

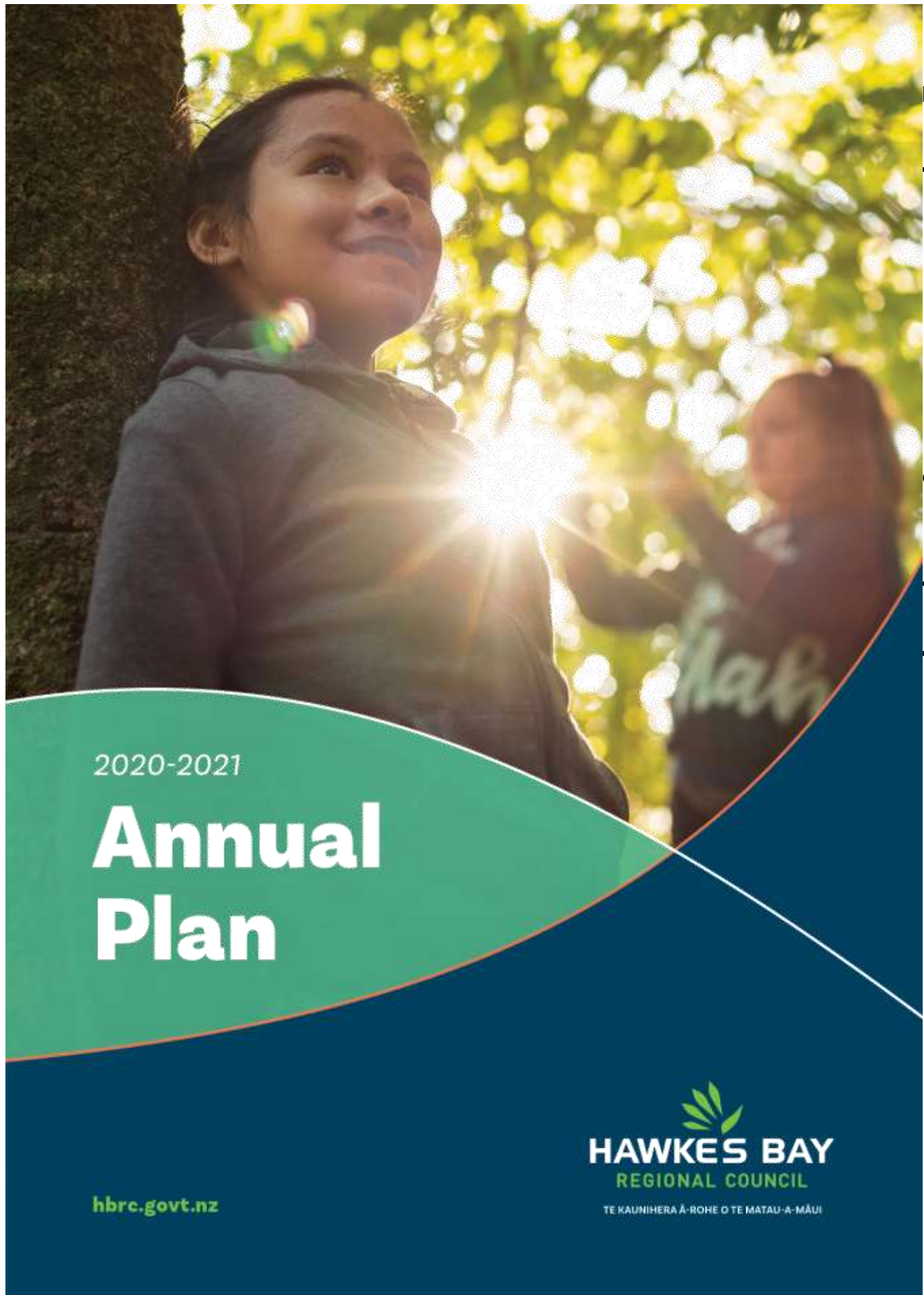


Meeting of the Hawke's Bay Regional Council

Date: Wednesday 29 July 2020
Time: 11.00am
Venue: Council Chamber
Hawke's Bay Regional Council
159 Dalton Street
NAPIER

Attachments Excluded From Agenda

ITEM	TITLE	PAGE
7.	Adoption of the HBRC 2020-21 Annual Plan	
	Attachment 2: HBRC 2020-21 Annual Plan for Adoption	2



Item 7

Attachment 2



Pū rākau e tū mai nei
 E piki ki runga, kia marama āhau
 Kei raro ko Te Matau
 He kuaha whānui whakapuaretia i Matariki
 Ki te puna kai rāua ko te puna tāngata
 Ka ora tētehi mea, ka ora tētehi mea
 Tihei Mauriora!

Behold the grove of trees
 I ascend so that I may see clearly
 Below is Te Matau (a Māui – Hawkes Bay)
 Providing widespread renewal of existence
 Through influence of the seasons
 And if nurtured, there is every
 chance of renewal
 Of growth in all things
 There is life!

**Climate.
 Smart.
 Recovery.**

2020-2021 ANNUAL PLAN

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Part 2 - What's happening this year	14
Part 3 - Rates and Expenditure	24
Part 4 - Financials	26

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~ This climate-smart Annual Plan responds to the challenges being faced by our community due to COVID-19 and the drought.

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

Climate. Smart. Recovery.

As we transition out of COVID-19's national lockdown and Hawke's Bay's extended drought, this Annual Plan now forms part of our 'Climate. Smart. Recovery.' for the region.



Kia ora tātau

After an uncertain start to 2020, the Regional Council has made some assumptions and adjusted our Annual Plan, at the same time as continuing our work plan on tackling the pressing issue of climate change.

It has been humbling to be part of the welfare response to COVID-19 and the drought crisis. It is difficult to predict how long the effects of these two events will be felt. Both have hit our community hard. You have our assurance that the Regional Council team will support our Hawke's Bay community of 174,000 people in the best ways we can.

Thank you for your submissions to this year's Annual Plan. The Council received feedback from 118 residents, ratepayers, organisations and community groups. The upshot is that ratepayers will see a 0% rates revenue increase for 2020-21 - noting that individual ratepayers will see adjustments based on property re-valuations. The Council will instead use borrowing to keep our services running at the same levels and to help keep our economy moving. The borrowing will be repaid over the coming years.

Based on your submissions, the Council will also establish a \$1 million Recovery Fund to create jobs and economic activity while enhancing our environment.

We are particularly seized with the pressing need to prepare our region for a changing climate.

Over the last two years of this Long Term Plan cycle we have significantly expanded our capability to address the environmental challenges facing our region in land and water management, biodiversity and climate change. Skilled new staff have joined our ranks, so the region has never had more resource to support our environmental mission in Wairoa, Napier, Hastings and Central Hawke's Bay.

Our significant projects – such as Freshwater Security, the Erosion Control Scheme, Predator Free Hawke's Bay and Right Tree Right Place – have been accelerated by government funding, strong in-region and central government collaborations, and people and agencies who are increasingly determined to tackle the environmental issues we all face. Together, we're putting our energy into identifying solutions and the means to put these into practice, in spite of the challenges we face.

Take a look at the wide range of activities we're working on in your part of the region, on pages 14-23. As always, we welcome your contact with us and please speak directly to Councillors on matters that interest and affect you.

To find out more, go to hbrc.govt.nz.

Ngā mihi nui



Rex Graham
Chair



James Palmer
Chief Executive



This plan for 2020-21 is consistent with the direction of travel we set in the 2018-28 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

~ Climate change is at the heart of everything we do.

MESSAGE FROM THE MĀORI COMMITTEE CO-CHAIRS
HE KUPU NĀ NGĀ TOIHĀU KŌMITI MĀORI

He Ao Hurihuri: A Changing World

*E hara taku toa i te toa takatahi engari he takatini.
It is our collective endeavours that will bring us success.*

A CHANGING world must embrace and recognise the need for protection of Papatūānuku, her precious taonga tuku iho for the wellbeing of 'all our mokopuna'.

A CHANGING and uncertain world is upon us. COVID-19 is a formidable foe, as is Climate Change, with the latter having the devastating impacts of empty awa, perishing mahinga kai resources and increased Te Taiao degradation.

A CHANGING of the leadership roles in the Māori Committee has also occurred with two Co-Chairs representing both the Northern and Southern Catchments of Te Matau-ā-Māui: Hawke's Bay.

As Co-Chairs of Hawke's Bay Regional Council's Māori Committee, we sit regularly with Regional Councillors and representatives of four of the six Ngāti Kahungunu Taiwhenua/Executive in this region. We are already seeing the effects of this year's COVID restrictions and the financial effects on iwi, hapū and whānau in this rohe.

This Annual Plan includes a component of aroha and manaaki for the people in our community negatively affected by this year's events.

The 'What's happening this year?' pages also make interesting reading of the mahi that staff are focused on, to give you an idea of the spread of their work and commitments to enhance our environment.

The Regional Council continues to develop a Māori Responsiveness Strategy to enhance engagement with iwi, hapū and whānau. Flax roots outreach and involvement enlivens the kōrero between our constituents and the Regional Council.

*Whatungarongaro te tangata, Ka toitū te whenua.
Man is destined to perish, But the land remains forever.*

Mike Paku and Michelle McIlroy
Co-Chairs - Māori Committee

6 - KUPU WHAKATAKI | INTRODUCTION



FOR THE YEAR 2020-2021
MŌ TE TAU 2020-2021

Cushioning the impact of COVID-19

Hawke's Bay people have been affected personally and financially by the COVID-19 lockdown and the drought, and we are now working hard to limit its impact on our regional economy.



Keen to cushion the impact of COVID-19 on ratepayers, we consulted the community on different rate approaches for 2020-21. The Council decided to keep this year's rates at the same level as 2019-20 and borrow the required funding of \$1.5 million to deliver the activities already planned for the year. This is a 0% rates revenue increase.

The Council also consulted on and approved a \$1 million Recovery Fund to enable us to leverage potential government funding to accelerate capital projects that protect and enhance our environment, and also support the Hawke's Bay economy back to its fastest recovery.

Over the coming year the financial impact of COVID-19 is expected to significantly reduce the Council's non-rate income. We anticipate up to a \$6.1 million shortfall in funding. Non-rate income – which generates over half of our revenue – includes income we receive from investments, used to offset how much we collect in rates each year.

We do not currently have the reserves to call on to offset the impact of COVID-19, but the Council believes we must continue to progress our ambitious plans to protect, restore and enhance our environment.

We believe that debt funding – using a loan to manage the unprecedented drop in income – is the most preferable way to support ratepayers and our economy now, instead of a large rate increase or significantly reducing our planned work programme and levels of service.

Prior to COVID-19, budgets had been reviewed and tightened to remain inside the planned 7.3% rate increase for 2020-21, as forecast in the Council's 2018-28 Long Term Plan, despite major cost pressures. Organisational costs and spending continue to be under tight scrutiny, and we will reduce costs and realise savings where we can. Any savings will reduce the amount we need to borrow.

~ Organisational costs and spending continue to be under tight scrutiny, and we will reduce costs and realise savings where we can.

We will borrow up to \$7.6 million to fund the projected revenue shortfall from lower investment returns and to reduce the increase in rates from 7.3% down to 0% – the same as in 2019-20. This will add up to \$857,000 onto the general rate in 2021-22 and the nine years that follow. This will increase rates in 2021-22 by a minimum of 10.7% if the Council resolves to return to the funding path originally envisaged in the 2018-2028 Long Term Plan.

The Council has adopted an unbalanced budget for the 2020-21 financial year. This relates to our anticipated deficit at the end of this financial year, which will be funded through borrowing.

The financial information contained in this plan is based on assumptions, which the 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.

ABOUT THIS DOCUMENT
NGĀ KŌRERO O TĒNEI PUKAPUKA

Our Planning Cycle

The Annual Plan 2020-21 is our plan that corresponds to year three of the Long Term Plan cycle.

For more detail, we recommend you read this plan alongside the 2018-28 Long Term Plan – available on our website. We can also send you a physical copy on request.

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.

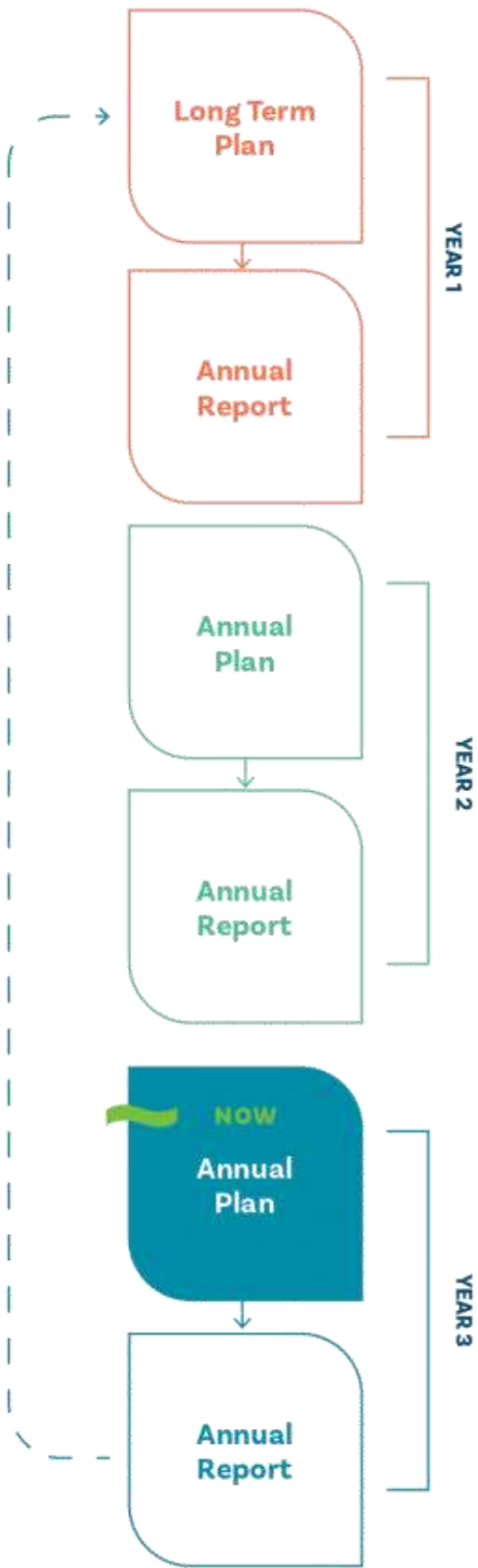
Annual Plan

This is produced in years two and three of each Long Term Plan cycle. It includes the work programme and budgets for the year, sets your rates for that year, and highlights any variances from Long Term Plan forecasts.

Annual Report

This is produced following the end of each financial year. It lets you know whether we did what we said we would do in the previous year.

The Annual Report for year two of the Long Term Plan, i.e. 2019-20, will be available late 2020.



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

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Our Vision & Values

~ Climate Change is at the heart of everything we do.

Our Vision

WE WANT a healthy environment and a resilient and prosperous community.

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.

12 – KUPU WHAKATAKI | INTRODUCTION

Our Focus

WE PRIORITISE:

Water quality, safety and climate-resilient security.

Te kounga o te wai, te haumarutanga me te mārohirohi ā-āhuarangi o te whakamarutanga.

Climate-smart and sustainable land use.

Kia koi, kia toitū hoki te whakamahinga o te whenua.

Healthy, functioning and climate-resilient biodiversity.

Kia ora, kia āhei, kia mārohirohi ā-āhuarangi hoki te rerenga rauropi.

Sustainable and climate-resilient services and infrastructure.

Kia toitū, kia mārohirohi ā-āhuarangi hoki ngā ratonga me ngā hanganga ā-whare.

Our Values

WE BELIEVE IN:

Partnership and Collaboration

We work with our community in everything we do.

Accountability

We hold ourselves accountable 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.

Our Organisation

WE ARE:

- Outcome and result focused
- Agile and forward looking
- Open and outward facing
- Data driven and science informed
- In tune with the community we serve
- Committed to continuous improvement
- An employer of choice
- Committed to health and safety
- Passionate about our work.

Our Approach

WE WILL:

Inspire

Provide inspirational and inclusive regional leadership that addresses difficult issues, motivates and mobilises action.

Collaborate

Develop our skills and capacity to partner with Tāngata Whenua, communities, councils, central government, businesses, farmers and growers for collective action.

Prioritise

Clearly identify the core business priorities for our communities and target our resources and capabilities for tangible results, alongside the resources of partners.

Invest

Drive environmentally sound and sustainable regional growth to leverage Hawke's Bay's comparative advantages, regional provenance and values.

Monitor, Learn and Adapt

Track and transparently report our progress and performance, use 'systems thinking' and adaptive management to address complex issues and causes.

Innovate

Adopt new technology and data to deliver more effective and efficient services.

KUPU WHAKATAKI | INTRODUCTION – 13

FOR THE YEAR 2020-2021
MŌ TE TAU 2020-2021

What's happening this year

The 2020-21 Annual Plan is part of the Regional Council's 'Climate. Smart. Recovery.' plan. These activities for the coming year will support Hawke's Bay's economy back to its fastest recovery and flow into next year's Long Term Plan delivery.

Wairoa

A local team of ten staff are now based out of the Regional Council's Wairoa office – active, visible and able to deal with issues more quickly.

Our staff work across Wairoa District with landowners and the community. We support good farming practices and sustainable land use with our erosion control and riparian management schemes, the sustainable homes programme, and our field based workers looking after the rivers and flood control schemes.



– **Wairoa River**
Preparations are underway to carry out an in-depth study of the Wairoa River looking at flooding and erosion concerns. This will lead to a collaborative action plan, including how any projects may be funded. This builds on the Regional Council's local work including protection planting to minimise erosion around a number of culturally significant sites on the Wairoa River and construction of the retaining wall to protect the Destination Wairoa Playground constructed by Wairoa District Council.

Whangawehi Catchment Management Group are working on a restoration project which has won national and international awards.

– **Mohaka River**
We are reconnecting with iwi and farmers on developing our catchment plan for the Mohaka River.

– **Whakatipu Māhia**
The first phase of Whakatipu Māhia continues, supported by Predator Free Hawke's Bay. This year the project looks set to eradicate possums and suppress other predators past the first phase of 5,500 hectares, and extend into the rest of the Mahia Peninsula (9,000 hectares) by the end of 2021. This joint project between iwi, community, the Regional Council and central government is Aotearoa's largest-ever mainland possum eradication programme. The project has created four development roles to build capability for hapū and iwi.

– **Whakakī Lake**
We continue to work with the Whakakī Lake community bringing together western science and Mātauranga Māori. Whakakī Lake is a significant taonga. This includes developing plans for the construction of a weir and recirculating wetland, and completing fencing around the Rāhui Channel.

The Regional Council supports Whakakī Lake Trust's project to transform former Whakakī School buildings into a multi-purpose environmental education centre. A regional investment of more than \$3 million includes \$1.38 million from the government's Freshwater Improvement Fund secured in June 2019.

– **Whangawehi Catchment Management Group**
We continue to support the Whangawehi Catchment Management Group, who under a community-led approach are helping to restore the streams that flow into the Whangawehi River. The Regional Council allocated \$90,000 funding towards the next stage of the project, with a focus on Te Mangatupae stream. A walkway is also being developed and is due to be completed at the end of 2021. The Group has won national and international awards for its work.

– **Public transport**
As part of our public transport commitments, Regional Council's transport team will be talking to the Wairoa community about its public transport needs.

FOR THE YEAR 2020-2021
MŌ TE TAU 2020-2021



Central Hawke's Bay

Our team of five staff based in Waipawa are typically out and about in Central Hawke's Bay District working with landowners to give support and provide advice on good land use practices.

This includes assisting landowners to develop Erosion Control Plans and then to implement the actions in the plans to help control erosion and improve water quality.

14,550
POPULATION
(2019)

3,328 km²
LAND
AREA

– Civil Defence Rural Advisory Group

The Regional Council will continue to support the Civil Defence Rural Advisory Group, the lead agency for the drought response, and then work in the recovery stage to help the rural community with their preparations ahead of future droughts. The Rural Advisory Group, in partnership with the East Coast Rural Support Trust, have teams to directly help farmers with feed, mental wellbeing, animal welfare, finance and water access.

– Tukituki Plan

The Tukituki Plan has given us a strong focus on rural landowners, resulting in 1,013 Farm Environment Management Plans being completed. While the Regional Council has invested heavily in catchment advisor relationships with landowners, there is also a regulatory requirement to monitor and manage landowner compliance. This is tempered by sensitivities relating to the 2020 drought.

– Water Security

We are building a programme to improve water security for the Tukituki River and Ruataniwha Plains community with the support of the government's Provincial Growth Fund. This started with the 3D aquifer mapping 'SkyTEM' project, a pilot study for managed aquifer recharge and a community reference group-led investigation into above ground water storage options.

– Lake Whatumā

There is still a strong commitment to protect and enhance Lake Whatumā, with ongoing landowner engagement.

– Pōrangahau Estuary

Staff will continue working at the Pōrangahau Estuary alongside the local community to identify and protect inanga spawning sites, fence for stock exclusion, plant up vulnerable sites for erosion control and to improve the ecological health of the estuary.

– Te Angiangi Marine Reserve

We will work collaboratively with the community and local iwi on coastal-erosion control next to Te Angiangi Marine Reserve, having purchased 44 hectares of eroding coastal hillside next to the reserve between Aramoana and Blackhead. The aim is to reduce sediment loss into the popular reserve while creating opportunities for educational activities and community involvement.

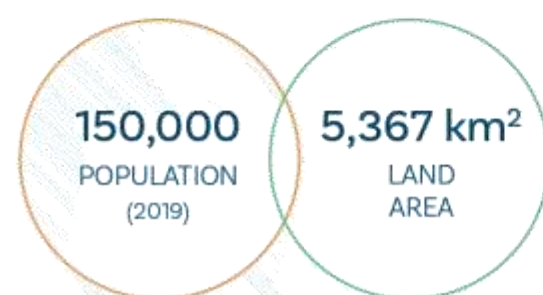
– Transport

As part of our public transport commitments, Regional Council's transport team will be working with the Central Hawke's Bay community on their transport needs.

~ The Rural Advisory Group, in partnership with the East Coast Rural Support Trust, have teams to directly help farmers with feed, mental wellbeing, animal welfare, finance and water access.



Napier & Hastings



The total workforce of the Regional Council now numbers 276, working from offices in Napier, Taradale's Guppy Road depot, Wairoa and Waipawa.

Our workforce includes scientists, engineers, field technicians, ground staff, the leadership team, and corporate support staff.

– Bus ticketing smartcard system

A new bus ticketing smartcard system will be introduced to the goBay public transport network this year. Developed for nine regional councils, the new system will provide faster boarding and enable passengers to top-up their travel cards online.

– Heretaunga Plains Flood Protection Scheme

The Heretaunga Plains Flood Protection Scheme is being reviewed to make sure its design adequately protects the urban communities of Napier and Hastings and the surrounding productive areas. It is currently designed to protect against a 1 in 100 year flood. We are looking to protect against a 1 in 500 year flood. The scheme includes stop banks, flood gates and a network of open waterways.

– Dredging of the lower Clive River

Dredging of the lower Clive River is planned to happen in early 2021, depending on land availability. The Regional Council is committed to finding suitable land to transfer the dredgings to, which is more environmentally appropriate than ocean disposal. Dredging enhances this part of Clive River for recreational use.

– TANK waterways

The freshwater plan to protect and improve the long-term health of the Tūtaekurī, Ahuriri, Ngaruroro and Karamū waterways was notified in May 2020 and hearings will take place in 2020-21. Also known as the TANK Plan, it deals with the effects of land and water use on the quality and quantity of freshwater in the four catchments, including the Heretaunga Plains aquifer – all critical to the cities of Napier and Hastings and our surrounding environment. The TANK Plan area is where 85% of Hawke's Bay people live, work and play.

– Ahuriri Estuary

The Ahuriri Estuary enhancement programme continues its yearly removal of the invasive tubeworm, winter planting and environmental monitoring. The Regional Council continues to work closely with Napier City Council, Mana Ahuriri and Maungaharuru Tangitū and Te Taiwhenua o Te Whanganui o Orotū and Ngāti Kahungunu Iwi Incorporated, the Department of Conservation and other key partners on a wider plan to improve the health of Ahuriri Estuary for fish, birds and people.

– Water Security

We are building a programme to improve water security for the Heretaunga Plains communities and productive sector, with the support of the government's Provincial Growth Fund. This began with the SkyTEM 3D aquifer mapping project in 2020 and an investigation into water storage options focused on environmental benefits and future-proofing communities in the face of climate change.

– Regional Parks and Cycle Trails

We continue to maintain and develop regional parks and cycle trails. The Regional Council owns and manages Pākōwhai, Pekapeka, Waitangi and Tūtira, and various river and stopbank sections of Hawke's Bay Trails. Our work here protects and enhances biodiversity, cultural and historic values. This year, we're adding to Waitangi Regional Park an events area, more car parking and additional planting. Our staff will continue working with hapū to develop Hawea Historic Park – between Whakatu and Pākōwhai, with ongoing support to Te Mata Park Trust for pest control and park maintenance work.

– Lake Tūtira

On-the-ground work continues at Lake Tūtira. This joint project with Maungaharuru-Tangitū Trust, Ministry for the Environment and Tūtira community aims to restore the mauri (life force) of Lakes Tūtira, Waikōpiro and Orakai. These works include; developing environmental Farm Plans, fencing and planting to minimise erosion and stop sediment getting into the lakes. Monitoring of the air curtain trial in Lake Waikōpiro will continue to see if aerating the lake can help prevent algal blooms. A regional investment of \$3.3 million over four years includes \$1.5 million Freshwater Improvement Funding secured in 2018.

– Karamū Stream

Karamū Stream planting continues as part of a long-term enhancement programme to increase public access to this natural corridor and improve water quality. The Regional Council works with community groups, iwi, landowners, schools and local businesses in this critical catchment for Hastings District, which drains water from productive land on the Heretaunga Plains – including most of the city's stormwater – to Clive River and then into Hawke Bay.

– Maraetōtara River

We continue support of the award-winning Maraetōtara Tree Trust's vision to create a lush riparian corridor all along Maraetōtara River, a partnership between the trust, the Regional Council, private and corporate supporters along with Maraetōtara valley landowners.

– Open Waterways and Pump Stations

We are working with Napier City Council to identify opportunities to improve the water quality in the network of open waterways and pump stations that provide land drainage and stormwater services to Napier, Taradale and Awatoto. This year a comprehensive programme of operational water quality monitoring is being undertaken to inform a prioritised infrastructure plan to eliminate and treat pollution sources to this network.

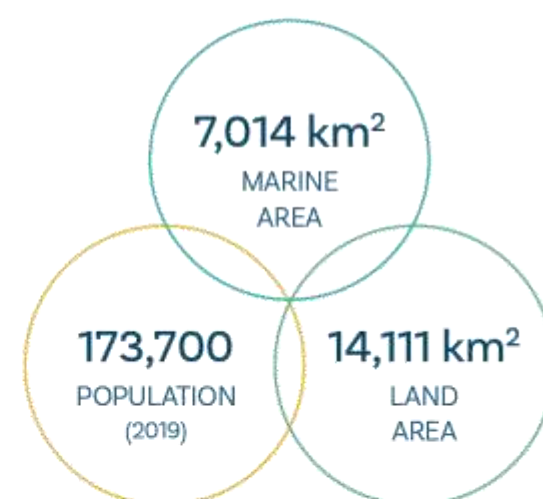
FOR THE YEAR 2020-2021
MŌ TE TAU 2020-2021



Hawke's Bay: Region Wide

The Regional Council's focus on water is stronger than ever, linked inseparably to land use and our changing climate.

It is also important that almost one-third of the area that the Regional Council is responsible for is in the coastal-marine area.



→ Reducing Costs and Realising Savings

The Regional Council is committed to reducing costs and realising savings across the organisation and will regularly report back on these measures through the coming year.

→ Water Security

The water security programme has a regional focus. The four phases are:

- 3D aerial aquifer mapping of the Ruataniwha and Heretaunga Plains and the Otane Basin
- water storage investigation for Napier-Hastings (Heretaunga Plains)
- water storage investigation for Central Hawke's Bay (Ruataniwha Plains)
- an all-of-region freshwater assessment designed to create an enduring water balance model to support freshwater policy development in the decades ahead, particularly in the context of a changing climate.

→ Safe, Sustainable and Affordable Drinking, Waste and Storm Water

We're working with the region's local councils (Central HB, Hastings, Napier and Wairoa) to tackle the challenge of ensuring our communities have safe, sustainable and affordable drinking, waste and storm water services. Local infrastructure needs significant investment. Local councils must be able to meet the requirements of any future regulation changes. This 'Three Waters' review will look for options and opportunities for our councils to work together to develop the best solutions for the entire region.

→ Erosion Control Scheme

We continue to offer the Erosion Control Scheme 75% subsidy, which is highly relevant to climate change. The scheme encourages tree planting and erosion control work on pastoral or retired land, but doesn't apply to commercial forestry. This \$30 million fund targets Hawke's Bay's 252,000 hectares of land at high risk of erosion, estimated to lose, on average, over 3 million tonnes of sediment to the region's waterways every year. Catchment staff, through the riparian part of the programme, provide advice and assistance to landowners about planting alongside waterways to minimise streambank erosion and to improve the ecological health of waterways.

→ Marine and Coast

The Hawke's Bay Marine and Coast enhancement project will use information gathered from assessing key ecological areas to inform further mapping of the underwater ocean area managed by the Regional Council.

→ Sustainable Homes

The Sustainable Homes programme continues with funding and grants for clean heating, insulation, solar systems, double glazing, water storage and septic tanks. This programme supports Hawke's Bay people to help improve the health and energy efficiency of homes and improve resilience in a civil defence emergency. Take-up of the scheme has exceeded expectations.

→ Napier Port

Following the public sale of 45% of the shares in Napier Port and the Port being listed on the New Zealand Stock Exchange, Napier Port has commenced construction of the new number Six Wharf. The Regional Council retains a 55% majority shareholding in Napier Port.

FOR THE YEAR 2020-2021
MŌ TE TAU 2020-2021

– Environmental Information

21 staff continue collecting environmental information from 2 sandy beaches and dunes, 3 rocky reefs, 3 air quality sites, 5 lakes, 6 estuaries, 10 wind erosion sites, 16 nearshore coastal water quality sites, 18 climate stations, 20 sediment tracking sites, 35 river flow sites, 37 swimming sites, 50 wetlands, 50 stream ecosystem health sites, 85 river water quality sites, 89 soil monitoring sites, over 100 groundwater wells and 150 riparian areas.

– Stronger regulation

Stronger regulation continues to be a focus, including the monitoring and enforcement of consents for water allocations, Tukituki Plan requirements such as Farm Environmental Management Plans and the compliance of other councils' activities in Hawke's Bay. Another focus will be controlling environmental risks from plantation forestry and monitoring industrial discharges.

– Enviroschools

We continue the Environmental Education programme of 60+ Enviroschools and partner-delivered education programmes. This valuable engagement includes school visits, field trips, planting events, beach clean-ups, scientific experiments and natural encounters.

– Hawke's Bay Civil Defence Emergency Management Group

As the main agency to coordinate the region's ongoing response to COVID-19 and the severe drought, it is likely the Hawke's Bay Civil Defence Emergency Management (HBCDEM) Group will continue some form of response well into 2020-21, with a role to inform and support social and economic recovery. The Group also considers and prepares for any other events that may occur. The HBCDEM Group is a shared service across Hawke's Bay councils, administered by the Regional Council.

– Business growth and attraction

We continue to support business growth and attraction through partnerships, funded relationships and financial support. Regional Council funding supports Business Hawke's Bay and the Matariki Regional Development Action Plan, as well as the Regional Business Partner Programme – a New Zealand Trade and Enterprise and Callaghan Innovation initiative that supports businesses to grow and innovate. The Regional Business Partner team has had strong demand for advice and support from the business community due to the economic impacts of COVID-19.

– Protecting at-risk natural areas

We continue to work with private landowners to protect our most at-risk natural areas. Building deer fences and carrying out pest plant control work is the key to long-term ecosystem survival. Our team has mapped the whole region for its biodiversity and prioritised the most threatened sites in a partnership with the Hawke's Bay Biodiversity Foundation and Guardians. Council has approved a request from the Biodiversity Hawke's Bay Foundation to use half of its annual Endowment Funding of \$200,000 for 2020-21 towards operating expenses.

– Regional Pest Management Plan

The Hawke's Bay Regional Pest Management Plan, which manages 53 different pests for environmental, economic and human health reasons, has helped release our native species from predation and browsing pressures. This has been noticed across the region, with increased numbers of tui, kereru and bellbird, expansion of whitehead colonies and flowering and fruiting of tree species. Our Biosecurity team is now working with over 70 community groups and private land owners on biodiversity focussed pest control programmes.

– Biodiversity

The outstanding work under Cape to City, Poutiri Ao ō Tāne and Whakatipu Māhia continues. These projects provide a platform to significantly increase biodiversity across the region. This builds on the 700,000 hectares of possum control, substantially delivered by our farming community.

– Total Mobility Scheme

We continue to deliver the Total Mobility Scheme. Hawke's Bay residents who can't use public transport – due to a significant, permanent impairment – retain access to work, education, social and recreational activities.

– Transport

A Hawke's Bay Transport Study is considering the future demand for transport in Hawke's Bay and plan for any necessary improvements to the network and services. This study will form the basis for our next Regional Land Transport Plan. Consultation is planned for December-January.

– Road Safety

We continue to deliver a region-wide programme of road safety education, focusing on our high-risk groups of road users.

– Work Sustainably

We continue to drive our own organisational commitment as an environmentally-focused Regional Council to work sustainably, reduce energy consumption, manage waste, vehicles and other emissions.

The outstanding work under Cape to City, Poutiri Ao ō Tāne and Whakatipu Māhia continues. These projects provide a platform to significantly increase biodiversity across the region.

– Pollution Hotline

The Pollution Hotline team is on call 24/7/365 to respond to complaints relating to air (e.g. odour and smoke), water (e.g. paint, oil and other pollutants), land and coastal pollution (e.g. discharges and dumping). Education around air pollution, including nuisance burning, is also a focus for our staff. The Regional Council is investigating ways to support growing demand for the agrichemical collection programme.

– Tourism in Hawke's Bay

Particularly in the recovery period following COVID-19, we support the promotion of Hawke's Bay as a tourist destination, through funding to Hawke's Bay Tourism.

– Tāngata Whenua

Work with Tāngata Whenua supported by the Māori Partnerships Team to navigate natural resource matters. This is a critical area of work as Treaty groups transition into new governance and operational structures as Post Settlement Treaty Entities.

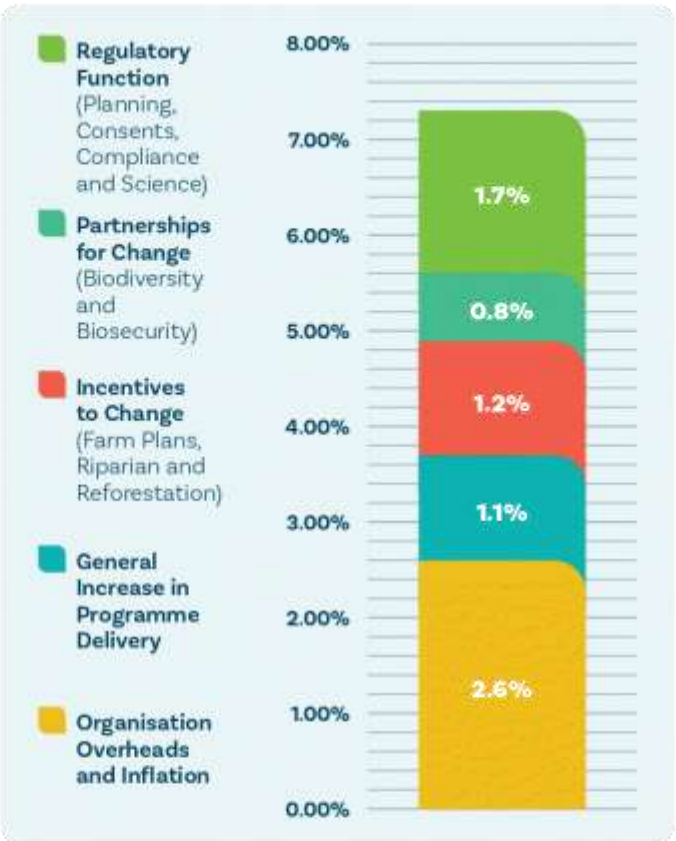
FOR THE YEAR 2020-2021
MŌ TE TAU 2020-2021

Rates

2020-21 Rates at a glance

The 7.3% rates increase proposed in the Long Term Plan for 2020-21 will not be collected from ratepayers this year.

These funds will be borrowed and repaid over the coming years, to achieve a 0% rates revenue increase for 2020-21. This graphic shows the increase in expenditure for the 2020-21 year compared to the 2019-20 Annual Plan.

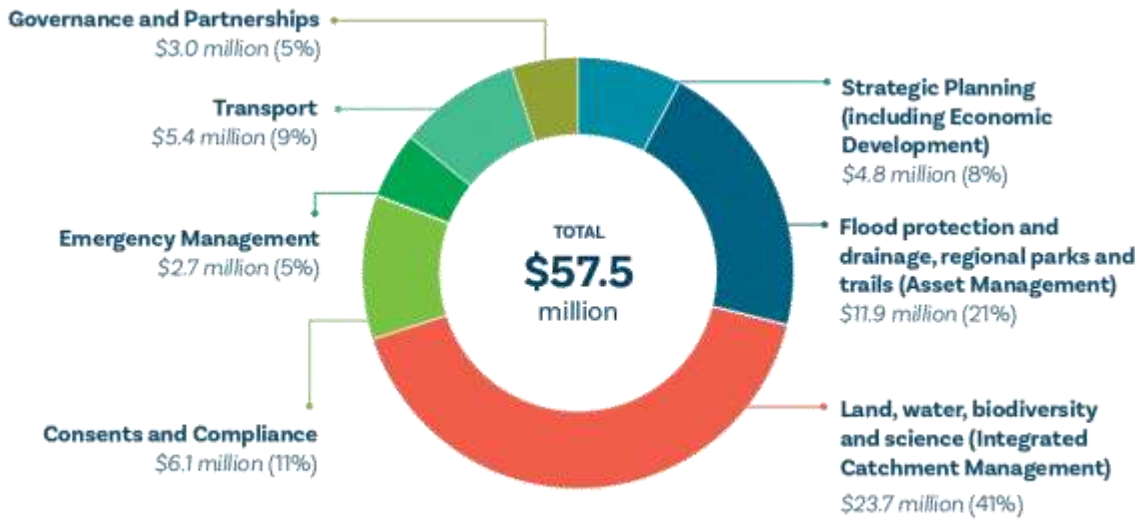


FOR THE YEAR 2020-2021
MŌ TE TAU 2020-2021

Expenditure

2020-21 Operating 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:



*Any movement from Year 3 of the Long Term Plan is due to reclassification of expenditure. These have been incorporated into the financial information overleaf and do not affect the rates calculations for 2020-21.

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

2020-2021 ANNUAL PLAN
2020-2021 MAHERE Ā-TAU

Financial Information

As part of the Annual Plan budget process, we reviewed all of the budgets and adjusted these to accommodate changes in expenditure and achieve cost-savings where possible.

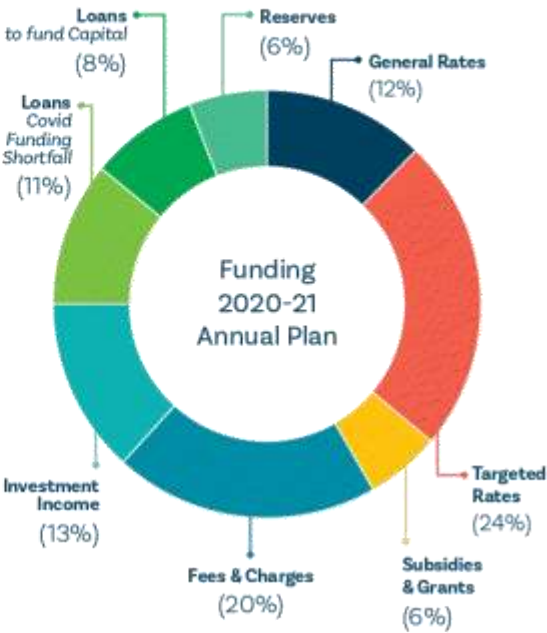
It is challenging to predict the economic conditions in the year ahead. Our non-rate income – which generates over half of our revenue – will be significantly affected. This includes the income from investments that we use to offset how much we collect in rates each year.

The Financial Information in this Annual Plan has been revised from the corresponding year in the Long Term Plan to include this impact, based on a conservative approach. We anticipate up to a \$6.1 million shortfall in funding for the financial year ahead.

Debt funding, using a loan to manage the income gap, will help to support ratepayers and our economy this year, instead of significantly reducing our work programmes and our levels of service relating to those programmes.

We will borrow up to \$7.6 million to fund the projected revenue shortfall from lower investment returns and to reduce the increase in rates from 7.3% down to 0% – the same as in 2019-20. This will add up to \$857,000 onto the general rate in 2021-22 and the nine years that follow. This will increase rates in 2021-22 by a minimum of 10.7% if the Council resolves to return to the funding path originally envisaged in the 2018-2028 Long Term Plan.

Any cost reductions and savings realised by the organisation will also reduce the amount we need to borrow.



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.

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	\$113
- SOE Reporting (Environmental Information)	\$87
- Client Services	\$93
- Water Information Services	\$93
- Catchment Management	\$105
- Biodiversity and Biosecurity	\$93
Asset Management	\$104
Consents and Compliance	
- Resource consent processing	\$157
- Resource consent administration	\$95
- Compliance/ impact monitoring of consents and approving, monitoring & auditing of Tier 1 Marine Oil Spill Contingency Plans, monitoring the new NES-PF for forestry and monitoring of Resource Management Act regulations	\$147
Emergency Management	
Transport	
Corporate Services	
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 & Expense

	Note	Annual Report 2018/19 (\$'000)	Annual Plan 2019/20 (\$'000)	LTP Year 3 2020/21 (\$'000)	Annual Plan 2020/21 (\$'000)
REVENUE					
Revenue from activities	1	8,416	10,719	10,739	10,131
Revenue from rates	2	23,186	24,642	26,435	24,640
Revenue from grants		3,989	3,651	3,480	3,933
Other revenue	3	14,490	101,521	18,203	11,933
Fair value gains on investments	7(a)	5,802	3,137	3,502	3,118
Reduction in ACC Leasehold Liability		-	936	917	917
Total Operating Revenue		55,883	144,606	63,276	54,671

EXPENDITURE

Expenditure on activities	1	46,762	50,349	47,239	52,873
Finance costs	1	2,489	2,714	3,160	2,529
Depreciation & amortisation expense	5	3,081	3,446	3,599	3,639
Fair value losses		-	-	-	-
Other expenditure		475	-	-	-
Impairment		-	-	-	-
Total Operating Expenditure		52,807	56,509	53,998	59,041

OPERATING SURPLUS

Operating Surplus Before Income Tax		3,076	88,097	9,278	(4,370)
Income tax expense		-	-	-	-
Operating Surplus After Income Tax		3,076	88,097	9,278	(4,370)

OTHER COMPREHENSIVE REVENUE AND EXPENSE

Gain / (loss) in other financial assets		58,879	11,200	-	-
Gain / (loss) in revalued intangible assets		1,290	(8,985)	38,303	37,892
Gain / (loss) in revalued managed funds		6,364	2,680	2,734	3,178
Gain / (loss) in revalued property, plant and equipment assets		-	-	-	-
Total Other Comprehensive Revenue and Expense		66,533	4,895	41,037	41,070
TOTAL COMPREHENSIVE REVENUE AND EXPENSE		69,609	92,992	50,314	36,701

Statement For General Funding Position**CAPITAL EXPENDITURE**

Property, plant, equipment & intangible assets	5		7,633	5,213	8,011
Infrastructure assets - flood & drainage			3,920	4,396	2,839
Infrastructure assets - open spaces & regional assets			160	160	227
Forestry assets			207	265	250
Community net lending from reserves			250	3,021	-
Sustainable homes net lending			168	963	953
Regional Freshwater Security			3,086	-	1,574
Advances to Napier / Gisborne rail & Investment Company			-	-	-
Public debt repayments	4(a)		4,879	5,904	4,883
Total Capital Expenditure			20,303	19,922	18,737

RESERVE AND PUBLIC DEBT FUNDING

Reserves funding	6		(75,284)	5,813	8,113
Public debt funding	4(a)		10,386	9,250	19,029
Leasehold annuity funding			-	-	-
Fair value gains on investments	7(a)		(3,137)	(3,502)	(3,118)
Fair value gains on other comprehensive income			(4,895)	(41,037)	(41,070)
Reduction in ACC Leasehold Liability			(936)	(917)	(917)
Total Reserve & Loan Funding			(73,867)	(30,392)	(17,963)
UNDERLYING SURPLUS / (DEFICIT)	8		(1,177)	0	0

Prospective Statement of Changes In Net Assets / Equity

	Note	Annual Report 2018/19 (\$'000)	Year 1 LTP 2019/20 (\$'000)	Year 2 LTP 2020/21 (\$'000)	Annual Plan 2020/21 (\$'000)
Net Assets / Equity at the Start of the Year		595,746	604,014	668,357	758,346
Total Comprehensive Revenue and Expense		69,608	92,992	50,314	36,701
		69,608	92,992	50,314	36,701
Net Assets / Equity at the End of the Year		665,354	697,006	718,671	795,047

Prospective Statement of Financial Position

	Note	Annual Report 2018/19 (\$'000)	Year 1 LTP 2019/20 (\$'000)	Year 2 LTP 2020/21 (\$'000)	Annual Plan 2020/21 (\$'000)
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ASSETS**Non Current Assets**

Property, plant & equipment		27,472	26,887	29,539	34,324
Intangible assets		7,347	8,127	7,051	9,580
Infrastructure assets		174,709	190,499	194,002	191,765
Investment property		48,393	52,596	60,108	53,286
Forestry assets		11,482	11,198	11,303	12,331
Finance assets		51,590	160,399	158,743	82,448
Investment in council-controlled organisations		340,396	274,515	277,303	390,303
Regional Freshwater Security		-	3,086	-	4,660
Napier / Gisborne rail lease		236	1,718	1,701	236
Total Non Current Assets		661,625	729,025	739,750	778,933

Current Assets

Inventories		113	122	35	113
Trade & other receivables		10,063	9,244	9,352	9,352
Finance assets		4,110	13,529	24,040	21,239
Advances to council-controlled organisations		6,500	-	-	-
Cash & cash equivalents		28,436	2,739	8,558	8,279
Total Current Assets		49,222	25,634	41,985	38,983
TOTAL ASSETS		710,847	754,659	781,735	817,915

NET ASSETS / EQUITY

Accumulated comprehensive revenue and expense	9	358,003	322,479	346,806	277,336
Fair value reserves	9	275,976	216,774	220,579	300,941
Other reserves	9	31,375	157,753	151,287	176,866
Total Net Assets / Equity		665,354	697,006	718,672	755,143

LIABILITIES**Non Current Liabilities**

Borrowings		17,685	27,745	29,224	35,072
ACC Leasehold Liability		11,282	12,465	15,154	9,201
Provisions for other liabilities & charges		519	710	724	753
Total Non Current Liabilities		29,486	40,920	45,102	45,026

Current Liabilities

Trade & other payables		9,320	9,620	9,814	9,620
Borrowings		3,900	4,879	6,235	6,235
ACC Leasehold Liability		668	1,238	896	896
Provisions for other liabilities & charges		2,119	997	1,016	997
Total Current Liabilities		16,007	16,733	17,961	17,747

Total Liabilities		45,493	57,653	63,063	62,772
TOTAL NET ASSETS / EQUITY AND LIABILITIES		710,847	754,659	781,735	817,915

Prospective Cash Flow Statement

	Note	Annual Report 2018/19 (\$'000)	Annual Plan 2019/20 (\$'000)	LTP Year 3 2020/21 (\$'000)	Annual Plan 2020/21 (\$'000)
CASH FLOW FROM OPERATING ACTIVITIES					
Cash to be provided from:					
Receipts from customers		9,905	13,003	13,082	12,474
Rates		23,186	24,642	26,435	24,640
Dividends received		10,000	90,900	8,000	3,000
Interest received		1,818	7,727	7,808	5,891
Grants		3,989	3,651	3,480	3,933
Other income		-	610	52	699
GST					
		48,898	140,533	58,857	50,637
Cash to be applied to:					
Payments to suppliers		24,707	26,973	25,729	28,277
Payments to and behalf of employees		20,394	22,154	20,231	24,028
Finance expense		2,489	2,714	3,160	2,529
		47,590	51,841	49,120	54,834
Net Cash Flows from Operating Activities		1,308	88,692	9,737	(4,198)
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash to be provided from:					
Disposal of property, plant & equipment		146	310	477	454
Disposal of investment properties		4,139	-	-	-
Disposal of financial assets		59,069	15,534	11,346	-
Disposal of forestry assets		-	485	5	485
		63,354	16,329	11,828	939
Cash to be applied to:					
Purchase of property, plant & equipment		2,370	5,483	4,883	6,331
Purchase of intangible assets		1,218	2,150	330	1,680
Construction of infrastructure assets		2,390	4,080	4,556	3,066
Community lending		-	418	3,984	953
Purchase of financial assets		46,018	97,663	8,732	-
Forestry asset development		-	207	265	250
Advances to Investment Company		6,500	-	-	-
Water Augmentation		-	3,086	-	1,574
		58,496	113,087	22,750	13,854
Net Cash Flows from Investing Activities		4,858	(96,758)	(10,922)	(12,915)
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash to be provided from:					
Loans drawn		3,900	10,386	9,250	19,029
		3,900	10,386	9,250	19,029
Cash to be applied to:					
Loans repaid		5,340	4,879	5,904	4,883
Leasehold freeholding proceeds paid to ACC		3,599	1,222	1,279	1,279
		8,939	6,101	7,183	6,161
Net Cash Flows from Financing Activities		(5,039)	4,285	2,067	12,867
Net Increase / (Decrease) in Cash & cash equivalents		1,127	(3,781)	882	(4,245)
Opening cash & cash equivalents		27,309	6,520	7,676	12,524
Closing Cash & cash equivalents		28,436	2,739	8,558	8,279

Note 1 - Activity Revenue & Expenditure

	Note	Annual Report 2018/19 (\$'000)	Annual Plan 2019/20 (\$'000)	LTP Year 3 2020/21 (\$'000)	Annual Plan 2020/21 (\$'000)
REVENUE					
Groups of Activities					
Strategic Planning		-	-	-	-
Asset Management		2,974	2,165	2,582	2,744
Integrated Catchment Management		3,446	5,054	4,809	4,721
Consents & Compliance		1,904	3,026	3,063	2,218
Emergency Management		23	119	119	295
Transport		8	230	40	26
Governance & Partnerships		61	125	126	127
		8,416	10,719	10,739	10,131
Less Internal Revenue		-	-	-	-
TOTAL REVENUE FROM ACTIVITIES		8,416	10,719	10,739	10,131
EXPENDITURE					
Groups of Activities					
Strategic Planning		4,648	4,871	5,048	4,758
Asset Management		11,209	11,948	10,900	11,896
Integrated Catchment Management		19,935	22,327	20,621	23,688
Consents & Compliance		4,057	5,013	4,979	6,062
Emergency Management		1,915	2,396	2,455	2,660
Transport		5,058	5,410	4,952	5,447
Governance & Partnerships		3,748	3,171	3,509	2,988
		50,570	55,136	52,464	57,499
Less Internal Expenditure		(180)	(181)	(185)	(185)
Total Group Activities		50,390	54,955	52,279	57,314
Other Activities					
Regional Income Collection Expenditure		1,942	1,544	1,719	1,727
Interest Paid on Regional Income Loans		-	-	-	-
Total Other Activities		1,942	1,544	1,719	1,727
Less finance costs					
- interest on borrowings		(1,238)	(1,492)	(1,881)	(1,250)
- payments associated with the transfer of Napier leasehold cashflows to ACC		(1,251)	(1,222)	(1,279)	(1,279)
Total finance costs		(2,489)	(2,714)	(3,160)	(2,529)
Less depreciation and amortisation expense		(3,081)	(3,446)	(3,599)	(3,639)
TOTAL EXPENDITURE ON ACTIVITIES		46,762	50,349	47,239	52,873

Notes 2 & 3 - Rates & Other Revenue

Note	Annual Report 2018/19 (\$'000)	Annual Plan 2019/20 (\$'000)	LTP Year 3 2020/21 (\$'000)	Annual Plan 2020/21 (\$'000)
Note 2: Rates				
General Funding Rates				
Uniform Annual General Charge (UAGC)	2,804	2,836	2,813	2,823
General Rate on Land Value	4,553	5,591	6,580	5,604
Total General Funding Rates	7,357	8,427	9,393	8,427
Targeted Rates				
Upper Tukituki Catchment Control Scheme	708	722	748	722
Separate Flood Control & Drainage Schemes	553	565	575	564
Wairoa Rivers & Streams Scheme	166	171	176	171
Central & Southern Areas Rivers & Streams Scheme	238	243	248	243
Heretaunga Plains Flood Control & Drainage Schemes	5,248	5,370	5,559	5,370
Biosecurity Schemes	1,830	1,887	2,182	1,887
Subsidised Public Transport	1,620	1,653	1,686	1,653
Clean Heat Administration Rate	583	583	583	583
Sustainable Land Management	783	851	983	851
Economic Development Rate	1,850	1,871	1,942	1,871
Coastal Erosion Rate	169	169	169	169
Emergency Management Uniform Annual Charge	2,130	2,130	2,191	2,129
Total Targeted Rates	15,878	16,215	17,042	16,213
Remissions	(49)			
TOTAL RATES	23,186	24,642	26,435	24,640

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	90,900	8,000	3,000
Interest	2,576	7,727	7,808	5,891
Leasehold rents	1,818	2,284	2,343	2,343
Forestry income	23	582	52	532
Subvention payments	32	28	-	-
Other income	-	-	-	167
Net gain / (loss) on disposal of assets	41	-	-	-
TOTAL OTHER INCOME	14,490	101,521	18,203	11,933

* These dividends include proceeds from the dilution of ownership of Napier Port and Year 2 dividend based on 55% ownership, rather than 100%. This is reflected in the Amended 2018-28 Long Term Plan.

Note 4(a) - External Debt & Interest Expense

Note	Annual Report 2018/19 (\$'000)	Annual Plan 2019/20 (\$'000)	LTP Year 3 2020/21 (\$'000)	Annual Plan 2020/21 (\$'000)
LOAN REQUIREMENTS				
New Borrowings				
Sustainable Homes Advances to Householders	59	2,750	3,110	3,527
Systems Integration Loans	1,215	1,850	330	1,913
Public Good Capital Assets Loans	256	160	160	230
Additional Building Loan	-	1,000	2,000	2,000
HBRC Recovery Fund	-	-	-	1,000
Science Loans	192	2,538	150	525
Integrated Catchment Activities Loans	738	2,088	3,500	2,250
Borrowing to Fund Covid 19 budget impacts	-	-	-	7,584
Total New Borrowings	2,460	10,386	9,250	19,029
Principal Repayments				
Sustainable Homes Advances to Householders	2,233	2,491	2,868	2,573
Solar Water Advances to Householders	-	-	-	-
Systems Integration Loans	440	603	657	735
Operations Group and Wairoa Office Extensions	60	60	60	60
Technical Equipment Loan (Monitoring Bores)	10	10	10	10
LiDAR Loan	-	-	-	30
HPFCS Flood & River Scheme Loan	45	45	45	45
Karamū & Tributaries Scheme Loan	40	40	-	-
Public Good Capital Assets Purchases	748	752	688	666
Upper Tukituki Scheme Loans	30	30	10	10
Additional Building Loan	61	88	231	81
Science Loans	214	375	448	365
Public Consultation on Oil & Gas Energy Engagement	20	20	20	20
Integrated Catchment Activities Loans	-	365	667	288
Building Mechanical Services Upgrade	-	-	200	-
Total Principal Repayments	3,900	4,879	5,904	4,883
TOTAL LOAN MOVEMENT	(1,440)	5,507	3,346	14,146
Loan Balances				
Sustainable Homes Advances to Householders	12,141	13,164	14,515	14,152
Systems Integration Loans	3,111	4,199	3,810	5,537
Operations Group and Wairoa Office Extensions	330	270	210	210
Technical Equipment Loan (Monitoring Bores)	20	10	-	-
HPFCS Flood & River Scheme Loan	115	70	25	25
Karamū & Tributaries Scheme Loan	40	-	-	-
Public Good Capital Assets Purchases	3,024	2,424	1,956	1,997
Upper Tukituki Scheme Loans	40	10	-	-
Additional Building Loan	77	1,200	2,827	1,959
HBRC Recovery Fund	-	-	-	1,000
Science Loans	1,838	4,127	3,509	4,184
Public Consultation on Oil & Gas Energy Engagement	110	90	70	70
Integrated Catchment Activities Loans	738	7,060	6,837	4,590
Borrowing to Fund Covid 19 budget impacts	-	-	-	7,584
Building Mechanical Services Upgrade	-	-	1,700	-
Total Outstanding Loan Balances	21,585	32,624	35,460	41,307
Loan Interest Expense				
Sustainable Homes Advances to Householders	11	672	779	632
Solar Water Advances to Householders	22	-	-	-
Systems Integration Loans	-	166	209	192
Operations Group Office Extensions	-	17	14	14
Technical Equipment Loan (Monitoring Bores)	2	1	-	-
HPFCS Flood & River Scheme Loan	6	5	3	3
Karamū & Tributaries Scheme Loan	7	1	-	-
Public Good Capital Assets Purchases	235	158	131	120
Upper Tukituki Scheme Loans	6	2	-	-
Additional Building Loan	-	44	134	36
Science Loans	37	170	197	149
Public Consultation on Oil & Gas Energy Engagement	-	6	5	5
Integrated Catchment Activities Loans	-	249	312	100
Building Mechanical Services Upgrade	-	-	98	-
TOTAL LOAN INTEREST EXPENSE	333	1,492	1,881	1,250

Note 4(b) - Internal Debt & Interest Expense

	Note	Annual Report 2018/19 (\$'000)	Annual Plan 2019/20 (\$'000)	LTP Year 3 2020/21 (\$'000)	Annual Plan 2020/21 (\$'000)
Loan Requirements					
New Borrowings					
Hydrology Equipment		100	250	250	-
Transport Electronic Ticketing		96	154	-	-
Biodiversity Loan		100	100	100	100
Total New Borrowings		296	504	350	100
Principal Repayments					
Computer Equipment		60	80	80	80
Hydrology Equipment		160	170	208	208
Makara Scheme Loan		7	9	9	9
Transport Electronic Ticketing		4	25	25	25
Biodiversity Loan		-	15	25	20
Tangoio Easements		-	-	10	10
Total Principal Repayments		231	299	357	352
TOTAL LOAN MOVEMENT		65	205	(7)	(252)
Loan Balances					
Computer Equipment		340	260	180	180
Hydrology Equipment		916	1,000	1,025	793
Makara Scheme Loan		193	184	201	175
Transport Electronic Ticketing		136	261	175	236
Biodiversity Loan		100	185	255	265
Tangoio Easements		100	100	70	90
Total Outstanding Loan Balances		1,785	1,990	1,906	1,739
Loan Interest Expense					
Computer Equipment		11	11	8	8
Hydrology Equipment		26	28	38	38
Makara Scheme Loan		6	7	8	7
Transport Electronic Ticketing		-	8	8	6
Biodiversity Loan		-	6	10	10
Tangoio Easements		-	4	3	4
TOTAL LOAN INTEREST EXPENSE		43	63	75	72

Note 5 - Depreciation & Amortisation

	Note	Annual Report 2018/19 (\$'000)	Annual Plan 2019/20 (\$'000)	LTP Year 3 2020/21 (\$'000)	Annual Plan 2020/21 (\$'000)
Capital Expenditure on Property, Plant & Equipment					
Land and Buildings		224	-	3,000	2,223
HBRC Recovery Fund		-	-	-	1,000
Motor Vehicles and Plant		942	1,273	928	1,256
Science Equipment		544	3,138	597	972
Technical Equipment		95	177	23	23
Computer Equipment		278	870	310	733
Office Furniture and Equipment		267	25	25	124
Intangible Assets - Other		1,218	2,150	330	1,680
Capital Work in Progress		101	-	-	-
Total Capital Expenditure on Property, Plant & Equipment		3,669	7,633	5,213	8,011
Proceeds of Property, Plant & Equipment Disposals					
Land and Buildings		-	-	-	-
Motor Vehicles and Plant		146	310	477	454
Total Proceeds from Disposal of Property, Plant & Equipment		146	310	477	454
Depreciation on Property, Plant & Equipment					
Buildings		450	410	601	601
Motor Vehicles and Plant		646	553	484	514
Hydrological Equipment		427	533	633	633
Technical Equipment		64	71	80	90
Computer Equipment		308	350	317	317
Office Furniture and Equipment		68	45	81	81
Intangible Assets (Amortisation)		434	858	739	739
Property, Plant & Equipment Asset Depreciation		2,397	2,820	2,935	2,975
Depreciation on Infrastructure Assets					
Infrastructure Assets		684	626	664	664
Infrastructure Asset Depreciation		684	626	664	664
TOTAL DEPRECIATION & AMORTISATION		3,081	3,446	3,599	3,639

Note 6 & 7 - Reserve Movements & Fair Value Gains

	Note	Annual Plan 2019/20 (\$'000)	LTP Year 3 2020/21 (\$'000)	Annual Plan 2020/21 (\$'000)
Note 6: Funding from Reserves				
Project Scheme Reserves		510	22	1,348
Dividend Equalisation Reserve		(1,888)	(1)	-
Tangoio Soil Conservation Forestry Reserve		-	-	52
Asset Replacement Reserve		4,728	6,608	3,839
Infrastructure Asset Depreciation Reserve - Other Movement		(116)	(92)	894
Sale of Land Investment Reserve		(83,000)	-	1,604
Sale of Land Non-Investment Reserve		2,950	3,534	670
Council Disaster Damage Reserves		868	719	(114)
Scheme Disaster Damage Reserves		(187)	(224)	(134)
Other Reserves		(69)	223	(44)
Total Net Funding from Reserves		(76,204)	10,790	8,115

Note 7a: Fair Value Gains from Investments

Investment Property at beginning of year		50,123	57,246	50,866
Additions		-	-	-
Disposals		-	-	-
Movement during the year		-	-	-
Fair value gains (included in statement of comprehensive revenue and expense)		2,473	2,862	2,420
Investment Property at end of year		52,596	60,108	53,286

Note 7a: Fair Value Gains from Forestry Assets

Forestry Assets at beginning of year		10,812	10,404	11,868
Additions		207	265	250
Disposals		(485)	(5)	(485)
Movement during the year		(278)	260	(235)
Fair value gains (included in statement of comprehensive revenue and expense)		664	640	698
Forestry Assets at end of year		11,198	11,303	12,331
Other fair value gains (included in the statement of comprehensive revenue and expense)		-	-	-
Total Fair value gains & losses (included in statement of comprehensive revenue and expense)		3,137	3,502	3,118

Note 8 - Reconciliation to Underlying Surplus / (Deficit)

	Note	Annual Plan 2019/20 (\$'000)	LTP Year 3 2020/21 (\$'000)	Annual Plan 2020/21 (\$'000)
Note 8: Underlying Surplus / (Deficit) Reconciliation				
Groups of Activities Underlying Surplus / (Deficits)				
<i>[From Cost of Service Statements]</i>				
Strategic Planning		(2,619)	(2,832)	(2,607)
Land Drainage and River Control		(3,416)	(3,079)	(3,265)
Regional Resources		(12,686)	(12,393)	(12,877)
Regulation		(1,968)	(1,845)	(3,769)
Emergency Management		(138)	(154)	(162)
Transport		(218)	(173)	(197)
Governance & Community Engagement		(2,940)	(3,300)	(2,779)
Less Internal Expenditure & Income	1	181	185	185
Regional Income Collection	1	(1,554)	(1,719)	(1,727)
Fair Value Losses		-	-	-
Total Groups of Activities Surplus / (Deficit)		(25,358)	(25,310)	(27,198)
Less Capital Expenditure				
<i>[From Statement of Comprehensive Revenue and Expense]</i>				
Capital Expenditure		(20,303)	(19,922)	(18,737)
Add Back:				
Capital Expenditure in Groups of Activities		10,879	15,779	10,086
Total Non-Groups of Activities Capital Expenditure		(9,424)	(4,143)	(8,651)
Plus General Funding				
Revenue from Rates	2	24,642	26,435	24,640
Other Revenue	3	101,521	18,203	11,933
Grants [From Statement of Comprehensive Revenue and Expense]		3,651	3,480	3,933
Loan Funding	4	10,386	9,250	19,029
Less:				
Other Revenue in Groups of Activities		(27,607)	(30,298)	(28,692)
Other expenditure		-	-	-
Total Non-Groups of Activities General Funding		112,593	27,070	30,842
Plus / (Less) Reserves Funding				
<i>[From Statement of Comprehensive Revenue and Expense]</i>				
Reserves Funding	6	(75,284)	5,812	8,114
Less:				
Reserves Funding in Groups of Activities		(3,704)	(3,429)	(3,108)
Total Non-Groups of Activities Reserves & Loan Funding		(78,988)	2,383	5,006
Underlying Surplus / (Deficit)		(1,177)	0	0

Note 9 - Council Reserve Funds

	Accumulated Funds (1) (\$'000)	Infrastructure Asset Renewal (2) (\$'000)	Wairoa Rivers & Streams (3) (\$'000)	Special Scheme (4) (\$'000)	Investment Income 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)	Tangoio Soil Conservation (11) (\$'000)	Maungaharuru Tangitu (12) (\$'000)	Port IPO Future Investment Fund (13) (\$'000)	Sale of Land Investment (14) (\$'000)	Sale of Land Non-Investment (15) (\$'000)	Rabbit (16) (\$'000)	Ngāti Pahauwera (17) (\$'000)	Total Other Reserves (18) (\$'000)	Fair Value Reserves (19) (\$'000)
ANNUAL PLAN 2019/20																			
At 1 July 2020	243,759	3,082	654	2,430	-	-	1,055	2,421	3,879	183	2,293	396	107,300	54,913	1,236	72	76	179,989	280,871
Deposits in year	687	1,042				3,430	123	205	66	56				741	3		98,534	6,353	41,070
Withdrawals in year	(984)		(1,185)			(4,067)				(108)			(2,254)	(878)			(14,663)	(9,477)	
At 30 June 2020	2,785	1,696	1,245	-	-	417	2,544	4,084	249	2,241	396	107,300	52,659	1,099	75	76		176,866	321,941

Related Activities to Reserve Funds

	Accumulated Funds (1) (\$'000)	Infrastructure Asset Renewal (2) (\$'000)	Wairoa Rivers & Streams (3) (\$'000)	Special Scheme (4) (\$'000)	Investment Income 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)	Tangoio Soil Conservation (11) (\$'000)	Maungaharuru Tangitu (12) (\$'000)	Port IPO Future Investment Fund (13) (\$'000)	Sale of Land Investment (14) (\$'000)	Sale of Land Non-Investment (15) (\$'000)	Rabbit (16) (\$'000)	Ngāti Pahauwera (17) (\$'000)	Total Other Reserves (18) (\$'000)	Fair Value Reserves (19) (\$'000)
ACTIVITIES ^{1/1} denotes related activity																			
Strategic Planning	✓						✓												
Land Drainage and River Control	✓	✓	✓	✓			✓	✓	✓	✓									✓
Regional Resources	✓			✓			✓				✓	✓		✓					✓
Regulation	✓			✓			✓												
Biosecurity	✓			✓			✓									✓			
Emergency Management	✓			✓			✓												✓
Transport	✓			✓			✓												
Governance & Community Engagement	✓												✓	✓					
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 Maungaharuru Tangitu	A reserve established for the Maungaharuru - Tangitu catchment fund. This is funded from a yearly contribution from the Tangoio soil conservation reserve.
13 Napier Port IPO Future Investment Fund	A reserve established to hold the proceeds of the Napier Port IPO proceeds which are to be invested with the revenue used to offset operating expenses each year and with a target for the fund to grow by 2% per annum
14 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. Council has also resolved to maintain an investment fund of \$50m out of the remaining funds set aside from the RWSS project. The income from the funds invested is used to fund operations each year."
15 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.
16 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.
17 Ngāti Pahauwera reserve	A reserve established to ring-fence funding for Ngāti Pahauwera Rivers Initiatives. For the clean up of the Mohaka, Waikari and Waihua Rivers and their catchments.
18 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.

	Annual Plan 2019/20 (\$'000)	LTP Year 3 2020/21 (\$'000)	Annual Plan 2020/21 (\$'000)
Sources of operating funding			
General rates & uniform annual general charges, rates penalties	8,427	9,393	8,427
Targeted rates	16,215	17,042	16,213
Subsidies & grants for operating purposes	3,651	3,480	3,933
Fees & charges	10,719	10,739	10,131
Interest & dividends from investments	98,627	15,808	8,891
Local authorities fuel tax, fines, infringement fees & other receipts	2,894	2,395	3,042
Total operating funding	140,533	58,857	50,637
Applications of operating funding			
Payments to staff & suppliers	50,349	47,239	52,873
Finance costs	2,714	3,160	2,529
Other operating funding applications	-	-	-
Total applications of operating funding	53,063	50,399	55,402
Surplus / (deficit) of operating funding	87,470	8,458	(4,765)
Sources of capital funding			
Subsidies & grants for capital expenditure	2,314	2,626	-
Development & financial contributions	-	-	-
Increase / (decrease) in debt	5,506	3,346	13,193
Gross proceeds from sale of assets	795	482	454
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	8,615	6,454	13,647
Applications of capital funding			
Capital expenditure:			
- to meet additional demand	160	3,160	2,627
- to improve the level of service	5,662	2,195	2,090
- to replace existing assets	8,977	4,679	7,934
	14,799	10,034	12,651
Increase / (decrease) in reserves	78,347	(2,001)	(4,005)
Increase / (decrease) of investments	2,939	6,879	235
Total application of capital funding	96,085	14,912	8,881
Surplus / (deficit) of capital funding	(87,470)	(8,458)	4,766
Funding balance	-	-	-
Reconciliation from Funding Impact Statement to of Comprehensive Revenue and Expenditure Statement			
Surplus / (deficit) of operating funding (above)	87,470	8,458	(4,765)
Depreciation & amortisation expense	(3,446)	(3,599)	(3,639)
Reduction in ACC Leasehold Liability	936	917	917
Fair value gains on investments	3,137	3,502	3,118
Gain/Loss on Sale			
Other			
Operating Surplus After Income Tax per Statement of Comprehensive Revenue and Expenditure	88,097	9,278	(4,370)

Annual Plan Disclosure Statement**Annual Plan disclosure statement for the year ending 30 June 2021**

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 2020/21	Achieved
Rates Affordability Benchmark		
Total rates revenue will not exceed 50% of total revenue	45.07%	YES
Annual rate increase will not exceed 8% of operating expenditure	0.00%	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%	0.00%	YES
Interest / Annual rates income not exceed 20%	4.76%	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%	92.60%	NO
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%	427.56%	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%	2.29%	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
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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 2020/21 financial year are due and payable on 20 September 2020. 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 2021. A further 10% will be charged on total rates, including penalties outstanding on 1 July 2021.

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.

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 26.6% of Council's total rates in 2020-21 and are therefore within the limits prescribed 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		Emerson St Napier		Lyndon Rd Hastings	
		2019-20	2020-21	2019-20	2020-21	2019-20	2020-21
Details for Comparison							
Capital Value	CV	3,300,000	3,300,000	2,060,000	2,060,000	5,650,000	6,570,000
Land Value	LV	1,200,000	1,200,000	530,000	530,000	1,390,000	1,530,000
Area (Hectares)	Area	0.4011	0.4011	0.0401	0.0401	0.3220	0.3220
Rates	Basis	\$	\$	\$	\$	\$	\$
General Rate	LV	369.12	337.80	163.03	149.20	456.89	354.04
UAGC Fixed Amount	Fixed	44.93	45.07	89.86	90.14	44.93	45.07
General Funded Rates		414.05	382.87	252.89	239.34	501.82	399.11
HPFCS F1Direct	CV	305.91	291.39			579.69	466.47
HPFCS F2 Indirect	CV	74.58	72.60	46.56	45.32	141.82	116.29
D2 Karamū & Tributaries	LV					512.91	345.63
Public Transport	LV	242.16	226.68	106.95	100.12	299.68	237.61
Central Stream/Drains	CV	23.10	22.11	14.42	13.80	44.07	35.48
Clean Heat/Healthy Homes	LV	77.04	71.04	34.03	31.38	95.35	74.51
Economic Development	CV	1,057.32	1,089.33	660.02	680.01	2,005.19	1,743.02
Meeanee Napr Puketapu	LV	260.64	256.32				
Upper Tuki Tuki Scheme u4	LV						
Coastal Hazards	Fixed	3.20	3.18	6.40	6.36	3.20	3.18
Wairoa River Scheme	CV						
Emergency Management	Fixed	33.94	34.05	67.88	68.09	33.94	34.05
Targeted Rates		2,077.89	2,066.70	936.26	945.08	3,715.85	3,056.24
TOTAL RATES		2,491.94	2,449.57	1,189.15	1,184.42	4,217.67	3,455.35
Dollar Increase			- 42.37		- 4.73		- 762.32
Percentage Increase			-1.70%		-0.40%		-18.07%

Note: The above rates are indicative based on the values of sample properties chosen. The change in rates will vary between properties based on the property values and, in the case of properties in the Hastings District, the amount of the increase in property values following the 2019 revaluation, relative to other properties.

(continued)									
Description of rates	Rating Basis	Hastings Industrial		Hastings Shop		Waipukurau Office		Wairoa Shops	
		2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21
Details for Comparison									
Capital Value	CV	2,230,000	3,500,000	560,000	700,000	210,000	210,000	185,000	185,000
Land Value	LV	590,000	1,000,000	460,000	600,000	60,000	60,000	80,000	80,000
Area (Hectares)	Area	0.4708	0.2022	0.0941	0.0941	0.0717	0.0717	0.2022	0.2022
Rates	Basis	\$	\$	\$	\$	\$	\$	\$	\$
General Rate	LV	193.93	231.40	151.20	138.84	16.34	15.54	21.75	21.48
UAGC Fixed Amount	Fixed	44.93	45.07	44.93	45.07	44.93	45.07	44.93	45.07
General Funded Rates		238.86	276.47	196.13	183.91	61.27	60.61	66.68	66.55
HPFCS F1Direct	CV	228.80	248.50	57.46	49.70				
HPFCS F2 Indirect	CV	55.97	61.95	14.06	12.39				
D2 Karamū & Tributaries	LV	870.78	903.50	169.74	135.54				
Public Transport	LV	127.20	155.30	99.18	93.18				
Central Stream/Drains	CV	17.39	18.90	4.37	3.78	1.30	1.30		
Clean Heat/Healthy Homes	LV	40.47	48.70	31.56	29.22				
Economic Development	CV	791.43	928.55	198.74	185.71	59.45	64.07	52.28	57.78
Meeanee Napr Puketapu	LV								
Upper Tuki Tuki Scheme u4	LV					2.71	2.66		
Coastal Hazards	Fixed	3.20	3.18	3.20	3.18				
Wairoa River Scheme	CV							16.28	16.13
Emergency Management	Fixed	33.94	34.05	33.94	34.05	33.94	34.05	33.94	34.05
Targeted Rates		2,169.18	2,402.63	612.25	546.75	97.40	102.08	102.50	107.96
TOTAL RATES		2,408.04	2,679.10	808.38	730.66	158.67	162.69	169.18	174.51
Dollar Increase			271.06		- 77.72		4.02		5.33
Percentage Increase			11.26%		-9.61%		2.53%		3.15%

Note: The above rates are indicative based on the values of sample properties chosen. The change in rates will vary between properties based on the property values and, in the case of properties in the Hastings District, the amount of the increase in property values following the 2019 revaluation, relative to other properties.

Comparison of Rates on Specific Urban Properties									
Description of rates	Rating Basis	Napier Hill		Napier South		Flaxmere		Havelock North	
		2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21
Details for Comparison									
Capital Value	CV	1,010,000	1,010,000	375,000	375,000	136,000	240,000	750,000	1,000,000
Land Value	LV	375,000	375,000	225,000	225,000	33,000	66,000	320,000	450,000
Area (Hectares)	Area	0.0760	0.0760	0.0650	0.0650	0.000	0.000	0.0777	0.0777
Rates	Basis	\$	\$	\$	\$	\$	\$	\$	\$
General Rate	LV	115.35	105.56	69.21	63.34	10.85	15.27	105.18	104.13
UAGC Fixed Amount	Fixed	44.93	45.07	44.93	45.07	44.93	45.07	44.93	45.07
General Funded Rates		160.28	150.63	114.14	108.41	55.78	60.34	150.11	149.20
HPFCS FIDirect	CV			34.76	33.11	13.95	17.04		
HPFCS F2 Indirect	CV	22.83	22.22	8.48	8.25	3.41	4.25	18.83	17.70
Di (N) Meeanee Puketapu	LV			48.87	48.06				
Public Transport	LV	75.68	70.84	45.41	42.50	7.11	10.25	68.99	69.89
Central Stream/Drains	CV	7.07	6.77	2.63	2.51	1.06	1.30	5.85	5.40
Karamū & Tributaries	LV					12.18	14.91	12.37	12.35
Karamū Enhancement	Fixed							11.56	11.55
Coastal Hazards	Fixed	3.20	3.18	3.20	3.18	3.20	3.18	3.20	3.18
Clean Heat/Healthy Homes	LV	24.08	22.20	14.45	13.32	2.26	3.21	21.95	21.92
Economic Development	Fixed	9.76	9.78	9.76	9.78	9.76	9.78	9.76	9.78
Emergency Management	Fixed	33.94	34.05	33.94	34.05	33.94	34.05	33.94	34.05
Targeted Rates		176.56	169.04	201.50	194.76	86.87	97.97	186.45	185.82
TOTAL RATES		336.84	319.67	315.64	303.17	142.65	158.31	336.56	335.02
Dollar Increase			-17.17		-12.47		15.66		-1.54
Percentage Increase			-5.10%		-3.95%		10.98%		-0.46%

Note: The above rates are indicative based on the values of sample properties chosen. The change in rates will vary between properties based on the property values and, in the case of properties in the Hastings District, the amount of the increase in property values following the 2019 revaluation, relative to other properties.

(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	630,000	175,000	175,000	485,000	485,000
Land Value	LV	330,000	330,000	200,000	300,000	60,000	60,000	170,000	170,000
Area (Hectares)	Area	0.1105	0.1105	0.1012	0.1012	0.1832	0.1832	0.1407	0.1407
Rates	Basis	\$	\$	\$	\$	\$	\$	\$	\$
General Rate	LV	101.51	92.90	65.74	69.42	16.31	16.11	46.31	44.03
UAGC Fixed Amount	Fixed	44.93	45.07	44.93	45.07	44.93	45.07	44.93	45.07
General Funded Rates		146.44	137.97	110.67	114.49	61.24	61.18	91.24	89.10
HPFCS FIDirect	CV	53.77	51.21	44.12	44.73				
HPFCS F2 Indirect	CV	13.11	12.76	10.79	11.15				
D1 (N) Meeanee Puketapu	LV	71.68	70.49						
Public Transport	LV	66.59	62.34	43.12	46.59				
Central Stream/Drains	CV	4.06	3.89	3.35	3.40			3.01	3.01
Wairoa Rivers/Streams	CV					15.40	15.26		
UTTFCS								7.67	7.55
D2 Karamū & Tributaries				73.80	67.80				
Coastal Hazards	Fixed	3.20	3.18	3.20	3.18				
Clean Heat/Healthy Homes	LV	21.19	19.54	13.72	14.58				
Economic Development	Fixed	9.76	9.78	9.76	9.78	9.76	9.78	9.76	9.78
Emergency Management	Fixed	33.94	34.05	33.94	34.05	33.94	34.05	33.94	34.05
Targeted Rates		277.30	267.24	235.80	235.26	59.10	59.09	54.38	54.39
TOTAL RATES		423.74	405.21	346.47	349.75	120.34	120.27	145.62	143.49
Dollar Increase			-18.53		3.28		-0.07		-2.13
Percentage Increase			-4.37%		0.95%		-0.06%		-1.46%

Note: The above rates are indicative based on the values of sample properties chosen. The change in rates will vary between properties based on the property values and, in the case of properties in the Hastings District, the amount of the increase in property values following the 2019 revaluation, relative to other properties.

Comparison of Rural Rates in three Districts

Description of rates	Rating Basis	Hastings ¹		Hastings		Central HB	
		2019-20	2020-21	2019-20	2020-21	2019-20	2020-21
Details for Comparison							
Capital Value	CV	2,970,000	4,440,000	4,070,000	4,970,000	2,720,000	2,720,000
Land Value	LV	2,310,000	3,540,000	3,350,000	4,030,000	2,120,000	2,120,000
Area (Hectares)	Area	346.02	436.55	610.86	610.86	282.98	282.98
Rates	Basis	\$	\$	\$	\$	\$	\$
General Rate	LV	759.30	819.16	1,101.15	932.54	577.49	549.08
UAGC Fixed Amount	Fixed	44.93	45.07	44.93	45.07	44.93	45.07
General Funded Rates		804.23	864.23	1,146.08	977.61	622.42	594.15
HPFCS F2 Indirect	CV	74.55	78.59	102.16	87.97		
Central Stream/Drains	CV	23.17	23.98	31.75	26.84	16.86	16.86
Plant Pest	Area	195.69	247.24	345.48	345.95	160.04	160.26
Animal Pest Rate	Area	625.91	790.92	1,104.98	1,106.73	511.88	512.68
Land Management	Area	324.15	409.48	572.25	572.98	265.09	265.43
Pōrangahau Flood	LV					191.65	191.86
Wairoa River	CV						
Coastal Hazards	Fixed	3.20	3.18	3.20	3.18		
Upper Tukituki River	LV						
Economic Development	Fixed	9.76	9.78	9.76	9.78	9.76	9.78
Emergency Management		33.94	34.05	33.94	34.05	33.94	34.05
Targeted Rates		1,290.37	1,597.22	2,203.52	2,187.48	1,189.22	1,190.92
TOTAL RATES		2,094.60	2,461.45	3,349.60	3,165.09	1,811.64	1,785.07
Dollar Increase			366.85		-184.51		-26.57
Percentage Increase			17.51%		-5.51%		-1.47%

Note: The above rates are indicative based on the values of sample properties chosen. The change in rates will vary between properties based on the property values and, in the case of properties in the Hastings District, the amount of the increase in property values following the 2019 revaluation, relative to other properties.

¹ Increased area and value following land amalgamation.

(continued)

Description of rates	Rating Basis	Central HB		Wairoa		Wairoa	
		2019-20	2020-21	2019-20	2020-21	2019-20	2020-21
Details for Comparison							
Capital Value	CV	9,200,000	9,200,000	5,927,000	5,927,000	1,092,000	1,092,000
Land Value	LV	7,900,000	7,900,000	5,113,000	5,113,000	1,001,000	1,001,000
Area (Hectares)	Area	437.96	437.96	1,293.45	1,293.45	598.00	598.00
Rates	Basis	\$	\$	\$	\$	\$	\$
General Rate	LV	2,151.96	2,046.10	1,390.22	1,372.84	272.17	268.77
UAGC Fixed Amount	Fixed	44.93	45.07	89.86	90.14	44.93	45.07
General Funded Rates		2,196.89	2,091.17	1,480.08	1,462.98	317.10	313.84
HPFCS F2 Indirect	CV						
Central Stream/Drains	CV	57.04	57.35				
Plant Pest	Area	247.69	248.04	731.52	732.53	338.20	338.67
Animal Pest Rate	Area	792.23	793.48	2,339.72	2,343.42	379.89	379.79
Land Management	Area	410.28	410.81	1,211.69	1,213.25	560.20	560.92
Pōrangahau Flood	LV						
Wairoa River	CV			521.58	516.83	96.10	95.22
Coastal Hazards	Fixed						
Upper Tukituki River	LV	314.42	350.76				
Economic Development	Fixed	9.76	9.78	19.53	19.56	9.76	9.78
Emergency Management		33.94	34.05	67.88	68.09	33.94	34.05
Targeted Rates		1,865.36	1,904.27	4,891.92	4,893.68	1,418.09	1,418.43
TOTAL RATES		4,062.25	3,995.44	6,372.00	6,356.66	1,735.19	1,732.27
Dollar Increase			-66.81		-15.34		-2.92
Percentage Increase			-1.64%		-0.24%		-0.17%

Note: The above rates are indicative based on the values of sample properties chosen. The change in rates will vary between properties based on the property values.

Explanation of Rating Method – Types of Rates/ Activities Funded

Types of Rates	Activities Funded	Types of Land to be Rated	Basis of Rating (Local Govt (Rating) Act, Schedule 3)
General Rates	<ul style="list-style-type: none"> Consents and Compliance Integrated Catchment Management Governance and Partnerships Catchment works (part) Erosion Control Scheme 	All Rateable Rating Units within the Region	Land Value using Section 131 of the LGRA
Uniform Annual General Charges	<ul style="list-style-type: none"> Consents and Compliance Integrated Catchment Management Governance and Partnerships 	All Rateable Rating Units within the Region (Refer to Note 1 on following page)	UAGC per SUIP (Refer to Note 2 on following page) Section 15 LGRA (1)
Targeted Rates	Activities Funded	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	<ul style="list-style-type: none"> Catchment Works Direct Benefit F1 Direct Benefit F2 	Those 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	<ul style="list-style-type: none"> Catchment Works Direct Benefit 	Those Rating Units receiving direct benefit within one of 9 individual drainage catchment areas. 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 Karamū enhancement	Land Value/Area/Fixed
Upper Tukituki Catchment Control	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Catchment Works 	All Rating Units in the region excluding Wairoa District.	Equalised Capital Value
Wairoa River & Stream	<ul style="list-style-type: none"> Catchment Works 	All Rating Units in the Wairoa District.	Capital Value
Various Stream & Drainage Schemes	<ul style="list-style-type: none"> Catchment Works 	Location and use of properties with a service of stream and drainage works are provided	Differential Land Value, Area of land within a rating unit, or Fixed amount per Rating Unit
Animal and Plant Pest Control	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. Rating factors are divided into Northern (N) and Southern (S) areas with the Ngaruroro River being the divide. Taupō, Napier and Wairoa are Northern, Central Hawkes Bay and Rangitikei are Southern. Hastings area is included in both Northern and Southern.	Area/Use
	Regional Animal Pest Management Strategy	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

(continued)

Targeted Rates		Types of Land to be Rated (Local Government (Rating) Act, Schedule 2)	Basis of Rating (Local Govt (Rating) Act, Schedule 3)
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 QETI Open Space Covenants are not productive.	Area/Use
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.	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 per SUIP (Refer to Note 2 below)
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 per Rating Unit by location
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 Taupō districts	UTR per SUIP (Refer to Note 2 below)

Note 1: In the interest of overall impacts of rating on all ratepayers, the Council wishes to only collect approximately 26.6% of all its rates by using a fixed rate and setting the UAGC at \$45.07 achieves this objective.

Note 2: A Uniform Annual General Charge (UAGC) or Uniform Targeted Rate (UTR) is set on each separately used or inhabited part (SUIP) 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, license 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.

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

Groups of Activities / Rate Type	Districts	Rates set on	Differentials or Units of Charge	Calculation Factor Cents in \$	Estimated Rates Revenue 2020-21	Estimated amount of \$100,000 value per property	2019-20 Rate
General Rate							
	Napier City	Land Value		0.02815	\$1,794,761	\$28.15	\$1,950,405
	Hastings District	Land Value		0.02314	\$3,323,509	\$23.14	\$3,114,994
	Central H B District	Land Value		0.02590	\$932,336	\$25.90	\$977,047
	Wairoa District	Land Value		0.02685	\$394,901	\$26.85	\$397,536
	Taupō District	Land Value		0.02051	\$13,872	\$20.51	\$18,291
	Rangitikei District	Land Value		0.04569	\$12,871	\$45.69	\$13,977
	Estimate of Projected Valuation			\$6,472,251		\$6,472,250	
Uniform Annual General Charge							
			No. of SUIPs	per SUIP			
	Napier City	Fixed Amount	27,338	45.07	\$1,232,015	\$45.07	\$1,232,015
	Hastings District	Fixed Amount	33,563	45.07	\$1,512,551	\$45.07	\$1,512,551
	Central H B District	Fixed Amount	6,576	45.07	\$296,354	\$45.07	\$296,354
	Wairoa District	Fixed Amount	5,114	45.07	\$230,468	\$45.07	\$230,468
	Taupō District	Fixed Amount	55	45.07	\$2,479	\$45.07	\$2,479
	Rangitikei District	Fixed Amount	5	45.07	\$225	\$45.07	\$225
			72,651		\$3,274,093		\$3,274,093

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

Groups of Activities / Rate Type	Districts	Rates set on	Differentials or Units of Charge	Calculation Factor Cents in \$	Estimated Rates Revenue 2020-21	Estimated amount of \$100,000 value per property	2019-20 Rate
SUBSIDISED PUBLIC TRANSPORT RATE							
	Napier City	Land Value		0.01889	\$1,049,296	\$18.89	\$1,127,490
	Hastings District	Land Value		0.01553	\$861,557	\$15.53	\$780,726
	Clive	Land value		0.01553	\$18,258	\$15.53	\$20,894
	Estimate of Projected Valuation			\$1,929,111		\$1,929,110	
RIVER CONTROL							
Benefit							
Heretaunga Plains Flood Control Scheme							
	Napier City	Capital Value	Direct	0.00883	\$850,820	\$8.83	\$879,651
	Napier City	Capital Value	Indirect	0.00220	\$313,897	\$2.20	\$317,845
	Hastings District	Capital Value	Direct	0.00710	\$1,006,081	\$7.10	\$976,970
	Hastings District	Capital Value	Indirect	0.00177	\$481,918	\$1.77	\$478,249
					\$2,652,716		\$2,652,715
Upper Tukituki Flood Control Scheme							
	Central H B District	Land Value A	F1 100	0.44415	145,730	\$444.15	\$153,047
	Central H B District	Land Value B	F2 75	0.33311	212,228	\$333.11	\$213,679
	Central H B District	Land Value C	F3 50	0.22208	100,622	\$222.08	\$101,165
	Central H B District	Land Value D	F4 25	0.11104	129,672	\$111.04	\$132,440
	Central H B District	Land Value E	F5 10	0.04442	78,161	\$44.42	\$78,368
	Central H B District	Land Value F	F6 1	0.00444	89,097	\$4.44	\$77,236
	Central H B District	Land Value	U1 25	0.11104	42,552	\$111.04	\$43,266
	Central H B District	Land Value	U2 15	0.06662	7,210	\$66.62	\$7,324
	Central H B District	Land Value	U3 10	0.04442	10,976	\$44.42	\$11,150
	Central H B District	Land Value	U4 1	0.00444	9,232	\$4.44	\$9,208
	Hastings District	Land Value	F5 10	0.03968	\$1,619	\$39.68	\$1,138
	Hastings District	Land Value	F6 1	0.00397	\$3,066	\$3.97	\$2,144
					\$830,165		\$830,165
Coastal Hazards							
	Napier City	Fixed Amount	27,308	3.17899	\$86,906	\$3.18	\$86,967
	Hastings District	Fixed Amount	33,590	3.17899	\$106,898	\$3.18	\$106,837
			60,898		\$193,804		\$193,804
Wairoa River & Streams Scheme							
	Wairoa District	Capital Value		0.00872	196,986.95	\$8.72	\$196,987
Central & Southern Area Rivers & Streams							
	Napier City	Capital Value		0.00067	\$96,478	\$0.67	\$98,228
	Hastings District	Capital Value		0.00054	\$146,610	\$0.54	\$145,466
	Central HB District	Capital Value		0.00062	\$35,479	\$0.62	\$34,718
	Taupō District	Capital Value		0.00049	\$457	\$0.49	\$581
	Rangitikei District	Capital Value		0.00094	\$334	\$0.94	\$366
					\$279,359		\$279,359

(continued)							
Groups of Activities / Rate Type	Districts	Rates set on	Differentials or Units of Charge	Calculation Factor Cents in \$	Estimated Rates Revenue 2020-21	Estimated amount of \$100,000 value per property	2019-20 Rate
STREAMS AND DRAINS							
Napier Meeanee Puketapu							
	Napier City	Land Value	Urban	0.02136	\$845,316	\$21.36	\$848,021
	Napier City	Land Value	Industrial	0.08544	\$192,834	\$85.44	\$193,336
	Hastings District	Land Value	Rural	0.01756	\$26,838	\$17.56	\$23,632
					\$1,064,989		\$1,064,989
Karamū & Tributaries							
	Hastings District	Land Value	Urban	0.02259	\$998,914	\$22.59	\$1,010,619
	Hastings District	Land Value	Industrial	0.09035	\$343,556	\$90.35	\$331,851
					\$1,342,470		\$1,342,470
Raupare Enhancement	Hastings District	Area	1,172	1183.76	\$13,877	\$11.84	\$13,877
Raupare Twyford	Hastings District	Land Value	Rural	0.02793	\$165,591	\$27.93	\$165,591
Haumoana	Hastings District	Land Value	Rural	0.06689	\$157,144	\$66.89	\$157,144
Tūtaekuri Waimate Moteo	Hastings District	Land Value	Rural	0.08898	\$255,758	\$88.98	\$255,758
Pūkōwhai Brookfields	Hastings District	Land Value	Rural	0.09205	\$150,501	\$92.05	\$150,501
Puninga	Hastings District	Land Value	Rural	0.11773	\$82,541	\$117.73	\$82,541
Brookfields Awatoto	Napier City	Land Value	Urban	0.14142	\$111,962	\$141.42	\$117,133
	Napier City	Land Value	Industrial	0.56568	\$61,772	\$565.68	\$56,601
					\$999,145		\$999,146
Muddy Creek							
	Hastings District	Land Value	Urban	0.05599	\$214,364	\$55.99	\$231,950
	Hastings District	Land Value	Industrial	0.22397	\$61,076	\$223.97	\$43,490
					\$275,440		\$275,440
Karamū Drainage Mtce	Hastings District	Fixed Amount	6,073	12.34942	\$74,998	\$12.35	\$74,998
Karamū Enhancement	Hastings District	Fixed Amount	6,073	11.54504	\$70,113	\$11.55	\$70,113
Poukawa Drainage Special	Hastings District	Land Value	PO1	0.33022	\$36,469	\$330.22	\$36,386
	Hastings District	Land Value	PO2	0.05504	\$1,678	\$55.04	\$1,736
Rating Scheme	Hastings District	Land Value	PO3	0.01101	\$715	\$11.01	\$739
					\$38,862		\$38,861

(continued)							
Groups of Activities / Rate Type	Districts	Rates set on	Differentials or Units of Charge	Calculation Factor	Estimated Rates Revenue 2020-21	Estimated Amount per Hectare	2019-20 Rate
STREAMS AND DRAINS							
Pōrangahau Flood Control							
	Central HB District	Land Value	cents in \$	0.00905	\$42,435	\$9.05	\$42,435
Maratotara Flood Mtce							
	Hastings District	Capital Value	cents in \$	0.00623	\$13,030	\$6.23	\$13,030
Kairakau Community Scheme							
	Central HB District	Uniform Charge	84 SUIPs	124.82	\$10,485	\$124.82	\$10,485
Paeroa Drainage Scheme Special Rating Area							
	Wairoa District	Area Basis	P1	7,411.97	\$14,016	\$74.12	\$14,016
	Wairoa District	Area Basis	P2	4,817.78	\$5,668	\$48.18	\$5,668
	Wairoa District	Area Basis	P3	3,335.39	\$1,746	\$33.35	\$1,746
	Wairoa District	Area Basis	P4	2,594.19	\$1,135	\$25.94	\$1,135
	Wairoa District	Area Basis	P5	370.60	\$795	\$3.71	\$795
					\$23,360		\$23,360
Ohiua Whakaki Drainage Rating Scheme							
	Wairoa District	Area Basis	A	14,732.04	\$43,644	\$147.32	\$43,644
	Wairoa District	Area Basis	B	11,785.63	\$10,183	\$117.86	\$10,183
	Wairoa District	Area Basis	C	8,839.22	\$6,219	\$88.39	\$6,219
	Wairoa District	Area Basis	D	4,419.61	\$15,624	\$44.20	\$15,624
	Wairoa District	Area Basis	E	1,473.20	\$3,416	\$14.73	\$3,416
					\$79,086		\$79,086
Upper Makara Stream Catchment Special Rating Scheme							
	Central HB District	Area Basis	A	14,986.76	\$8,124	\$149.87	\$8,124
	Central HB District	Area Basis	B	11,989.41	\$22,600	\$119.89	\$22,600
	Central HB District	Area Basis	CE	9,741.39	\$34,503	\$97.41	\$34,503
	Central HB District	Area Basis	D	5,245.37	\$6,919	\$52.45	\$6,919
	Central HB District	Area Basis	E	749.34	\$17,276	\$7.49	\$17,276
	Central HB District	Area Basis	F	299.74	\$13,380	\$3.00	\$13,380
					\$102,802		\$102,802
Opoho Drainage/Stream							
	Wairoa District	Fixed Amount	A	15,348.00	\$15,348	\$15,348.00	\$15,348
	Wairoa District	Fixed Amount	B	5,723.00	\$5,723	\$5,723.00	\$5,723
	Wairoa District	Fixed Amount	C	2,289.00	\$2,289	\$2,289.00	\$2,289
					\$23,360		\$23,360

(continued)

Groups of Activities / Rate Type	Districts	Rates set on	Differentials or Units of Charge	Calculation Factor	Estimated Rates Revenue 2020-21	Estimated Amount per Hectare	2019-20 Rate
STREAMS AND DRAINS							
Esk River Maintenance				Cents per hectare			
	Hastings District	Area Basis	E1	1,970.12	\$4,397	\$19.70	\$4,397
	Hastings District	Area Basis	E2	1,296.77	\$1,819	\$12.97	\$1,820
	Hastings District	Area Basis	R11	1,963.94	\$606	\$19.64	\$606
	Hastings District	Area Basis	R12	8,141.42	\$379	\$81.41	\$379
	Hastings District	Area Basis	R13	27,580.59	\$379	\$275.81	\$379
					\$7,581		\$7,581
DRAINAGE SCHEMES							
Whirinaki Stream Maintenance				cents per Hectare			
	Hastings District	Area Basis	W1	20,527.57	\$6,339	\$205.28	\$6,215
	Hastings District	Area Basis	W2	11,066.01	\$515	\$110.66	\$515
	Hastings District	Area Basis	W3	37,488.18	\$515	\$374.88	\$515
	Hastings District	Area Basis	W4	24,439.07	\$3,714	\$244.39	\$3,714
	Hastings District	Area Basis	W5	369.22	\$147	\$3.69	\$147
	Hastings District	Area Basis	W6	4,460.61	\$147	\$44.61	\$147
	Hastings District	Area Basis	W7	1,582.80	\$147	\$15.83	\$147
	TOTAL				\$11,525		\$11,299
Te Ngāru Stream Flood Protection Scheme							
	Hastings District	Area Basis	TN	3,457.41	\$3,076	\$34.57	\$3,076
	Hastings District	Area Basis	TN1	20,025.68	\$169	\$200.26	\$169
					\$3,245		\$3,245
Kopuawhara Stream Flood Control Maintenance Scheme							
	Wairoa District	Area Basis	A	17,348.92	\$2,119	\$173.49	\$2,119
	Wairoa District	Area Basis	B	6,939.57	\$4,299	\$69.40	\$4,299
	Wairoa District	Area Basis	C	3,469.78	\$2,514	\$34.70	\$2,514
	Wairoa District	Area Basis	D	867.45	\$872	\$8.67	\$872
					\$9,805		\$9,805

(continued)

Groups of Activities / Rate Type	Districts	Rates set on	Differentials or Units of Charge	Calculation Factor Cents per hectare	Estimated Rates Revenue 2020-21	Estimated Amount 4,0486 hectare (10 acre) property	2019-20 Rate
BIOSECURITY							
Plant Pest Strategy							
	Napier City	Area Basis	4,313	56.63413	\$2,442	\$2.29	\$2,442
	Hastings District	Area Basis	369,137	56.63413	\$209,057	\$2.29	\$209,057
	Wairoa District	Area Basis	268,231	56.63413	\$151,910	\$2.29	\$151,910
	Central HB District	Area Basis	307,768	56.63413	\$174,302	\$2.29	\$174,302
	Taupō District	Area Basis	22,838	56.63413	\$12,934	\$2.29	\$12,934
	Rangitikei District	Area Basis	24,883	56.63413	\$14,092	\$2.29	\$14,092
			997,170		\$564,738		\$564,738
Regional Animal Pest Management Strategy							
	Napier City	Area Basis	4,322	181.17583	\$7,830	\$7.33	\$7,830
	Hastings District	Area Basis	307,373	181.17583	\$556,885	\$7.33	\$556,885
	Wairoa District	Area Basis	210,766	181.17583	\$381,858	\$7.33	\$381,858
	Central HB District	Area Basis	299,750	181.17583	\$543,074	\$7.33	\$543,074
	Taupō District	Area Basis	8,778	181.17583	\$15,903	\$7.33	\$15,903
	Rangitikei District	Area Basis	23,877	181.17583	\$43,259	\$7.33	\$43,259
			854,866		\$1,548,810		\$1,548,810
Forestry							
	Napier City		0	0	\$0	\$0.00	\$0
	Hastings District	Area Basis	63,926	63.51067	\$40,600	\$2.57	\$40,610
	Wairoa District	Area Basis	55,743	63.51067	\$35,403	\$2.57	\$35,412
	Central HB District	Area Basis	7,306	63.51067	\$4,640	\$2.57	\$4,641
	Taupō District	Area Basis	13,904	63.51067	\$8,831	\$2.57	\$8,833
	Rangitikei District	Area Basis	0	0	\$0	\$0.00	\$0
			140,879		\$89,473		\$89,496
SUSTAINABLE LAND MANAGEMENT STRATEGY							
	Napier City	Area Basis	4,181	93.79984	\$3,922	\$3.80	\$3,922
	Hastings District	Area Basis	406,621	93.79984	\$381,410	\$3.80	\$381,410
	Wairoa District	Area Basis	277,756	93.79984	\$260,535	\$3.80	\$260,535
	Central HB District	Area Basis	303,425	93.79984	\$284,612	\$3.80	\$284,612
	Taupō District	Area Basis	35,583	93.79984	\$33,377	\$3.80	\$33,377
	Rangitikei District	Area Basis	22,363	93.79984	\$20,976	\$3.80	\$20,976
			1,049,929		\$984,832		\$984,832

(continued)

Groups of Activities / Rate Type	Districts	Rates set on	Differentials	Calculation Factor	Estimated Rates Revenue 2020-21	Estimated Amount of \$100,000 Value per property	2019-20 Rate
SUSTAINABLE HOMES SCHEME				cents in \$			
Clean Heat	Napier City	Land Value		0.005920	\$342,121	\$5.92	\$374,869
Healthy Homes	Hastings District	Land Value		0.004866	\$337,112	\$4.87	\$304,364
					\$679,233		\$679,233
SUSTAINABLE HOMES FINANCIAL ASSISTANCE							
Voluntary targeted rate to repay financial assistance to insulate homes and provide clean heat, solar heating, PhotoVoltaic cells, HRV, domestic water storage and septic tank replacement			\$10 per \$100 financial assistance	\$10	\$10.00 per \$100 financial assistance		
ECONOMIC DEVELOPMENT							
			Rating Units	per Rating Unit			
	Napier City	Fixed Amount	24,592	9.78000	\$240,510	\$9.78	\$241,081
	Hastings District	Fixed Amount	30,863	9.78000	\$301,840	\$9.78	\$302,049
	Wairoa District	Fixed Amount	4,878	9.78000	\$47,704	\$9.78	\$47,608
	Central HB District	Fixed Amount	6,253	9.78000	\$61,154	\$9.78	\$61,088
	Taupō District	Fixed Amount	55	9.78000	\$538	\$9.78	\$537
	Rangitikei District	Fixed Amount	5	9.78000	\$49	\$9.78	\$49
TOTAL			66,646		\$651,795		\$652,412
	Napier City	Capital Value	Commercial/ Industrial	0.03301	\$678,949	\$33.01	\$670,901
	Hastings District	Capital Value		0.02653	\$778,460	\$26.53	\$790,826
	Wairoa District	Capital Value		0.03123	\$17,381	\$31.23	\$15,585
	Central HB District	Capital Value		0.03051	\$45,348	\$30.51	\$41,900
TOTAL					\$1,520,137		\$1,519,212
CDEM EMERGENCY MANAGEMENT			SUIPs	Per SUIPs			
	Napier City	Fixed Amount	27,305	34.04567	\$929,617	\$34.05	\$929,617
	Hastings District	Fixed Amount	33,587	34.04567	\$1,143,492	\$34.05	\$1,143,492
	Wairoa District	Fixed Amount	5,122	34.04567	\$174,382	\$34.05	\$174,382
	Central HB District	Fixed Amount	6,572	34.04567	\$223,748	\$34.05	\$223,748
TOTAL			72,586		\$2,471,239		\$2,471,239
FARM ENVIRONMENT MANAGEMENT PLANS							
Voluntary targeted rate to repay financial assistance for farm plans		\$33.33 per \$100 Financial Assistance	\$33.33		\$33.33 per \$100 financial assistance		
EROSION CONTROL STRATEGY							
Voluntary targeted rate to repay financial assistance to fund erosion control		\$10 per \$100 financial assistance	\$10		\$10.00 per \$100 financial assistance		

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, Omaranui, Dartmoor Drainage Areas	Land Value	D1	Rateable land situated in the Hastings District and Napier City on the left bank of the Tūtaekuri 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 Tūtaekuri River within the drain catchment area of Omaranui.
Meeanee, Napier, Puketapu, Omaranui, 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.
Karamū Stream and Tributaries	Land Value	D2	Rateable land situated in the Hastings District within the Karamū Stream catchment area which Council considers receives direct benefit of drain and stream maintenance works.
Karamū 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.
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 to these properties is added economic activity made possible by the drainage network and its continued maintenance. No rates charged.
Tūtaekuri-Waimate & Moteo	Land Value	D5	Rateable land situated in the Hastings District within the Tūtaekuri-Waimate, Moteo drainage area which Council considers receives direct benefit of drain and stream maintenance works.

(continued)			
River Control and Drainage			Explanation of Rates
Tūtaekurī-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
Pākōwhai	Land Value	D6	Rateable land situated in the Hastings District within the Pākōwhai, Pūnanga drainage area which Council considers receives direct benefit of drain and stream maintenance works.
Pākōwhai	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.
Pūnanga	Land Value	D9	Rateable land situated in the Hastings District within the Pūnanga drainage area which Council considers receives direct benefit of drain and stream maintenance works.
Pūnanga	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 Ruataniwha 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 Kokatawai 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
Ohuia-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	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.
Hastings District	Area Basis	TN1	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.
Esk River & Whirinaki Stream Maintenance Scheme			
Hastings District	Area Basis	E1	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.
Hastings District	Area Basis	E2	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.
Hastings District	Area Basis	R11	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.
Hastings District	Area Basis	R12	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.
Hastings District	Area Basis	R13	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.
Hastings District	Area Basis	W1, W2, W3, W4, W5, W6, W7	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.

(continued)

River Control and Drainage			Explanation of Rates
Karamū Drainage Maintenance			
Hastings District	Fixed Amount		This scheme covers properties in Havelock North, being properties in the Karamū Catchment, which do not contribute to the Heretaunga Plains Flood Control Scheme- Streams & Drains (Karamū D2). The scheme involves maintenance of the completed enhancement works in the Karamū Stream.
Karamū Enhancement			
Hastings District	Fixed Amount		This scheme covers properties in Havelock North, being properties in the Karamū Catchment, which do not contribute to the Heretaunga Plains Flood Control Scheme- Streams & Drains (Karamū D2). The scheme involves funding for one third the cost of new enhancement works in the Karamū Stream.
Pōrangahau Flood Control			
Central HB District	Land Value		This scheme covers 90km of waterways consisting of the Pōrangahau 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 Pōrangahau Road is not closed so often due to flooding. The Pōrangahau 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.

~ Climate change
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Item 7

Attachment 2

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