	1,119.15	1,211.69	517.42	560.20
190.71	191.65						
				479.52	521.58	111.11	96.10
		424.11	314.42				
16.41	9.76	16.41	9.76	32.82	19.53	16.41	9.76
34.33	33.94	34.33	33.94	68.66	67.88	34.33	33.94
1,157.72	1,189.22	1,933.16	1,865.36	4,689.77	4,891.92	1,364.60	1,418.09
1,640.22	1,811.64	3,927.51	4,062.25	5,834.28	6,372.00	1,671.32	1,735.19
	171.42		134.74		537.72		63.87
	10.45%		3.43%		9.22%		3.82%

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Explanation of Rating Method – Types of Rates/ Activities Funded

Types of Rates	Activities Funded		
General Rates	-Consents and Compliance -Governance and Partnerships	All Rateable Rating Units within the Region	Land Value using Section 131 of the LGRA
Uniform Annual General Charges	-Consents and Compliance -Integrated Catchment Management -Governance and Partnerships	All Rateable Rating Units within the Region	UAGC (Refer Note 1) Section 15 (1)
Targeted Rates		Types of Land to be Rated (Local Government (Rating) Act, Schedule 2)	Basis of Rating (Local Govt (Rating) Act, Schedule 3)
Subsidised Public Transport	Passenger Transport	Those Rating Units within the urban areas of Napier, Hastings & Havelock North including Clive Township but excluding Bay View. Clive Township is capped at \$200,000 LV	Land Value
Heretaunga Plains Control Scheme - Rivers	Catchment Works -Direct Benefit F1 -Indirect Benefit F2	-Rating Units receiving direct benefit within Napier City and Hastings District from flood control measures. -All Rating Units within Napier City and Hastings District	Equalised Capital Value
Heretaunga Plains Flood Control Scheme - Drains	Catchment Works -Direct Benefit	-Rating units receiving direct benefit within one of 9 individual drainage catchment areas. -For all rating units within the 9 drainage catchment areas a differential of 4 times for properties with an industrial land use. -Raupare enhancement agreement and Karamu enhancement	Land Value/Area/Fixed
Upper Tukituki Catchment Control	Catchment Works	All rating units within the Central Hawke's Bay District and all rating units on the southern boundary of Hastings District Council on a differential basis based on the provision of service provided.	Differential Land Value
Central & Southern Rivers & Streams	Catchment Works	All Rating Units in the region excluding Wairoa District.	Equalised Capital Value
Wairoa River & Stream	Catchment Works	All Rating Units in the Wairoa District.	Capital Value
Various Stream & Drainage Schemes	Catchment Works	Location and use of properties with a services of stream and drainage works are provided	Differential Land Value Area of land within a rating unit. Fixed amount per rating unit
	Biosecurity	All rateable rural land containing 4,0469 hectares in the region excluding Rating Units greater than 200 hectares where the land is used for productive purposes. (Council has defined land that is covered in more than 90% in indigenous vegetation as not productive).	
Animal and Plant Pest Control	Regional Animal Pest Management Strategy	Rating factors are divided into Northern (N) and Southern (S) areas with the Ngaruroro River being the divide. Taupo, Napier and Wairoa are Northern, Central Hawkes Bay and Rangitikei are Southern. Hastings area is included in both Northern and Southern. Land that is used for forestry and have a land area between 40 and 4000 hectares will be levied a differential rate. Council has defined land that is covered in more than 75% in production forestry as being used for forestry purposes.	Area/Use
Sustainable Land Management	Land Management and Monitoring	All productive rateable rural land containing 4,0469 hectares in the region. Council has defined properties titles subject to QET1 Open Space Covenants are not productive.	Area/Use

(continued)

Targeted Rates		Types of Land to be Rated (Local Government (Rating) Act, Schedule 2)	Basis of Rating (Local Govt (Rating) Act, Schedule 3)
Plant Pest Strategy	Regional Plant Pest Management Strategy	All rateable rural land containing 4,0469 hectares in the region excluding Rating Units greater than 200 hectares and where the land is used for productive purposes. Council has defined land covered in more than 90% indigenous vegetation is not productive.	Area/Use
Healthy Home/Clean Heat	Management of the scheme to encourage the replacement of open fire or wood burners with more efficient form of heating and where necessary the installation of insulation.	All Rating Units in Napier and Hastings within the affected air-shed and insulation for the region.	Land Value
Sustainable Homes- Financial Assistances	Repayment of financial assistance to ratepayers to insulate homes, replace open fires or non-compliant wood-burners, solar heating, PhotoVoltaic cells, domestic water storage, double glazing and septic tank replacement.	Those ratepayers who have opted for financial assistance to be repaid over 10 years with interest as a fixed amount through a Targeted Differential rate.	Extent of provision of any service to the rating unit
Farm Plans - Financial Assistance	Repayment of financial assistance to ratepayers to fund the completion of Farm Plans. Note: This rate will be effective from 1 July 2019.	Those ratepayers who have opted for financial assistance to be repaid over 3 years interest free as a fixed amount through a Targeted Differential rate.	Extent of provision of any service to the rating unit
Erosion Control - Financial Assistance	Repayment of financial assistance to ratepayers to fund riparian fencing, planting and maintenance of planted areas for highly erodible land unsuitable for commercial forestry.	Those ratepayers who have opted for financial assistance to be repaid over 10 years with interest as a fixed amount through a Targeted Differential rate.	Extent of provision of any service to the rating unit
Coastal Hazard	To fund development of Stage 4 of the Clifton to Tangoio Coastal Hazards Strategy	All rateable units within Napier and Hastings	UTR (Refer Note 2)
Economic Development Rate	To fund economic and tourism development in the Hawke's Bay Region	Commercial/Industrial Rating Units based on the Capital Value. Residential and rural Rating Units based on a Differential. Wairoa is capped at 5% of total yield	Differential Capital Value Differential UTR by location (Refer to Note 2)
Emergency Management	Funding of the Hawke's Bay Civil Defence Emergency Management (CDEM) Group Office to manage the provision of effective CDEM consistent with the CDEM Act 2002	All Rating Units in the region with the exception of Rangitikei and Taupo districts	UTR (Refer to Note 1)

Note 1: A Uniform Annual General Charge (UAGC) or Uniform Targeted Rate (UTR) is set on each separately used or inhabited part of a rating unit, this includes any portion inhabited or used by [the owner/a person other than the owner], and who has the right to use or inhabit that portion by virtue of a tenancy, lease, licence or other agreement. This definition includes separately used parts, whether or not actually occupied at any particular time, which are used by the owner for rental (or other form of occupation) on an occasional or long term basis by someone other than the owner.

Note 2: A Uniform Targeted Rate (UTR) on each rateable property.

**Explanation of Rating Method –
Details of Rates Calculated within each District and City:
General and Uniform Annual General Rates**

Groups of Activities / Rate Type	Districts	Rates set on	Differentials	Calculation Factor	Estimated Rates Revenue 2019-20	Estimated Amount of \$100,000 applicable LV or CV, fixed amount or specified area basis per property	2018-19 Rate
General Rates							
	Napier City	Land Value		0.03076	\$1,940,252	\$30.76	\$1,452,396
	Hastings District	Land Value		0.03287	\$3,102,069	\$32.87	\$2,395,170
	Wairoa District	Land Value		0.02724	\$398,297	\$27.24	\$306,011
	Central H B District	Land Value		0.02719	\$975,098	\$27.19	\$770,264
	Taupo District	Land Value		0.03046	\$18,365	\$30.46	\$14,461
	Rangitikei District	Land Value		0.04962	\$13,977	\$49.62	\$10,804
	Estimate of Projected Valuation			0.02709	\$6,448,058		\$4,949,106
Uniform Annual General Rate							
			No. of SUIPs				
	Napier City	UAGC	27,183	44.93	\$1,221,332	\$44.93	\$1,150,001
	Hastings District	UAGC	33,394	44.93	\$1,500,392	\$44.93	\$1,400,298
	Wairoa District	UAGC	5,075	44.93	\$228,020	\$44.93	\$273,237
	Central H B District	UAGC	6,469	44.93	\$290,652	\$44.93	\$219,468
	Taupo District	UAGC	54	44.93	\$2,426	\$44.93	\$1,535
	Rangitikei District	UAGC	5	44.93	\$225	\$44.93	\$256
	TOTAL		72,180		\$3,243,047		\$3,044,795

Explanation of Rating Method – Details of Rates Calculated within each District and City

Groups of Activities / Rate Type	Districts	Rates set on	Differentials	Calculation Factor	Estimated Rates Revenue 2019-20	Estimated Amount of \$100,000 applicable LV or CV, fixed amount or specified area basis per property	2018-19 Rate
SUBSIDISED PUBLIC TRANSPORT							
	Napier City	Land Value		0.02018	\$1,108,051	\$20.18	\$1,074,400
	Hastings District	Land Value		0.02156	\$771,771	\$21.56	\$768,915
	Clive	Land Value		0.02156	\$20,781	\$21.56	\$20,022
	Estimate of Projected Valuation			0.01777	\$1,900,603		\$1,863,337
RIVER CONTROL							
				-Benefit			
Heretaunga Plains Flood Control Scheme – Appendix 1							
	Napier City	Capital Value	Direct	0.00927	\$876,824	\$9.27	\$837,021
	Napier City	Capital Value	Indirect	0.00226	\$316,442	\$2.26	\$301,426
	Hastings District	Capital Value	Direct	0.01026	\$965,288	\$10.26	\$949,323
	Hastings District	Capital Value	Indirect	0.00251	\$473,034	\$2.51	\$464,150
	TOTAL				\$2,631,588		\$2,551,920
Upper Tukituki Catchment Control Scheme – Appendix 1							
	Central H B District	Land Value	A 100	0.45119	\$153,047	\$451.19	\$144,087
	Central H B District	Land Value	B 75	0.33839	\$213,679	\$338.39	\$206,659
	Central H B District	Land Value	C 50	0.22559	\$101,165	\$225.59	\$97,964
	Central H B District	Land Value	D 25	0.11280	\$132,440	\$112.80	\$129,891
	Central H B District	Land Value	E 10	0.04590	\$78,368	\$45.90	\$77,256
	Central H B District	Land Value	F 1	0.00398	\$77,236	\$3.98	\$94,329
	Central H B District	Land Value	U1 25	0.11280	\$43,266	\$112.80	\$34,774
	Central H B District	Land Value	U2 15	0.06768	\$7,324	\$67.68	\$5,126
	Central H B District	Land Value	U3 10	0.04512	\$11,150	\$45.12	\$12,894
	Central H B District	Land Value	U4 1	0.00451	\$9,208	\$4.51	\$7,128
	Hastings District	Land Value	E 10	0.04487	\$1,138	\$44.87	\$1,192
	Hastings District	Land Value	F 1	0.00548	\$2,144	\$5.48	\$2,585
	TOTAL				\$830,165		\$813,885
Wairoa River & Streams Scheme							
	Wairoa District	Capital Value		0.00880	\$196,987	\$8.80	\$191,250
Central & Southern Area Rivers & Streams							
	Napier City	Capital Value		0.00070	\$98,228	\$0.70	\$93,836
	Hastings District	Capital Value		0.00078	\$145,466	\$0.78	\$143,300
	Central HB District	Capital Value		0.00062	\$34,718	\$0.62	\$35,800
	Taupo District	Capital Value		0.00069	\$581	\$0.69	\$589
	Rangitikei District	Capital Value		0.00103	\$366	\$1.03	\$357
	Estimate of Projected Valuation			0.00062	\$279,359		\$273,882

<i>(continued)</i>							
Groups of Activities / Rate Type	Districts	Rates set on	Differentials	Calculation Factor	Estimated Rates Revenue 2019-20	Estimated Amount of \$100,000 applicable LV or CV, fixed amount or specified area basis per property	2018-19 Rate
STREAMS AND DRAINS - Appendix 1							
Napier, Meeanee & Puketapu (D1:DI1)	Napier City	Land Value	Urban (D1)	0.02172	\$848,021	\$21.72	\$838,043
	Napier City	Land Value	Industrial (DI1)	0.08688	\$193,336	\$86.88	\$191,075
	Hastings District	Land Value	Rural (D1)	0.02322	\$23,632	\$23.22	\$24,199
	TOTAL				\$1,064,989		\$1,053,317
Karamu & Tributaries (D2:DI2)	Hastings District	Land Value	Urban (D2)	0.03690	\$1,010,619	\$36.90	\$994,462
	Hastings District	Land Value	Industrial (DI2)	0.14759	\$331,851	\$147.59	\$325,751
	TOTAL				\$1,342,470		\$1,320,213
Raupare Enhancement (DA3)	Hastings District	Area	1108 hectares(DA3)	12.52	\$13,877	\$12.52	\$13,877
Raupare Twyford (D3)	Hastings District	Land Value	Rural (D3)	0.04917	\$165,591	\$49.17	\$162,344
Haumoana/ Te Awanga (D4)	Hastings District	Land Value	Rural (D4)	0.11091	\$157,144	\$110.91	\$154,063
Tutaekuri, Waimate & Moteo (D5)	Hastings District	Land Value	Rural (D5)	0.15212	\$255,758	\$152.12	\$250,743
Pakowhai Brookfields (D6)	Hastings District	Land Value	Rural (D6)	0.16350	\$150,501	\$163.50	\$147,550
Puninga (D9)	Hastings District	Land Value	Rural (D9)	0.19548	\$82,541	\$195.48	\$80,923
Brookfields Awatoto (D7:DI7)	Napier City	Land Value	Urban (D7)	0.15567	\$117,133	\$155.67	\$113,979
	Napier City	Land Value	Industrial (DI7)	0.62268	\$56,601	\$622.68	\$56,328
	TOTAL				\$999,146		\$979,807
Muddy Creek (D8:DI8)	Hastings District	Land Value	Urban (D8)	0.09584	\$231,950	\$95.84	\$225,774
	Hastings District	Land Value	Industrial (DI8)	0.38334	\$43,490	\$383.34	\$42,472
	TOTAL				\$275,440		\$268,246
Karamu Drainage Maintenance	Hastings District	Fixed Amount	6,063	12.37	\$74,998	\$12.37	\$71,427
Karamu Enhancement	Hastings District	Fixed Amount	6,063	11.56	\$70,113	\$11.56	\$66,774
Poukawa Drainage Special Rating Scheme	Hastings District	Land Value	A	0.45845	\$36,386	\$458.45	\$35,673
	Hastings District	Land Value	B	0.07640	\$1,736	\$76.40	\$1,702
	Hastings District	Land Value	C	0.01528	\$739	\$15.28	\$725
TOTAL					\$38,861		\$38,100
Porangahau Flood Control	Central HB District	Land Value		0.009041	\$42,435	\$9.04	\$41,602
Maraetotara Flood Maintenance	Hastings District	Capital Value		0.009547	\$13,030	\$9.55	\$12,774
Kairakau Community Scheme	Central HB District	Uniform Charge	83 Rating Units	126.33	\$10,485	\$126.33	\$10,279

(continued)

Groups of Activities / Rate Type	Districts	Rates set on	Differentials	Calculation Factor	Estimated Rates Revenue 2019-20	Estimated Amount of \$100,000 applicable LV or CV, fixed amount or specified area basis per property	2018-19 Rate
DRAINAGE SCHEMES – Appendix 1							
Paeroa Drainage Scheme Special Rating Area				Cents per hectare			
	Wairoa District	Area Basis	A	7411.9904	\$14,016	\$74.11	\$13,483
	Wairoa District	Area Basis	B	4817.7937	\$5,668	\$48.17	\$5,718
	Wairoa District	Area Basis	C	3335.3956	\$1,746	\$33.35	\$1,760
	Wairoa District	Area Basis	D	2594.1966	\$1,135	\$25.94	\$1,238
	Wairoa District	Area Basis	E	370.5995	\$795	\$3.70	\$703
	TOTAL				\$23,360		\$22,902
Ohuia Whakaki Drainage Rating Scheme				Cents per hectare			
	Wairoa District	Area Basis	A	14732.13	\$43,644	\$147.32	\$42,788
	Wairoa District	Area Basis	B	11785.70	\$10,183	\$117.85	\$9,984
	Wairoa District	Area Basis	C	8839.28	\$6,219	\$88.39	\$6,097
	Wairoa District	Area Basis	D	4419.64	\$15,624	\$44.19	\$15,317
	Wairoa District	Area Basis	E	1473.21	\$3,416	\$14.73	\$3,349
	TOTAL				\$79,086		\$77,535
Upper Makara Stream Catchment Special Rating Scheme				Cents per hectare			
	Central HB District	Area Basis	A	14986.7675	\$8,124	\$149.86	\$7,932
	Central HB District	Area Basis	B	11989.4140	\$22,600	\$119.89	\$22,223
	Central HB District	Area Basis	C	9741.3989	\$34,503	\$97.41	\$33,689
	Central HB District	Area Basis	D	5245.3686	\$6,919	\$52.45	\$6,755
	Central HB District	Area Basis	E	749.3384	\$17,276	\$7.49	\$16,884
	Central HB District	Area Basis	F	299.7354	\$13,380	\$2.99	\$13,303
	TOTAL				\$102,802		\$100,786
Esk River & Whirinaki Stream Maintenance Scheme							
	Hastings District	Area Basis	E1	1902.94560	\$4,397	\$19.02	\$4,310
	Hastings District	Area Basis	E2	1296.88008	\$1,820	\$12.96	\$1,784
	Hastings District	Area Basis	R11	1963.79339	\$606	\$19.63	\$594
	Hastings District	Area Basis	R12	8142.28365	\$379	\$81.42	\$372
	Hastings District	Area Basis	R13	27583.5188	\$379	\$275.83	\$372
	TOTAL				\$7,581		\$7,432
	Hastings District	Area Basis	W1	20527.0401	\$6,339	\$205.27	\$6,215
	Hastings District	Area Basis	W2	11066.0051	\$515	\$110.66	\$515
	Hastings District	Area Basis	W3	37488.1758	\$515	\$374.88	\$515
	Hastings District	Area Basis	W4	24439.0709	\$3,714	\$244.39	\$3,613
	Hastings District	Area Basis	W5	369.2249	\$147	\$3.69	\$147
	Hastings District	Area Basis	W6	4460.6060	\$147	\$44.60	\$147
	Hastings District	Area Basis	W7	1582.7956	\$147	\$15.82	\$147
	TOTAL				\$11,524		\$11,299

<i>(continued)</i>							
Groups of Activities / Rate Type	Districts	Rates set on	Differentials	Calculation Factor	Estimated Rates Revenue 2019-20	Estimated Amount of \$100,000 applicable LV or CV, fixed amount or specified area basis per property	2018-19 Rate
DRAINAGE SCHEMES – Appendix 1							
Opoho Drainage/Stream							
	Wairoa District	UTR	A	15348.18	\$15,348	\$15,348.18	\$15,047
	Wairoa District	UTR	B	5723.45	\$5,723	\$5,723.45	\$5,611
	Wairoa District	UTR	C	2289.38	\$2,289	\$2,289.38	\$2,245
	TOTAL				\$23,361		\$22,903
Te Ngarue Stream Flood Protection Scheme							
	Hastings District	Area Basis	TN	3457.087	\$3,076	\$34.57	\$3,016
	Hastings District	Area Basis	TN1	20023.82	\$169	\$200.23	\$166
	TOTAL				\$3,245		\$3,182
Kopuawhara Stream Flood Control Maintenance Scheme							
	Wairoa District	Area Basis	K1	16844.797	\$2,058	\$168.44	\$2,058
	Wairoa District	Area Basis	K2	6737.919	\$4,174	\$67.37	\$4,174
	Wairoa District	Area Basis	K3	3368.959	\$2,441	\$33.68	\$2,441
	Wairoa District	Area Basis	K4	842.239	\$847	\$8.42	\$847
	TOTAL				\$9,520		\$9,520
Coastal Hazards							
			No. of SUIPs				
	Napier City	UTR	27183	3,1993	86,967	3.20	87,392
	Hastings District	UTR	33394	3,1993	106,837	3.20	106,412
	TOTAL				\$193,804		\$193,804
BIOSECURITY							
Plant Pest Strategy							
				Cents per hectare			
	Napier City	Area/Use	4,259	56.5559	\$2,409	\$2.29	\$2,354
	Hastings District	Area/Use	364,543	56.5559	\$206,171	\$2.29	\$201,861
	Wairoa District	Area/Use	264,893	56.5559	\$149,813	\$2.29	\$147,085
	Central HB District	Area/Use	303,938	56.5559	\$171,895	\$2.29	\$167,608
	Taupo District	Area/Use	22,554	56.5559	\$12,756	\$2.29	\$12,405
	Rangitikei District	Area/Use	24,573	56.5559	\$13,897	\$2.29	\$13,640
	TOTAL		984,760		\$556,940		\$544,953

<i>(continued)</i>							
Groups of Activities / Rate Type	Districts	Rates set on	Differentials	Calculation Factor	Estimated Rates Revenue 2019-20	Estimated Amount of \$100,000 applicable LV or CV, fixed amount or specified area basis per property	2018-19 Rate
BIOSECURITY							
Regional Animal Pest Management Strategy				Cents per hectare			
	Napier City	Area/Use	4,259	180.886	\$7,704	\$7.32	\$7,447
	Hastings District	Area/Use	302,895	180.886	\$547,895	\$7.32	\$526,406
	Wairoa District	Area/Use	207,696	180.886	\$375,693	\$7.32	\$367,468
	Central HB District	Area/Use	295,383	180.886	\$534,307	\$7.32	\$517,472
	Taupo District	Area/Use	8,650	180.886	\$15,647	\$7.32	\$14,830
	Rangitikei District	Area/Use	23,529	180.886	\$42,561	\$7.32	\$43,157
	TOTAL		842,412		\$1,523,806		\$1,476,780
Sustainable Land Management				Cents per hectare			
	Napier City	Area/Use	4,161	93.67897	\$3,898	\$3.79	\$3,606
	Hastings District	Area/Use	404,677	93.67897	\$379,097	\$3.79	\$347,093
	Wairoa District	Area/Use	276,428	93.67897	\$258,955	\$3.79	\$240,560
	Central HB District	Area/Use	301,974	93.67897	\$282,886	\$3.79	\$259,328
	Taupo District	Area/Use	35,413	93.67897	\$33,175	\$3.79	\$30,641
	Rangitikei District	Area/Use	22,256	93.67897	\$20,849	\$3.79	\$19,257
			1,044,909		\$978,860		\$900,485
Pest Control – Forestry				Cents per hectare			
	Napier City	Area/Use	n/a	n/a	n/a	n/a	n/a
	Hastings District	Area/Use	63,926	63.5265	\$40,610	\$2.57	\$37,777
	Wairoa District	Area/Use	55,743	63.5265	\$35,412	\$2.57	\$32,941
	Central HB District	Area/Use	7,306	63.5265	\$4,641	\$2.57	\$4,317
	Taupo District	Area/Use	13,904	63.5265	\$8,833	\$2.57	\$8,216
	Rangitikei District	Area/Use	n/a	n/a	n/a	n/a	n/a
	TOTAL		140,879		\$89,495		\$83,251
SUSTAINABLE HOMES SCHEME							
Healthy Homes/ Clean Heat (Clean Heat Financial Assistance)	Napier City	Land Value		0.00642	\$368,941	\$6.42	\$364,756
	Hastings District	Land Value		0.00686	\$301,698	\$6.86	\$305,883
Estimate of Projected Valuations				0.00565	\$670,639		\$670,639
Voluntary rate to repay financial assistance to insulate homes and provide clean heat, insulation, solar heating, Photo/Voltaic cells, HRV, domestic water storage and septic tank replacement			\$10 per \$100 financial assistance	\$10		\$10.00 per \$100 financial assistance	

<i>(continued)</i>							
Groups of Activities / Rate Type	Districts	Rates set on	Differentials	Calculation Factor	Estimated Rates Revenue 2019-20	Estimated Amount of \$100,000 applicable LV or CV, fixed amount or specified area basis per property	2018-19 Rate
FARM PLANS							
Rates to repay financial assistance for farm plans.		\$33.33 per \$100 financial assistance		\$33.33		\$33.33 per \$100 financial assistance	
EROSION CONTROL							
Voluntary rate to repay financial assistance to fund erosion control		\$10 per \$100 financial assistance		\$10		\$10.00 per \$100 financial assistance	
ECONOMIC DEVELOPMENT							
			No. of SUIPs				
Napier City	UTR		24447	9.76316	\$238,680	\$9.76	\$394,464
Hastings District	UTR		30656	9.76316	\$299,299	\$9.76	\$490,287
Wairoa District	UTR		4829	9.76316	\$49,146	\$9.76	\$80,018
Central HB District	UTR		6131	9.76316	\$59,858	\$9.76	\$98,448
Taupo District	UTR		54	9.76316	\$527	\$9.76	\$492
Rangitikei District	UTR		5	9.76316	\$49	\$9.76	\$82
TOTAL			66122		\$645,560		\$1,063,792
Napier City	Capital Value	Commercial/		0.03204	\$666,291	\$32.04	\$457,238
Hastings District	Capital Value	Industrial		0.03549	\$782,561	\$35.49	\$544,107
Wairoa District	Capital Value			0.02826	\$15,585	\$28.26	\$26,361
Central HB District	Capital Value			0.02831	\$41,869	\$28.31	\$36,086
TOTAL					\$1,506,306		\$1,163,792
CDEM EMERGENCY MANAGEMENT							
			No. of SUIPs				
Napier City	UTR		27183	33.9404	\$922,603	\$33.94	\$925,858
Hastings District	UTR		33394	33.9404	\$1,133,407	\$33.94	\$1,127,370
Wairoa District	UTR		5075	33.9404	\$172,248	\$33.94	\$176,692
Central HB District	UTR		6469	33.9404	\$219,561	\$33.94	\$219,981
TOTAL			72,121		\$2,447,818		\$2,449,901

Explanation of Rating Methods – River Control and Drainage/Explanation of Rates

River Control and Drainage		Explanation of Rates	
Heretaunga Plains Flood Control Scheme - Rivers			
Napier City	Capital Value	Direct	Properties receive direct benefit from reduced risk of flooding and rivers changing their course.
Napier City	Capital Value	Indirect	Properties receive indirect benefit as a result of their proximity to area of increased economic activity, increased social/recreational/cultural infrastructure, and increased opportunity for employment, service industry and investment.
Hastings District	Capital Value	Direct	Properties receive direct benefit from reduced risk of flooding and rivers changing their course.
Hastings District	Capital Value	Indirect	Properties receive indirect benefit as a result of their proximity to area of increased economic activity, increased social/recreational/cultural infrastructure, and increased opportunity for employment, service industry and investment.
Heretaunga Plains Flood Control Scheme - Streams & Drains			
Meeanee, Napier, Puketapu, Oamaru, Dartmoor Drainage Areas	Land Value	D1	Rateable land situated in the Hastings District and Napier City on the left bank of the Tutaekuri River which Council considers received direct benefit of drain maintenance works within the drain catchment areas of Meeanee, Napier, Puketapu and Dartmoor but excluding the George's Drive drainage area and the Brookfields Awatoto drainage area within Napier City, and on the right bank of the Tutaekuri River within the drain catchment area of Oamaru.
Meeanee, Napier, Puketapu, Oamaru, Dartmoor Drainage Areas Industrial	Land Value	D1	Rateable land within the D1 differential and being zoned for industrial purposes. The Council considers the benefit to these properties is added economic activity made possible by the drainage network and its continued maintenance.
Karamu Stream and Tributaries	Land Value	D2	Rateable land situated in the Hastings District within the Karamu Stream catchment area which Council considers receives direct benefit of drain and stream maintenance works.
Karamu Stream and Tributaries Industrial	Land Value	DI2	Rateable land within the D 2 differential and being zoned for industrial purposes. The Council considers the benefit to these properties is added economic activity made possible by the drainage network and its continued maintenance.
Twyford Raupare	Land Value	D3	Rateable land situated in the Hastings District within the Twyford Raupare drainage area which Council considers receives direct benefit of drain and stream maintenance works.
Twyford Raupare Enhancement	Area	DA3	Selected properties in the Raupare Catchment (1101 Hectares) which have agreed to contribute to the enhancement of specific streams and drains in the Raupare Catchment.
Twyford Raupare Industrial	Land Value	DI3	Rateable land within D 3 differential and being zoned for industrial purposes. The Council considers the benefit to these properties is added economic activity made possible by the drainage network and its continued maintenance. No rates charged.
Haumoana/Te Awanga	Land Value	D4	Rateable land situated in the Hastings District within the Haumoana drainage area which Council considers receives direct benefit of drain and stream maintenance works.
Haumoana/Te Awanga Industrial	Land Value	DI4	Rateable land within the D 4 differential and being zoned for industrial purposes. The Council considers the benefit of these properties is added economic activity made possible by the drainage network and its continued maintenance. No rates charged.
Tutaekuri-Waimate & Moteo	Land Value	D5	Rateable land situated in the Hastings District within the Tutaekuri-Waimate, Moteo drainage area which Council considers receives direct benefit of drain and stream maintenance works.

<i>(continued)</i>			
River Control and Drainage			Explanation of Rates
Tutaekuri-Waimate Moteo Industrial	Land Value	D15	Rateable land within the D 5 differential and being zoned for industrial purposes. The Council considers the benefit to these properties is added economic activity made possible by the drainage network and its continued maintenance. No rates charged
Pakowhai	Land Value	D6	Rateable land situated in the Hastings District within the Pakowhai, Punginga drainage area which Council considers receives direct benefit of drain and stream maintenance works.
Pakowhai	Land Value	D16	Rateable land within the D 6 differential and being zoned for industrial purposes. The Council considers the benefit to these properties is added economic activity made possible by the drainage network and its continued maintenance. No rates charged.
Brookfield Awatoto	Land Value	D7	Rateable land situated in Napier within the Brookfield Awatoto drainage area which Council considers receives direct benefit of drain and stream maintenance works.
Brookfield Awatoto Industrial	Land Value	D17	Rateable land within the D 7 differential and being zoned for industrial purposes.
Clive Muddy Creek	Land Value	D8	Rateable land situated in the Hastings District within the Clive Muddy Creek drainage area which Council considers receives benefit of drain and stream maintenance works. The Council considers the benefit to these properties is added economic activity made possible by the drainage network and its continued maintenance.
Clive Muddy Creek	Land Value	D18	Rateable land within the D8 differential and zoned used for industrial purposes.
Punginga	Land Value	D9	Rateable land situated in the Hastings District within the Punginga drainage area which Council considers receives direct benefit of drain and stream maintenance works.
Punginga	Land value	D19	Rateable land within the D9 differential and being zoned for industrial purposes. The Council considers the benefit to these properties is added economic activity made possible by the drainage network and its continued maintenance. No rates charged.
Upper Tukituki Flood Control Scheme			
Central H B District	Land Value	A - direct	Land adjacent to stopbanked reaches of Tukituki and Waipawa rivers and receiving full and direct benefit from reduced risk of flooding and rivers changing their course as a result of stopbanks and river control works.
Central H B District	Land Value	B - direct	Land adjacent to stopbanks and receiving an intermediate level of direct benefit from reduced risk of flooding and rivers changing their course as a result of stopbanks and river control works; and land between the Waipawa, Tukituki and Tukipo Rivers which could experience floodwaters flowing in channels in the event of stopbank failure on the south banks of the Waipawa and Tukituki Rivers.
Central H B District	Land Value	C - direct	Lower land adjacent to non stopbanked reaches of the Tukituki and Waipawa Rivers and adjacent to the lower reach of the Makaretu River; and land on the Rustaniwha Plains and downstream river terraces which is considered to be high enough to be at or just above inundation levels; and an area of land protected by the upstream end of the stopbank on the north bank of the Tukipo River where only minor channel improvements are required to protect the stopbank; and land immediately adjacent to the channel in the upstream reach of the Papanui Stream recognising the benefits to be received from improvements to the Waipawa River channel.
Central H B District	Land Value	D - direct	Unprotected land adjacent to rivers and streams which require only a minor level of channel improvements; higher land which is adjacent to more highly classified land or is adjacent to the lower reaches of the main rivers. It is land which would generally not be expected to experience flooding in a major event; an area between the Makaretu and Tukipo Rivers through which overflow from the Makaretu River would be expected to flow in channels; and land adjacent to the channel in the middle reach of the Papanui Stream where the channel is not as entrenched as it is further upstream.

(continued)			
River Control and Drainage			Explanation of Rates
Central H B District	Land Value	E - direct	Land adjacent to watercourses on which a level of channel maintenance is to be pursued (e.g. lower Papanui Stream, Tukituki River downstream of Tamumu, Ongaonga Stream); and a broad strip of land adjacent to watercourses and more highly classified land which includes both flat and hill country on or adjacent to the Ruataniwha Plains.
Central H B District	Land Value	F - indirect	Land of the catchment which receives only indirect benefit, including eastern and southern hill country, central hills, mountain foothills and the highest parts of the Ruataniwha Plains.
Central H B District	Land Value	U1 - direct	Rateable property situated in the Upper Tukituki Catchment Control Scheme area being generally land on the Ruataniwha Plains adjacent to the presently stopbanked reaches of the Waipawa and Tukituki Rivers which Council considers receives direct benefit from a full range of flood protection measures provided by the scheme works, and generally being urban land within the townships of Waipawa and Waipukurau
Central H B District	Land Value	U2 - direct	Rateable property situated in the Upper Tukituki Catchment Control Scheme area being generally land on the Ruataniwha Plains adjacent to the presently stopbanked reaches of the Waipawa and Tukituki Rivers which Council considers receives direct benefit from a full range of flood protection measures provided by the scheme works, and generally being urban land within the townships of Waipawa and Waipukurau which is considered to be high enough to be at or just above possible inundation levels.
Central H B District	Land Value	U3 - direct	Rateable property situated in the Upper Tukituki Catchment Control Scheme area being generally land on the Ruataniwha Plains adjacent to the presently stopbanked reaches of the Waipawa and Tukituki Rivers which Council considers receives direct benefit from a full range of flood protection measures provided by the scheme works, and generally being urban land within the townships of Waipawa and Waipukurau which would generally not be expected to experience flooding in a major event.
Central H B District	Land Value	U4 - direct	Rateable property situated in the Upper Tukituki Catchment Control Scheme area being generally land on the Ruataniwha Plains adjacent to the presently stopbanked reaches of the Waipawa and Tukituki Rivers which Council considers receives direct benefit from a full range of flood protection measures provided by the scheme works, and generally being urban land within the townships of Waipawa and Waipukurau. A broad strip adjacent to watercourses and land receiving a greater degree of benefit including both flat and hill country on or adjacent to the Ruataniwha Plains where river control works reduce the risk of erosion to adjoining hills and river terraces.
Hastings District	Land Value	E - direct	Land adjacent to watercourses on which a level of channel maintenance is to be pursued (e.g. lower Papanui Stream, Tukituki River downstream of Tamumu, Ongaonga Stream); and a broad strip of land adjacent to watercourses and more highly classified land which includes both flat and hill country on or adjacent to the Ruataniwha Plains.
Hastings District	Land Value	F - indirect	Land of the catchment which receives only indirect benefit, including eastern and southern hill country, central hills, mountain foothills and the highest parts of the Ruataniwha Plains.
Upper Makara Streams Catchment Special Rating Scheme			
Central HB District	Area Basis	A	This rural class of direct benefit extends on the valley floor in the upstream flood plains of the Makara Stream and part elsewhere downstream. This area is susceptible to very severe and frequent flooding and siltation and receives flood protection.
Central HB District	Area Basis	B	A direct benefit area of the Makara flats where the flooding is less frequent than the land in Class A and which provides near optimum cropping potential. This area extends downstream to include the flood plains of the Wharemate and Silver Range Streams at their confluence with the Makara Stream.
Central HB District	Area Basis	C - Makara	A direct benefit area of the Makara flats downstream of Kokatewai Road where only medium frequency flooding and siltation occurs, but where utilisation is more limited than in Class B due to accessibility and the width of the flats.
Central HB District	Area Basis	C - Wharemate	A direct benefit area adjacent to the Wharemate Stream that is susceptible to very severe and frequent flooding and ponding due to poor drainage. This area will have greater protection due to the detention dams. The area is difficult to utilise due to the irregularities of the valley floor.

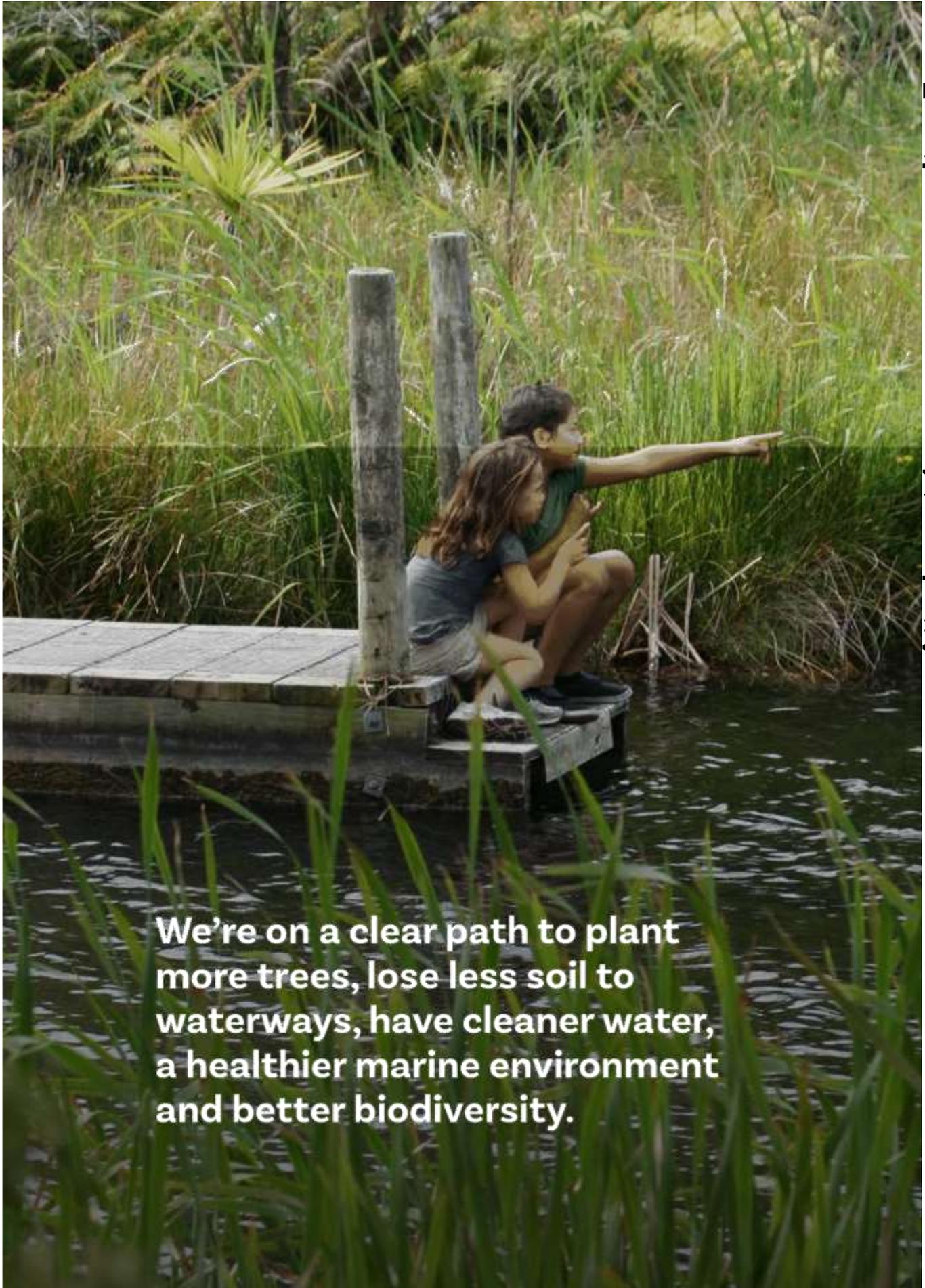
(continued)

River Control and Drainage			Explanation of Rates
Central HB District	Area Basis	D - Makara	This rural class of direct benefit covers the flood plain of the Makara Stream from the Elsthorpe township to the outlet of the catchment. It is an area of low frequency flooding and siltation in the lower Makara where protection in the upstream dams will provide 20 year plus protection here with the large channel that exists making the land suitable for high risk cropping.
Central HB District	Area Basis	D - Silver Range	This rural class of direct benefit covers the floodplain of the Silver Range Stream from the Makara Stream to the bridge on Kahuranaki Road. This area has a narrow stream bed and limited stopbanks that result in high frequency flooding and siltation. Given the risks, this area will be suitable only for grazing.
Central HB District	Area Basis	E	This class of direct benefit extends from the Makara floodplain northward and follows a soil and topography boundary on the eastern side of Kahuranaki Road. An area of moderate to very severe soil erosion in the northern section of moderate to very steep hill country requiring intensive conservation measures to prevent loss and damage to land and improvements and stabilise stream beds.
Central HB District	Area Basis	F	An area not in the classes above but receiving indirect benefit from all the works carried out on the Scheme through the protection of communications assets including roads, and telecommunications networks, the support of amenities, services and facilities in the area and the general economic stability of the community. Contains the balance of the catchment.
Central HB District	Area Basis	G	For those properties that straddle the catchment boundary, this area is the balance of properties that lie outside the catchment boundary and therefore, receive no benefit from the scheme. No rates charged.
Poukawa Drainage Special Rating Scheme			
Hastings District	Land value	A	Rateable property situated in the Hastings District on the lower lying land surrounding Lake Poukawa and subject to seasonal inundation which HBRC considers receives both direct and indirect benefit of the maintenance of the drainage scheme.
Hastings District	Land value	B	Rateable property situated in the Hastings District on the periphery of the land surrounding Lake Poukawa receiving the benefits as described in Class A which HBRC considers receives both direct and indirect benefit of the maintenance of the drainage scheme.
Hastings District	Land value	C	Rateable property situated in the Hastings District surrounding Lake Poukawa which HBRC considers receives indirect benefit of the maintenance of the drainage scheme.
Paeroa Drainage Scheme Special Rating Area			
Wairoa District	Area Basis	A	Rateable property situated in the Wairoa District on the lower lying land in the valley of the Waikoko Stream and the majority of the flat area surrounding and including the aerodrome, racecourse which HBRC considers receives both direct and indirect benefit of the drain and stream maintenance works.
Wairoa District	Area Basis	B	Rateable property situated in the Wairoa District including the sloping land in the Clydebank Road area on the delta at the lower end of the Awatere Stream valley which HBRC considers receives both direct and indirect benefit of the drain and stream maintenance works.
Wairoa District	Area Basis	C	Rateable property situated in the Wairoa District on the valley floors in the middle reaches of the Awatere and Waikoko Streams, and the slightly higher land adjacent to the Awatere Stream in the vicinity of SH2. It also includes the land to the west of the aerodrome which relies on culverts under the runway for a drainage outlet which HBRC considers receives both direct and indirect benefit of the drain and stream maintenance works.
Wairoa District	Area Basis	D	Rateable property situated in the Wairoa District on land near the boundaries of the classified area more remote from the watercourse maintained under the Scheme. It also includes land to the south of the railway (mainly urban property) which relies directly on the Awatere Stream for a drainage outlet which HBRC considers receives both direct and indirect benefit of the drain and stream maintenance works.
Wairoa District	Area Basis	E	Rateable property situated in the Wairoa District which HBRC considers receives indirect benefit only and includes the top ends of the valley floors, hill country adjacent to that land receiving direct benefit and an area of North Clyde.

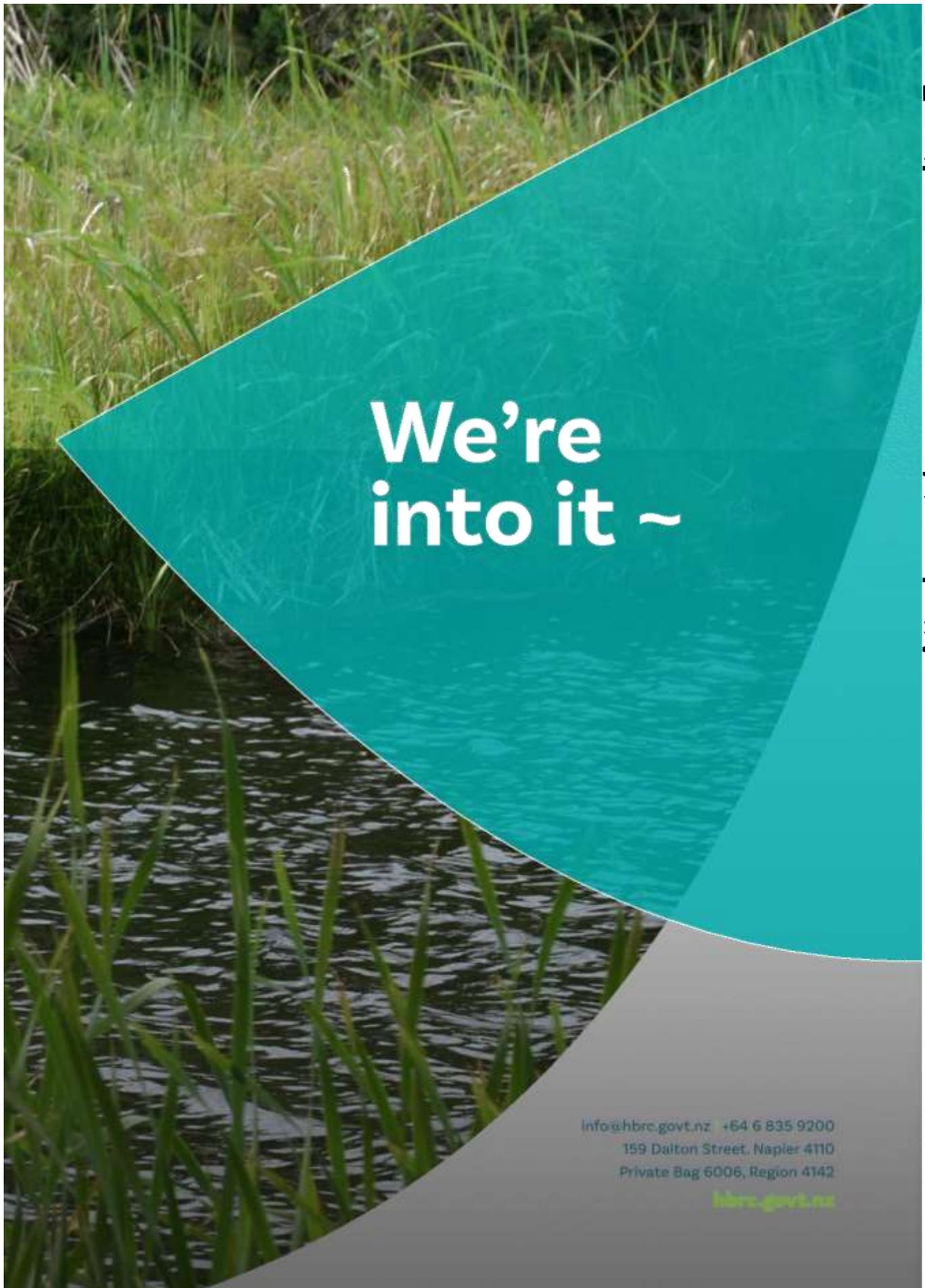
(continued)		
River Control and Drainage		Explanation of Rates
Dhuia-Whakaki Drainage Scheme		
Wairoa District	Area Basis A	This scheme drains approximately 200ha of low lying, productive land to the east of the Opoho Stream near Nuhaka. The scheme uses a combination of detention and gravity drains plus controlled pump discharges to enable landowners to improve production. Land that without drainage could be inundated up to 12 months of the year.
Wairoa District	Area Basis B	This scheme drains approximately 200ha of low lying, productive land to the east of the Opoho Stream near Nuhaka. The scheme uses a combination of detention and gravity drains plus controlled pump discharges to enable landowners to improve production. Land that without drainage could be inundated up to 12 months of the year.
Wairoa District	Area Basis C	This scheme drains approximately 200ha of low lying, productive land to the east of the Opoho Stream near Nuhaka. The scheme uses a combination of detention and gravity drains plus controlled pump discharges to enable landowners to improve production. Land affected by high water table because of poor outfall, overflow or backing up from lower lands.
Wairoa District	Area Basis D	This scheme drains approximately 200ha of low lying, productive land to the east of the Opoho Stream near Nuhaka. The scheme uses a combination of detention and gravity drains plus controlled pump discharges to enable landowners to improve production. Land subject to ponding from time to time because of lack of outfall or from backing up to a lesser degree.
Wairoa District	Area Basis E	This scheme drains approximately 200ha of low lying, productive land to the east of the Opoho Stream near Nuhaka. The scheme uses a combination of detention and gravity drains plus controlled pump discharges to enable landowners to improve production. Hill land and other land benefiting by improved access not available under original conditions.
Opoho Drainage Stream Scheme		
Wairoa District	Fixed Amount A B C	The Opoho Flood and Drainage Scheme involves three neighbouring farms situated approximately half way between Wairoa and Nuhaka. The relativities between the three properties in the Scheme were determined by way of an analysis of the benefits received by each property and respective apportionment of costs. The rating allocation should be reviewed every 6 years.
Kopuawhara Stream Flood Control/Maintenance Scheme		
Wairoa District	Area Basis K1	Rateable property situated in the Scheme area within 20m of the banks of the Kopuawhara Stream which HBRC considers receives direct benefit from flood protection works. The benefits of these flood protection measures are reduction in bank erosion, bank and channel stability and loss of land by flooding and siltation. The K1 rating covers approximately 7.5km of channel versus only 4.7km of maintained channel as the lower reaches of the K1 rating areas are deemed to receive benefit from the upstream maintenance.
Wairoa District	Area Basis K2	Rateable property situated in the Scheme area being the balance of flat land within the scheme area between Mahanga Road and the Railway Bridge over the Kopuawhara Stream but excluding land in differential K1. HBRC considers this land receives benefit from flood protection works. The benefits of these protection measures are reduction in bank erosion, bank and channel stability and loss of land by flooding and siltation to a lesser extent than the benefits received by land in differential area K1.
Wairoa District	Area Basis K3	Rateable property situated in the Scheme area being two bands of flat land, each 300m wide, on both sides of the Kopuawhara Stream extending south from the Mahanga Road Bridge downstream to the boundary of the Scheme area. Land within differential K1 and K2 are excluded. HBRC considers this land receives benefit from flood protection works. The benefits of these flood protection measures are a reduction in the frequency of flooding from overflows from the Kopuawhara Stream.
Wairoa District	Area Basis K4	Rateable property situated in the Scheme area being the flat land outside of the two 300m bands of K3 below Mahanga Road. Land within differential K1, K2 and K3 are excluded. HBRC considers this land received benefit from flood protection works. The benefits of these flood protection measures are a reduction in the frequency of flooding from overflows from the Kopuawhara Stream.

(continued)		
River Control and Drainage		Explanation of Rates
Te Ngarue Stream Flood Protection Scheme		
Hastings District	Area Basis	TN
<p>The rating system has 2 rating class covering an area of 135ha. Rates are levied for the Scheme's maintenance activities only. Rateable property situated in the Hastings District within Te Ngarue Stream catchment (excluding property in Pat Section 7 Block/ Tangoio Survey District) receiving direct and indirect benefit from Te Ngarue Scheme flood protection. The benefit of these protection measures, clearing of all trees and obstructions from the stream channel between the lagoon and Tangoio Road bridge, the removal of trees growing along the stream bank at risk of falling into the channel, and widening of parts of the channel and bank protection works adjacent to Beach Road, are a reduction in the risk of flooding to land situated within the benefit area.</p>		
Hastings District	Area Basis	TN1
<p>The rating system has 2 rating class covering an area of 135ha. Rates are levied for the Scheme's maintenance activities only. Rateable property situated in Part Section 7 Block I Tangoio Survey District within Te Ngarue Stream catchment receiving direct and indirect benefit from Te Ngarue Scheme flood protection. To reduce the effect of flooding and erosion and provide security for investment and economic activity.</p>		
Esk River & Whirinaki Stream Maintenance Scheme		
Hastings District	Area Basis	E1
<p>The rating system has 3 categories, namely Esk (E), Whirinaki(W) and Rural Industry(R). Some of the properties are rated for 2 categories, resulting in 10 benefit areas. The rating catchment area is 558ha. Rateable land situated in the Esk River Maintenance Scheme area from the confluence with the Mangakopikopiko Stream to the sea. The benefit of the river works has reduced the incidence of flooding on these properties during floods.</p>		
Hastings District	Area Basis	E2
<p>The rating system has 3 categories, namely Esk (E) Whirinaki (W) and Rural Industry (R). Some of the properties are rated for 2 categories, resulting in 10 benefit areas. The rating catchment area is 558ha. Rateable land situated in the Esk River Maintenance Scheme area from the confluence with the Mangakopikopiko Stream to the sea. The benefit to these properties is without the continued maintenance of river works the risks of flooding will increase.</p>		
Hastings District	Area Basis	R11
<p>The rating system has 3 categories, namely Esk (E) Whirinaki (W) and Rural Industry (R). Some of the properties are rated for 2 categories, resulting in 10 benefit areas. The rating catchment area is 558ha. Rateable land at Whirinaki being Rural Industry. The benefit to these properties is that without the continued maintenance of river works the risk of flooding will increase.</p>		
Hastings District	Area Basis	R12
<p>The rating system has 3 categories, namely Esk (E) Whirinaki (W) and Rural Industry (R). Some of the properties are rated for 2 categories, resulting in 10 benefit areas. The rating catchment area is 558ha. Rateable land at Whirinaki being Rural Industry. The benefit to these properties is that without the continued maintenance of river works the risk of flooding will increase.</p>		
Hastings District	Area Basis	R13
<p>The rating system has 3 categories, namely Esk (E) Whirinaki (W) and Rural Industry (R). Some of the properties are rated for 2 categories, resulting in 10 benefit areas. The rating catchment area is 558ha. Rateable land at Whirinaki being Rural Industry. This land is at risk to greater than two percent Annual Exceedence Probability floods and receives benefit from the Councils continued river control works.</p>		
Hastings District	Area Basis	W1, W2, W3, W4, W5, W6, W7
<p>The rating system has 3 categories, namely Esk (E) Whirinaki (W) and Rural Industry (R). Some of the properties are rated for 2 categories, resulting in 10 benefit areas. The rating catchment area is 558ha. Properties included within the Esk River Maintenance Scheme and the Whirinaki Stream Maintenance Scheme are those in the Esk River Catchment downstream of the confluence of the Mangakopikopiko Stream to the sea. This is rateable land within the Whirinaki Stream Maintenance Scheme receiving direct benefit from the maintenance work associated with the Whirinaki Stream and its designated tributaries. Each category has an applied percentage.</p>		

(continued)		
River Control and Drainage		Explanation of Rates
Karamu Drainage Maintenance		
Hastings District	UTR	This scheme covers properties in Havelock North, being properties in the Karamu Catchment, which do not contribute to the Heretaunga Plains Flood Control Scheme-Streams & Drains (Karamu D2). The scheme involves maintenance of the completed enhancement works in the Karamu Stream.
Karamu Enhancement		
Hastings District	UTR	This scheme covers properties in Havelock North, being properties in the Karamu Catchment, which do not contribute to the Heretaunga Plains Flood Control Scheme-Streams & Drains (Karamu D2). The scheme involves funding for one third the cost of new enhancement works in the Karamu Stream.
Porangahau Flood Control		
Central HB District	Land Value	This scheme covers 90km of waterways consisting of the Porangahau River and some of its tributaries in Central Hawkes bay. It was established to reduce flooding and bank erosion and ensure the main access to the community via Porangahau Road is not closed so often due to flooding. The Porangahau Scheme uses only natural assets (streams and rivers) and no hard engineering structures. The main strategy is routine maintenance involving vegetation control, predominantly willow with minor bank stabilisation and debris build-up removal.
Maraetotara Flood Maintenance		
Hastings District	Capital Value	This scheme reduces the risks of the Maraetotara River flooding Te Awanga township, roading and communication links. The rating scheme has only one rating class covering an area of 54ha. Rates are levied for the Scheme's maintenance activities only. The scheme was established to protect a 1/100 year flood event, although land on the right bank will still be flooded when the river is high the scheme keeps the Maraetotara River flows within the stopbanks, floodwalls and natural high ground, and a flood-gated outlet from the lagoon through the stopbank to the river.
Kairakau Community Scheme		
Central HB District	UTR	This scheme maintains flood protection, including the seawall and Mangakuri River retaining wall for the Kairakau community on the Central Hawkes Bay coastline. HBRC works closely with the Kairakau Development Society (KDS) which requested the scheme. KDS determines on behalf of the community what work is needed.



We're on a clear path to plant more trees, lose less soil to waterways, have cleaner water, a healthier marine environment and better biodiversity.



Item 7

Attachment 1

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159 Dalton Street, Napier 4110
Private Bag 6006, Region 4142

hbrc.govt.nz

Te whakapakari
tahi i tō tātatau
taiao.

Enhancing our
environment
together.

hbrc.govt.nz



2019-2020

Annual Plan

Hawke's Bay Regional Council - our plan for the year ahead.

MESSAGE FROM THE CHAIR & CHIEF EXECUTIVE
HE KUPU NĀ TE TOIHĀU ME TE KAIWHAKAHAERE MATUA

Into Action

"In this year's Annual Plan for 2019-20, we are well on the way to planting more trees, and losing less soil to our waterways."

Kia ora tātau

Last year we began to accelerate our work across the region, for the simple reason that our environment is in trouble. We need to work harder to protect what we have left and restore what we have lost.

Sadly, our region's precious biodiversity continues to decline. We have too many waterways choked with visible weeds and invisible excess nutrients. Every year we lose millions of tonnes of soil from our land at the expense of our streams, rivers and the marine environment. Climate change will worsen many of these issues and only adds to the urgency of the challenges we face.

We're working hard with our community to remedy this situation. Thanks to the funding from your rates, user charges, borrowing, investment income and government grants, we've been able to increase our ability to regulate activities that can harm our environment. This means more focus on planning, consents, compliance and science, and using 'carrots and sticks' to incentivise change and encourage compliance.



This plan for 2019-20 is consistent with the direction of travel we set in last year's Long Term Plan. The full Long Term Plan is online or at Regional Council offices in Napier, Taradale, Waipawa and Wairoa.
hbrc.govt.nz

Ratepayers in Central Hawke's Bay and Wairoa are seeing more action on the ground. The Sustainable Homes programme is active across the whole region and our partnerships are beginning to bear fruit.

There is no adjustment to the forecast change in rates for 2019-20. As we continue to build momentum with our work, this Annual Plan confirms the forecast average rate increase of 7.9%.

Alongside our current work is a separate and well-publicised major effort to fund Napier Port's growth through a share offer. This will enable our regional economy to grow at no cost to ratepayers.

As always, we encourage your regular contact with us - face to face, through meetings, phone calls, social media and our website. Please keep in touch with your Councillors on the issues that matter to you.

With your support, the package of work we're leading will help us to reverse biodiversity decline and enhance our environment over time. To find out more, go to hbrc.govt.nz.

Ngā mihi nui



Rex Graham
Chair



James Palmer
Chief Executive

Te whakapakari tahi i tō tātau taiao.
Enhancing our environment together.

FOR THE YEAR 2019-20
MŌ TE TAU 2019-20

Our Highlights

We're already tackling the effects of climate change through Regional Council work programmes such as erosion control, water security, coastal hazards and our long-standing flood protection schemes.

In the year ahead, the programmes we started in 2018 will strengthen and gain momentum toward our goal for a healthy environment, a vibrant community and a prosperous economy.



Our Focus Areas

- Water**
Water quality, safety and certainty
- Land**
Smart and sustainable land use
- Biodiversity**
Healthy and functioning biodiversity
- Infrastructure & Services**
Sustainable services and infrastructure

Rates & Expenditure

2019-20 Rates at a glance

The 7.9% rates increase forecast in the Long Term Plan for 2019-20 represents:



* This year a larger percentage of our Economic Development rate shifts to commercial ratepayers, those who benefit the most from this activity. The ratio shifts from 50:50 commercial: urban to a 70:30 split.

2019-20 Expenditure at a glance

The below reflects the seven groups of activities that were introduced and described in detail in our Long Term Plan 2018-28:



CAPEX**1. Project 310 - Regional Groundwater Research**

Seek a total of **\$430,000** to be carried forward from the 2018-19 science capital budget to 2019-20. These funds were originally set aside for drilling of groundwater monitoring bores, Ruataniwha groundwater modelling and a SkyTEM airborne aquifer survey. This carry forward is requested because:

1. \$170,000 from budget for Drilling

\$110,000 of \$280,000 Capex funding set aside for drilling in 2018-19 has been invested in priority projects, including new telemetered bores at Ongaonga and Tikokino. The remaining \$170,000 drilling budget is to be strategically invested following a review of the groundwater monitoring network, by the Principal Scientist – Groundwater Quality. This position was filled in May 2018 and priority tasks for the Principal Scientist included drafting a 5-yearly groundwater quality state and trends report (*completed* – will be published by December 2019). This task was a pre-requisite for the groundwater monitoring network review, which will be undertaken in 2019-20. Deferring \$170,000 remaining capital expenditure will ensure that drilling is informed by the monitoring network review, so that the drilling programme is strategically designed and executed.

2. \$100,000 for SkyTEM

Bulk funding for the airborne aquifer survey was deferred in the LTP to 2019-20. Therefore, the \$100k contribution set aside in 2018-19 is requested to be deferred, to align with the LTP funding. It can be confirmed that these funds will be spent in the 2019-20 financial year.

3. \$160,000 from budget for Ruataniwha Groundwater Modelling

\$35,000 of \$195,000 Capex set aside in 2018-219 has been invested in reviews of existing models, along with preparing data for input to the new groundwater models. Modelling objectives have been identified during 2018-19 and progress is underway for engaging a service provider to develop a suite of groundwater models that are fit for the purpose of meeting these objectives. The remaining \$160,000 from 2018-19 is requested to be carried forward to 2019-20, when model development is scheduled.

The team is aiming to complete the modelling in 2019-20 but there is no guarantee is won't spill over for a few months into 2020-21. The nature of the modelling is likely to throw up some anticipated challenges that add time to the project. At a best guess it is estimated around 20% of time may carry through to the 2020-21 year.

Effect on Plan

An increase in funding of 2019-20 science capital expenditure, sourced from unexpended funds in 2018-19

Recommendation

That Council approves the carry forward of a total \$430,000 from 2018-19 to cover costs associated with:

- Drilling of groundwater bores
- Ruataniwha groundwater modelling
- A contribution to the SkyTEM aquifer survey.

2. Project 913-001 – IRIS Resource Management System (Phase 2)

Seek a total of \$520,000 to be carried forward from 2018-19 system integration budget to 2019-20 to cover costs associated with the IRIS project Phase 2. The funds are required to complete Phase 2 elements of this project's work programme:

Water Information Systems, Catchment Services and Catchment Management

These funds were not spent in the 2018/19 year because of flow-on effects of the delays in IRIS Phase 1 (Consents & Compliance Modules).

Effect on Plan

An increase in funding for project 913 system integration in 2019-20 funded from unexpended funds in 2018-19.

Recommendation

That Council approves the carry forward in project 913-001 of \$500,000 of expenditure from 2018/19 to 2019/2020 to cover costs associated with undertaking Phase 2 of the project. Noting that external loan funding to fund this capital has been drawn down in the 2017-18 year.

3. Project 913-004 – Customer Relationship Management (CRM)

Seek a total of \$75,000 to be carried forward from 2018-19 system integration budget to 2019-20 to cover costs associated with the CRM project.

The CRM project has been split into defined sprints to deliver results at regular intervals. The first sprint is under way for stakeholder management. The remaining sprints will continue in in 2019-20, building on delivering CRM solutions where appropriate for Council.

Effect on Plan

An increase in funding for project 913 system integration in 2019-20 funded from unexpended funds in 2018-19.

Recommendation

That Council approves the carry forward of \$75,000 in project 913 from 2018-19 to 2019-20 to cover costs associated with the CRM project. Noting that external loan funding to fund this capital has been drawn down in the 2017-18 year.

4. Project 913-008 – Environmental Data Management System

Seek a total of \$175,000 to be carried forward from 2018-19 system integration budget to 2019-20 to cover costs associated with the Environmental Data Management System.

The Environmental Data Management System (EDMS) is the software, processes and procedures that are used for management and analysis of all environmental data. The funds were not spent in the 2018-19 year because of delays caused by organisational changes.

Effect on plan

A carry forward for \$175,000 for this project.

Recommendation

That Council approves the carry forward of \$175,000 in project 913-008 from 2018-19 to 2019-20 to cover costs associated with the Environmental Data Management System.

(Note – this will likely push the 2019-20 and 2020-2021 allocations out by a year as well)

5. Data Warehousing

Seek a total of \$70,000 to be carried forward for Data Warehousing

Establish a professional data warehouse to support reporting, analysis and other business intelligence (BI) functions. Connect the data warehouse to three core systems: regulatory, customer and financial.

Effect on Plan

A carry forward of \$70,000 for this project.

Recommendation

That Council approves the carry forward of \$70,000 of expenditure from 2018/19 to 2019/2020 to cover costs associating with warehousing Council's data.

6. Project 913-010 – Executive / Performance Management Tool

Seek a total of \$330,000 to be carried forward from project 913-010 (Executive/Performance Management Tool). The funds are required to scope and implement an Executive/ Performance Management tool.

These funds were not spent in the 2018/19 year because of delays caused by organisational changes.

Effect on Plan

A carry forward of \$330,000 for this project.

Recommendation

That Council approves the carry forward in project 913-010 (Executive/Performance Management Tool) of \$330,000 of expenditure from 2018/19 to 2019/2020 to cover costs to scope and implement process changes and a technology solution.

7. IT Infrastructure Refresh – Hardware for the Core Council Computer Environment

Seek a total of \$610,000 to be carried forward from 2018/19 capital funding for the core IT environment.

The funds are required to complete key IT infrastructure projects. These include: Regional Aerial Photography (\$363,000), SAN replacement (\$56,000), Core Switch Replacement (\$66,000), Server replacements (\$35,000), GIS Platform Upgrade (\$60,000), New telephone system (\$30,000).

Regional Aerial Photography funds are required to complete regional urban and rural aerial photography in 2019/20. These funds were not spent in the 2018/2019 year because the imagery capture only included rural imagery not urban imagery for Wairoa, Napier City, Central Hawke's Bay and Hastings areas. This was ensure rural imagery was captured before winter 2019 and not delayed by urban imagery capture. A subsequent benefit is better alignment of future regional rural and urban imagery. Rural Imagery covers the whole region at a lesser resolution whereas urban covers specific areas of interest at a higher resolution.

The remaining projects funds were not spent in the 2018/19 year because implementation for these bodies of work has been delayed by other activities.

Currently indicative pricing for the SAN replacement and Core Switch Replacements has been supplied from vendors and due diligence on purchasing procedures currently has these items with the HBRC tenders committee for approval.

The failure of any of these core infrastructure components will have a significant effect on the majority of the Council's staff ability to function, certainly days if not weeks. The SAN, core switches and some of the servers are now so old that they are no longer warrantable by their manufacturers, and parts supply is no longer guaranteed within any timeframe at all.

Effect on Plan

A carry forward of \$610,000

Recommendation

That Council approves the carry forward in ICT capital expenditure \$610,000 of expenditure from 2018/19 to 2019/20 to cover costs associated with completing these replacements.

8. Project 995 – Ngaruroro Water Investment (Regional Freshwater Security)

Seek a total of \$1,420,000 to be carried forward from the 2018-19 Regional Income budget for the Ngaruroro Water Investment 995 to 2019-20.

PLEASE NOTE – Following Council approval of the policy relating to this project, this budget code should be changed to "Regional Freshwater Security"

Staff have spent a considerable amount of time and effort attempting to secure Provincial Growth Fund (PGF) funding for a programme of work that aligns with the objectives of the council-approved Regional Freshwater Security Policy. Although we anticipate a favourable outcome with the PGF, we are still waiting on formal confirmation. That being the case we have not progressed the work programme apart from initiating pre-feasibility work on Managed Aquifer Re-charge for the Ruataniwha aquifer. Anticipating a total of approximately \$200,000 actual expenditure by EOFY (\$156,000 YTD) against \$1,619,000 budgeted we accordingly request a \$1,420,000 carry forward.

Effect on Plan

An increase in funding of \$1,420,000 for the 2019-20 year funded from unexpended funds in 2018-19.

Recommendation

That Council approves the carry forward of \$1,420,000 from 2018-19 to 2019-20 to preserve the local share of funding for the Regional Freshwater Security Programme.

9. Project 798 - Regional Cycling Project

Seek a total of \$60,000 to be carried forward from the 2018-19 transport budget for the Regional Cycling Project 798 to 2019-20.

Contributions from all territorial authorities in the region have provided some of the local share for an off-road extension to the Landscapes Cycle Trail, in order to resolve safety issues on a section known as The Mad Mile. The remainder of the funding will come from a New Zealand Cycle Trails grant through Ministry for Business, Innovation and Employment and other grants. This project has been delayed due to final negotiations regarding the purchase of the land and planning issues, which Hastings District Council is negotiating.

Effect on Plan

An increase in funding of \$60,000 for the 2019-20 year funded from unexpended funds in 2018-19.

Recommendation

That Council approves the carry forward of \$60,000 from 2018-19 to 2019-20 to cover the local share of funding for the Mad Mile cycle trail improvement, noting that this funding is substantially composed of contributions from the territorial authorities in the region.

10. Project 790 - Bus Service Ticketing System Project

Seek a total of \$154,000 to be carried forward from the 2018-19 transport capital budget for the Bus Service Ticketing System to 2019-20.

The 2018-19 Annual Plan provided for an amount of \$250,000 (after NZTA subsidy) for the purchase of a replacement bus ticketing system through a joint procurement process with eight other regional councils. The implementation of the new system has been slower than expected and the system will be fully implemented during the 2019-20 year.

Effect on Plan

An increase in funding for the bus service ticketing system in the 2019-20 year funded from unexpended funds in 2018-19.

Recommendation

That Council approves the carry forward of \$154,000 from 2018-19 to 2019-20 to cover the costs associated with the bus service ticketing system, noting that this is to be funded through internal loan funding.

11. Project 287 Heretaunga Plains Flood and River Control

(As a side note this is here because this capital is rates funded not debt or reserve funded)

Seek a total of \$183,000 to be carried forward for Project 287. The funds will be carried over to 19/20 financial year to invest in the development of Hawea Park.

These funds were not spent in 18/19 as they were budgeted for:

- Hawea Park. Hawea Park has progressed slower to plan due to:
 - Maori Land Court extending land transaction timeframe
 - development of the Hawea Park management committee

Level of Service Upgrade from 1:100 to 1:500. This project did not proceed due to lack of project management resources

Effect on Plan

Deferral of capital to match the timeframe of developing Hawea Park and Level of Service Upgrade. These projects will continue to be developed over 19/20 and beyond.

Recommendation

That Council approves the carry forward of \$183,000 in Project 287 from 18/19 to 19/20 financial year

OPEX**12. Project 350-005 Hot Spot Tukituki – Lake Whatuma**

Seek a total of \$180,000 to be carried forward from 350-005 (Lake Whatuma Hot Spot).

These funds were not spent in the 2018/19 financial year because this year has mainly been about investigating the potential opportunity to invest in significant long-term mitigations to enhance Lake Whatuma. Currently this investigation is still underway, we will know more late June/early July when this process is concluded and options presented.

Effect on Plan

An increase in funding for project 350-005 in 2019/20 funded from unexpended funds in 2018/19 will contribute to the desired outcome for enhancing Lake Whatuma. This is expected to be spent in the 2019/20 financial year with no further carry forward.

Recommendation

That Council approves the carry forward in project 350-005 of \$180,000 of expenditure from 2018/19 to 2019/20 to cover costs associated to enhancing Lake Whatuma.

13. Project 351 Hot Spot Tutira

Seek a total of \$245,000 to be carried forward from 351 (Hot Spot Lake Tutira).

These funds were not spent in the 2018/19 financial year due to the following reasons;

For two of the project deliverables in this project we require access and works to be completed on land blocks North of Lake Tutira. These different blocks are owned by separate Maori Trusts, with many members. There have been several attempts to obtain approval from these landowners. Recently, we reached out to our Iwi Engagement Team for assistance. They are currently attempting to make contact with the landowners to help further these conversations. Therefore the works planned for FY18/19 are on hold until we obtain their approval.

Please note that Council is in Deed with MfE for this project, we have committed this money as part of the Freshwater Improvement Fund project. We need to carry forward any unspent funds to ensure we can still deliver this project.

Effect on Plan

An increase in funding for project 351 in 2019/20 funded from unexpended funds in 2018/19 will contribute the completion of the delayed deliverables.

Recommendation

That Council approves the carry forward in project 351 of \$245,000 of expenditure from 2018/19 to 2019/20 to ensure we meet our funding commitments MfE's Freshwater Improvement Fund.

14. Project 379 Erosion Control Scheme (ECS)

Seek a total of \$600,000 to be carried forward from 379 (Erosion Control Scheme)

These funds were not spent in the 2018/19 financial year due to the time required to establish the systems and processes to reliably base our work, which delayed landowner conversations required to progress this work. Also noting our financial year is in the middle of our planting season, therefore only half the winter season of planting will be completed by 30 June. (Note this money has not been borrowed, as of yet).

Effect on Plan

An increase in funding for project 379 in 2019/20 funded from unexpended funds in 2018/19 will contribute to on the ground works providing mitigations to erosion control issues.

Recommendation

That Council approves the carry forward in project 379 of \$600,000 of expenditure from 2018/19 to 2019/20 to cover costs associated with delivering on our scheme.

15. Project 797 – Regional Land Transport Strategy

Seek a total of \$146,000 in expenditure to be carried forward from the 2018-19 Transport budget for regional land transport strategy to 2019-20, with a corresponding carry forward of \$112,500 subsidy due against this expenditure (NZTA and other council contributions).

The Long Term Plan provided for an amount of \$150,000 (before subsidy) for each of the first two years, for a regional transport study. The study was to be funded by all HB councils and NZTA but

managed by HBRC. The study will now commence in 2019-20, due to delays in funding approvals from NZTA.

Effect on Plan

An increase in funding for Regional Land Transport Strategy in the 2019-20 year funded from unexpended funds in 2018-19

Recommendation

That Council approves the carry forward of \$146,000 in expenditure and \$112,500 in associated subsidies from 2018-19 to 2019-20, for a regional transport study.

16. Project 265 - Upper Tuki Tuki

Seek a total of \$44,000 to be carried forward from project 265. These funds will be invested in the Project 265 Reserve.

These funds were not spent in 18/19 year for maintenance undertaken by contractors. Maintenance budgeted and delivered through Works Group were completed

Effect on Plan

The funds brought forward will be invested in Project 265 Reserve for future maintenance.

We are aware of potential significant maintenance costs upstream of SH50 bridge and so this years underspend can be retained for future maintenance programs

Recommendation

That Council approves the carry forward in project 265 of \$44,000 from 2018/19 to 265 Reserve to ensure that general rates collected for UTT are spent in the UTT scheme.

17. Project 278 - Central Southern Rivers

Seek a total of \$10,000 to be carried forward from Project 278. These funds will be invested in the project 278 Reserve.

These funds were not spent in 18/19 for engineering review of flood risks in Central Hawkes Bay due to capacity constraints of the engineering team. A review of Waipawa river upstream of SH50 has commenced

Effect on Plan

The funds brought forward will be invested in Project 278 Reserve Central Southern Rivers for future use.

The engineering work required on Waipawa River has been commenced and further flood risk work will be completed over 19/20 and 21/21.

Recommendation

That Council approves the carry forward in project 278 of \$10,000 from 2018/19 to 278 Reserve to ensure that general rates collected for Central Southern Rivers are spent on that scheme.

18. Project 282 Karamu Enhancement

Seek a total of \$11,000 to be carried forward from Project 282. These funds will be invested in the project 282 Reserve

These funds were not spent in 18/19 and are Karamu Enhancements.

Effect on Plan

The funds brought forward will be invested in in Project 282 Karamu Enhancement.

Recommendation

That Council approves the carry forward in project 282 Karamu Enhancement of \$11,000 from 2018/19 282 Reserve to ensure that the general rates collected for Karamu enhancement are retained in that scheme.

19. Project 286 Heretaunga Plains Flood Control Scheme

Seek a total of \$89,000 to be carried forward for project 286. These funds will be invested in the project 286 Reserve.

Effect on Plan

These funds were not spent in 18/19 for Environment Review (\$30k) and planned maintenance by Works Group totalling the remainder.

Recommendation

That Council approves the carry forward in Project 286 Heretaunga Plains Flood Control Scheme of \$89,000 to 286 Reserve to ensure that the general rates collected for the scheme are retained

20. Project 288 Heretaunga Plains Special Projects

Seek a total of \$34,000 to be carried forward to 19/20 financial year. The funds are required to complete the Public Use of Rivers Planning Document.

Effect on Plan

The Public Use of Rivers Planning work was put on hold to ensure that sufficient public and iwi consultation was undertaken. It was noted that limited iwi consultation had occurred on the project to date and this needed to be corrected.

Recommendation

That Council approves the carry over of \$34,000 from 18/19 to 19/20 financial year

21. Project 291 Napier, Meannee, Puketapu Drainage

Seek a total of \$33,500 to be carried forward to project 291 Reserve. The planned maintenance work on this scheme this year was funded by targeted rate component.

Effect on Plan

There is no impact on planned work with this deferral to project 291 Reserve

Recommendation

That Council approves the carry over of \$33,500 from 18/19 to project 291 Reserve to ensure that the general rates collected for the scheme are retained

22. Project 294 Muddy Creek

Seek a total of \$12,000 to be carried forward to project 294 Reserve. Planned maintenance for this scheme is under budget for 18/19

Effect on Plan

Planned maintenance was under budget for 18/19.

Recommendation

That Council approves the carry over of \$12,000 from 18/19 to project 294 Reserve to ensure that the general rates collected for the scheme are retained.

23. Project 296 Karamu Drainage

Seek a total of \$45,000 to be carried forward to project 296 Reserve. Planned maintenance by contractors is under budget.

Effect on Plan

Planned maintenance by contractors was under budget.

Recommendation

That Council approves the carryover of \$45,000 from 18/19 to project 296 Reserve to ensure that general rates collected for the scheme are retained.

24. Asset Management – Minor General Rates items

Seek a total of \$40,000 to be carried forward to next financial year. This is the net underspend for Asset Management and is derived from a combination of several smaller projects. The key driver for the underspend was lack of resourcing available to complete certain workstreams.

Effect on Plan

Total value across several smaller asset management projects was \$40,000.

Recommendation

That Council approves the carryover of \$40,000 from 18/19 to relevant projects that make up the full amount requested.

25. Future Farming Initiative

Seek a total of \$130,000 to be carried forward from the 2018-19 budget for the Future Farming Initiative (376) to 2019-20.

Staff initially estimated a year 1 spend of approximately \$150,000 predicated on the establishment of the permanent working group and the initiation of its work programme within 6 months. Due to timing of procuring the internal resource necessary to support the project as well as the progression of the FFI's establishment working group it is now expected that the permanent group will be functioning circa July 2019. FFI is currently closing out its establishment work programme in relation to the creation of the legal entity, an independently managed selection and recruitment process, and marcomms activity for the launch.

Effect on Plan

An increase in funding of \$130,000 for the 2019-20 year funded from unexpended funds in 2018-19.

Recommendation

That Council approves the carry forward of \$130,000 from 2018-19 to 2019-20 to preserve the integrity of the FFI work programme and scope of activities as developed by the establishment working group.



28 May 2019

[Name1] [Name2]
 [Address1]
 [Address2]
 [Address3]
 [Address4] [POSTCODE]

Dear [Name1], [Name2]

A rating change that affects the commercial sector

When we adopted our Long Term Plan last year, we asked Hawke's Bay people about reducing the annual funding to Hawke's Bay Tourism and adjusting the commercial: residential split related to the Economic Development rate – to more fairly reflect the commercial benefits that derive from economic development. The original split was 30:70 commercial: residential.

The commercial/ industrial sector is rated for Economic Development by capital value and residents are rated a standard Uniform Annual Charge.

As a result of our consultation, the Tourism reduction was approved and the decision was made to adjust the commercial: residential rating split to 50:50 for 2018-19 and 70:30 for 2019-20 and beyond.

Below is a sample of property values showing the likely effect on your rates, from 1 July 2019.

	CV \$210,000	CV \$560,000	CV \$850,000	CV \$1,010,000	CV \$3,300,000	CV \$5,650,000
2018-19	\$55.26	\$147.74	\$188.36	\$223.82	\$731.28	\$1,440.19
2019-20	\$59.45	\$198.74	\$272.34	\$323.60	\$1,057.32	\$2,005.19

If you have any questions about this change, please contact us at 06 835 9200 or send an email to info@hbrc.govt.nz. The Long Term Plan 2018-28 is at hbrc.govt.nz, search: #documentsandforms. This year's Annual Plan 2019-20 will also be available in late-June.

Yours sincerely

JAMES PALMER
 CHIEF EXECUTIVE

Enhancing our **environment** together | Te whakapakari tahi i tō tātau taiao

06 835 9200 | info@hbrc.govt.nz | 159 Dalton Street, Napier 4110 | Private Bag 6006, Napier 4142

hbrc.govt.nz