

Meeting of the Hawke's Bay Regional Council

Date: Wednesday 26 March 2025
Time: 1.30pm
Venue: Council Chamber
Hawke's Bay Regional Council
159 Dalton Street
NAPIER

Attachments Excluded From Agenda

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Statement of proposal to adopt the Regional Public Transport Plan 2025-2035

What is the proposal?

The Regional Transport Committee has reviewed the current *Regional Public Transport Plan (RPTP)* and is proposing minor changes, along with re-confirming its intent to implement a new bus network. Feedback is also being sought on the planned new bus routes to ensure they work for users and communities.

The RPTP was last adopted in September 2022.

We are consulting on this concurrently with our Annual Plan 2025-26.

Why are we consulting on this?

The Land Transport Management Act 2003 (LTMA) states that a Regional Public Transport Plan must be reviewed, and if necessary, renewed or varied at the same time as, or soon as practicable, after the public transport components of a Regional Land Transport Plan are approved or varied. The Regional Land Transport Plan 2024-2034 was reviewed, and a varied plan was adopted in July 2024, so it is timely to review the Regional Public Transport Plan.

The Regional Public Transport Plan 2022-2032 proposed a new network to be implemented in 2025, in line with the expiry of the current services contract. The Plan also provided for increases in both frequency and operating hours. Due to a range of constraints, including budget constraints since the 2022 consultation, HBRC is no longer in a position to implement the network as proposed in 2025. This provides another opportunity to consult the public on the proposed RPTP route changes.

Background

Under the LTMA, every Regional Council must adopt a Regional Public Transport Plan unless it does not intend to enter into any contracts for the supply of public transport services or provide any financial assistance to any operator or user of a Total Mobility taxi or shuttle service.

As the Public Transport Authority, Hawke's Bay Regional Council (HBRC) is responsible for providing public transport services in our region. These largely comprise bus services that operate in and between Napier and Hastings, and the Total Mobility service. HBRC's Total

Mobility Scheme assists eligible people with a permanent disability that makes it difficult for them to use public transport, to instead access alternative subsidised transport services.

These transport services are provided under contract to, and are funded by, HBRC. The money to pay for these contracts comes largely from fares from passengers using the service, NZ Transport Agency Waka Kotahi, and HBRC ratepayers.

The Regional Public Transport Plan, prepared by HBRC, is a strategic document that sets the objectives and policies for public transport, contains details of the public transport network, and development plans for the next 10 years, focusing on three-yearly operational cycles.

The RPTP provides a means for councils, transport operators, stakeholders, and the public to work together to develop and improve the public transport network and supporting infrastructure.

What's changing?

Key changes that the Regional Council would like feedback on includes:

- Later than planned changes to public bus services
- Feedback on the planned new bus routes
- Whether cash payments for fares should continue
- Changes to our Total Mobility Scheme

Submissions

People wishing to submit on this consultation proposal are invited to do so by 5pm on 2 May 2025.

Submissions can be made online at haveyoursayhb.co.nz or in writing to the Regional Council. One way to submit is by completing the online submission form for the Annual Plan consultation document.

The Regional Transport Committee will read submissions and hear from submitters who also want to give their feedback in person. The committee will then decide if any changes are needed and recommend the Regional Council adopts the amended Public Transport Plan so it can become operational.



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Transport Planning

Draft Regional Public Transport Plan 2025-2035

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Foreword of the draft Regional Public Transport Plan 2025 - 2035

In 2022, Hawke's Bay Regional Council adopted a new and visionary Regional Public Transport Plan after extensive consultation envisaging a new bus network that provided not only more efficient bi-directional bus routes, but also improvements where buses would run more frequently, later, earlier, and with greater weekend services. The 2022 plan envisaged these changes would occur this year, in 2025.

The region and the country have changed since 2022, however, which has significantly impacted the ability to implement the 2022 plan. Funding for public transport improvements is constrained within Hawke's Bay as we focus on rebuilding our flood resilience post Cyclone Gabrielle, and national funding is also constrained with competing transport priorities taking precedence.

This review, a requirement of the Land Transport Management Act, proposes we reconfirm our intent to move to a new network design of more efficient bi-directional routes, but practically accepts many of the previously planned frequency and span of hours improvements will need to wait until additional funding becomes available. In the short term, we think we can use existing resources to move to the new network but operating it within the current timetable and overall levels of service.

The new network is still in draft form, and as always there is no doubt room to improve. We need your feedback on what could change and why. The following page shows the envisaged new network.

Tell us - will it work for you and your community?

In this plan we also have several refinements on the 2022 plan to ensure we have the framework to deliver an efficient and effective bus and Total Mobility service to the region.

The funding required to provide Total Mobility services is putting extreme strain on our resources available for this essential service. We do not want to restrict how Total Mobility is used by those who need it, but we can put some controls on how our taxi and companion service operators provide these services. These proposed controls are outlined in this plan.

This is also only a review of the 2022 Regional Public Transport Plan, not a rewrite. We have therefore included "What's changed" bubbles to sections that have had any major changes since the 2022 Plan; to allow readers to quickly identify areas they may have a specific interest in.

Your views count. Please consider what is proposed in this 2025 Draft Regional Public Transport Plan and make a submission! Thank you.

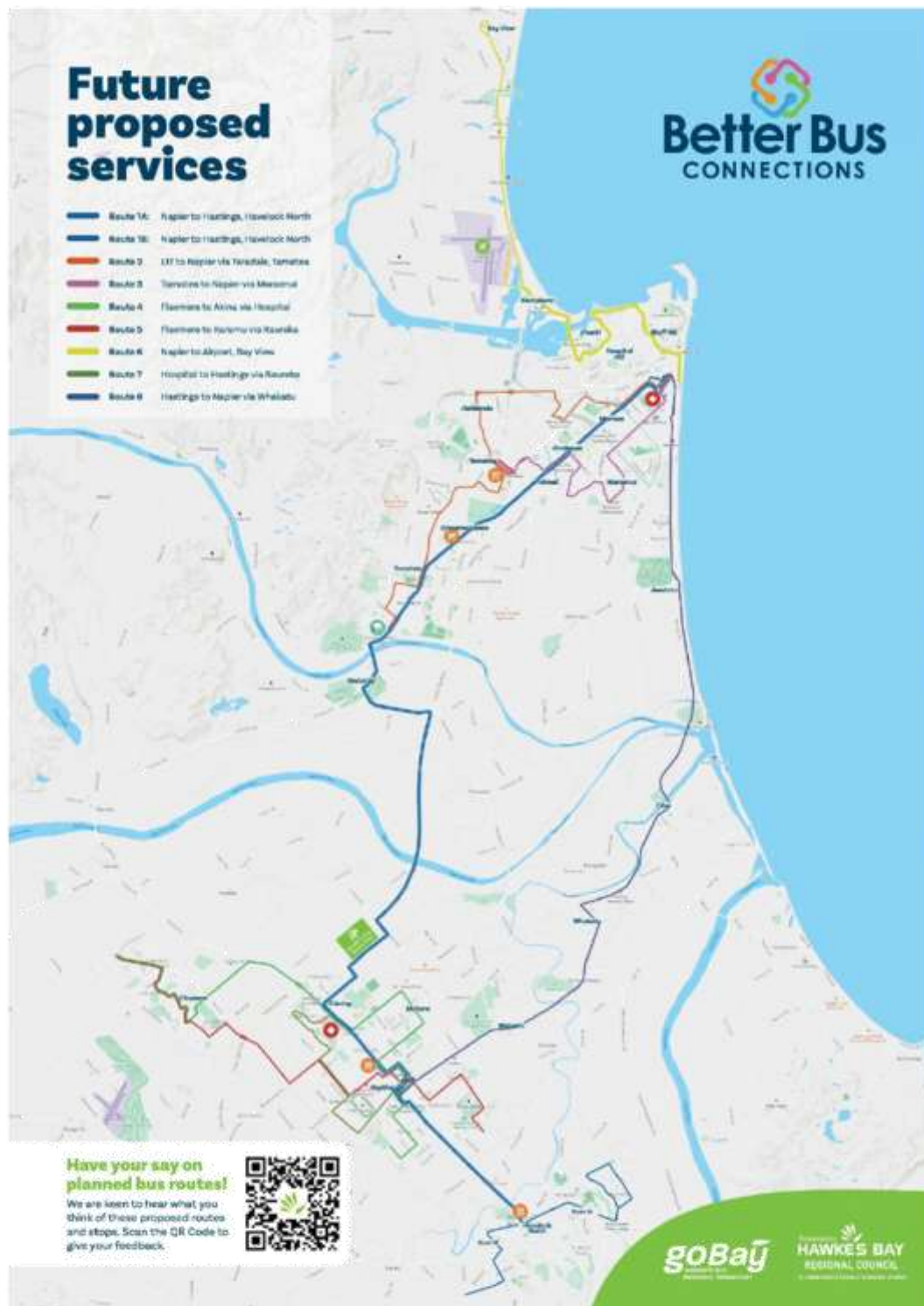
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Figure 1: Proposed new Napier-Hastings bus network

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1 Introduction

1.1 About the Regional Public Transport Plan

The Hawke's Bay Regional Public Transport Plan (RPTP), prepared by the Hawkes Bay Regional Council (HBRC), is a strategic document that sets the objectives and policies for public transport, contains details of the public transport network and development plans for the next ten years.

The RPTP provides a means for councils, transport operators, stakeholders, and the public to work together to develop and improve the public transport network and supporting infrastructure.

Hawke's Bay Regional Council (HBRC) is responsible for providing public transport services in our region, which largely comprise bus services that operate in and between Napier and Hastings, and the Total Mobility service, which provides subsidised transport for people with disabilities who are unable to access or use other transport alternatives, such as public buses. These services are provided under contract to, and are subsidised by, HBRC.

The money to pay for these contracts comes from fares from passengers using the service, New Zealand Transport Agency Waka Kotahi and HBRC ratepayers.

1.2 Timeframe

This RPTP covers the ten-year period from 2025 to 2035 but must be reviewed in three years' time. However, the Plan may also be reviewed in the event of any major changes to the funding or planning environment.

1.3 Strategic context for the RPTP

1.3.1 The Land Transport Management Act 2003

The Land Transport Management Act 2003 (LTMA) was amended in 2013, repealing the Public Transport Management Act and bringing the relevant provisions into the LTMA. The LTMA was further amended in 2023 to introduce the Sustainable Public Transport Framework (SPTF) - a new framework for the planning, procurement, ownership, and delivery of public transport services. There is a strong emphasis on value chain involvement, workforce sustainability, and service delivery.

The purpose of the LTMA is to "contribute to an effective, efficient and safe land transport system in the public interest" and requires regional councils to adopt a regional public transport plan (RPTP), which must be reviewed every three years. The LTMA prescribes how plans are to be developed and sets out the matters that must be contained in a plan. It also describes the purpose of the plan, which is to:

- describe the public transport services that are integral to the public transport network
- define the policies and procedures that apply to those public transport services
- identify the information and infrastructure that supports public transport

Principles of the SPTF have been incorporated into the amended LTMA. The SPTF seeks to prioritise mode-shift, fair and equitable treatment of employees, and improved environmental and health outcomes. It aims to make working in public transport a more attractive career option and gives Council's the opportunity to be involved in the ownership and delivery of services. The SPTF has the following objectives that are woven into the LTMA and subsequently into RPTPs:

- public transport services supports mode-shift from private motor vehicles, by being integrated, reliable, frequent, accessible, affordable, and safe
- employment and engagement of the public transport workforce is fair and equitable, providing for a sustainable labour market and sustainable provision of public transport services
- Well-used public transport services reduce the environmental and health impact of land transport, including by reducing reliance on single occupancy vehicles and by using zero-emissions technology.

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- Provision of services supports value for money and efficiency from public transport investment while achieving the first three objectives.

1.3.2 Land Transport Management Act (Regulation of Public Transport) Amendment Act 2023

In August 2023, the Land Transport Management Act (LTMA) was amended with the passing of the Land Transport Management (Regulation of Public Transport) Amendment Act 2023. The Amendments to the Act mean:

- There are new objectives for the planning, procurement, and delivery of public transport to be established and embedded in the LTMA
- That in – house delivery of public transport services is enabled
- That there is transparency around aspects of service delivery including the procurement and contractual arrangements
- Different asset ownership, including public transport authorities owning assets directly, is enabled
- Greater collaboration is encouraged between regional Councils and territorial authorities in preparing regional public transport plans
- The framework for exempt services has changed, expanding the scope to include commercial and inter-regional public transport services
- The definition of Public Transport is expanded to include On-Demand public transport services and shuttle services
- Some exempt On-Demand services are allowed, and all exempt shuttle services are to be operated without the requirement to be registered with the regional council
- That regional councils can procure, contract, and deliver on demand services separately to timetabled services

The amendments acknowledge that need for public transport investment to be efficient and provide better value for money. It facilitates stronger measures for Territorial Authority involvement in the RPTP development process. The changes also acknowledge that the previous operating model created a barrier for decarbonisation targets and improvement of employee terms and conditions.

Some of the changes to the LTMA will be appropriate and applicable in Hawke's Bay, while others will not. Some may become applicable over time.

1.3.3 The Ministry of Transport Outcomes Framework

The Ministry of Transport's Transport Outcomes Framework outlines five outcome areas sought from the transport system. Public Transport contributes to these outcome areas in various ways.

By way of example, public transport can:

- Enable efficient and productive use of high value urban space (*supporting economic prosperity and environmental sustainability*)
- Reduce congesting and decrease travel times (*economic prosperity*)
- Improve access to markets, employment, and areas that contribute to economic growth (*economic prosperity, inclusive access*)
- Enable access to employment, education, healthcare, social and cultural opportunities (*economic prosperity, inclusive access, healthy and safe people*).
- Ensure access to essential services for those unable to drive (*economic prosperity, inclusive access, healthy and safe people*)
- Provide resilience to rising transport and energy costs by providing an alternative to private motor vehicles (*resilience and security, inclusive access, economic prosperity*)

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- Reduce harmful emissions to the environment and human health (*environmental sustainability, healthy and safe people*)
- Reduce deaths and serious injuries as public transport is among the safest form of transport (*healthy and safe people*)



1.3.4 The Government Policy Statement on Land Transport

The Government Policy Statement on Land Transport (GPS) sets out the Government's desired outcomes and priorities for the national land transport system and determines how investment into the land transport system from the National Land Transport Fund (NLTF) will contribute to achieving overall government outcomes. It outlines central government's strategy to guide land transport investment over the next 10 years. It also provides guidance to decision makers about where and under what conditions government will focus investment and allocate resource.

The GPS 2024 – 2034 sets out four strategic priorities:

1. Economic growth and productivity
2. Increased maintenance and resilience
3. Safety
4. Value for money

Over \$7 billion is spent through the NLTF each year, supported by co-investment from local government, along with some additional funding and financing.

The GPS influences decisions on how money from the NLTF will be invested across approved activities that align with the GPS strategic direction, such as Public Transport Services. Central government can also

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provide additional funding to progress specific transport activities or projects. In most cases, this funding is appropriated by Parliament outside of the NLTF and is spent by NZTA or, in some cases KiwiRail, acting as the Crown's delivery agent.

The Hawke's Bay RPTP has taken account of the 2024 GPS direction and priorities, particularly in relation to economic growth and productivity, as well as value for money, through creating a path for "step change" in public transport for Hawke's Bay.

The RPTP contains the following direction that is consistent with the GPS:

- Longer term investments in increased frequency and span of public transport services to meet the objective of Economic Growth and Productivity
- Supports both value for money and patronage increases, better private share levels, and economic growth and productivity, through more direct routes, better frequency, and a reliable service meaning users (both current and future) reduce their costs and increase their access while reducing travel times.
- Increases safety by creating a genuine commuting and travel alternative for users, helping to reduce single occupancy car trips and reducing road user risk.

1.3.5 The Regional Land Transport Plan

The Regional Land Transport Plan (RLTP) sets out the region's vision, objectives and funding bids, along with accompanying investment allocations, for all modes of land transport for which funding is received from the National Land Transport Fund. It contains objectives relevant to public transport and seeks the optimal funding for the provision of public transport services and infrastructure over the next three years.

The RLTP has the following 30-year strategic vision:

"An efficient transport system that is resilient, low emissions, safe, provides genuine and equitable choices, and places community wellbeing at the centre."

The RLTP goes on to set out that for Hawke's Bay to achieve this vision we must:

- Have an efficient, resilient, safe, and equitable transport system
- Reduce emission and vehicle kilometres travelled while improving health outcomes
- Ensure that all parts of the transport system integrate and connect the communities they serve
- Ensure critical routes, or suitable alternative are operating for communities, people, and freight at all times.

Underpinning the 30-year strategic vision are five strategic objectives. These help to articulate what the region aims to do to deliver on the regional vision over time. The supporting strategic objectives are:

- 1. Resilience and security**
Invest in an efficient transport system that is resilient to a changing climate and other risks, with urgency and priority.
- 2. Emissions Reduction**
Drive a low – emissions transport system that reduces the risks associated with global warming.
- 3. Healthy and safe people**
Provide a safe transport system for all users and modes that reduce the economic and social costs of crash injuries.
- 4. Inclusive access**
Support fit-for-purpose, genuine, safe, and equitable transport choices for all users to sustain the health and wellbeing of communities.
- 5. Environmental sustainability**
Integrate land use planning and development to enable effective and efficient use of transport networks.

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Following the devastating impacts of Cyclone Gabrielle in February 2023 the RLTP was re-written to reflect the reality our region faced.

The Cyclone highlighted that our transport system is at the limit of its durability, network improvements and enhancements are no longer appropriate for the environmental conditions, and transport choices are limited and some-what disconnected. Further, the Cyclone emphasised that our relatively car centric transport system is not as resilient as it could be, and that alternative transport options, such as public transport, are vital to a thriving and connected region.

The RLTP is primarily focused on resilience and securing reliable journeys for the community. By providing a genuine and reliable transport alternative, public transport contributes to resilience, along with driving a low emissions transport system and improving health outcomes. Aligning with the GPS on land transport 2024, the planned new public transport network can enable greater economic growth and productivity by creating efficient and effective connections to work, education, healthcare, and social engagements along with a host of broader outcomes.

1.3.6 Hawke's Bay Regional Council Plans

The HBRC Strategic Plan 2020-25 identifies four areas of focus for this period. One of these is for sustainable and climate resilient services and infrastructure. The plan sets a strategic goal of a carbon neutral Hawke's Bay by 2050. The public transport services described in this RPTP will contribute to this goal. At the time of writing the HBRC Strategic Plan 2020 – 25 is current. Throughout 2025 the HBRC strategic plan will undergo a refresh, and some elements of the strategic direction may change.

The HBRC Long Term Plan sets out public transport activities and funding sources for the next three years. The current LTP, unlike others with a ten-year horizon, focuses only on the next three years. This is a result of a special condition granted to regions that had been significantly impacted by Cyclone Gabrielle. Subsequent Long-Term Plans will revert to the usual ten-year horizon. The plan is reviewed every three years, but significant changes in activities or expenditure are captured in an annual plan.

1.4 Strategic Case

This section provides a summary of the strategic case for the Regional Public Transport Plan. The strategic case forms part of the business case approach to investment in transport. As part of this process, key stakeholders in public transport have jointly identified regional problems, the benefits of addressing those problems, and responses to them, considering the feedback received from consultation with bus users and stakeholder organisations.

Problem 1: Driving (Vehicle Kilometres Travelled) has been increasing in Hawke's Bay over the last decade. This presents a challenge for increased public transport uptake, mode shift, and a low emissions transport system.

There are many incentives to drive in Hawke's Bay. There is little congestion due to historical investment in high-capacity roads. Parking in both cities is plentiful and cheap. There is plenty of all-day free parking within easy walking distance of the city centres, and district plan rules have required parking provision for businesses until changes in 2022. Further, both long term population and economic growth have led to an increase of the movement of goods and people around the region.

This environment has supported increases in Vehicle Kilometres Travelled (VKT) over the past decade. Cyclone Gabrielle highlighted the fragility of our regional transport system and underpinned the importance of resilience and genuine transport choice to ensure people and communities stay connected,

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have options of how they will get around, and continue to drive a low emissions transport system. Figure 1 shows the VKT trend in Hawke's Bay between 2010 and 2024.

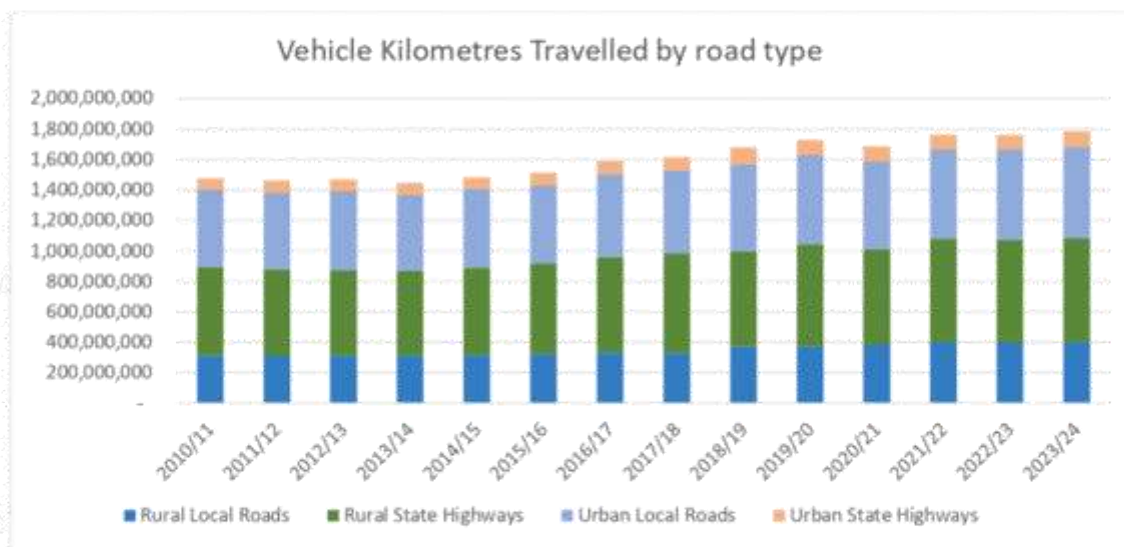


Figure 2: Vehicle Kilometres Travelled in Hawke's Bay by road type – Source New Zealand Transport Agency

This RPTP is responding to this long-term trend by developing a plan for public transport that is a viable and attractive alternative to driving for more journeys. This will support a reduction in driving in the Napier-Hastings urban area along with an increase in genuine transport options, reliable connections, and transport resilience.

Problem 2: The current car focused investment model in both rural and urban areas is leading to a suboptimal transport system that does not effectively integrate public transport and is inequitable for those who cannot drive.

Historically, transport planning and investment has been targeted at providing an ever improving roading network, with public transport filling a secondary role. The urban areas have grown almost entirely with low density, car-centric, suburban development at the fringe of the cities. This has contributed to the declining use of the public transport network and growth in driving.

A focus on roading improvements and car-centric development excludes those who are unable to drive, whether due to age restrictions, disability, the cost of driving, or lack of access to any transport alternative. It is therefore an inequitable distribution of resources.

Population and economic growth are forecast to occur in Central Hawke's Bay towns like Waipukurau and Waipawa. While this provides significant opportunities, it needs to be supported with investments in public transport. This is necessary to ensure more equitable access to the services and opportunities located in Hastings and Napier.

Wairoa currently has no public transport services, leaving the community with few options. While traditional public transport may not be well suited to a small community, there is a desire to see alternative services introduced.

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Problem 3: Public transport is not seen as an attractive or viable alternative to driving, in part due to limited frequency, span and accessibility of the existing network.

Public transport in the region is often viewed as a mode used only by people without any alternative. In the absence of significant deterrents to driving like traffic congestion or parking pressures, many Hawke's Bay residents simply do not think public transport is for them. The convenience of driving often outweighs any other reasons for using public transport. This view supports the limited historical investment in public transport, further embedding public transport as an option only for those with no other choice.

The current public transport network uses several low-frequency one-way loop routes to provide high coverage from a limited budget, however this results in poor service levels across the network. The existing network runs at low frequencies for limited hours each day. Most services are hourly or half hourly, even at peak times, with the last buses commencing service just after 6pm on weekdays, while weekend service is even more limited. This makes it inconvenient and unattractive for most potential users, which does not help reverse falling patronage.

The strategic responses we have developed to address these issues are described in Section 5. The supporting policies for the public transport services are described in section 4.

1.5 Business Case for Public Transport Services



What's changed?

We've set out the approach we are taking to develop and implement the business case approach for public transport services. This focuses more on the physical infrastructure and integrated planning relating to service delivery.

The strategic case, outlined in section 1.4, identifies the main challenges and opportunities facing public transport services in Hawke's Bay. These challenges are significant in nature and depend on complex interrelationships, such as integrated land use planning, parking policy impacts, and investment in other transport modes, to drive change and achieve benefits.

The business case, developed and endorsed in late 2024, focuses on addressing structural challenges within public transport services and provides a pathway for improving both services and infrastructure. It identifies two primary problems facing public transport in Hawke's Bay:

Problem 1: Poor integrated planning and underinvestment leading to low patronage and constrained regional growth

Historically, there has been a fragmented approach to public transport planning and investment in the region. This disjointed strategy has resulted in suboptimal service design across urban areas and, in some cases, infrastructure that fails to effectively support services. Moreover, underinvestment in service delivery has contributed to persistent driver shortages, which undermine service reliability through trip cancellations. This, in turn, has negatively impacted patronage, as unreliable services deter potential users.

Plans such as the Napier/Hastings Future Development Strategy and the Regional Land Transport Plan aim to address these issues by better integrating growth planning (e.g., housing and industrial land) with transport and infrastructure planning. This approach seeks to create a cohesive and complementary environment for public transport services.

D A key benefit of resolving this strategic problem is increased public transport patronage, which supports sustainable economic growth, community well-being, and the transition to a low-emissions transport system.

Problem 2: Poor infrastructure and services reducing community support for public transport

R Investment in supporting infrastructure has historically been inconsistent and ad hoc, with limited integration into broader planning mechanisms. As a result, public transport infrastructure varies widely, from poorly maintained roadside markings to main terminus areas with adequate facilities, such as the Hastings Library bus shelter.

A Additionally, there is a lack of essential supporting services, such as shelters, seating, lighting, public toilets, and clear signage at bus stops. Accessibility is also a concern, with some stops not concreted to the kerb or poorly designed for people with mobility challenges. In some cases, key areas remain unserved by buses altogether. These issues collectively contribute to public transport being perceived as invisible or as a last-resort option for those without alternatives.

F Addressing this problem through integrated planning and the provision of adequate infrastructure would enhance community support and usage of public transport assets and services.

T Throughout 2024, a comprehensive business case was developed to outline the benefits public transport brings to Hawke's Bay communities and to establish a framework for integrated service and infrastructure improvements. Section 2.3 details how HBRC collaborates with local councils to plan and deliver public transport services and infrastructure and clarifies responsibility for implementation.

2 Background

2.1 Current services

The current bus and other services supported by HBRC are broadly described below. Table 1 below sets out the current bus services offered by HBRC, along with improvements made on the services to date. The current services are considered integral until such as time as HBRC can implement the planned new bi-directional network which will see buses travelling each way on direct and efficient routes. Implementation will be no earlier than January 2026.

Details of the services HBRC considers to be integral to the public transport network in Hawke's Bay, within the context of the new network, for the life of this RTP are described in more detail in Appendix A.

2.1.1 Bus services

HBRC currently contracts the provision of bus services in and between the main urban centres of Napier and Hastings. This contract, which has been extended and now expires in July 2027, includes the following integral services:

- Route 12 H/N between Napier and Hastings via Taradale and the Eastern Institute of Technology
- Route 11 -express between Napier, Hastings, and Havelock North (via Clive)
- Route 10 express between Napier and Hastings via the Hawke's Bay Expressway
- Route 21 between Havelock North and Hastings
- Route 20 between Flaxmere and Hastings
- Route 16 a & b, 17 within Hastings (covering the suburbs of Camberley, Mahora, Parkvale and Akina). These services are currently replaced by the MyWay on demand service.
- Routes 13, 14, 15 within Napier (covering the suburbs of Tamatea, Taradale, Maraenui, Onekawa, Ahuriri, Westshore and Bayview).

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2.1.2 Other services

'MyWay' On-demand trial

In June 2022, HBRC started a trial of on demand transport in suburban Hastings, replacing the underperforming 16A, 16B and 17 routes. The 'on demand' service allows users to book a ride through a call centre or app and be collected from a 'virtual stop' nearby and dropped off close to their destination. The trial has allowed the HBRC to test and understand the potential role of on-demand within the Hawke's Bay public transport system.

At the formal conclusion of the trial period a review was conducted into the performance of MyWay. The review considered a range of topics, such as value for money, patronage performance, wait times, access, community uptake and feedback, and overall role in the public transport network. At a high level the review found MyWay:

- Performed well from a patronage perspective, doubling the performance of the fixed route services
- Provided enhanced access for the community, particularly the elderly and disabled.
- Enabled greater flexibility for users.
- Being a largely app-based service, it presented some useability challenges for some members of the community
- Attracted some challenging social situations / behaviours from some sectors
- Was expensive to run compared with the fixed route services

On Demand services will continue to be evaluated as part of the future public transport network in Hawke's Bay and may become increasingly important, particularly as our population ages and transport needs change. Any future service could function as a complement to fixed routes.

Total Mobility Scheme

HBRC funds, administers, and manages the Total Mobility scheme in Hawke's Bay. Total Mobility is a nationwide scheme which provides subsidised taxi travel for people with permanent mobility issues / disabilities who are unable to use the public transport system and have no other transport alternatives. At the time of writing, the Total Mobility scheme subsidises 75% of the total fare, up to a maximum fare of \$50. Any fare amount exceeding \$50 must be met by the user.

The scheme also helps subsidise the provision of wheelchair hoists for vehicles capable of carrying people who use mobility aids or are wheelchair bound. The scheme operates in Napier, Hastings, and Central Hawke's Bay.

While the Total Mobility Scheme is important for providing more equitable access for those who cannot drive and even with the 75% subsidy on taxi travel, it is not an affordable or equitable for everyone for all trips. Creating an attractive, accessible, and efficient public transport network that can suit the need of more people is key to managing demand for Total Mobility subsidies and delivering more equitable access.

The 65+ age cohort is forecast to account for over 20% of the population in Hawke's Bay by 2028, according to Stats New Zealand. Long term, this will result in a greater demand for Total Mobility services as people become less able to access either public transport or other transport modes. It is essential that the scheme is sustainable into the future as demand increases.

SuperGold Card free travel scheme

This is a nationwide scheme, which provides free off-peak travel (between 9am and 3pm on weekdays and anytime on Saturday, Sunday and public holidays) on all local buses for SuperGold Card holders. The scheme is funded by central government and administered by HBRC.

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2.1.3 Current integral services and service improvements made to date

HBRC has made service improvements to bus services over the past few years. These improvements are listed below. Since 2009 the following improvements have been made by HBRC to bus services in Hawke's Bay:

Table 1: Current integral services and service improvements made to the Hawke's Bay network since 2011

Service	Route	Improvements
10 EXPRESS	Between Napier and Hastings via the Expressway	<ul style="list-style-type: none"> New service introduced in September 2008. The route was cancelled in May 2014 due to low patronage and re-introduced in September 2016 on a different route to coincide with Te Whatu Ora Hawke's Bay's Workplace Travel Plan.
11 EXPRESS	Between Havelock North and Napier, via Hastings and Clive.	<ul style="list-style-type: none"> New service introduced in September 2008.
12N	Napier to Hastings, via Taradale, EIT, Hawke's Bay Hospital and Bay Plaza	<ul style="list-style-type: none"> Introduced an extra 2.30pm service Monday to Friday in November 2009. Increased the number of Saturday services in November 2009 from 5 to 11. Introduced a new Sunday service in January 2011. Increased services to operate every 20 minutes in peak times and every 30 minutes in off-peak times. Serves as the main connector service between the two main urban areas
12H	Hastings to Napier, via, K-Mart, Hawke's Bay Hospital, EIT and Taradale.	<ul style="list-style-type: none"> Introduced an extra 2.30pm service Monday to Friday in November 2009. Increased the number of Saturday services from 5 to 11 in November 2009. Introduced a new Sunday service in January 2011. Increased services to operate every 20 minutes in peak times and every 30 minutes in off-peak times. Serves as the main connector service between the two main urban areas
13	Napier-Tamatea-Taradale-Tamatea - Napier	<ul style="list-style-type: none"> Route extended to include Taradale shopping centre in November 2009. Increased the number of services, Monday to Friday, from 9 to 11, in January 2011. Introduced a new Saturday service in January 2011. Route extended to cover Summerset Retirement Village, five trips Monday to Friday in 2017
14	Napier-Maraenui-Onekawa-Napier	<ul style="list-style-type: none"> Changed Saturday services to provide coverage from 5 hours to 7 hours in January 2011.

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Service	Route	Improvements
15	Napier-Ahuriri-Westshore-Ahuriri - Napier	<ul style="list-style-type: none"> Trial made permanent in September 2012, operates Monday to Saturday. Route extended to cover Bay View, five trips Monday to Friday and all four Saturday trips, in 2016.
16 A & B	Hastings-Camberley-Raureka-Hastings Hastings-Mahora-Hastings	<ul style="list-style-type: none"> Added an extra service at the end of the day, Monday to Friday, in November 2009. Replaced with MyWay on-demand as part trial in June 2022.
17	Hastings-Parkvale-Akina-Hastings	<ul style="list-style-type: none"> Changed route to travel via Summerset Retirement Village in November 2012. Extended service coverage from 8 hours to 10 hours in 2016. Changed route to travel via Karamu High School in 2016. Replaced with MyWay on-demand as part of trial in June 2022.
20	Hastings-Flaxmere-Hastings, via The Park, Hastings	<ul style="list-style-type: none"> Added an extra service at the end of the day, Monday to Friday, in November 2009. Added an extra service in the middle of the day, Monday to Friday in January 2011. Extended Saturday service coverage from 6 hours to 9 hours in January 2011. Added seven extra daily services, Monday to Friday, in October 2012.
21	Hastings-Havelock North-Hastings, via The Park, Hastings	<ul style="list-style-type: none"> Added an extra service in the middle of the day in January 2011 Extended the route of the Saturday service to follow the same (wider) route as the Monday to Friday service in January 2011. Introduced a Sunday service, consisting of 3 trips, in 2016. Extended the route to cover the Summerset Village on Arataki Road and to better service the Lipscombe Crescent area.
MyWay On-demand	Hastings Urban Area	<ul style="list-style-type: none"> On-demand trial for Hastings urban area, excluding Flaxmere and Havelock North, replaces routes 16 A & B and 17 in June 2022.
BUSES	All routes	<ul style="list-style-type: none"> All buses (with the exception of the Express services) wheelchair accessible from 2009. All buses meet the Euro 4 emission standard. Introduced Public Holiday services (Saturday/Sunday timetable applies) in October 2011. Bike racks installed on most of the fleet in October 2012. Bike racks available on all the buses from 2016. All buses wheelchair accessible from 2016.

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Service	Route	Improvements
		<ul style="list-style-type: none"> Planned installation of CCTV on all buses in 2025.
TICKETING	All routes	<ul style="list-style-type: none"> Introduced a "Smartcard" fare payment system in 2009. New BeeCard integrated ticketing introduced in August 2020. Planned transition to the National Ticketing System and 'Motu Move' cards at some point in 2025 or early 2026.
FARES	All routes	<ul style="list-style-type: none"> Simplified the fare structure by reducing the number of fare zones from four to two in November 2009. Introduced a new concessionary fare category – 'Community Services Cardholders' to replace the 'beneficiary' and 'disabled' categories, in June 2010. Set up system whereby passengers and caregivers travelling from Napier to Hawke's Bay Hospital for appointments/treatment can travel free of charge, with fares reimbursed by the Hawke's Bay District Health Board. Fares are reviewed annually (though not necessarily increased). Work with NGOs and government agencies to provide bespoke ticketing arrangements. Free travel for hospital patients extended to passengers travelling to both Napier and Hastings for medical appointments (fares reimbursed by the HBDHB) in 2017. Workplace travel plan arrangement established with the HBDHB (fares subsidised by the HBDHB) in 2017. Trial of 'flat fares' approach, with \$1 for one zone and \$2 for two zones with a BeeCard began in August 2020. Fares reviewed and increased in May 2024.

The number of bus passengers increased significantly between 2009 and 2014, reaching almost 800,000 passengers in the 2013 / 2014 year. However, patronage has steadily declined since then to just over half the 2013 / 2014 level. There are a range of causal factors for the steady decline in patronage with the primary reasons being:

- Covid-19 impacted patronage through social distancing and other requirements during the height of the pandemic.
- Following Cyclone Gabrielle, the public transport service was not running for approximately one month due to several key bridge crossing being destroyed, roads closed, significant congestion, and ongoing clean-up efforts.
- Ongoing driver shortages, particularly through the latter part of 2022, resulted in consistent service disruptions and cancellations impacting service reliability and frequency.

Combined, these factors along with others, have impacted the overall frequency and, importantly, the reliability of the service. The result of service reliability challenges has been a further decline in patronage over recent years as users take alternative transport options to get to work, school, and other engagements as they had been more reliable.

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To address these challenges, the HBRC and our service provider, Go Bus, continued to work closely together to identify solutions. In January 2024 a driver wage uplift was implemented resulting in the full reinstatement of all services across the network. Since then, the service has experienced very limited cancellations, reliability increase, and both patronage and fare box recovery increase. (refer Figure 3 below).

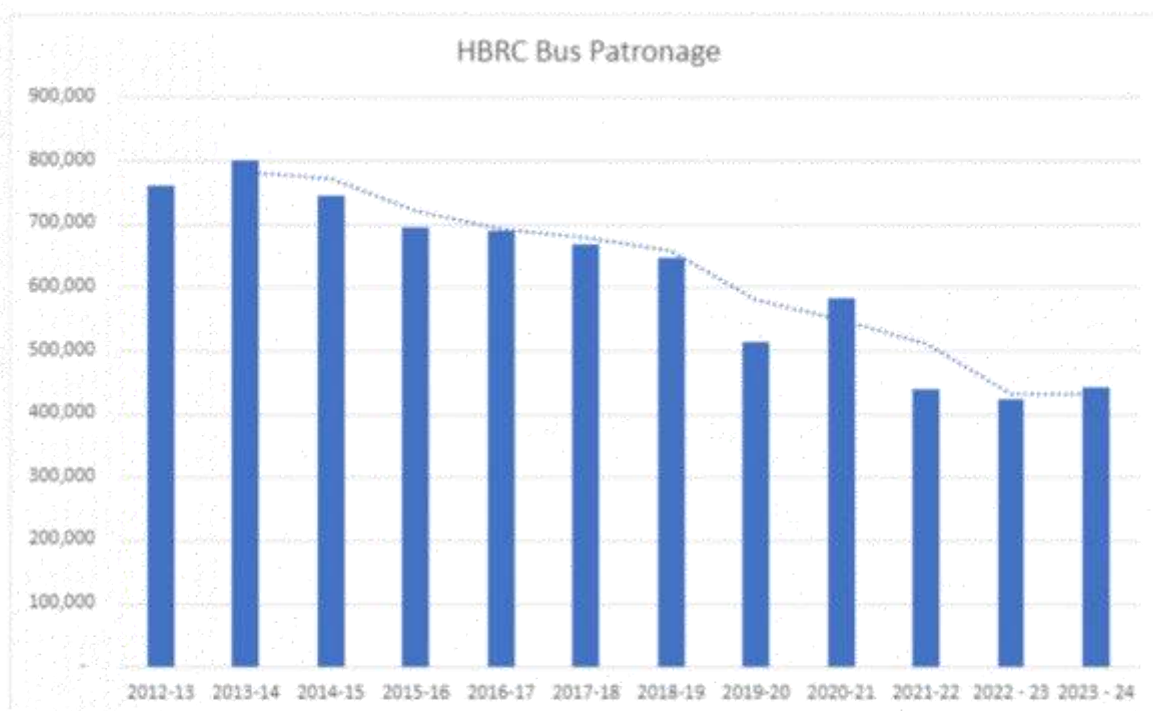


Figure 3: Hawke's Bay bus passenger trips by year

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2.1.4 Total Mobility Scheme



What's changed?

We've reconfirmed the scheme is for those with a permanent disability who cannot access / use other transport alternatives. We've set out the fare subsidy of 75% on fares up to a maximum of \$50. We've also discussed some of the reasons for increased usage of the scheme over time.

The Total Mobility Scheme is a nationwide scheme that provides subsidised taxi transport for people with permanent disabilities and / or mobility issues who cannot use or access any other form of transport, such as public buses or private vehicles. Eligibility for the scheme is determined by the effect the impairment has on the individual's ability to undertake components of a journey on the public transport network and / or their ability to utilise other transport options.

Total Mobility services are provided under contract to, and are subsidised by, HBRC.

As demonstrated in Figure 4 below, Total Mobility trips had been steadily increasing until 2019 / 2020.

From 2021 onwards there has been a marked increase in demand and usage.

During 2023 central government increased the fare subsidy from 50% to 75%, making the scheme more attractive and affordable for passengers. Coinciding with this HBRC had a blanket fare cap of \$50 for all trips, irrespective of purpose (e.g. accessing healthcare, shopping, etc). The increase in the subsidy rate resulted in better affordability for users, paying a maximum contribution of \$12.50 for a \$50 fare. The impact of the increased subsidy made the scheme more accessible and affordable for users, there by driving more regular use of the scheme.

Following Cyclone Gabrielle there were limited transport options due to key bridges being destroyed and roads closed. As a result, some members of the community were unable to access key locations such as the hospital via the public transport network. Total Mobility provided a suitable alternative to get users to healthcare and other appointments, increasing use due to limited alternatives. Utilisation of the service had been trending upwards, and the impacts of the Cyclone coupled with public transport reliability challenges, have further increased the popularity of the scheme.

Coupled together, these two key factors have driven an increase in both users and usage of the scheme.

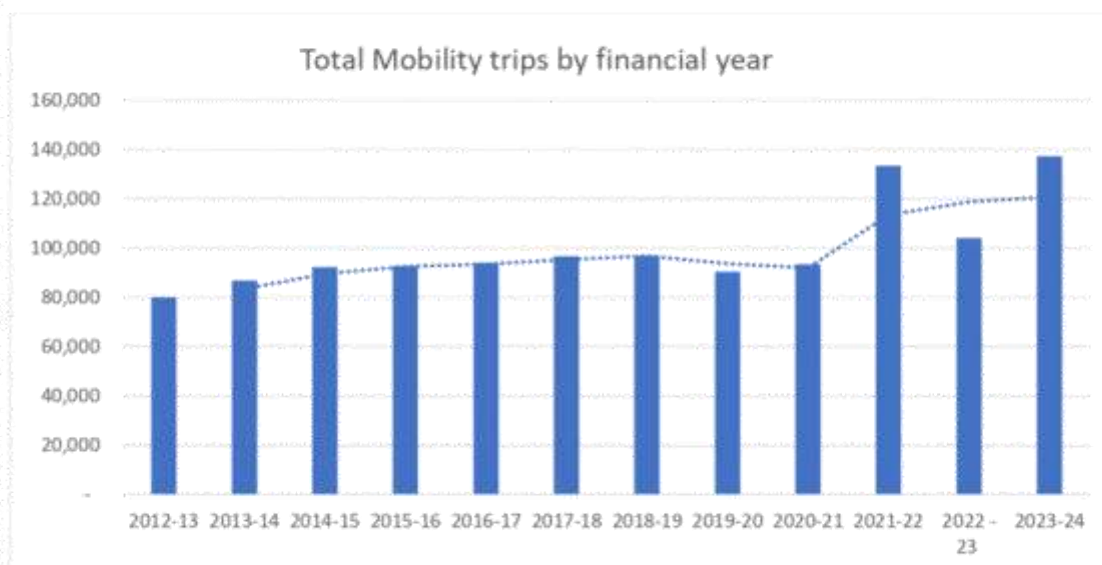
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Figure 4: Hawke's Bay total mobility passenger trips by financial year 2012/13 – 2023/24.

2.2 Why HBRC subsidises public transport



What's changed?

We've refined and provided greater definition around why HBRC funds public transport. This includes enhancing efficient travel, reducing congestion and driving value for money.

Effective public transport provides commuters with both more and better choice and helps to reduce travel times, congestion, and emissions while keeping our communities connected. Passengers do not pay the full cost of the public transport services they use. Passengers' fares covered a reasonably small portion of the cost of running the bus services in Hawke's Bay. The level of fare recovery has been lower in recent years due to external factors impacting patronage. Total Mobility passengers pay a quarter of the cost of their travel up to a maximum of \$50.

HBRC, via rates, and the New Zealand Transport Agency, via the National Land Transport Fund, subsidise public transport because it provides a range of benefits, including:

Roading and parking: Public transport helps relieve road congestion and reduce the need for new roads. It also reduces pressure on car-parking spaces and creates a more efficient and effective transport system.

Efficient travel: When well utilised, public transport can get people to their destinations efficiently and effectively with minimal interruptions. A bi-directional network greatly assists with this, creating direct and efficient routes in both directions.

Reduce Congestion: Effective public transport can carry more people further for a variety of purposes (e.g. work, education). More people on public transport results in less single occupancy traffic on the road,

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freeing up the network for smoother movement, particularly at peak times.

Economic: Providing people with access to employment and educational facilities results in economic benefits for the individual and the community. There are also economic benefits from the reduced need for road construction and maintenance.

Value for Money: Public transport services provide good value for money for both users and rate payers. Public transport is a cost-effective way to travel with relatively low fares for users. Services also present good value for money for ratepayers as the costs to run other public transport alternatives, such as commuter rail, are prohibitively expensive.

Environmental: Buses save energy compared to car trips and result in reductions in vehicle exhaust and noise emissions. Modern buses are extremely fuel efficient and have low emissions.

Health: Public transport has benefits to health, as most journeys involve a walk or bike ride to and from the bus stop and result in fewer emissions and airborne particulates than driving. It may also prove less stressful than driving.

Access and mobility: Public transport provides a means of travel to work, education, and public services for those who may not have alternative transport options. It is an essential link for many between residential areas, commercial areas, recreational areas, educational facilities, health services and community events and activities.

Safety: People have a much lower risk of accidental injury on a bus than using any other mode of transport.

Social: Many people do not have access to a car, with public transport the only viable option for travel. There is a significant social benefit from reducing community isolation.

Community resilience: A strong public transport network provides transport resilience in the face of rising/unpredictable fuel prices and vehicle operation costs. It also provides valuable choice for commuters, particularly if certain modes or routes are unavailable or unusable, ensuring communities stay connected.

2.3 Integrated planning and delivery – working with delivery partners



What's changed?

We've provided finer detail on who our delivery partners are and how we work with them to develop and deliver a public transport system that delivers to our community needs.

There are many parties involved with providing public transport services in Hawke's Bay. Under the Land Transport Management Act HBRC has the overall responsibility for the planning and delivery of public transport services to the Hawke's Bay Region. However, HBRC are not able to do this alone, either from a broader funding or service delivery perspective. HBRC works closely with our partners to help create and maintain an integrated, efficient, and effective public transport service.

This section sets out who HBRC works with, their respective roles and responsibilities, and our approach to working with our partners.

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The territorial authorities (in particular Napier City Council and Hastings District Council) play a major role through the provision of supporting infrastructure such as bus-stops. The NZ Transport Agency provides substantial funding for public transport. To encourage our key partners to continually consider the needs of an efficient and effective integrated public transport system we will embed a relationship-based approach to planning, funding, and infrastructure / service delivery.

Roles and responsibilities in the region

This section sets out at a high level the roles and responsibilities of each partner that plays a key role in the planning, funding, and delivery of public transport infrastructure and services in Hawke's Bay.

Hawke's Bay Regional Council

Under the LTMA, HBRC are recognised as the Public Transport Authority for Hawke's Bay. As a result, HBRC are responsible for:

- The planning, procurement, and design of public transport services.
- Co-funding public transport services through targeted rates, fare revenue, and other third party revenue generated from the public transport offering (e.g. advertising revenue from bus back advertising).
- Seeking funding from NZTA through the Regional Land Transport Plan process.
- Developing, setting, and implementing the policies that apply to the public transport services.
- Understanding and implementing government policy decision in regard to public transport, where applicable and appropriate.
- Working collaboratively with other Territorial Authorities to develop an integrated infrastructure delivery plan. This includes ensuring the required funding bids are built into the relevant Regional Land Transport Plan.
- Network and wayfinding design, along with service-related marketing and communications for users and communities.
- Planning and, in some cases, providing accessible information and associated infrastructure across the network.

New Zealand Transport Agency (NZTA)

NZTA set the high-level national policy that public transport authorities (such as HBRC) must adhere to for the public transport services they procure and provide. They are also a primary co-funder of the public transport services and supporting infrastructure and have a strong interest in how public transport authorities are operating and performing.

HBRC works closely with NZTA to:

- Secure necessary funding for the provision of public transport services
- Ensure funding bids for supporting infrastructure are developed and submitted, showing how they will help to deliver the overall service
- Feed into policy development initiatives at a national level
- Work to understand the implications and impacts of policy change within our regional context.

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Local councils

Local councils play a critical role in ensuring our public transport services can operate efficiently and effectively. Under the Land Transport Management Act, local councils are also recognised as Road Controlling Authorities (RCAs). RCAs are responsible for the management of local roads and supporting infrastructure.

Public Transport services are primarily delivered in the main urban areas of Hastings and Napier. On this basis, the Hastings District Council (HDC) and Napier City Council (NCC) are the main RCAs HBRC work with for the planning and delivery of public transport services. The RCAs are primarily responsible for:

- Providing and co – funding supporting infrastructure such as bus stops, signage, and road marking.
- Bidding for NLTF co – funding from NZTA for the provision of necessary infrastructure.
- Footpath and pavement enhancement and maintenance to support access to the public transport services, where appropriate.
- Roading changes to support the effective and efficient running of public transport services as required.
- Involvement in the collaborative planning of public transport services to meet the needs of communities.
- Policy alignment – ensuring that Local Council policies support and enable increased usage of public transport. For example, implementing policies around the management of and charging for on street parking in areas serviced by Public Transport, such as the CBD's, to encourage greater uptake.

HBRC works closely with the local councils to:

- Develop and deliver an integrated public transport plan, ensuring all necessary Council plans are accounting for future growth and community development.
- Develop a long term infrastructure investment pipeline, including upgrades to bus stop infrastructure to enable greater use, increases in safety, and to support longer operating hours.
- Ensure local council policy alignment supports and enable public transport operations and increased patronage, where applicable.
- Identify new or innovative service delivery improvements or opportunities.
- Ensure communities are served.

Te Whatu Ora Hawke's Bay

Te Whatu Ora Hawke's Bay funds the provision of free trips for hospital patients on all services and provides incentives to encourage its staff to use the bus. Community organisations also have a role to play as advocates for the needs of the users.

Ministry of Education

The Ministry of Education is responsible for the funding, procurement, and provision of school bus services in New Zealand. HBRC works with the Ministry of Education to see where our public transport services can provide connections, and to ensure there is no unnecessary duplication.

Major employers

The Hawke's Bay economy is underpinned by several large well-established sectors located in key nodes, such as Whakatu. Employers and communities alike rely on access to both workers and work to flourish. Engaging with major employers in key employment nodes will help to understand some of the

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opportunities that enhanced public transport could offer, potentially unlocking greater access to employment for our communities. Also, engagement could consider how we partner with major employers to enabling the funding and provision of public transport services.

Relationship approach

Hawke's Bay Regional Council has strong relationships with our key partners and places emphasis on making sure the relationships are constructive, well maintained, and that information is provided to partners in a timely manner. This is critical to ensuring that our public transport services are delivered in an integrated manner across the main urban areas of Hastings and Napier to:

- Meet the needs of our passengers
- Further develop an efficient and effective public transport system
- Encourage more people to use public transport services for a range of occasions
- Support people in our two main urban areas to have genuine transport choices
- Provide equitable access to social, cultural, recreational, and economic opportunities
- Reduce the environmental and health impacts of land transport
- Enable public transport investment to be efficient and give value for money.

This is primarily achieved through two main channels. Council staff and key partners work together through the Technical Advisory Group to plan, procure, implement, and run the public transport services. This is focused on both operational delivery and strategic development.

Elected representatives work together via the Regional Transport Committee and help to develop the strategic direction and governance of public transport services across Hawke's Bay. HBRC also intends to strengthen community relationships over time to ensure our services continue to be responsive to community needs and changes in travel patterns.

2.4 Funding



What's changed?

We've provided improved clarity of public transport funding sources, along with describing what we classify as third-party revenue.

We've also outlined some enduring challenges in the funding environment, including our farebox recovery rate. Combined, these factors, along with others, means it will take us longer to fully realise our public transport aspirations.

We set out three key strategies to increase third party revenues, including farebox recovery.

The funding for the services in this Plan comes from a range of sources and is a co-funding arrangement with NZTA. Activities and investments attract varying Funding Assistance Rates (FARs) from NZTA, with the remainder made up from local share, via rates. The funding sources include:

- Waka Kotahi NZTA, via the National Land Transport Fund, which contributes between 50% and 60% of the cost of services after fares through varying FARs, depending on the activity.

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- HBRC, which raises its funds from local ratepayers via a targeted rate.
- Passenger fares, being all fare revenue collected from users of the bus services at the time of boarding.
- Third party revenue, being all additional funding from external sources. This includes, but is not limited to bus back advertising, tertiary institutions, developer contributions, or businesses purchasing concession fares.
- Crown funding for schemes such as Super Gold and Community connect, among others.

Farebox recovery rates, effectively the 'user pays' portion of public transport services, have been challenging for some time and have decreased in line with the steady reduction in patronage. This fall, like with the reduction in patronage, is due to a range of factors including Covid-19, disruptions because of Cyclone Gabrielle, and impacts of service reliability challenges. Further, Hawke's Bay has had a relatively flat fare structure for a number of years, with a trip between Hastings and Napier costing \$2, while a trip within the respective towns costing only \$1. From May 2024, the HBRC increased the fares, helping to increase the farebox recovery and off set a portion of operational costs.

Ultimately, the full 'step change' contained in this plan requires additional funding to fully implement at increased levels of service. As the result of an increasingly challenging funding environment, it is envisioned the implementation will happen incrementally over time as suitable levels of funding allow. This plan is being prepared with the assumption that new revenue sources, increased farebox recovery rates, and increased funding, over time, will enable the service to be implemented in a way that drives value for money. The Third-Party Funding Policy and objectives are set out in Appendix E

It is anticipated the full 'step change' network, detailed in Section 5, will deliver a significant increase in patronage and therefore fare revenue once the full network is operational and ideal long-term levels of service are being delivered. The improved services will provide greater commercial opportunities including employer partnerships and advertising.

Monitoring of farebox recovery rates using the methodology and reporting process specified by Waka Kotahi is required of Public Transport Authorities. This monitoring is detailed in Appendix E.

Napier and Hastings bus service farebox recovery has declined in recent years, from near 24% in 2018 to a low of 7% in 2023/2024. This is a significant fall reflecting the disruption caused by the Covid-19 pandemic with less people travelling, Cyclone Gabrielle impacts and timetable unreliability through ongoing driver shortages. Alongside strong direction and support from NZTA, HBRC considers it to be important to improve the fare recovery ratio, over time and sustainably, back to around pre-covid levels as soon as possible. In the 2024-2025 year we are tracking a recovery to 9.4%, with subsequent years forecast at 11.5% and 13.1%. The following strategies along with the strategic response, detailed in Section 5, will support this.

Strategy 1: Staged shift to a patronage focused network

The current network is coverage-focused by design with low frequencies and indirect one-way loops, limiting its ability to be a viable and attractive alternative to driving. The low patronage from this leads to a low farebox recovery rate. The new network is patronage-focused by design, with high frequencies, to be achieved over time, and direct bidirectional routes that will see buses travelling in each direction, aimed at maximising ridership, which should ultimately lead to higher fare revenue and higher farebox recovery.

Strategy 2: Review of fare products and fare levels

The contribution of fares towards the cost of provision of public transport in Hawke's Bay has dropped significantly since 2017.

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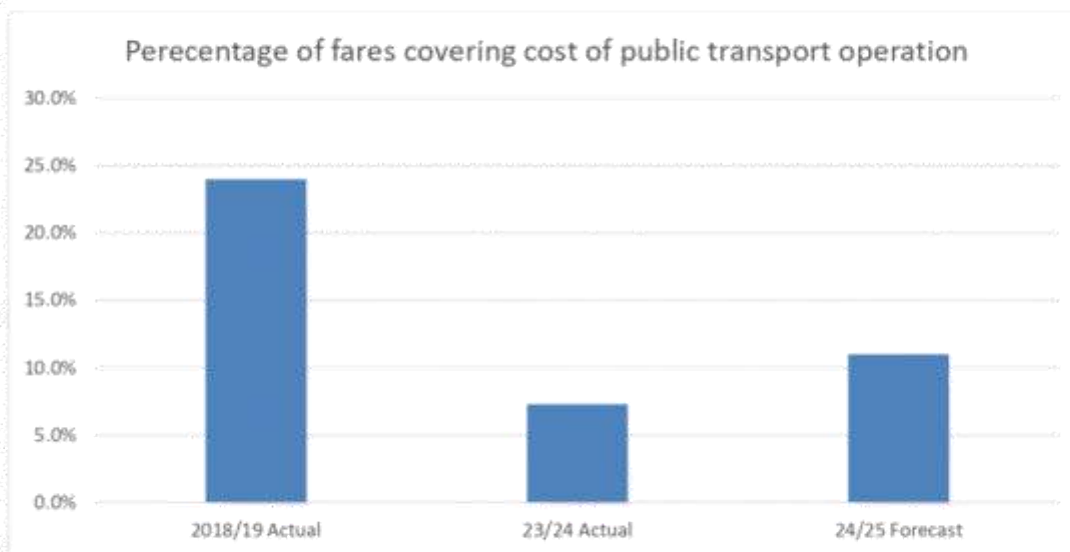


Figure 5: Percentage of fares covering cost of public transport operation

There were several contributing factors to this dramatic fall in cost recovery.

In Hawke's Bay we suffered compounding effects of patronage decline; Covid-19, the effects of Cyclone Gabrielle, and then bus timetable instability through the national driver shortage. Central government also initiated a half price fare campaign to ease the cost-of-living crisis, and to stimulate a post Covid-19 return to public transport use.

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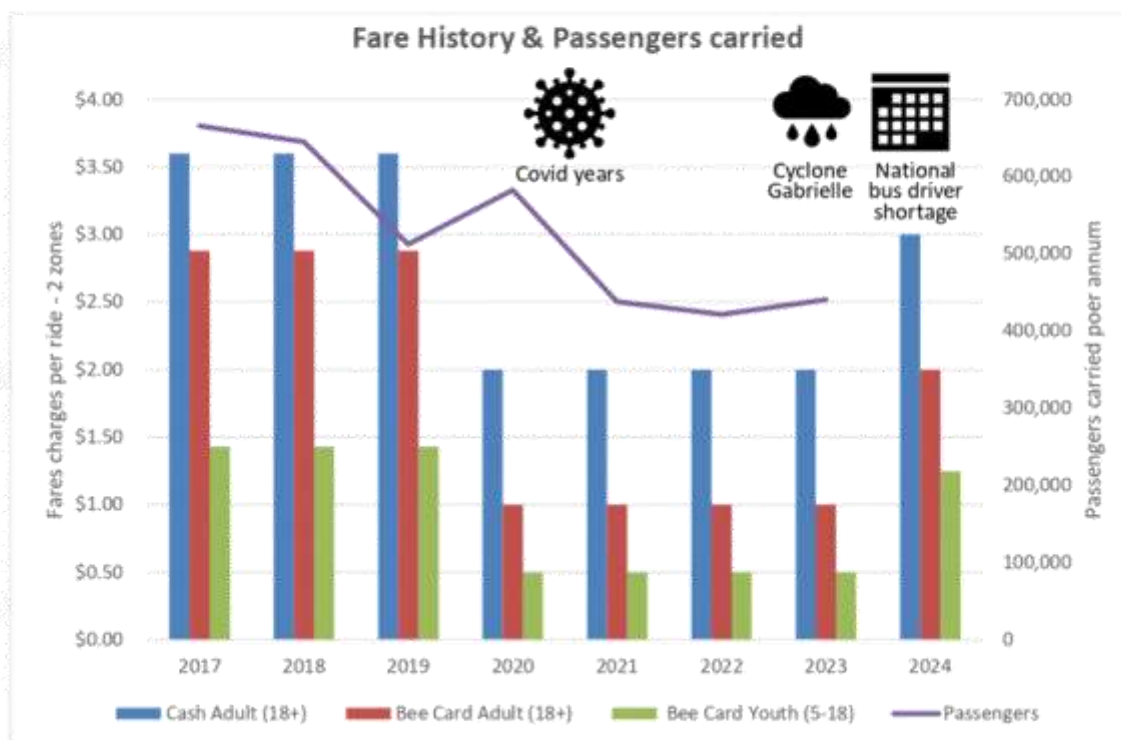


Figure 6: Fares charged versus bus patronage 2017-2024

We are therefore challenged with a need to increase fare recovery, and patronage, both at the same time, to return to levels of fare recovery experienced prior to Covid-19.

Adjusting bus fares requires careful consideration of the elasticity of demand to balance revenue generation and patronage. Moderate fare increases can help boost revenue and improve farebox recovery, particularly when aligned with rising costs of providing bus services. However, steep fare increases may disproportionately affect certain groups, reduce patronage, and risk a net decline in revenue, ultimately undermining farebox recovery. Any changes to fares must therefore be carefully evaluated for their economic and social impacts. Since September 2020, NZTA Waka Kotahi, on behalf of the Ministry of Transport, has funded half-price fares for Community Services Card holders. Whilst this discount will always be subject to change, the program ensures groups with specific economic disadvantage have access to lower cost public transport whilst fare levels return to their previous share of costs.

Fare product and fare level reviews may also include the introduction or trial of new or different fare types or products. For example, commuter concession schemes could be developed and implemented, or a new fare product developed to help the transport disadvantaged access the services they need.

Bus fares are expected to rise at a higher rate than costs of providing the service in the coming years. This is because fares have not kept up with rising costs for more than six years, and a gradual adjustment is needed to recover the historic funding shortfall, as well as meet increasing costs over time.

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Strategy 3: Community responsiveness and integration

Public transport services exist to meet the needs of users and communities. To maintain their appeal and advance the vision for providing improved public transport, it is crucial for HBRC to collaborate closely with the community, key strategic partners (e.g., Councils, Waka Kotahi NZTA), service users, and the broader public. This collaboration should focus on continual improvement - exploring options for service improvements and infrastructure enhancements, within the constraints of available funding and resources.

3 The Transport Disadvantaged



What's changed?

We've provided greater clarity on the factors that may contribute to a person being transport disadvantaged.

Under Section 120(1) (viii) of the Land Transport Management Act (2003), the Plan is required to describe how the proposed services will assist people who are "transport disadvantaged". Section 124(d) also requires HBRC to consider the needs of the transport disadvantaged when approving an RPTP.

The term "transport disadvantaged" is defined in the LTMA as those who HBRC has reasonable grounds to believe are the least able to travel to basic community activities such as work, education, health care, welfare, and shopping. HBRC considers these needs and access requirements when creating policies to assist the transport disadvantaged.

A range of personal, demographic, social, and geographical attributes are likely to restrict access to, and the use of, public transport services and facilities leading to a person being transport disadvantaged. HBRC believes the following groups are transport disadvantaged:

- Children
- The elderly
- People with disabilities
- Tertiary students
- People on low incomes / beneficiaries
- People who are unable to drive or have no access to a vehicle
- People living in high deprivation neighbourhoods

Factors that may contribute to transport disadvantage could include:

- **Limited affordability:** high transport costs (or costs of alternatives such as car ownership) can prevent people from accessing services.
- **Lack of available transport options:** People may not have access to public transport or may not be able to drive.
- **Physical and mental disabilities:** People with disabilities may have difficulty accessing public transport.
- **Age:** children and elderly people may have difficulty accessing public transport and / or have safety concerns.
- **Low incomes:** people on low incomes may not be able to afford transport.

D HBRC believes that the planned bi-directional network change, long term service improvements and the associated fare policies proposed in this Plan will assist the needs of these groups in the long term. The planned future services are designed to provide efficient coverage of residential areas, linking them with commercial, community, and key educational facilities. By delivering a more legible, increasingly frequent network over time, the transport disadvantaged will be able to make more types of trips. As we scale up the frequency and expand operating hours in future years, as funding allows, this will further unlock opportunities and connection for the transport disadvantaged.

R The existing fare system provides support to the elderly, who benefit from the SuperGold Card free travel scheme. From September 2022, there will also be a 50% discount on fares for Community Services Card holders.

A The buses used on the services in Hawke's Bay are all wheelchair accessible, which assists people with disabilities, older people, and parents with young children. Working closely with our key partners, particularly Local Council's as the infrastructure delivery agents, HBRC will continue to collaboratively plan for the implementation of supporting infrastructure that enables smoother access to the network.

F All buses have bike racks, which enables people to travel a greater distance to or from a bus stop. Some types of small electric scooters and other small micro-mobility devices, dependent on weight and size, can be carried onto buses. Bike racks on buses can only carry two at any one time. Improving bike parking at key bus stops and interchange points can support greater use of bikes for first/last mile access.

T The Total Mobility Scheme provides services for those with a permanent disability who are unable to use public transport. However, the Public Transport network infrastructure needs to become more accessible to enable people of all abilities to have equitable access and options. HBRC continues to partner with a range of groups representing those who are transport disadvantaged, to ensure all needs are considered, and access remains equitable.

4 Vision, Objectives and Policies

4.1 Vision

HBRC's vision for public transport is:

"To deliver a public transport system that is safe, accessible, and supports the shift to reduce driving and emissions in Hawke's Bay, while improving the economic, social, and environmental well-being of the people of Hawke's Bay."

4.2 Objectives and policies for Hawke's Bay Regional Council Bus Services

4.2.1 Our network:

Network design objectives

- A straightforward public transport network that runs all-day, seven days a week, with a hierarchy of routes at consistent levels of service.
- An effective network that connects residential neighbourhoods to key employment, shopping, medical, entertainment, recreational and educational facilities, and other destinations to serve more types of journeys.
- An efficient network that represents good value for money, by supporting the greatest number of journeys it can from the resources used to operate it.

Network operation and service quality objectives

- Subject to suitable levels of available funding, bus schedules are frequent or run to a regular timetable to minimise waiting time and allow people flexibility for when they travel.
- Bus routes are direct, clear, and legible to be easy to understand and use.
- Services run throughout the day, enabling users to access education, work, shopping, medical, and recreation activities.
- Buses are timely and reliable to create an attractive service that users can rely on.

4.2.2 Our customers

Objectives:


- People in the urban areas of Hastings and Napier have access to public transport services to connect them to employment, shopping, medical, entertainment, recreational and educational facilities.
- Services are environmentally responsible and integrated with other transport modes, particularly walking, and cycling.

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Table 2: HBRC customer policies

Policy Area	Policy
	<p>What's changed?</p> <p>In Policy 2 we've set out our long-term target frequencies - these may take even longer to implement than the previous plan anticipated.</p> <p>In policy 3 we note the reviewed MyWay service and even though it we propose it won't continue in its current form, we still see a potential future iteration of this type of service, possibly working</p>
NETWORK DESIGN	<p>HBRC will:</p> <ol style="list-style-type: none"> 1. Plan and deliver a network which is simple and legible for users and reasonably direct. 2. Provide service levels with targeted minimum <u>long-term</u> frequencies , as follows: <ul style="list-style-type: none"> • Frequent services: 15 minutes or better between 7am and 7pm, 7 days (weekdays and weekends). Services may have lower frequency outside those hours. • Connector services: 30 minutes or better between 7am and 7pm, 7 days (weekdays and weekends). Services may have reduced frequency outside those hours. • Other (Local, rural-township, peak-only, school, Total Mobility and on demand services): no minimum service levels. • All service types and frequencies are subject to suitable and available levels of funding 3. Following the MyWay trial, continue to investigate options and opportunities for an on-demand service in the future public transport network as a complement to fixed routes.
	<p>What's changed?</p> <p>In policy 6 we set out that any supporting services for school children will be subject to available funding and capacity and will only be on already scheduled services on established urban routes.</p>
ACCESS TO SERVICES	<p>HBRC will:</p> <ol style="list-style-type: none"> 4. Aim to provide services so that at least 70% of residents within the Napier-Hastings urban area are within 400m walking distance of bus stops with all-day bidirectional service. 5. Subject to available funding, and where sufficient demand exists, look to introduce new services on a trial basis. Any trial should be subject to a minimum trial period of twelve months before any amendment or cessation.

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Policy Area	Policy
	<ol style="list-style-type: none"> 6. Subject to available funding and capacity, ensure the network caters for patterns of student travel that are likely to overcrowd already scheduled public buses on established urban routes. 7. Consider the provision of extra services for special events: <ol style="list-style-type: none"> a. which are non-commercial b. where there is free entry for the general public c. where over 5,000 attendees are expected d. where organisers will contribute one-third of the net cost of additional services
<div>  <p>What's changed?</p> <p>In policy 10 we've outlined the need for collaboration with our delivery partners, and their available funding, if we are to enable more accessible infrastructure across the network.</p> <p>In policy 12 we have committed to long term engagement with the disabled community to help collaboratively understand and design public transport services to enhance accessibility and service delivery.</p> </div>	
TRANSPORT DISADVANTAGED	<p>HBRC will:</p> <ol style="list-style-type: none"> 8. Consider the needs of those who are transport disadvantaged when providing services. 9. Ensure all services are operated by wheelchair accessible buses. 10. Subject to available funding and in collaboration with key delivery partners, ensure that the public transport network has accessible infrastructure that is fit for form and function, providing options to people of all abilities. 11. Actively engage with reference groups as subject matter experts in the design of bus stops, fare structures, customer experience, and service development to ensure accessibility and equity are meeting the needs of all people across the whole network. 12. Actively engage with the disabled community to ensure accessibility needs and service design requirements are understood in the design and delivery of public transport services, with a long-term implementation horizon. 13. Continue to evaluate on demand services as a potential tool to enable greater access to the wider public transport network for a range of users, including the mobility impaired and aged communities with a view that the mode is a complementary network enabler.
HEALTH AND SAFETY	<p>HBRC will:</p> <ol style="list-style-type: none"> 14. Ensure vehicles operated under contract to HBRC meet the safety standards required by law and the quality standards set out in the NZ Transport Agency

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Policy Area	Policy
	<p>Requirements for Urban Buses, and that safety monitoring is undertaken through the Operator Safety Rating System.</p> <p>15. Continue the current scheme, initiated with Hawke's Bay District Health Board with Health New Zealand to facilitate ease of travel for those needing to attend health appointments, while Health New Zealand, funding allows.</p>
	<p>What's changed?</p> <p>In policy 16 we confirm that all new buses in the Hawke's Bay fleet must be zero emission from 2025.</p>
ENVIRONMENTALLY RESPONSIBLE	<p>HBRC will:</p> <p>16. Ensure vehicles operated under contract to HBRC meet the environmental standards as set out in NZ Transport Agency Requirements for Urban Buses. From 2025 this means all new public transport buses brought into Hawke's Bay Region's contracted bus fleet must be zero emission.</p>
INTEGRATION WITH OTHER MODES	<p>HBRC will:</p> <p>17. Ensure that all buses used in HBRC services have bike racks.</p> <p>18. Work with local authorities and key delivery partners to improve integration of buses with cycling and walking.</p> <p>19. Work with local authorities to achieve effective integration of multi modal transport, including (subject to sufficient available funding) the provision of secure bike storage and e-bike charging stations within easy reach of bus stops at key interchanges and locations such as Clive that are fed by cycleways that provide vital connections to more remote communities like Te Awanga and Haumoana.</p>

4.2.3 Our Service



What's changed?

We have set out a focus on consistent and reliable services.


The purpose of this section is to ensure the experience of the customer is enhanced by having appropriate vehicles and infrastructure complemented by consistent service delivery.

Objectives

- Public transport operations provide comfortable and safe travel, minimise adverse environmental effects and improve health outcomes.
- Provision of a high standard of integrated infrastructure by key delivery partners that supports the network of bus services.
- Users experience a consistent and reliable service, every time to sustain levels of patronage.

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Table 3: HBRC service policies

Policy Area	Policy
BUSES	<p>HBRC will:</p> <ul style="list-style-type: none"> 20. Ensure all vehicles providing services under contract are part of a consistent HBRC endorsed brand and colour scheme. 21. Ensure all publications and marketing materials feature the HBRC endorsed brand and colour scheme. 22. Permit suitable commercial advertising on and in buses, where appropriate and applicable in line with the Bus Advertising Policy. 23. Investigate rollout of zero-tailpipe emissions buses earlier than required by government policy.
SERVICE PERFORMANCE	<ul style="list-style-type: none"> 24. Provide high-quality, reliable services which create a consistent customer experience. 25. Specify high standards for reliability, timekeeping, and customer service, and incentivise good service performance on all routes through bus operator contracts.
INFORMATION AVAILABILITY	<ul style="list-style-type: none"> 26. Ensure service information is readily available and easy to understand. 27. Provide up to date information on all services on the HBRC network and encourage Hastings District Council, Napier Council, and other partners to do the same. 28. Make information available through social media(e.g. Facebook). and other channels / mediums as applicable and as funding allows. 29. Ensure information for those with sight impairment is available.
<div>  <p>What's changed?</p> <p>In policy 31 we note will be working towards implementing the new National Ticketing Solution across the network.</p> <p>In policy 34 we are considering the role of cash for the payment of fares on our bus network. There are many benefits and disbenefits. We need your feedback on this issue to help us make an informed decision.</p> </div>	
FARES	<ul style="list-style-type: none"> 30. Ensure fare payment systems are easy to use and accurately record passenger trip information. 31. Work with delivery and investment partners to implement and integrate the National Ticketing System (NTS) across the network. 32. Set fares in accordance with the targets and policies contained in the farebox recovery and fare-setting policy set out in Appendix E. 33. Review fare levels in accordance with the policy set out in Appendix E. 34. Continue to review the role and use of cash fares across the network and consider the role of safety and impacts on users, particularly the transport

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Policy Area	Policy
	<p>disadvantaged, in any decision to phase out cash payment upon the implementation of the National Ticketing System.</p> <p>35. Consider fare exemptions for the mobility impaired and their companions, with value given to the balance of costs across all funded activities (i.e., the increased cost of further subsidising PT fares is outweighed by the savings in total mobility subsidies).</p>
PROCUREMENT, FUNDING, AND DELIVERY	<p>36. Consider the following criteria when establishing public transport units:</p> <ol style="list-style-type: none"> Does the unit configuration form a marketable whole? What customer market would it serve? How attractive would it be to tenderers? (to encourage competition) Will the unit configuration maximise efficiency and achieve the best value for money possible? <p>37. Procure bus services using the partnering delivery model and the price quality selection method as set out in NZTA's Procurement Manual 2009</p> <p>38. Maximise funding from NZTA.</p> <p>39. Support the SuperGold Card free travel scheme funded by NZTA.</p> <p>40. Explore partnership and bulk purchase opportunities with large employers, places of education, and other destinations.</p>
COMMERCIAL PARTNERSHIPS	<p>41. Consider opportunities to develop commercial partnerships with businesses to provide targeted public transport services that meet the needs of both the business community and employees.</p>


4.2.4 The experience

The purpose of this section is to ensure the experience of the customer is enhanced by having appropriate vehicles and infrastructure.


Objectives:

- Public transport operations provide comfortable and safe travel, minimise adverse environmental effects and improve health outcomes.
- Provision of a high standard of infrastructure in key locations on the network that supports the bus services.

Table 4: HBRC experience policies

Policy Area	Policy
	<div>  <p>What's changed? In policy 44 we are making sure annual driver training is being delivered to support disabled and mobility impaired users.</p> </div>
BUSES	<p>HBRC will:</p> <p>42. Ensure all vehicles operated under contract will meet the minimum vehicle quality specifications as set out in the NZTA Requirements for Urban Buses.</p>

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Policy Area	Policy
	<p>43. Provide wheelchair accessible vehicles on all services to ensure easy access for wheelchair users, parents with young children and passengers with mobility difficulties.</p> <p>44. Ensure driver training is provided annually around disabled and mobility impaired users with a view to ensuring they are assisted to utilise the service, where practical.</p> <p>45. Ensure the appropriate size bus is used on each service by catering for peak loadings at the service peak time.</p>
<div>  <p>What's changed?</p> <p>In policy 51 we have outlined a desire to provide multi-platform real time bus arrival information, subject to funding.</p> <p>In policy 52 we've committed to clear and concise visual design / wayfinding.</p> </div>	
BUS STOPS AND TIMETABLE INFORMATION	<p>46. Work collaboratively with local councils to add more bus shelters to the network, subject to available funding, ensuring the shelters and / or stops are fit for form and function.</p> <p>47. Work with local councils to implement bus-stop improvements in line with Waka Kotahi Bus Stop Design Guidance.</p> <p>48. Liaise with Napier City and Hastings District Councils regarding improved access from bus stops to buses for people in wheelchairs and those who require other mobility aides.</p> <p>49. Ensure printed timetables are readily available, including large-print versions.</p> <p>50. Provide high quality web timetable and journey planning information.</p> <p>51. Subject to funding, provide multi-platform real time bus arrival and departure times at key stops in the network.</p> <p>52. Ensure visual wayfinding / network design at stops is clear, concise, and simple for users to understand.</p>

4.2.5 Looking forward


The purpose of this section is to ensure that public transport services cater for the changing needs of the population, including changes in residential and commercial areas; make provision for potential growth in demand for passenger services caused by increases in fuel prices; and recognise future developments in infrastructure technology, modal innovation, and service delivery innovations.

Objective:


- A flexible network that adapts to changes in demand.

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Table 5: HBRC future network policies

Policy Area	Policy
 <p>What's changed? In policy 58 we've set out our need and desire for regular monitoring and review of the performance of the bus network, to ensure we have good data on how the service is delivering for the community.</p>	
DEMAND	<p>HBRC will:</p> <ul style="list-style-type: none"> 53. Improve service levels and the quality of the network to stimulate demand for public transport, subject to available funding. 54. Work with key partners to consider ongoing and potential changes in population, land-use and other factors that influence demand, to ensure the supply of services matches the demand. 55. Monitor the demand for rural services. 56. Carry out a two-yearly passenger survey in line with NZTA requirements. 57. Investigate the longer-term potential for park and ride facilities serving rural areas and improved interchange and terminus facilities at key points in the urban network. 58. Monitor and review the effectiveness, efficiency, and equity of a transition to a high frequency direct public transport model over time as it is implemented, subject to available funding. Regular reviews should be undertaken with key stakeholders, annually following full implementation and any subsequent improvements to levels of service.
TECHNOLOGY	<ul style="list-style-type: none"> 59. Subject to available funding, use changing technology where possible to provide a better service through improved ticketing systems and the progressive implementation of integrated real time end to end trip information across the network and applicable channels (e.g., bus stops, applications, online, in-bus).
INTEGRATION WITH OTHER SERVICES	<ul style="list-style-type: none"> 60. Discuss any potential improvements for better integration and shared facilities for long-distance bus and/or tourism services with the relevant council.
PASSENGER RAIL	<ul style="list-style-type: none"> 61. Work with other councils, KiwiRail, NZTA, Ministry of Transport, Government, and operators, to support investigating opportunities for intra and inter regional passenger rail. This includes leadership and advocacy to support better use of the rail network, and better funding structures. 62. Undertake a high-level feasibility study of future commuter rail inclusion in the wider Hawke's Bay Public Transport network, if suitable funding permits.


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Policy Area	Policy
 <p>What's changed? In policy 63 we are looking into the future and considering any new, innovative, or different ways to create and enable travel choice. In policy 64 we are also endeavouring to find funding to enable a Central Hawke's Bay bus trial.</p>	
PUBLIC TRANSPORT SERVICES	<p>63. Consider the role of new and emerging technologies and mobility options as a means to manage travel demand, provide travel choice, and create efficient journeys for communities.</p> <p>64. Continue to investigate, evaluate, and endeavour to secure funding to enable the Central Hawke's Bay Commuter Express trial.</p>

4.3 Objective and policies for Total Mobility

4.3.1 Our customers

Table 6: HBRC total mobility customer policies

Policy Area	Policy
 <p>What's changed? Throughout this plan we've described how the Total Mobility Scheme is for people with permanent disabilities, meaning they have no other transport alternative.</p>	
TRANSPORT FOR PEOPLE WITH A PERMANENT DISABILITY	<p>HBRC will:</p> <p>65. Continue to provide the Total Mobility Scheme in Napier, Hastings, Waipawa and Waipukurau in line with the policy set out by NZTA, while reserving the right to limit resources subject to funding and to operate within budget.</p> <p>66. Subject to NZTA funding, make wheelchair payments for each wheelchair transported in a vehicle.</p>


4.3.2 Your service

Objective:


A funding system for Total Mobility services that is fair to ratepayers and users of the service, is efficient and effective, is fit for purpose, and recognises the different benefits occurring to each funding party.

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Table 7: HBRC total mobility service policies

Policy Area	Policy
INFORMATION AVAILABILITY	<p>HBRC will:</p> <p>67. Ensure information on the Total Mobility Scheme is readily available and easy to understand.</p>
<div>  <p>What's changed?</p> <p>We have strengthened our Total Mobility policies, ensuring they are fit for the future. Key changes include:</p> <ul style="list-style-type: none"> Setting the fare concession payable to 75% of a maximum \$50 fare. Capping the maximum chargeable base fare at \$25. Setting out fare parity measures across providers. Outlining that the Total Mobility subsidy is only payable for the time the vehicle is travelling. </div>	
FARES	<p>68. Ensure fare transaction systems are easy to use and accurately record passenger trip information.</p> <p>69. A 75% concession applies to a maximum fare level of \$50, thereby meaning the Total Mobility passenger pays 25% of the first \$50 of a fare.</p> <p>70. The operator must charge the user the remaining 25%, or applicable balance, of the chargeable fare.</p> <p>71. The minimum fare chargeable, within the fare concession levels, must not exceed \$25.</p> <p>72. Total Mobility operators provide a fare schedule to the Council for approval on an annual basis along with necessary supporting information that may be requested from time to time. No company can exceed the combined average fares of the other companies by more than 10%.</p> <p>73. Average fares are calculated using industry standard kilometre rates.</p> <p>74. Fares charged will be a total for the applicable fare travelled and include all transactional costs, including technology fees.</p> <p>75. The fare subsidy will apply for the time the vehicle is travelling from location to location. For the avoidance of doubt, the subsidy does not cover or include non-driving time, such as waiting time, repositioning / dead running, or assistance / companion time.</p> <p>76. All fares, fare policies, and concession levels are subject to change at any time according to levels of available funding, NZTA policy settings, and HBRC operational consideration or constraints.</p>
FUNDING AND DELIVERY	<p>77. Maximise funding from Waka Kotahi NZ Transport Agency.</p> <p>78. Consider applications from transport operators for the provision of Total Mobility transport services, while reserving the right to decline applications where:</p> <ol style="list-style-type: none"> Demand cannot be demonstrated Adequate services are in operation Value for money cannot be demonstrated.

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Policy Area	Policy
	79. Undertake regular audits of operator's and their vehicles to ensure contract compliance.
 What's changed? In policy 80 we've reviewed and strengthened our assessment and auditing mechanisms for Total Mobility.	
ASSESSMENT	80. Assessment agencies will be required to seek and obtain accreditation with the Council annually. 81. Assessment agencies, and their assessments, will be regularly audited to ensure accreditation compliance. 82. Assessment agencies will be required to implement any scheme changes made by the Council in a timely manner, following suitable communication and training by HBRC.

4.3.3 The experience


Objective:

A Total Mobility service that provides comfortable and safe travel and delivers value for money.

Table 8: HBRC total mobility experience policies

Policy Area	Policy
 What's changed? In policy 83 we've reviewed and strengthened our hoist grant conditions, making sure they continue to be fit for purpose.	
ACCESSIBLE VEHICLES	HBRC will: 83. Subject to NZTA funding, provide grants for the installation of wheelchair hoists up to a maximum grant amount per installation. 84. HBRC will consider applications for grant installation on a case-by-case basis, while reserving the right to decline the applications where: <ul style="list-style-type: none"> - suitable funding is not available - The submitted quote covers works outside the scope of a hoist installation, for example the installation / shifting of vehicle seats

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Policy Area	Policy
	<ul style="list-style-type: none"> - Where HBRC believes, on reasonable grounds, the vehicle to which the hoist is to be installed does not meet vehicle safety and age specifications.
<div>  <p>What's changed? In policy 87 we've included a policy to ensure annual driver training is provided to assist the experiences of disabled and mobility impaired users.</p> </div>	
HEALTH AND SAFETY	<p>HBRC will:</p> <ul style="list-style-type: none"> 85. Ensure vehicles operated under contract to HBRC meet the safety standards required by law. 86. Ensure Total Mobility providers have health and safety policies and procedures in place which meet the requirements of the Health and Safety at Work Act 2015. 87. Ensure driver training is provided annually around disabled and mobility impaired users with a view to ensuring they are assisted to utilise the service, where practical.
TECHNOLOGY	<ul style="list-style-type: none"> 88. Operate Total Mobility user ID smartcard transaction technology for Total Mobility in the region, to support more independent travel.

4.3.4 Looking forward


Objective:

A flexible service that adapts to changes in demand.

Table 9: HBRC total mobility future policies

Policy Area	Policy
DEMAND	<p>HBRC will:</p> <ul style="list-style-type: none"> 89. Consider changes in population demographics, land use and other factors that influence demand on the Total Mobility Scheme, as opportunities to improve the Public Transport Network to ensure a range of options are provided to people of all abilities.
TECHNOLOGY	<ul style="list-style-type: none"> 90. Use changing technology where possible to provide a better service.

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Policy Area	Policy
<div>  <p>What's changed? In policy 91 we've ensured we remain open to ongoing improvement, leaving us the opportunity to investigate innovations and alternative delivery models as they arise.</p> </div>	
SERVICE DELIVERY	91. Continue to investigate options and opportunities, as they arise and are applicable, to deliver Total Mobility services in an innovative, responsive, and / or integrated manner with other public transport services.

4.4 Objectives and policies for Community Transport


Objective:

Support existing and the development and implementation of new community-based transport solutions for smaller settlements outside of the main urban areas, where and when suitable funding becomes available.

Table 10: HBRC community transport policies

Policy Area	Policy
DEMAND	<p>HBRC will:</p> <p>92. Provide support for community transport services where:</p> <ol style="list-style-type: none"> There is demonstrated evidence to support the need for a transport service in communities outside the urban areas of Hastings and Napier, i.e., Wairoa, Central Hawke's Bay, and Cape Coast. There is willingness by members of the community to set up, operate and maintain a trust or similar structure to oversee governance of the service, and for people to volunteer to be drivers. There is sufficient funding available to support the establishment and administration of the trust and the purchase of vehicle(s). The establishment of the trust has the demonstrated support of the relevant territorial authority. <p>93. Support for community transport services will be assessed on a case-by-case basis and may include:</p> <ol style="list-style-type: none"> Council staff assistance to establish a Trust or service in a new area where a request is received from the relevant local authority, community board or residents' group. Financial grants towards vehicle purchase/replacement and Trust administration costs, subject to availability of funding. Provision of supporting technology to help make community transport services easier to manage and more accessible for users, subject to availability of funding.

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Policy Area	Policy
	h. Where possible leverage council's purchasing ability to obtain best value for community vehicle/hoist purchase, and/or other professional services such as driver training.
 What's changed? In policy 94 we lay out the opportunity to discuss and advocate for forms of rating / funding that would appropriately enable the development of community transport.	
FUNDING	94. Where applicable and appropriate, advocate for funding to enable Community Transport from both the NLTF and Local Share, supported by private share contributions / donations (e.g. foundation grants and the like).

5 What we plan to do

5.1 Strategic response

To address the issues identified through our 2022 consultation, network review, and subsequent business case processes (refer Section 1), we have developed several strategic responses, and from these, several action points to be implemented as suitable levels of funding allow, in addition to the provision of existing services.

1. Deliver a new "step change" network as suitable levels of funding allow over time.



What's changed?

We describe the detailed business case currently under development and set out how this will enable increases in service levels.

We also discuss the constrained funding environment and reconfirm our long-term aspiration to increase frequency and operating hours.

At the time of writing, a detailed business case is currently being developed to comprehensively set out the opportunity, benefits, and implementation pathway for Hawke's Bay to introduce the new bi-directional 'step change' network. Once completed and endorsed by the NZTA board, HBRC will be able to investigate additional funding opportunities that will allow us to scale up the urban public transport network in terms of frequency and operating hours, improving the Levels of Service we can deliver.

The new network will ultimately be a "step change" improvement over the current bus system, designed to make public transport a viable and attractive option for more journeys within the Napier Hastings urban

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areas, and lead to significant growth in patronage. Due to the impacts of funding constraints the network will be implemented in stages, as increased levels of funding become available.

The planned changes, to be implemented no earlier than 2026 include:

- **Legible bi-directional routes**, replacing the slow and indirect one-way loops of the existing network with two-way routes on more direct alignments. This will see buses travelling in both directions on routes.

Future planned changes and improvements that are dependent on increased funding include:

- **Increased all-day service frequency** across all routes, with investment targeting connections to major employment, education, retail destinations and essential needs.
- **Increased span of service**, with all urban services running from 6am to 9pm, seven days a week. Like frequency, the increase in span of operational hours will happen incrementally over time, as community feedback supports, and any necessary safety requirements are enabled.

Ultimately, once fully implemented this will provide a significant step change in terms of level of service, in particularly the frequency and span, and is designed to deliver increased patronage.

These staged improvements, as well as further long-term service improvements to frequency and span of service, are detailed in Appendix A.

2. Deliver incremental service improvements ahead of new network delivery



What's changed?

We outline that unprogrammed service improvements may occur from time to time, and to ensure we continue to evaluate opportunities where on-demand services might play a useful role in future public transport opportunities.

Simple service improvements can be implemented as funding and demand allow.

Unprogrammed service improvements or changes will occur through the life of this plan so as the network can adapt to unforeseen issues or opportunities. These are likely to be minor route changes or additional singular additions to a timetable.

Whilst the new network design proposed for introduction in 2026 will see the conclusion of the MyWay trial in Hastings, we will continue to examine the place of an on-demand style service to enable more reliable and frequent public transport to communities where this service is more suitable than traditional fixed route services. On-demand services are typically utilised in lower density or lower population areas that are typically hard to effectively and efficiently service with standard public transport but can also provide an effective complement to fixed routes services in urban centres. The core purpose of any future on demand offering would be focused on efficiency and access.

3. Investigate and implement innovative ways to provide better transport options in small towns and rural areas, as suitable levels of funding allow.

HBRC would like to further improve access for residents in communities outside the main urban areas, particularly those experiencing sustained growth in population and housing. HBRC intends to explore more flexible ways in which this could be achieved in a cost-effective manner. This will involve looking wider than conventional bus services and exploring options such as community van / transport services.

4. Undertake a program of continuous improvement



What's changed?

We've committed to continually working with communities to refine and further develop the public transport service offering.

We will continually work with communities across the region to ensure public transport services are optimised to deliver the best services to them. We will do this by ensuring regular engagement with representatives of each community, including iwi and hapu, where service design and delivery is jointly assessed to ensure it remains fit for purpose.



5.2 Planned activities

The following activities are planned for future implementation. These are not listed in any particular order, as programming will depend on suitable levels of available funding, resources, and external factors. However, the items have an indicative timeframe based on relevant factors.

Table 11: Planned activities

Initiative	Details	Indicative timeframe
<h5><i>What's changed?</i></h5> <p>Supporting our continuous improvement approach, we are committed to engaging with communities and users to ensure the network is fit for purpose.</p>		
Improve journey time and journey time reliability	<p>To include consideration of:</p> <ul style="list-style-type: none"> streamlining routes to reduce dead-running timetable revision to reflect changed running times. Subject to funding, increasing frequencies to reduce waiting time. minimise the impacts of any delays that do or may occur. Engage with communities and user groups to ensure network serves their needs. 	Ongoing
<h5><i>What's changed?</i></h5> <p>We've highlighted an opportunity to engage with large employers to understand how public transport might assist with employee access.</p>		


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Initiative	Details	Indicative timeframe
Investigate options to partner with organisations and businesses to promote commuter bus use through concession fare schemes.	<ul style="list-style-type: none"> Build upon existing partnerships model which has been successful with Hawke's Bay Fallen Soldiers' Memorial Hospital. Engage with business in key employment nodes to understand challenges and opportunities, trialling new services where sufficient demand, funding, and business buy in exists. 	Ongoing
 What's changed? We are re-confirming our desire to trial a Central Hawke's Bay Commuter Express bus service for a minimum period of 18 months when and if funding becomes available.		
Trial a commuter express bus service between the Central Hawke's Bay towns of Waipukurau, Waipawa and Ōtāne through to Hastings.	Subject to available levels of funding, operate two morning peak services to Hastings from Waipukurau, via Waipawa, and Otane, with two evening return services to Waipukurau from Hastings. Any trial should last for at least 18 months.	Trial implementation subject to availability of funding (both NZTA and Local share)
Community Transport in Wairoa	Identify existing initiatives and support the establishment of a Trust to run Community Transport services in Wairoa.	Implementation by 2028, subject to available funding.
 What's changed? We've set out our short-term frequencies and aspirational long-term frequencies across the new network services. We've also outlined that these step change will take longer to achieve than envisaged in the 2022 plan.		
Implement planned 'Step change' fixed route bus network	See Appendix A for details. Short term levels of service will be at current frequencies and operating hours, with long term frequency and operating hours increasing as suitable levels of funding allow.	No earlier than 2026, subject to available levels of funding.

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Initiative	Details	Indicative timeframe
 What's changed? We have enabled the opportunity to meaningfully engage with communities right up until the new network is implemented to ensure the changed bus routes best serve their needs, whilst retaining our core planning principles.		
Refine and solidify the new network with affected communities and key stakeholders	Engage with communities that will have material route / network changes, as subject matter experts in their needs, to ensure the new network services their needs and key destinations sufficiently while not significantly impacting network planning foundations.	To be completed by the implementation of the new network, expected no earlier than 2026.
 What's changed? We've committed to gathering qualitative / citizen insights to ensure we explore challenges and opportunities for greater public transport uptake.		
Investigate and understand barriers and challenges to increased public transport uptake in the main urban areas	Undertake engagement and workshops with users, stakeholders, and community to understand, quantify, and tease out either real or perceived barriers / challenges to either the use or increased uptake of PT services in Hawke's Bay. These insights will be utilised in network & infrastructure review, design / development, and service delivery planning	Ongoing – to be completed by the implementation of the new network
 What's changed? We will be implementing the National Ticketing System across the network.		
Implement the National Ticketing Solution	Working with delivery partners, Cubic, and others, implement the National Ticketing System across the network. Consider the role of cash fares across the service as part of the NTS implementation, in line with policy #32. Following consultation, cash payment may or may not be retained as part of the NTS transition. All system and fare product changes	No earlier than September 2025

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Initiative	Details	Indicative timeframe
	will be supported by relevant and targeted communications and engagement.	
 What's changed? We've reviewed the MyWay service and, while it will not form part of the new network, we have left the door open to evaluate it as a complement to fixed routes in the future.		
Investigate potential for MyWay, or an On Demand service, to operate as a complement to bi-directional fixed route services to deliver greater accessibility for all communities	<p>Following the MyWay trial in Hastings, and utilising the lessons from the trial review, we will continue to investigate where On Demand services could complement fixed route services or as a standalone service.</p> <p>A future iteration of the service could be used to pick people up locally and drop them at the nearest main public transport line.</p> <p>HBRC will continually investigate the role and place of on demand services in the broader public transport network and seek suitable levels of funding to support implementation.</p>	Ongoing

DRAFT 6 Review and monitoring

6.1 Monitoring

The purpose of monitoring the implementation of the Plan is:

- to measure whether the Plan has been successful in meeting regional public transport objectives; and
- to measure the quality of the services provided.

The region's objectives for public transport are set out in the Regional Land Transport Plan 202-34 (RLTP).

The RLTP has the following vision:

"An efficient transport system that is resilient, low emissions, safe, provides genuine and equitable choices, and places community wellbeing at the centre."

Supporting strategic objectives include:

- **Resilience and security** – invest in an efficient transport system that is resilient to changing climate and other risks, with urgency and priority.
- **Emissions reduction** – drive a low-emissions transport system that reduces the risks associated with global warming.
- **Healthy and safe people** – provide a safe transport system for all users and modes that reduce the economic and social cost of crash injuries.
- **Inclusive access** – support fit-for-purpose, genuine, safe, and equitable transport choices for all users to sustain the health and wellbeing of communities.
- **Environmental sustainability** – integrate land use planning and development to enable effective and efficient use of transport networks.

Policies within the RLTP relevant to public transport to achieve these objectives are:

- Subject to funding, implement the Regional Public Transport Plan, focusing on reliability, efficiency, and a low or zero emissions bus fleet to provide an attractive and realistic alternative to private cars for daily journeys in the main urban areas of Hastings and Napier.
- Seek additional funding to invest in alternative transport options, including commuter routes, outside the main urban areas, in accordance with the Regional Public Transport Plan.
- Subject to funding, develop and implement public transport infrastructure that enables easy and safe multi modal integration at key hubs and locations across the public transport network.
- Investigate and pilot the conversion of key transport corridors in each of Napier and Hastings to give priority to active and public transport modes over heavy commercial and private vehicles.
- Invest in a low emissions and low impact transport system that enables genuine and safe travel choices which contribute to improved health and wellbeing.
- Subject to funding, implement the adopted Regional Public Transport Plan with a focus on service delivery, including reliability, frequency, and efficiency and develop new services and solutions for attractive and efficient public transport, including working in partnership with stakeholders to promote the expansion of public and shared transport incentive programmes.

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This draft RPTP contains HBRC's specific vision for public transport in Hawke's Bay which is:

"To deliver a public transport system that is safe, accessible and supports the shift to reduce driving and emissions in Hawke's Bay, while improving the economic, social, and environmental well-being of the people of Hawke's Bay".

With respect to the RLTP objective and methods and the vision statement of this Plan, we aim to:

- Improve reliability, consistency, and customer experience on the existing network.
- Identify and implement improvements to span and frequency of existing routes where funding allows.
- Trial new commuter express route from Central Hawke's Bay to Hastings as funding allows.
- Prepare for rollout of new network, including identifying infrastructure required to support the network change and ensuring the necessary funding is secured in the relevant Council's transport investment plan to enable implementation in the short term and improvements over the long term.

6.2 Information requirements

HBRC will require information from public transport operators in accordance with LTMA requirements for information disclosure. The LTMA permits councils to require the operator of a public transport unit to supply fare revenue and patronage data. HBRC must publicise the patronage data and the extent to which a unit is subsidised.

6.3 Review

The RPTP must be reviewed every three years. At that time, HBRC will consider whether a formal renewal of the Plan should be undertaken. If changes are warranted, the significance policy for variations to the Plan may be triggered (Refer Appendix D for our significance policy) and this will tell HBRC how widely it must consult affected parties and the community about the variation. However, in all cases HBRC will consult with persons who will or may be affected by or have an interest in the proposed variation in accordance with Sections 126(4) and 125(2) (a) of the LTMA and Section 82 of the LGA. Reviews will be undertaken to coincide with the review of the Regional Land Transport Plan (RLTP). This will help to ensure that the RPTP is consistent with the public transport objectives of the RLTP.

7 Legislative requirements

An RPTP must contribute to the purpose of the LTMA and meet certain other requirements. A description of how this draft Plan complies with those requirements is set out in Appendix C.

8 Significance Policy

Refer to Appendix D for further information.

9 Third Party Funding, Farebox Recovery Monitoring, and Fare Setting Policy

Refer to Appendix E for further information.

10 Bus advertising policy

Refer to Appendix H for further information.

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11 Consultation undertaken

Consultation has been undertaken in the review of this plan, in accordance with the requirements of Section 125(1) of the LTMA.

- A review (in 2022) of the existing public transport network and services by external consultants along with a subsequent review of the future public transport network and planned improvements by HBRC officers.
- An early consultation round with elected members from the Regional Transport Committee.
- Public consultation on the draft plan for a period of 4 weeks.
- Targeted engagement and consultation with Total Mobility providers, assessor, and users.
- Ongoing engagement with communities around proposed changes and network refinements, in line with the significance policy.

Glossary and abbreviations

Term/Acronym	Meaning
DHB	District Health Board
ERP	Emissions Reduction Plan
HBRC	Hawke's Bay Regional Council
GPS	Government Policy Statement
LTMA	Land Transport Management Act
LTP/Long Term Plan	A plan prepared by all local authorities under the Local Government Act which covers a period of at least ten years (also known as the Ten Year Plan)
MoE	Ministry of Education
NLTF	National Land Transport Fund
NLTP	National Land Transport Programme
Waka Kotahi	New Zealand Transport Agency
PTOM	Public Transport Operating Model
SPTF	Sustainable Public Transport Framework
RLTP	Hawke's Bay Regional Land Transport Plan
RUB	Requirements for Urban Buses

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Term/Acronym	Meaning
SuperGold Card	A discount and concessions card issued free to all NZ residents aged 65 and over and those under 65 receiving a Veteran's Pension or NZ Superannuation. SuperGold Card holders can travel free of charge on public transport between 9am and 3pm on weekdays and anytime at the weekend or on Public Holidays
Ten Year Plan	A plan prepared by all local authorities under the Local Government Act which covers a period of at least ten years (also known as the Long-Term Plan)
The Plan, RPTP	Hawke's Bay Regional Public Transport Plan
Total Mobility	A nationwide scheme which provides discounted taxi travel for people with disabilities which prevent them from using buses

DRAFT Appendix A Planned new routes and long-term service improvements



What's changed?

Here we set out the planned integral routes in the new network, as consulted on and planned in 2022.

We define what we mean by short term and long-term frequency and span.

We also identify the routes that will almost certainly change following targeted community engagement.

The following pages set out the routes for the future public transport network across the Hastings and Napier urban areas. The frequency and span have been broken down into short term and long term.

Short term frequency and span sets out the levels of service that will likely be delivered when the planned network is implemented. These will most likely be at the current levels of service that are delivered at the time of implementation, no earlier than January 2026.

Long term frequency and span sets out the service level improvement aspiration. These increases in the levels of service (e.g. better frequency, longer operating hours) will be implemented as suitable levels of funding are available and secure.

The following routes may have some changes made following targeted community engagement and consultation prior to network implementation. Engagement, consultation, and changes will be made in line with the Significance Policy contained in this Plan.

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Route 1: Primary Trunk Service - Napier to Hastings, Havelock North via Taradale shops, EIT/PGA & Fallen Soldiers' Hospital

Planned Route Description

This trunk route will be the core service of the new network and primary driver of public transport patronage in the region (shown in Figure 7 below). It will connect most of the major destinations (Napier CBD, Tamatea shops, Taradale shops, EIT/PGA, Fallen Soldiers Hospital, Hastings CBD, Havelock North Village) to many different smaller destinations and residential areas with fast, increasingly frequent services over time. The route will mostly follow the same path as the existing Route 12.

The path will differ from Route 12 in the following ways:

- Route via Nottingham Road & Percival Road in Hastings instead of Pākōwhai Road. This gives the following benefits:
 - Avoid having to make a two-kilometre detour, including U-turn, to serve the hospital
 - Serve Hawke's Bay Regional Sports Park, which has been widely requested by stakeholders.
- Potential removal of the current Tait Drive deviation in Napier to improve travel time and reliability.
- Extension to Havelock North, replacing the current route 21.
- The route will split in two at the Havelock North town centre with one 'tail' going east along Te Mata Road and the other going west along Te Aute Road (see **Error! Reference source not found.**). These will be evenly split from the trunk. The splinter routes may be subject to change following engagement and consultation with the community.

Frequency and Span

Short term frequency and span

- Current levels of service will remain in the short term, with a higher level of service in the long term.

Long term frequency and span:

- Span: This service will eventually run from 6am to 9pm, 7 days a week as funding allows.
- Frequency will be every 15 minutes from 7am-7pm and every 30 minutes all other times, as suitable levels of available funding allow. It is likely this level of frequency will take some time to obtain and will be less frequent during the early stages of the new network.

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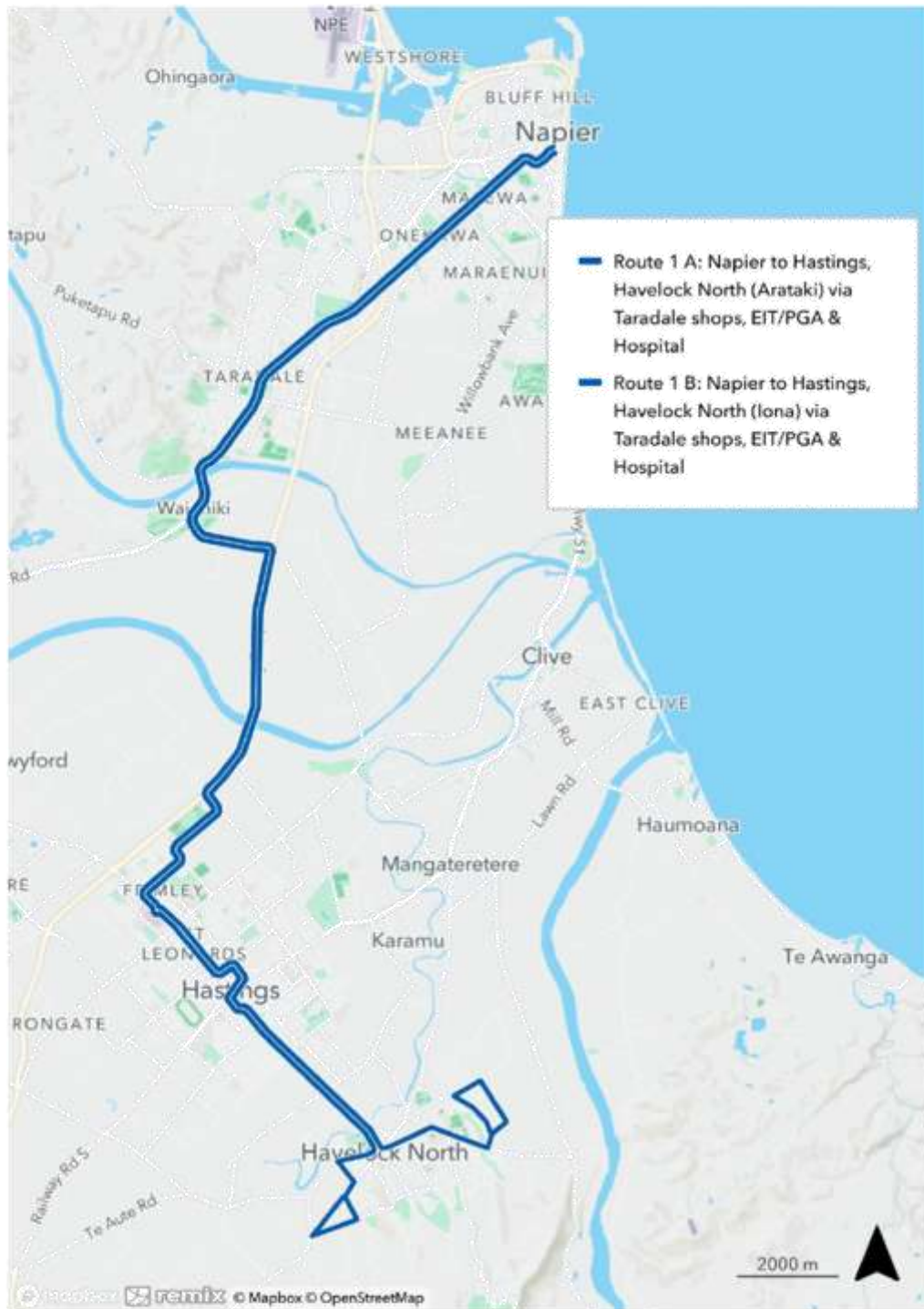


Figure 7: Planned Route 1 map

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Route 2: Eastern Institute of Technology to Napier via Taradale, Tamatea & Kmart**Planned Route Description**

This route will connect residential Taradale, Tamatea and the new Parklands developments to Napier CBD, Kmart, Tamatea shops, Taradale shops and EIT/PGA. There will be an easy connection to Route 1 trunk line to continue to Hastings, Havelock North, and the hospital.

The route will follow a similar path as the current Route 13, with the following changes:

- Removal of complicated one-way loops.
- New routing via Orotu Dr and Prebensen Drive to serve new residential and commercial developments (Kmart).
- Extension to EIT/PGA, with service to residential areas in southwest Taradale.

This route may change slightly following targeted community engagement and consultation. Any route changes will be updated in this Plan once confirmed.

Frequency and Span**Short term frequency and span**

- This route will remain at its current levels of service in the short term, with a higher level of service in the long term.

Long term frequency and span

- Span: This service will run from 6am to 9pm as funding allows, with the goal of increasing to 6am to midnight, 7 days a week.
- Frequency will be every 20 minutes from 7am-7pm as funding allows, and every 30 minutes all other times.

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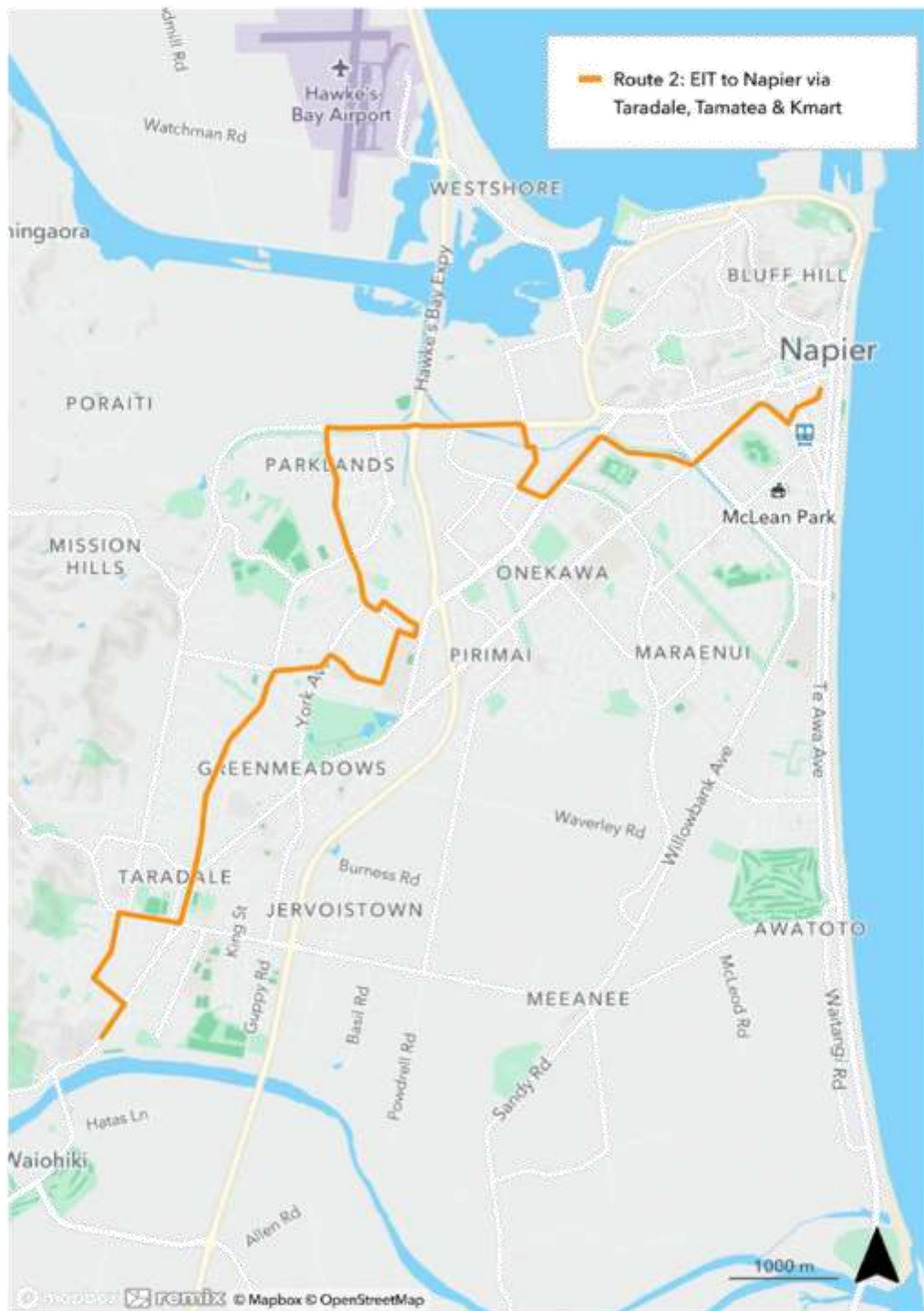


Figure 8: Planned Route 2 map

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Route 3: Tamatea to Napier via Maraenui**Planned Route Description**

- Replacement of the current Route 14.
- Removal of one-way loops through Maraenui.
- Connecting key destinations through:
 - Napier City Centre
 - McLean Park
 - Maraenui Shops
 - Tamatea Shops, providing access to the supermarket, pharmacy, medical centre, and other services in the Tamatea centre.

This route is shown in Figure 9 below. The extension through to Tamatea shops provides the opportunity to interchange with Route 1 and Route 2 to access the rest of the network.

Options

- The route could be rerouted to serve proposed Riverbend Residential Development which could deliver up to 670 homes at 215 Riverbend Road. This would require the street network within the new development being designed to allow through running of buses to Waterworth Avenue.

Frequency and Span**Short term**

- Frequency and span will remain at the current levels of service, with a higher level of service in the long term.

Long term

- Span: This service will run from 6am to 9pm increasing 6am to midnight by 2030, 7 days a week. These service levels improvements will happen when suitable levels of funding are available
- Frequency will be every 20 minutes in from 7am-7pm and every 30 minutes all other times. These service levels improvements will happen when suitable levels of funding are available.

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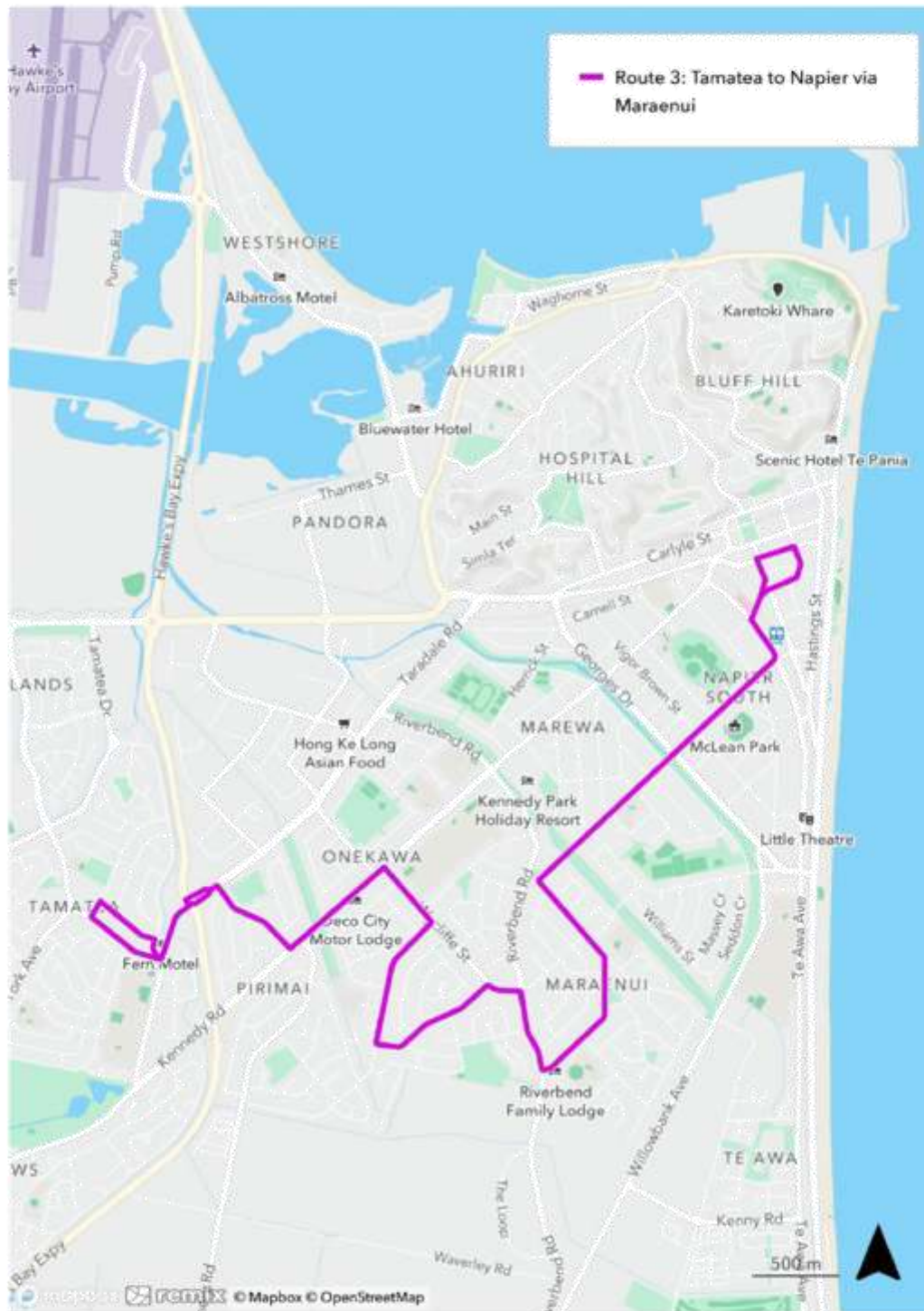


Figure 9: Planned Route 3 map

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Route 4: Flaxmere to Akina via Fallen Soldiers' Hospital, Mahora and the Hastings City Centre**Planned Route Description**

- Partial replacement of the current Route 20, new route shown in Figure 10 below.
- In combination with the new Route 4, this route allows for the removal of one-way loops in Flaxmere while maintaining a good level of coverage.
- Provides direct, frequent connections to trunk Route 1, providing connection to EIT/PGA and Napier city for Flaxmere, Mahora and Akina with the following potential direct connections:
 - Flaxmere to/from Hospital and onward to Hastings CBD, with deviation.
 - Mahora to/from Hospital and Hastings CBD
 - Akina to/from Hastings CBD and onward to Hospital, with deviation.

Route options

- This proposed route is subject to change following targeted engagement with communities along the route, in line with the Significance Policy in this Plan.

Frequency and Span**Short term**

Frequency and span will be developed following the targeted engagement with communities along with route. However, levels of service will be subject to suitable levels of available funding.

Long term

- Span: This service will run from 6am to 9pm as funding allows, with the goal of increasing to 6am to midnight, 7 days a week.
- Frequency will be every 20 minutes, as funding allows, (ultimately increasing to 15 minutes) from 7am-7pm and every 30 minutes all other times.

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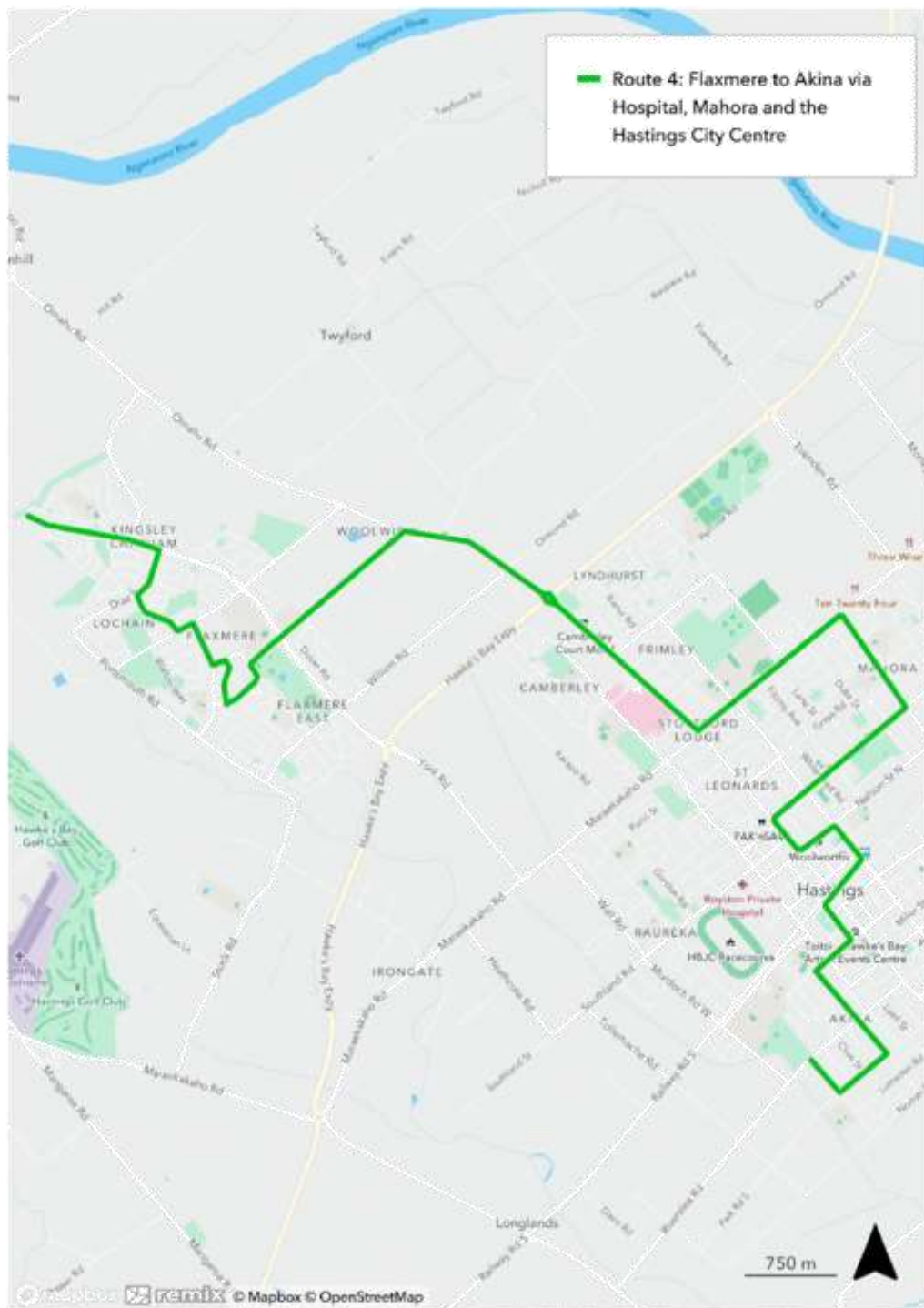


Figure 10: Planned Route 4 map

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Route 5: Flaxmere to Karamu via Raureka and Hastings City Centre**Planned Route Description**

- Partial replacement of the current Route 20.
- In combination with the new Route 5, this route allows for the removal of one-way loops in Flaxmere while maintaining good coverage.
- Through routing to Karamu improves access to western side of the city centre, high schools and facilities in Windsor Park, including Splash Planet.
- Route is shown in **Figure 11** below.

Route options

- This proposed route is subject to change following targeted engagement with communities along the route, in line with the Significance Policy in this Plan.

Frequency and Span**Short term**

Frequency and span will be developed following the targeted engagement with communities along with route. However, levels of service will be subject to suitable levels of available funding.

Long term

- Span: This service will run from 6am to 9pm as funding allows, with the goal of increasing to 6am to midnight, 7 days a week.
- Frequency will be every 20 minutes as funding allows from 7am-7pm and every 30 minutes all other times.

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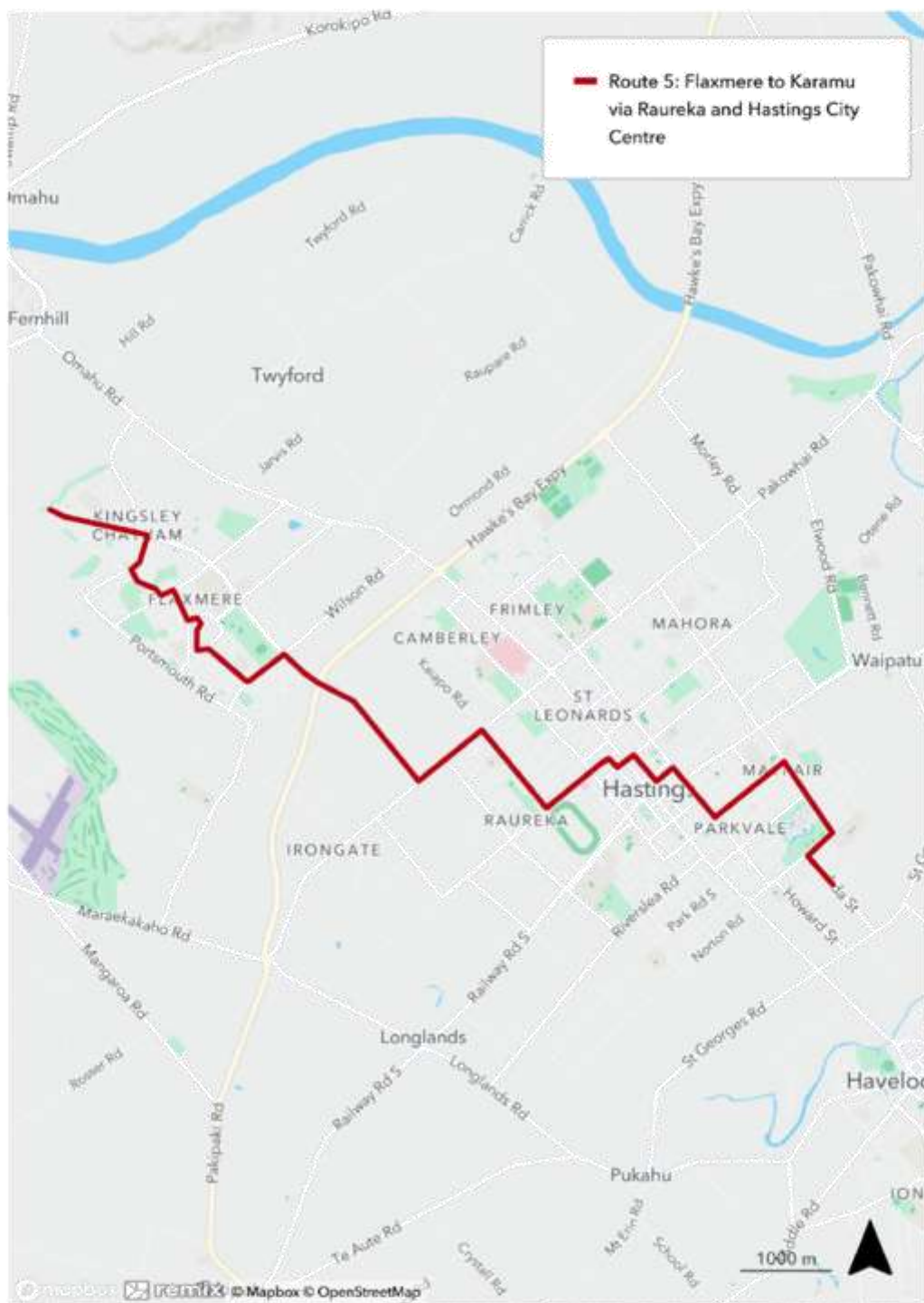


Figure 11: Planned Route 5 map

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Route 6: Napier to Hawke's Bay Airport and Bay View via Bluff Hill and Ahuriri**Planned Route Description**

- Replacement of the current Route 15.
- Removal of one-way loops through Ahuriri and Westshore.
- Every second run extending to Bay View village.
- Shown in **Figure 12** below.

Frequency and Span**Short term**

- Current levels of service will be maintained on the route, with a higher level of service in the long term.
- Every second trip will extend to Bay View.

Long term

- Every 60-minutes between 6am-9pm, 7 days a week.

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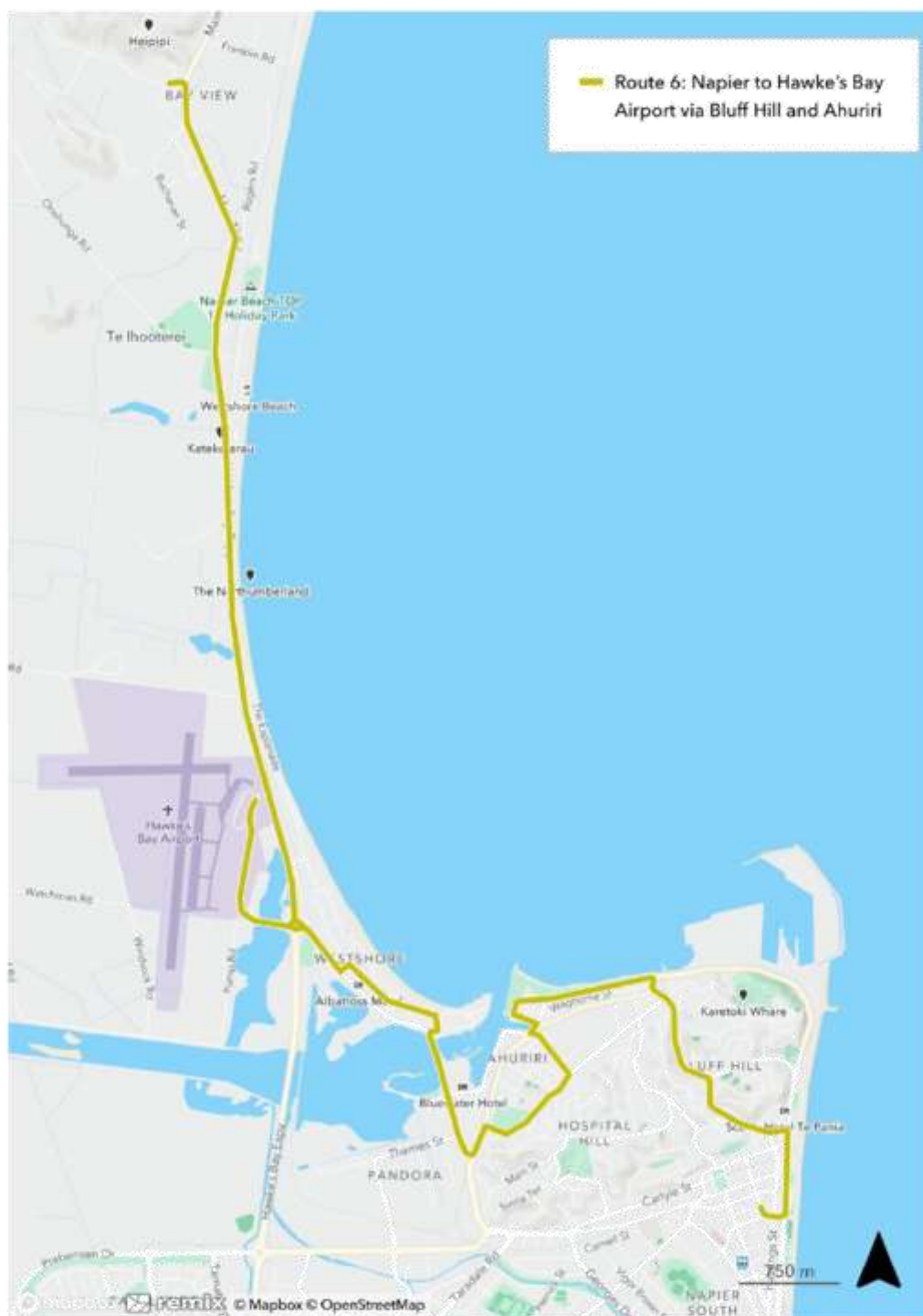


Figure 12: Planned Route 6 map

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Route 7: Hawke's Bay Hospital to Hastings City Centre via Camberley and Raureka**Planned Route Description**

- Coverage route to provide service to areas of Camberley and Raureka which are not directly served by the frequent routes.
- Connections to hospital & Hastings CBD.
- Shown in **Figure 13** below.
- This route may change slightly following targeted community engagement and consultation. Any route changes will be updated in this Plan once confirmed.

Frequency and Span**Short term**

- Current levels of service will be implemented on this route, with a higher level of service in the long term.

Long term

- Every 60-minutes between 6am-9pm, 7 days a week.

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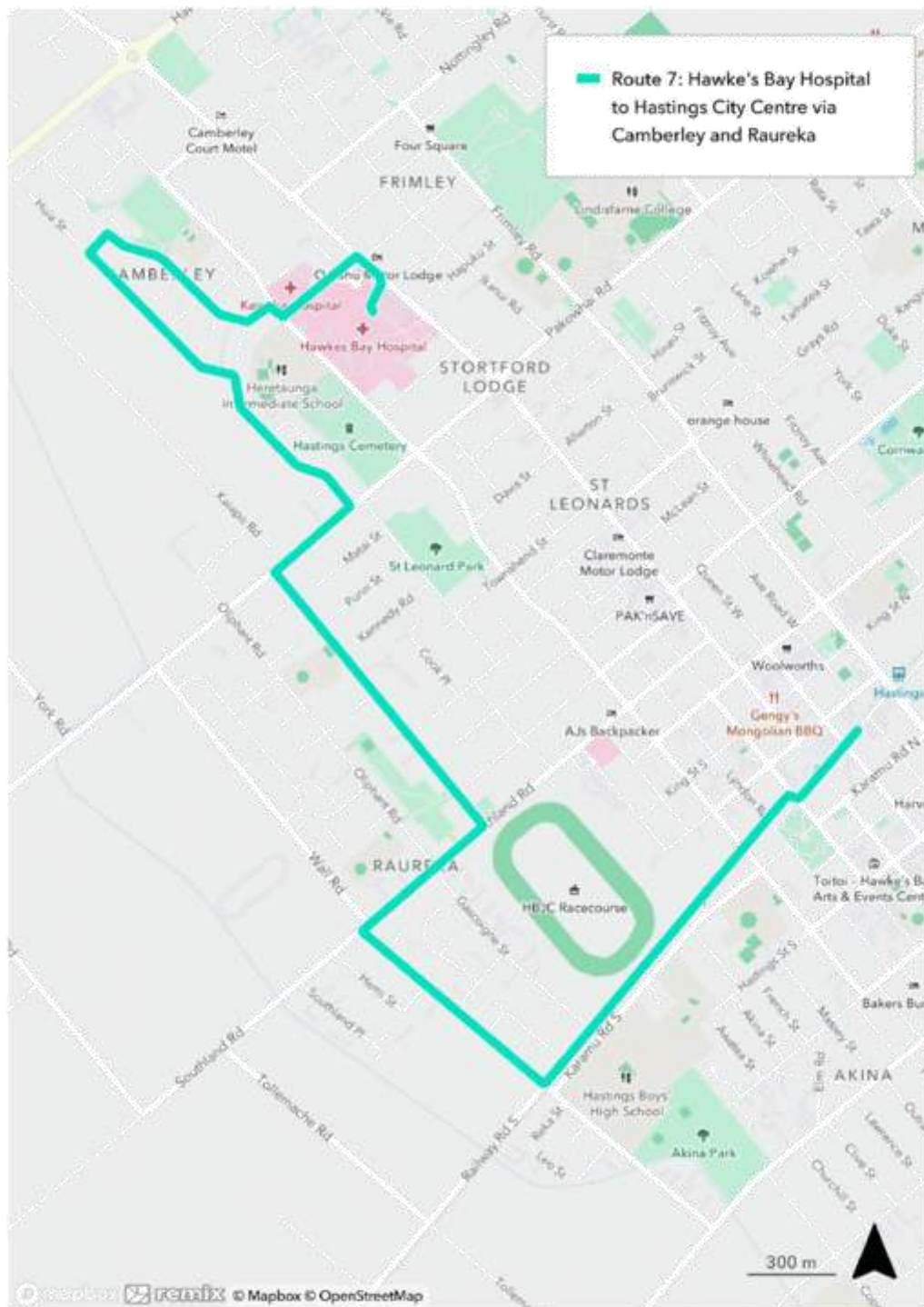


Figure 13: Planned Route 7 map

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Route 8: Hastings to Napier via Whakatu, Clive, and Te Awa**Planned Route Description**

- Modification of the current Route 11, from a peak express service to an all-day service.
- This route will not serve Havelock North, as does Route 11, but frequency and connectivity to Havelock North will be increased significantly by being connected to the Route 1 trunk service.
- Unlike Route 11, this route will serve Whakatu, along with Waipatu, and Karamu.
- Shown in **Figure 14** below.
- This route may change slightly following targeted community engagement and consultation. Any route changes will be updated in this Plan once confirmed.

Frequency and Span**Short term**

- Every 60 minutes between 6am – 6pm, 7 days a week, subject to funding.

Long term:

- Every 60-minutes between 6am-9pm, 7 days a week.

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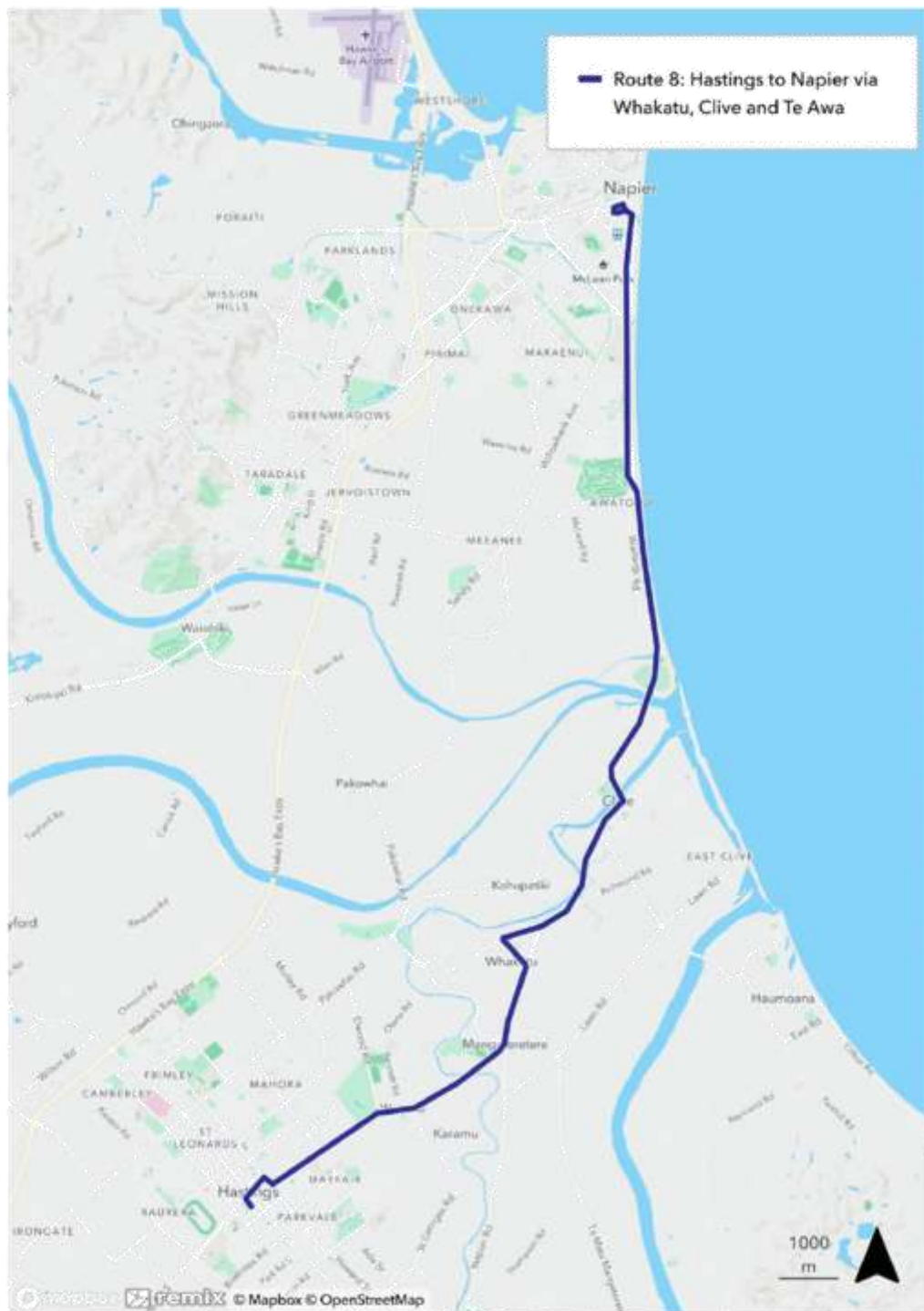


Figure 14: Planned Route 8 map

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Route 9 Route 9: Central Hawke's Bay Peak Express trial**Planned Route Description**

- Subject to available funding, a new limited-stop service targeting commuters from Central Hawke's Bay to Hastings. From there, people can easily transfer to the Route 1 trunk route and other routes with minimal wait time.
- Proposed stops at:
 - Waipukurau outside the Visitor Information Centre
 - Waipawa on High Street Northbound and using the existing off-street stop southbound
 - Ōtāne stopping outside the Town Hall and using the Higginson, Miller, Ross Street triangle to turn the bus around to head back to the state highway.
- The trial service is subject to funding. The design of the route, including stops and frequency, along with fare products, will be discussed with the CHB community during the planning phases.
- Route map shown in **Figure 15** below.

Frequency and Span

- Two AM peak services to Hastings, two PM peak services to Central Hawke's Bay, weekdays only.

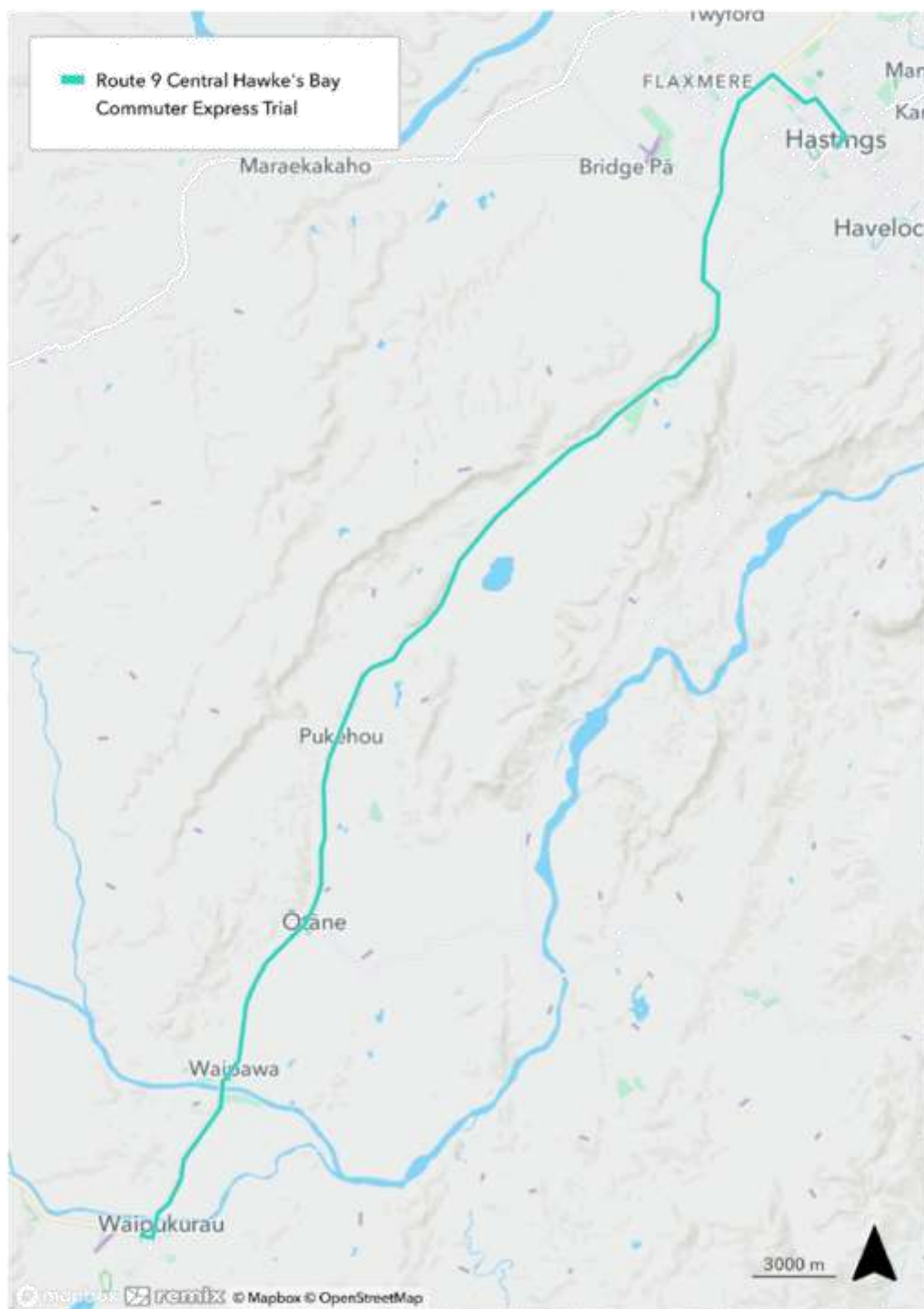
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Figure 15: Route 9 Proposed CHB Commuter Express Trial map

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Appendix B Description of services integral to the Hawke's Bay public transport network and unit delineation

Current 2025 Network services and unit delineation

Service	Route	Approximate frequency	Unit Description
10 Express	Between Napier and Hastings	Peak time weekday service, 2 in the morning and 1 in the late afternoon between Napier and Hastings. Two in the late afternoon between Hastings and Napier	Napier Hastings Unit Commenced 1 July 2016
11 Express	Between Havelock North and Napier, via Hastings and Clive	Peak time weekday service, 4 in the morning and 4 in the late afternoon	Napier Hastings Unit Commenced 1 July 2016
12N	Napier to Hastings via Taradale, EIT, Hawke's Bay Hospital and Bay Plaza	Every 20 minutes in peak time and 30 minutes in off-peak times, 6.30am to 6.30pm weekdays Every hour on Saturdays/Public Holidays between 8am and 6.30pm Every 2 hours on Sundays/Public Holidays between 9am and 5.40pm	Napier Hastings Unit Commenced 1 July 2016
12H	Hastings to Napier, via Bay Plaza, Hawke's Bay Hospital, EIT and Taradale	Every 20 minutes in peak times and 30 minutes in off-peak times, 6.30am to 6.30pm Every hour on Saturdays/Public Holidays between 8am and 6.30pm Every hour on Sundays/Public Holidays between 8am and 4.55pm	Napier Hastings Unit Commenced 1 July 2016
13	Napier-Maraenui-Onekawa-Napier	Every hour between 7am and 6pm,	Napier Hastings Unit Commenced 1 July 2016

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Service	Route	Approximate frequency	Unit Description
		weekdays Approximately every 1½ hours on Saturdays/Public Holidays, between 8am and 5.20pm	
14	Napier-Maraenui- Onekawa-Napier	Every 40 minutes in peak times and hourly in off-peak times, between 6.50am and 5.55pm, weekdays Every 1½ hours, between 9am and 4.25pm on Saturdays/Public Holidays	Napier Hastings Unit Commenced 1 July 2016
15	Napier-Ahuriri- Westshore-Bay View, Westshore, Ahuriri- Napier	Every hour between 6.45am and 6.20pm, weekdays (5 trips per day to Bay View Every two hours between 10am and 2pm on Saturdays/Public Holidays	Napier Hastings Unit Commenced 1 July 2016
16A	Hastings-Camberley- Raureka Hastings	Every hour between 7.25am and 5.15pm, weekdays	Napier Hastings Unit Commenced 1 July 2016 Currently replaced by MyWay
16B	Hastings-Mahora- Hastings	Every 2 hours between 8am and 5.15pm, weekdays	Napier Hastings Unit Commenced 1 July 2016 Currently replaced by MyWay
17	Hastings-Parkvale- Akina-Hastings	Approximately every hour between 7.30am and 5.15pm, weekdays	Napier Hastings Unit Commenced 1 July 2016 Currently replaced by MyWay
20	Hastings-Flaxmere- Hastings	Every 30 minutes in peak times and hourly off-peak times between 6am and 6.05pm, weekdays Every 1-2	Napier Hastings Unit Commenced 1 July 2016

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Service	Route	Approximate frequency	Unit Description
		hours between 8am and 5.50pm on Saturdays/Public Holidays. Three trips on Sundays	
21	Hastings-Havelock North-Hastings	Every 30 minutes in peak times and hourly in off-peak times between 6am and 6.05pm, weekdays Every 2 hours between 9am and 4.50pm on Saturday/Public Holidays. Three trips on Sundays	Napier Hastings Unit Commenced 1 July 2016

Future public bus network



What's changed?
We've set out the proposed short-term levels of service along with our aspirational long-term levels of service for each route.
We also identify the routes that will almost certainly change following targeted community engagement

The future network is set out below. The short-term frequency sets out the levels of service we will be able to provide when we move to the bi-directional network. These will likely be the same or similar levels of service we have today. Long term frequency sets out the step change aspiration in levels of service. These will be realised when there are suitable levels of available funding.

Unit: Napier / Hastings unit

Service	Route	Short term frequency	Long term Frequency	Unit Description
1	Between Napier, Hastings & Havelock North	<ul style="list-style-type: none">Every 20 minutes in peak time and 30 minutes in off-peak times, 6.30am to 6.30pm weekdays Every hour on Saturdays/Public	<ul style="list-style-type: none">Every 15 minutes 7am-7pm, 7 days a weekEvery 30-minute frequency between 6am-7am and 7pm-	Napier Hastings Unit – commencement date TBC

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Service	Route	Short term frequency	Long term Frequency	Unit Description
		Holidays between 8am and 6.30pm Every 2 hours on Sundays/Public Holidays Holidays between 9am and 5.40pm	9pm, 7 days a week	
2	EIT to Napier via Tamatea	<ul style="list-style-type: none"> Every hour between 7am and 6pm, weekdays Approximately every 1¾ hours on Saturdays/Public Holidays, between 8am and 5.20pm 	<ul style="list-style-type: none"> Every 20 minutes 7am-7pm, 7 days a week Every 30-minutes between 6am-7am and 7pm-9pm, 7 days a week 	Napier Hastings Unit – commencement date TBC
3	Tamatea to Napier via Maraenui	<ul style="list-style-type: none"> Every 40 minutes in peak times and hourly in off-peak times, between 6.50am and 5.55pm, weekdays Every 1¾ hours, between 9am and 4.25pm on Saturdays/Public Holidays 	<ul style="list-style-type: none"> Every 20 minutes 7am-7pm, 7 days a week Every 30-minute between 6am-7am and 7pm-9pm, 7 days a week 	Napier Hastings Unit – commencement date TBC
4	Flaxmere to Akina via Hastings	<ul style="list-style-type: none"> Every 30 minutes in peak times and hourly off-peak times between 6am and 6.05pm, weekdays Every 1-2 hours between 8am and 5.50pm on Saturdays/Public Holidays. Three trips on Sundays 	<ul style="list-style-type: none"> Every 20 minutes 7am-7pm, 7 days a week Every 30-minute frequency between 6am-7am and 7pm-9pm, 7 days a week 	Napier Hastings Unit – commencement date TBC

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Service	Route	Short term frequency	Long term Frequency	Unit Description
5	Flaxmere to Karamu via Hastings	<ul style="list-style-type: none"> To be developed and confirmed following community and provider engagement, and suitable levels of funding 	<ul style="list-style-type: none"> Every 20 minutes 7am-7pm, 7 days a week Every 30-minute frequency between 6am-7am and 7pm-9pm, 7 days a week 	Napier Hastings Unit – commencement date TBC
6	Napier to Hawke's Bay Airport via Bluff Hill and Ahuriri	<ul style="list-style-type: none"> Every hour between 6.45am and 6.20pm, weekdays (5 trips per day to Bay View Every two hours between 10am and 2pm on Saturdays/Public Holidays 	<ul style="list-style-type: none"> Every 60 minutes 6am-9pm, 7 days a week 	Napier Hastings Unit – commencement date TBC
7	Hastings to Hospital via Raureka and Camberly	<ul style="list-style-type: none"> Every hour between 7.25am and 5.15pm, weekdays 	<ul style="list-style-type: none"> Every 60 minutes 6am-9pm, 7 days a week 	Napier Hastings Unit – commencement date TBC
8	Hastings to Napier via Mahora, , Karamu, Waipatu, Whakatu, Clive and Te Awa	<ul style="list-style-type: none"> Peak time weekday service, 4 in the morning and 4 in the late afternoon 	<ul style="list-style-type: none"> Every 60 minutes 6am-9pm, 7 days a week 	Napier Hastings Unit – commencement date TBC
9	Waipukurau to Hastings City Centre via		2 AM peak services to Hastings, 2 PM peak services to Central Hawke's Bay, weekdays only	Napier Hastings Unit – commencement date TBC

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TOTAL MOBILITY

The Total Mobility Scheme caters for those people with permanent disabilities who are unable to use buses or other forms of transport. HBRC intends to continue to operate the scheme in:

Napier (24 hours a day, 7 days a week, Napier city and suburbs, and between Napier and Hastings)
Hastings (24 hours a day, 7 days a week, Hastings city and suburbs, and between Hastings and Napier)
Central Hawke's Bay (14 hours a day, 6 days a week)

The above operating hours are generally indicative. It is likely that operating hours may vary depending on the capacity and usual operating hours of each operator.

EXEMPT SERVICES

The LTMA requires all exempt services in a region to be registered before operation. The LTMA sets out the meaning of an exempt service as:

- a) it operates in a region that is required to have a regional public transport plan, but-
 - i) when it started operating, it was not identified in that plan as integral to the public transport network in that region; and
 - ii) it operates in a region that is not required to have a regional public transport plan
- b) it operates in a region that is not required to have a regional public transport plan
- c) it operates inter-regionally between 2 or more regions, at least 1 of which is required to have a regional public transport plan, but –
 - iii) when it started operating, it was not identified in any plans as integral to the public transport network in any of those regions; and
 - iv) it operates without a subsidy for its provision
- d) it operates inter-regionally between 2 or more regions that are not required to have regional public transport plans
- e) is specified as an exempt service by regulations made under s150 of the LTMA.

Exempt services are not included in this Plan. Potential operators of exempt services should contact HBRC for details or refer to Section 133 of the Land Transport Management Act 2003 for details of registration requirements. Registration is free but must be completed at least fifteen working days before the commencement of the service.

In Hawke's Bay there are some exempt services that operate without any financial support from HBRC. As these services operate independently and are commercial enterprises, operators are able to set fares, timetables and routes as they see appropriate. HBRC's general approach is that there is no need to intervene in the provision of an exempt public transport service.

The LTMA does however enable regional councils to require information from operators of commercial units, where these are included in the Plan for public transport planning, contracting, and monitoring purposes. If HBRC considers that a contracted commercial public transport unit does not meet the needs of the community, HBRC and the operator will review the service. Following the review, if improvements cannot be made commercially, HBRC may choose to intervene by

- a) developing a unit and providing a concessionary fare scheme or
- b) offering improved services by way of competitive tender and securing a contracted operator. There are currently no contracted commercial units in Hawke's Bay.

There are currently no contracted commercial units in Hawke's Bay.

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Appendix C Legislative requirements



What's changed?

We've reviewed and updated our compliance against legislative requirements following the 2023 amendments to the LTMA introducing the SPTF.

The Land Transport Management Act 2003 (LTMA) requires a council to consider certain matters when preparing its plan. Section 124 requires councils to:

- a) Be satisfied that the plan
 - i) Contributes to the purpose of the LTMA
 - ii) Has been prepared in accordance with any relevant guidelines that the Agency has issued
 - iii) Is, if it includes a matter that is not within the scope of the RLTP, otherwise consistent with that plan.
- b) Be satisfied that it has applied the principles specified within Section 115(1).
- c) Take into account
 - i) Any national energy efficiency and conservation strategy
 - ii) Any relevant regional policy statement, regional plan, district plan or proposed regional plan or district plan prepared under the RMA
 - iii) The transport component of any plan or strategy that has been developed and publicly consulted on by – a territorial authority in the region, or the Regional Council if it has transferred its public transport responsibilities to a territorial authority under section 17 of the RMA
 - iv) The public transport funding likely to be available within the region
 - v) The need to obtain the best value for money
 - vi) The views of Territorial Authorities in the region
 - vii) The views of public transport operators in the region
 - viii) the views of the public transport workforce and its representative unions under Part 4 of the Employment Relations Act 2000.
- d) Consider the needs of persons who are transport disadvantaged.

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HBRC is satisfied that this draft Plan contributes to the LTMA.

LTMA REQUIREMENT	CONTRIBUTION OF THIS PLAN
Contributes to the purpose of the LTMA which is to contribute to an effective, efficient, and safe land transport system in the public interest.	The draft Plan sets out policies that will improve access and mobility, efficiently use existing capacity and resources, and encourage use of the Hawke's Bay public transport network. Safety is improved through high vehicle standards. Increased public transport use reduces the personal risk of car crashes.
Has been prepared in accordance with any relevant guidelines that the Agency has issued.	NZTA's 2024 Development guidelines for Regional Public Transport Plans have been followed when preparing this plan.
Is, if it includes a matter that is not within the scope of the RLTP, otherwise consistent with that plan	Matters considered within this draft Plan are within the scope of the Regional Land Transport Plan.
<p>Be satisfied that it has applied the principles specified within section 115 (1), namely</p> <ul style="list-style-type: none"> a) well used public transport services reduce the environmental and health impacts of land transport, including by reducing reliance on single-occupant vehicles and using zero-emission technology b) public transport services support a mode shift from private motor vehicle use and equitable access to places, facilities, services, and social and economic opportunities if they are co-ordinated, integrated, reliable, frequent, accessible, affordable, and safe c) fair and equitable employment or engagement of people in the public transport workforce should ensure that there is a sufficiently robust labour market to sustain and expand public transport services d) regional councils, territorial authorities, and public transport operators should work together to co-ordinate public transport services, the provision of infrastructure, and land use as necessary – <ul style="list-style-type: none"> i) To meet the needs of passengers ii) to encourage more people to use the services e) public transport services should be provided in a way that assists – 	<ul style="list-style-type: none"> a) The strategic response and business case response sections set out how the public transport networks will enable greater use and transport choice, minimising reliance on single occupancy vehicles. Policy 16 also highlights rolling stock procurement must be RUB compliant. b) The planned new network represents a viable transport alternative for a range of uses, encouraging mode shift. Routes have been planned to intersect and interact at key locations, with all major regional destinations served, including key employment nodes. c) Fair and equitable employment and engagement of people in the public transport workforce will be a consideration in the tendering and procurement of the new services contract d) Section 2.3 sets out how HBRC will work closely with territorial authorities and other delivery partners to ensure the co-ordinated development and delivery of infrastructure and land use, driving uptake of the services and meeting the needs of passengers. e) Planned public transport service improvements and the new network maximise the available network, ensuring services are efficient, effective, and reliable

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LTMA REQUIREMENT	CONTRIBUTION OF THIS PLAN
<ul style="list-style-type: none"> i) Public transport investment to be efficient ii) Public transport investment to give value for money 	<p>driving investment efficiency. The planned public transport services deliver maximum value for money by offering a genuine transport alternative, and driving innovation, with the intent of increasing patronage. Therefore, the overall public investment will be offset by increases in third party revenues.</p>
<p>Take into account</p> <ul style="list-style-type: none"> i) Any national energy efficiency and conservation strategy; and ii) Any relevant regional policy statement, regional plan, district plan or proposed regional plan or district plan prepared under the RMA iii) The transport component of any plan or strategy that has been developed and publicly consulted on by – a territorial authority in the region, or the Regional Council if it has transferred its responsibilities to a territorial authority under section 17 of the RMA. iv) The public transport funding likely to be available within the region v) The need to obtain the best value for money. vi) The views of Territorial Authorities in the region vii) The views of public transport operators in the region viii) The views of the public transport workforce and its representative unions under part 4 of the Employment Relations Act 2000 	<ul style="list-style-type: none"> i) One of the priority focus area of the New Zealand second emissions reduction plan (EPR) 2026 - 2030 is efficient, low emissions transport. The ERP reconfirms support for zero emissions buses. Provision of efficient commuter bus services will contribute to this priority and any future new rolling stock in Hawke's Bay will be zero emissions. ii) These plans are supportive of the integration of public transport network planning and land use planning. The planning of commuter bus routes and neighbourhood access routes takes land use into consideration and is consistent with existing Plans across the region. iii) Transport planning in Hawke's Bay is integrated across all Councils, with HBRC being the only entity that plans, procures, and runs public transport services at this time. iv) The services listed in this plan take available funding into account and levels of service will be delivered accordingly. Proposed future developments will be evaluated in terms of affordability and available funding when investigated. v) Policies in Section 4 of the Plan set out how HBRC will procure its services to encourage competition and achieve value for money. The Third-Party Revenue policies and targets set out how HBRC will drive increased value for money within the scope of services. vi) All Territorial Authorities in the region are invited to provide their views on a range of matters during the public consultation on this plan. HBRC officers worked closely with Territorial Authority officers in the development of this Plan, its contingent parts,

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LTMA REQUIREMENT	CONTRIBUTION OF THIS PLAN
	<p>and the impacts on their network and communities.</p> <p>vii) All public transport operators in Hawke's Bay and neighbouring regions were invited to provide their views on a range of matters during the development of the draft Plan.</p> <p>viii) All members of the public transport workforce and their union representatives have the ability to provide their feedback on a range of matters contained within this plan during the public consultation period.</p>
Consider the needs of persons who are transport disadvantaged	Section 3 of the draft Plan sets out how the needs of the transport disadvantaged have been considered.

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Appendix D Significance policy



What's changed?

We have reviewed and strengthened our significance policy. It now enables HBRC to undertake detailed and targeted engagement and consultation with communities and key stakeholders, making localised changes, provided there is no significant impact on operating budgets.

This means we drive value for money by reducing the depth and breadth of consultation, focusing on localised challenges and solutions.

SIGNIFICANCE POLICY

This policy sets out how to determine the significance of variations to this Plan, in accordance with the requirements of Section 120(4) of the Land Transport Management Act.

APPLICATION

This Plan can be varied at any time. However, public consultation as set out in Sections 125(1) and 125(2) will be required if the variation is found to be significant under this policy.

The approach to consultation will reflect the level of significance of any proposed variation. Consideration will be given to the costs and benefits of any consultative process or procedure, and the extent to which any significant and recent consultation has already taken place.

However, HBRC may undertake targeted engagement and consultation on matters or proposed changes affecting specific communities, user groups, and stakeholders, even if the significance threshold outlined in this policy is not invoked. Targeted engagements and consultation will be assessed on a case-by-case basis and may result in network enhancements and changes without broad public consultation, provided those changes do not materially impact the overall network.

GENERAL DETERMINATION OF SIGNIFICANCE

The significance of variations to this Plan will be determined on a case-by-case basis. When determining the significance of a variation, consideration must be given to the extent to which the variation:

- Signals a material and significant change to the planned level of investment in the public transport network.
- Materially affects the consistency of this Plan with the RLTP or any of HBRCs' long-term plans.
- Significantly impacts a large number of residents of two or more suburbs along a route. (Variations with a moderate impact on a large number of residents will be considered case by case. Variations with a major impact on a small number of residents will have greater significance than those with a minor impact and may result in targeted engagement and consultation to refine the variation).
- Includes potentially significant changes to two or more routes in their entirety, to be assessed on a case-by-case basis.
- Requires broad public buy in and / or support due to significant change in the overall structure of the network, unless the change has been previously consulted on.
- Signals a wholesale change to the network, unless the change has been previously consulted on.
- Affects the integrity of this Plan, including its overall affordability.

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SIGNIFICANT AND NON-SIGNIFICANT MATTERS**Matters that will always be considered 'significant' are:**

- Any variation that amends this policy on significance; and
- Any variation that introduces a new public transport unit
- Any variation that increases the cost of the provision of public transport services by more than 10% in one financial year, with the impact resulting in increased Local Share, unless the variation has been pre-planned, previously consulted on. By way of example, increases in frequency and operating hours, or the establishment of a Trial service, provided it is included in the relevant and adopted Plan will not be considered significant in this context.

Matters that will always be considered 'not significant' are:

- Minor editorial and typographical amendments to this Plan; and
- Changes to fare levels in accordance with current NZTA policy, this plan and its policies and funding levels
- Matters that will usually be considered 'not significant' are:
 - A matter that has already been consulted on.
 - Minor changes to the description of services following a service review, e.g. changes to the route, frequency and hours of a service that may include a reduction in service levels on a route or routes, but which result in the same, or better, overall level of service across the network.
 - Changes to the description of services or grouping of services as a result of an area wide service review, provided that there is no significant increase in cost.
 - Any variation that alters the cost of the provision of public transport services in one financial year by less than 10%.
 - Any unavoidable operational cost inflations or indexation that must necessarily be met to ensure the continued operation of services.
 - Changes to services, frequency, or routes resulting from targeted and specific community engagement, provided there is no significant increase in cost.

TARGETED CONSULTATION ON NON-SIGNIFICANT VARIATIONS

Where HBRC determines that a proposed variation is not significant in the context of the wider network, HBRC may still undertake targeted engagement and consultation as follows:

- Consultation for minor changes in the delivery of public transport services
- Minor changes in service delivery that are required to improve efficiency, such as the addition or deletion of trips and route changes that have only a local impact.
- Implementation of new or improved supporting infrastructure in collaboration with the relevant Territorial Authority.
- Engagement with communities, user groups, and key stakeholders to gain insights into travel patterns, trends, challenges, and opportunities that may be used to inform or shape service delivery.
- Where there is planned / intended reduction of service levels on a given route (hours or frequency)

In these cases, engagement and consultation will generally be undertaken at a local level with the operator/s involved, the relevant territorial authority and passengers who use the services.

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T**OTHER NON-SIGNIFICANT VARIATIONS**

Any proposals for changes that affect only a sector of the community or the industry (e.g. a change in Total Mobility provision, or a change to specific vehicle quality standards) will be worked through with those most likely to be affected by the proposed change.

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Appendix E Private share revenue, Farebox recovery monitoring, and Fare Setting Policy



What's changed?

Following government policy changes, we have developed a private share revenue policy. This encompasses and builds on our farebox recovery, monitoring and setting policy. It sets out our private share targets and approach to fare level reviews and fare setting process.

This means we drive value for money by reducing the depth and breadth of consultation, focusing on localised challenges and solutions.

1. Purpose

The following suite of policies combine to set out the overall **third-party funding policy** for Hawke's Bay public transport operations. Collectively, they recognise the contribution of third-party revenue towards the operational cost of providing public transport in the region.

Third Party revenue includes fares paid by passengers, advertising sold on the outside and inside of buses, indirect government funding for concession fares such as Super Cold card travel, and any other third-party contributions such as subsidised bus tickets for employees.

Third party funding comprises however, in the whole, the fares charged to passengers.

The following describes the key objectives of the fare recovery policy, which has a primary purpose of ensuring that the public transport system is financially sustainable and drives value for money, while remaining accessible and equitable for users.

2. Key Objectives of the Fare Recovery Policy:

2.1. Financial Sustainability:

- Helps determine what proportion of operational costs should be covered by fare revenues versus government funding (from the regional council and central government).
- Reduces reliance on public funds, enabling reinvestment in infrastructure, service improvements, or other initiatives.
- Reflects central government third party funding targets as a percentage of operating revenue
- Helps to identify and build alternative revenue streams, helping to offset operational costs

2.2. Equity and Affordability:

- Ensures that fares are set at a level that maintains access for various user groups, especially the Transport Disadvantaged.
- Balances fare levels with government funding to prevent pricing out low-income users.

2.3. Service Efficiency and Optimisation:

- Encourages operational efficiency by assessing the relationship between costs and revenues.
- Informs decisions on route optimisation, service frequency, and capacity planning.

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- Offers potential for service improvements, should suitable additional funding become available.

2.4. Accountability and Transparency:

- Provides clear benchmarks for fare setting and adjustments, ensuring decisions are data-driven and transparent to stakeholders and the public.
- Communicates the cost-sharing responsibility between users and funders.

2.5. Encouraging Public Transport Use:

- Supports policies that make public transport a viable alternative to private vehicle use by keeping fares competitive.
- Helps achieve broader social and environmental goals including reducing traffic congestion and carbon emissions.

2.6. Policy Alignment:

- Integrates with regional and national transport objectives, such as accessibility, mode shift targets, and emission reduction strategies.

3. Calculating private share revenue

- 3.1. Private share revenue will be used to offset the total operational costs of running the public bus service, thereby reducing the overall level of public subsidy required. Given the nature of having various revenue streams, it is logical to expect total third-party revenue to fluctuate in any given year, while steadily increasing over time.
- 3.2. The calculation for private share revenue will include fares, bus advertising, concessions, new / innovative fare products or service. For simplicity, any revenue that does not come from a direct public subsidy via NLTF or rates funding will be included in the private share revenue calculation.

4. Private share targets

- 4.1. From December 2024 public transport authorities are required to collaboratively develop and set private share targets with NZTA. The core intent of these targets is to drive operational efficiency and value for money by incrementally increasing third party revenues, thereby decreasing service reliance on public subsidies.

Below are the private share targets for Hawke's Bay

Year	Private share target
2025 / 2026	11.5%
2026 / 2027	13.1%

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5. Farebox recovery and Fare setting

The changes to national funding policy in mid-2018 mean HBRC are no longer required to set a regional target for farebox recovery. However, monitoring of farebox recovery rates using the methodology and reporting process specified by Waka Kotahi is still required.

For clarity, this Policy deals with how the fare recovery rate is quantified, at how the fare review and setting process occurs. It forms a part of the overall Third-Party Revenue policies.

Service included in the calculation.

The public transport services to be included in the calculation of the fare recovery are all HBRC contracted and co-funded services operating in the region. Long-distance (e.g., inter-city services) services, privately funded school services, Ministry of Education funded school services; tourist and charter services are not included. For clarity, this calculation applies only to fares paid and does not include any other forms of revenue.

The Farebox recovery rate

HBRC monitors the farebox recovery of the system as a whole rather than measuring individual routes or trips. Individual routes or services, particularly those designed to primarily play a coverage role, are not necessarily expected to achieve the target set out in this policy.

Figure 12 below shows the actual farebox recovery level for the latest full financial year (1 July 2023 to 30 June 2041). The graph also identifies major events over recent years that have impacted patronage. All figures have been calculated using the NZTA farebox recovery formula.

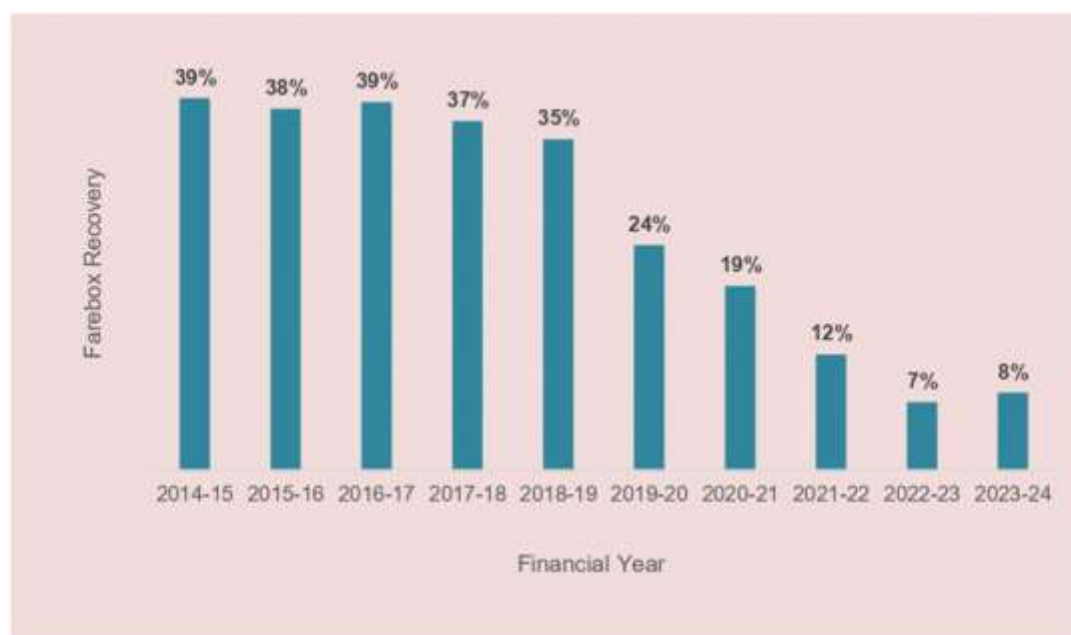


Figure 16: Farebox recovery rates by year

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Method of calculation

The formula used to calculate farebox recovery is prescribed by NZTA and is set out in detail on its website. In essence the formula is total fare revenue divided by total costs.

Fare - setting

An annual fare level review will be undertaken before the conclusion of each financial year. This review will take into consideration both the farebox recovery levels and the overall third-party revenue levels but may also include any other factors HBRC considers relevant. As a general principle, fare levels should remain balanced between being competitive with the price of private car travel to encourage patronage growth, particularly for commuting and being deemed affordable within the context of costs of living. Ultimately, fare levels will need to be balanced with ensuring that passengers contribute sufficiently to the cost of operating the service.

The review will also address the level of discounts and concessions within the existing fare structure, along with investigating potential new / innovative fare products.

Cash payment for fares

The implementation of the National Ticketing System (NTS) will enable a greater choice of payment methods for users across a range of platforms (e.g. debit / credit card, Motu Move, cash). The NTS will unlock the ability for more users and more trips across the network. As part of the transition to NTS, the role of cash in the future public transport system will be considered. In determining the role of cash fares, HBRC and the service provider will consider the impacts on health and safety (both for drivers and passengers), the impacts on the transport disadvantaged, and other wider implications around accessing the services.

Fare structure review

The fare structure on the HBRC network is currently a flat fare structure with it being \$2 for one zone and \$3 for two zones with a BeeCard (last reviewed 1 May 2024).

HBRC will review fare structures at least every six years, if not sooner. The fare structure review will address all aspects of the fare system, including:

- the appropriateness of zones as the base for the system, and
- the availability of (and discount to be applied to) concession fares
- the availability of discounts for bulk purchases of fares using BeeCard or other smartcards / integrated ticketing systems.

DRAFT Appendix F Hawke's Bay Regional Council Bus Advertising Policy



What's changed?

This is a new policy setting out the HBRC's approach to bus advertising. HBRC will be bringing bus advertising in house.

The policy identifies both advertising opportunities and prohibited activities.

1. Purpose

The purpose of this policy is to outline the conditions under which advertising space on buses operated by Hawke's Bay Regional Council may be sold. The policy is designed to ensure that bus advertising aligns with the Council's values while generating revenue to support public transport services as part of the third-party revenue streams.

2. Advertising Opportunities

The Council offers the following advertising opportunities on its buses:

- **Rear of the Bus:** Advertising will predominantly be placed on the rear of the bus, as this location offers high visibility and minimises distraction to passengers and drivers.
- **Sides of the Bus:** Advertising on the sides of buses will be permitted on occasion, at the discretion of the Council. This will be considered for campaigns of significant size or importance.
- **Full Bus Wraps:** In exceptional circumstances, full bus wraps (covering the exterior of the bus, excluding windows where it could hinder safe sightlines) may be allowed. Such requests will be assessed on a case-by-case basis.
- **Inside the bus:** on surfaces, including any video & audio display, as long as the advertisement or the medium does not interfere with the operation of the vehicle not the quiet enjoyment of travel by passengers of the driver.

3. Prohibited Advertising

The following types of advertising are not permitted on or in any Hawke's Bay Regional Council buses:

- **Alcohol, Tobacco or Vaping Advertising:** The Council will not accept any advertisements promoting the sale or consumption of alcoholic beverages, the consumption of tobacco or related products, or use of vaping products.
- **Political Advertising Related to the Council:** While political advertising is generally allowed, advertisements for political candidates or causes directly associated with the Hawke's Bay Regional Council, including from or by current councillors or council officers, or individuals seeking election to the Regional Council, are prohibited.

4. General Conditions

- All advertisements must comply with relevant national laws and standards, including those relating to decency, public safety, electoral rules and the protection of vulnerable groups.
- Advertisements should not contain offensive, discriminatory, or misleading content.

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- The Council reserves the right to review and approve all advertising content before it is placed on its buses.

5. Exceptions and Discretion

In cases where proposed advertising falls outside the typical scope of this policy, exceptions may be considered by the Council on a case-by-case basis, provided the content aligns with the Council's values and does not contravene the prohibited advertising categories.

6. Review

This policy will be reviewed periodically to ensure it remains aligned with the Council's strategic objectives and public expectations.

Statement of proposal to amend the Rates Remission and Postponement Policies

What is the proposal?

This proposal is to amend the Hawke's Bay Regional Council's *Rates Remission and Postponement Policies* to remove two policies and amend a policy adopted in February 2024.

We are consulting on this concurrently with our Annual Plan 2025-26.

Why are we consulting on this?

One of the remissions put in place last year was solely a single year remission. Also, as part of a follow-up review on the Revenue & Financing Policy, minor further improvements were identified.

A marked-up copy of the amended *Rates Remission and Postponement Policies* showing the proposed changes is included with this Statement of Proposal. We are seeking feedback on these changes.

Background

Under section 102 of the Local Government Act 2002 (LG Act), the Regional Council has adopted a Rates Remission and Postponement Policy. These policies provide detail on what possible remissions are available and in what circumstances.

The current *Rates Remission and Postponement Policies* were adopted on 10 July 2024.

Under the LG Act, these policies can be amended at any time after consulting in a manner that gives effect to the requirement of section 82 of the LG Act. As part of this, Council must identify the reasonably practicable options to achieve the desired objectives. Due to the technical nature of the changes, only two options have been considered, status quo or the proposed changes.

What's changing?

The Regional Council is proposing to remove the following policies:

- **Significant Impact Remission resulting from changes to the Rating Policy.** This was a single year remission to provide relief to local authorities within the utilities rolls as a standout ratepayer impacted by the change in the general rate from land value to capital value.
- **Postponement of Sustainable Homes Voluntary Targeted Rate.** The Sustainable Homes programme concluded 30 June 2024, and the sustainable homes accounts are currently being amalgamated into the primary rate accounts removing the need for this postponement policy.

And adjust the wording on:

- **Hardship Remission resulting from changes to the Rating Policy.** The purpose of this amendment is to ensure the policy remains applicable to future changes as the Regional Council progresses regular policy reviews to minimise likelihood of sudden significant rate changes. The wording will clarify that a remission will only apply for one year in the first year a change is implemented, to assist ratepayers experiencing extreme financial hardship with budgeting.

Submissions

People wishing to submit on this consultation proposal are invited to do so by 5pm on 2 May 2025.

Submissions can be made online at **haveyoursayhb.co.nz** or in writing to the Regional Council. One way to submit is by completing the online submission form for the Annual Plan consultation document.

*Ngā Kaupapahere Whakaiti Tāke
Kaunihera, Tārewa Hoki*

**Amended Rates Remission
and Postponement Policies
for consultation**



Adopted 10 July 2024

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Notes:

Review of these policies

Hawke's Bay Regional Council (HBRC) intends to review these policies regularly to ensure that the conditions and criteria on which the policies are based continue to be relevant and appropriate.

Delegated authority

The approval of applications relating to the policies contained in this document will be undertaken in accordance with Hawke's Bay Regional Council's Delegation Policy¹.

¹ Available on request

Māori Freehold Land Policy

Introduction

Māori freehold land is defined in the Local Government (Rating) Act 2002 as land whose beneficial ownership has been determined by a freehold order issued by the Māori Land Court. Only land that is the subject of such an order may qualify for remission under this policy. Whether rates are remitted in any individual case will depend on the individual circumstances of each application.

This policy has been formulated for the purpose of:

- ensuring the fair and equitable collection of rates from all sectors of the community by recognising that certain Māori-owned lands have particular conditions, features, ownership structures or other circumstances that make it appropriate to provide relief from rates
- meeting the requirements of sections 102 and 108, having considered the matters in schedule 11 of the Local Government Act 2002, to have a policy on the remission and postponement of rates on Māori freehold land.

This policy does not provide for the postponement of rates as the Regional Council considers that postponing the requirement to pay rates would not support the objectives set out below. The Regional Council has specific policies for the postponement of rates in certain circumstances.

Objectives

The objectives of this policy are to:

- support the use of land by the owners for traditional purposes
- recognise and support the relationship of Māori culture and traditions relating to ancestral land
- avoid of further alienation of Māori freehold land
- facilitate the desire of the owners to develop the land for economic use
- recognise and take account of the presence of wahi tapu that may affect the use of the land for other purposes
- recognise and take account of the importance of land in providing economic and infrastructure support for marae and associated papakāinga housing
- recognise and take account of the importance of the land for community goals relating to:
 - the preservation of the natural character of the coastal environment
 - the protection of outstanding natural features
 - the protection of significant indigenous natural vegetation and fauna

- recognise the level of community services provided to the land and its occupiers
- recognise matters related to the physical accessibility of the land
- support the principles set out in the Preamble to Te Ture Whenua Māori Act 1993.

Conditions and criteria

- Remission will apply to 100% of rates charged on a rating unit.
- Application for a remission under this policy must be made by the person(s) liable for rates for the land (such as owners or trustees), or a person appointed by the Māori Land Court, or other authorised agent of the owners of the land.
- The application is to be made in writing at least 14 days before the due date of payment. Applications made after this cut-off date will apply from the beginning of the following rating year unless extenuating circumstances can be demonstrated, where the Chief Executive may grant an exemption for late application.
- The applicant must include the following information in their applications:
 - details of the rating unit or units involved
 - documentation that shows that the land qualifies as land whose beneficial ownership has been determined by a freehold order issued by the Māori Land Court
 - details showing how a remission of rates is consistent with the objectives of this policy.
- No application under this policy will be backdated. However, where a new lessee/occupier takes over a block with existing rate arrears that would not be recoverable based on previous use, the arrears of rates may be written off where the new lessee assumes payment of current and future rates from the commencement of use or occupation.

Rates Remission Policies

Introduction

To allow rate relief where it is considered fair and reasonable to do so, the Regional Council has resolved to adopt policies under sections 102(3)(a) and 109 of the Local Government Act 2002 specifying the circumstances under which rates will be considered for remission. There are various types of remission, and circumstances under which a remission will be considered. A remission will not be granted where an entity has qualified under the Local Government (Rating) Act 2002 (LGRA) for partial non rating under Part 2 of schedule 1.

The conditions and criteria are set out below.

1. Remission of Rates in Special Circumstances

Objective

To provide for the possibility of a rates remission in circumstances that have not been specifically addressed in other parts of the Regional Council's rating policy.

Conditions and criteria

- HBRC may remit all or part of the rates assessed in relation to a particular rating unit in special or unforeseen circumstances where it considers it just and equitable to do so.
- The approval of the remission must not set a precedent that unfairly disadvantages other ratepayers.
- A remission under this policy will apply for one year only. Applicants must reapply annually.
- No application under this policy will be backdated.
- All applications must be received in writing detailing the rating unit(s) involved and any other relevant information supporting the applicant's eligibility for the remission.

Except where there are extenuating circumstances, the application for a rates remission must be made at least 14 days before the due date of payment. Where extenuating circumstances can be demonstrated, the Chief Executive may grant an exemption for late application.

2. Remission of Penalties on Rates

Objective

To enable the Regional Council to act fairly and reasonably when a rates payment has not been received by the due date.

Conditions and criteria

Upon receipt of an application from the ratepayer either in written or email format, or if identified by the Regional Council, a penalty may be remitted where at least one of the conditions listed below are met.

- A full payment of outstanding rates due (excluding a penalty amount) has been made prior to the application being received by the Regional Council, and if the ratepayer has previously paid all rates by the due date within the last three years.
- Where a ratepayer has rate arrears, that on entering and adhering to a payment plan, the additional penalties will be remitted at an agreed time.
- Where payment has been late due to an unforeseen disruption to the normal activities or business of the ratepayer, such as a serious illness, case of death, injury, accident of family member, or family circumstances.
- The late payment was caused by matters outside of the ratepayer's control.
- It is demonstrated that the penalty has been added because of an error by the Regional Council.
- Where it is considered just and equitable to do so. Each application will be considered on its merits.

Matters that will be taken into consideration by the Regional Council under above include:

- the ratepayer's payment history
- the ratepayer entering into an agreement with the Regional Council for the payment of rates
- matters controlled by the ratepayer may include: electronic payment errors, failure to update mailing, or direct debit arrangement
- matters out of the control of the ratepayer may include change of ownership, or bank errors.

Where there is a deliberate non-payment, remission will not be granted.



3. Remission of Rates on Properties affected by Natural Calamity

Objective

To help ratepayers experiencing extreme financial hardship due to natural calamity which affects their ability to pay rates.

Conditions and criteria

- Applicable where erosion, subsidence, submersion, or other natural calamity as a result of a recognised major event has affected the use or occupation of any rating unit. This does not apply to erosion, subsidence, submersion etc, that may have occurred without a recognised major event.
- The Regional Council will, at its discretion, resolve when an event is a recognised major event for the purposes of this Policy.
- The Regional Council may, at its discretion, remit all or part of any rate assessed on any rating unit so affected by natural calamity.
- Except where there are extenuating circumstances, applications must be made in writing at least 14 days prior to the due date of payment, detailing the rating unit(s) involved. Where extenuating circumstances can be demonstrated, the Chief Executive may grant an exemption for late application.
- The Regional Council may require financial or other records to be provided as part of the remission approval process.
- Remissions approved under this policy do not set a precedent and will be applied only for each specific event and only to properties affected by the event.

We are amending this remission to ensure the policy remains relevant over time.

4. Hardship Remission resulting from changes to the Rating Policy

Objective

To assist ratepayers experiencing extreme financial hardship due to changes to the rating system to achieve a more equitable distribution of rates. This is only for the first year of implementation of a rating change following a Revenue & Financing Policy review, to aid ratepayers with budgeting.

Conditions and criteria

This policy only applies for the first year of implementation of a rating change following a Revenue & Financing Policy review, where the Regional Council determines to make significant changes to the rating system, including uniform charges, differentials, or the number of targeted rates.

We are removing this because this remission was put in place for a single year in response to feedback to changes during the consultation on the Three-Year Plan 2024-2027

This policy does not apply to annual changes in rates requirements, including changes to targeted rates as a result of changes to service levels (including the imposition of a targeted rate on a property receiving a service that was not previously provided or charged for), or to an inflationary adjustment of uniform charges.

- The approval of the remission must not set a precedent that unfairly disadvantages other ratepayers.
- A remission under this policy will apply for one year only. Applicants must re-apply annually.
- Except where there are extenuating circumstances, applications must be made in writing at least 14 days prior to the due date of payment, detailing the rating unit(s) involved. Where extenuating circumstances can be demonstrated, the Chief Executive may grant an exemption for late application.
- The Regional Council may require financial or other records to be provided as part of the remission approval process.
- The remission will be set at half of the difference between the property rates for that year, and the rates payable if the changes to the rating system had not been applied. The Regional Council will use the relevant parts of the previous year's rating system (such as uniform charges, differentials) but will use the current year's rates requirement.

5. Significant Impact Remission resulting from changes to the Rating Policy

Objective

To assist providers of utility network infrastructure, where the change from land to capital value rating for the general rate has resulted in significant financial impact, to transition to the new rating structure.

Conditions and criteria

This policy only applies to those rating units on the Utility Valuation Rolls (99930-99932) and is limited to utilities defined as 'outliers' by capital value cap.

The remission will apply for the 2024-2025 rating year and will be set at 50% of the general rate charge, for those rating units where a general rate has not previously been applied under land value rating.

Other conditions

Applications must be made in writing, at least 14 days prior to the due date of payment, detailing the rating unit(s) involved. Where extenuating circumstances can be demonstrated, the Chief Executive may grant an exemption for late application.

6. Remission for Uniform Annual General Charges and Related Targeted Rates

Objectives

- To provide relief to ratepayers who occupy several near adjacent rating units, but which do not meet the criteria for contiguity under section 20 of the Local Government Act (Rating) 2002.
- To provide relief for developers in the instances of subdivision development in urban areas.

Remissions in addition to the Local Government (Rating) Act 2002

Section 20 of the Local Government (Rating) Act 2002, stipulates that there shall be one property for the purposes of assessing a rate, where two or more separately rateable properties are:

- occupied by the same ratepayer (owner or person with right to occupy by virtue of lease for more than 12 months); and
- used jointly as a single property (for the same purpose); and
- contiguous but separated only by a road, railway-line, drain, water race, river or stream, they shall be deemed to be one property for the purposes of any uniform annual general charges (UAGC).

Where a property meets the requirements of the conditions and criteria below, the UAGC and other related targeted rates assessed on the second and subsequent assessments will be remitted.

Conditions and criteria

- Where farming or horticultural operations conducted on separate blocks of land are so far apart as to indicate that there is no possible contiguity between them, all charges may be assessed on each; however, factors such as distance, stock rotation, stock driving, etc., property size and the number of properties affected, will be taken into account in determining whether remission should apply.
 - **Without dwellings** - Where a single operation is operated over a number of separate rating units, or blocks of separate rating units within close proximity, the 'flagship' (major rating unit) may be assessed a full charge, and the associated rating units may receive a 100% reduction.
 - **With dwellings** - Where a single operation is operated over a number of separate rating units, or blocks of separate rating units within close proximity, a charge may be assessed against each rating unit with a habitable

dwelling and the associated units may receive a 100% reduction.

- Where a single operation is operated over a number of separate blocks of contiguous rating units that contain dwellings, one full charge may apply to each block of such rating units.
- Miscellaneous:
 - If a rating unit is of a size which would not enable a dwelling to be erected and where no dwelling exists, a 100% reduction in charge may apply.
- Where an additional dwelling is provided to an employee and the ratepayer provides evidence to the satisfaction of the Regional Council that it is essential they must reside on the rating unit for the ongoing operation of the business, then the additional UAGC and related targeted rates will be remitted.
- Remission of the charge may apply to a subdivision for the period if the individual lots continue to be in the ownership of the developer.
- The application in the form of a statutory declaration is to be made in writing at least 14 days before the due date of payment detailing the rating unit(s) involved and any other relevant information supporting the applicant's eligibility for the remission.

Rate Postponement Policies

Introduction

These policies are prepared under sections 102(3)(b) and 110 of the Local Government Act 2002.

1. Postponement in Cases of Financial Hardship or Natural Disaster

Objectives

- To assist ratepayers experiencing short term extreme financial hardship that affects their ability to pay rates.
- To assist ratepayers whose property has been subject to a natural disaster to the extent that the ratepayer is unable to pay rates.

Conditions and criteria

The financial hardship must be caused by circumstances beyond the ratepayer's control. The postponement of rates in cases of financial hardship is a last resort to assist residents who own the property to which the postponement application applies.

Criteria for the postponement of rates for ratepayers in cases of hardship

- The applicant can illustrate a postponement of rates will help them overcome their short-term extreme financial hardship.
- The applicant has no access to other funds to pay the rates due.

Criteria for the postponement of rates for ratepayers in cases of natural disaster

- The applicant is unable to pay their rates bill because of a natural disaster or severe weather event that has severely impacted on their ability to pay rates but a postponement will help enable them to pay in the future.

Other conditions

Applications must be made in writing, at least 14 days prior to the due date of payment, detailing the rating unit(s) involved. Where extenuating circumstances can be demonstrated, the Chief Executive may grant an exemption for late application.

Approval of rates postponement is for one year only. The applicant must reapply annually for the continuation of a rates postponement.

2. Postponement of Sustainable Homes Voluntary Targeted Rate

Objective

To protect the Regional Council's ability to recover the full outstanding balance of funding in the event of default during the repayment period.

Conditions and criteria

- Postponement commences at 90% in year 1, reducing by 10% per year for the duration of the repayment period.
- This enables the funding to be repaid in 10 equal annual instalments in accordance with the Sustainable Homes Service Agreement while registering the full financial obligation against the rating unit.
- This policy is applied and managed by the Regional Council's Rates team and applies from the commencement of invoicing until the full repayment has occurred.

We are removing this because the closure of the Sustainable Homes Financial Assistance scheme from 1 July 2024 which has removed the need for this policy. All active VTRs have been absorbed into our primary rating system, and are therefore covered by the provisions of the Local Government (Rating) Act 2002.

Statement of proposal to amend the Revenue and Financing Policy

What is the proposal?

This proposal is to update the Hawke's Bay Regional Council's *Revenue and Financing Policy* to amend:

- how we set the targeted rates for Upper Tukituki flood scheme and Passenger Transport
- the wording in the policy related to the Uniform Annual General Charge (UAGC), and the Sustainable Land Management and Regional Economic Development activities to better reflect how we set rates now
- add a new targeted rate for the flood resilience work for Mangarau Stream.

We are consulting on this concurrently with our Annual Plan 2025-26.

Why are we consulting on this?

The Regional Council can amend its Revenue and Financing Policy at any time after consulting on the proposed amendments in a manner that gives effect to the requirement of section 82 of the LG Act.

As part of this, Council must identify the reasonably practicable options to achieve the desired objectives.

A marked-up copy of the amended Revenue and Financing Policy that the Regional Council is consulting on is included with this Statement of Proposal. We are seeking feedback on these changes.

Most of these policy changes are refinements following a comprehensive 'first principles' review undertaken over two years, completed in February 2024. As this review is still recent, the Council has not considered a broad range of options. We are consulting on two options – the status quo and the proposed policy changes.

In relation to the new Mangarau Stream targeted rate, the Regional Council agreed to its share of a flood mitigation package as part of a cost-share agreement with the Government in August 2023. It was the best deal on the table to help communities in Category 2– areas deemed to have an intolerable risk to life without community based flood mitigation. At the time the

Regional Council agreed to debt fund its share and consult later on how to repay the debt including interest costs. Funding for six flood resilience projects under the cost-share agreement - Wairoa, Whirinaki, Waiohiki, Pākōwhai, Omaha, and Pōrangahau were consulted on as part of HBRC's Three-Year Plan 2024-2027. The added complexity of joint responsibility with HDC for Mangarau Stream has resulted in a delay in consultation to this Annual Plan. Only one option has been identified which is to mirror the way HDC would fund the work.

More discussion is in the Annual Plan consultation document.

Background

Under section 102 of the LGA 2002, every local authority must adopt a Revenue and Financing Policy. A Revenue and Financing Policy is required to provide predictability and certainty about the Regional Council's sources and levels of funding for operating and capital expenditure.

The current Revenue and Financing Policy was adopted on 10 July 2024.

What's changing?

There are six changes proposed. See the relevant page numbers below for more information on the reason for each change. The changes proposed are:

1. Add a new line in the table in Section A and a new funding needs assessment for the Mangarau Stream activity. This is to provide a basis for collecting funding for the work on the Mangarau Stream which HDC will undertake. The funds the Council collect will be passed through to HDC. See page 4 and 14-15 in the amended Revenue and Financing Policy
2. Remove the range of total rates the Regional Council intends to collect from the UAGC under the description for the UAGC which allows for more flexibility in rate setting. See page 7 in the marked-up Revenue and Financing Policy.

3. Adjust the wording for the Regional Economic Development activity to reflect the changes adopted during the Three-Year Plan 2024-2027 to no longer fund tourism promotion. See page 9 in the amended HBRC Revenue and Financing Policy.
4. Amend the funding needs assessment for the Sustainable Land Management (*includes rural partnerships & water efficiency*) activity. This wording change is to make it clear that parts of the community receive a greater benefit thereby supporting part of the activity being funded by a targeted rate. See page 12 in the amended Revenue and Financing Policy.
5. Increase the differential factor from 3 to 4 for the Upper Tukituki flood schemes to include an indirect portion. See page 14 in the amended Revenue and Financing Policy.
6. Adjust the funding needs assessment for Passenger Transport to reflect updated step two/further refinement considerations. A new differential split has been proposed and includes an indirect charge to all of Napier, Hastings, and Central Hawke's Bay due to access to Total Mobility. See page 21 in the marked-up Revenue and Financing Policy.

Submissions

People wishing to submit on this consultation proposal are invited to do so by 5pm on 2 May 2025.

Submissions can be made online at **haveyoursayhb.co.nz** or in writing to the Regional Council. One way to submit is by completing the online submission form for the Annual Plan consultation document.

*Te Kaupapahere Moniwhiwhi,
Ahumoni Hoki*

**Amended Revenue and
Financing Policy
for consultation**



Adopted 10 July 2024

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Policy purpose and overview

The Revenue and Financing Policy describes how Hawke's Bay Regional Council (the Regional Council) intends to fund its expenditure. It outlines the sources of funding that the Regional Council intends to use, for each activity.

The Policy is set out as follows:

- Introduction
- Section A: Summary of Funding Sources
- Section B: Two Step Approach
- Appendix: Step One Funding Needs Assessment and Step Two Outcomes

Introduction

This policy has been prepared in accordance with Sections 101(3), 102(2)(a), 102(3A) and 103 of the Local Government Act 2002.

This policy outlines the choices the Regional Council has made in deciding the appropriate sources of funding for operating and capital expenditure from those sources listed in the Local Government Act 2002 (LGA). The policy also shows how the Regional Council complied with section 101(3) of the LGA which sets out a number of factors it must consider when making these decisions.

The outcome of balancing all those factors requires judgement over many facets of the Regional Council's functions including, but not limited to, legal requirements, transparency, accountability, affordability, efficiency, social, and intergenerational equity, as well as providing for the financial sustainability of the activities undertaken.

When making funding policy the Regional Council must work through the process and matters set out in section 101(3) of the LGA including to have regard to section 101(1): Obligation to act prudently and in the interests of the community. The requirements of section 101(3) analysis is a two-step process which is set out in Section B.

The Regional Council is also required to comply with section 100T of the Biosecurity Act 1993 when deciding the extent to which it should fund the implementation of its Regional Pest Management Plan from a general rate, a targeted rate, or a combination of both, as set and assessed under the Local Government (Rating) Act 2002.

The funding sources and mechanisms will be used to finance the Regional Council's operating and capital expenditure **beginning 1 July 2024**.

Guiding principles

Removed to avoid confusion as policy applies each financial year.

In developing this Revenue and Financing Policy, the principles applied included:

- Clear and fair – so ratepayers can understand how the source of funding was chosen and who it applies to.
- Simple – for a rates invoice that is easy for ratepayers to understand, as well as administratively efficient for staff to implement. This saves costs for the community and reduces the risk of errors.
- Consistent – a policy that treats like for like to give the community confidence they are being treated fairly.
- Flexible – a fit for purpose policy that is robust enough to avoid regular amendment but flexible enough to adapt to future changes.
- Overall impact – the council considers the overall impact on the current and future social, economic, environmental, and cultural wellbeing of the community and community outcomes.

Other guiding principles

In addition to the matters above, Section 102(3A) of the LGA requires that the Revenue and Financing Policy also supports the principles set out in the Preamble to Te Ture Whenua Māori Act 1993, including:

- the special relationship between the Māori people and the Crown
- the spirit of the exchange of kāwanatanga for the protection of rangatiratanga embodied in the Treaty of Waitangi be reaffirmed
- recognition that land is a taonga tuku iho of special significance to Māori people
- promotion of the retention of that land in the hands of its owners, their whānau, and their hapū, and to protect wāhi tapu (sacred sites)
- facilitation the occupation, development, and utilisation of that land for the benefit of its owners, their whānau, and their hapū.

Available funding sources

The sources of funding applied under this policy are limited to those set out under section 103 (2) of the LGA 2022.

The Regional Council has determined the funding sources for operating and capital expenditure after considering the rationale below.

Funding source	Rationale
Fees and user charges	Fees and user charges can be applied where the users of a service can be identified and charged according to their use of the service (and those that do not pay are denied access to the service). This is based on the user-pays principle where the user pays for the benefits received. Fees are also appropriate where an individual's action or inaction creates the need for an activity (cost causation). For example, the cost of obtaining a resource consent is met by the property owner.
General rates	The general rate is used when the whole region benefits from an activity or individuals or groups cannot be identified to recover the cost. Activities can be 100% or part funded by the general rate.
Targeted rates	Targeted rates are used when groups of ratepayers benefit from an activity at a different level from ratepayers in the remainder of the region.
Investment income	The Regional Council has a range of property, equity, and cash investments that provide a source of income not related to any specific function or activity. The Regional Council's investment assets include its 100% shareholding in the Hawke's Bay Regional Investment Company Limited (HBRIC) (HBRIC owns 55% of Napier Port Holding Ltd); Napier and Wellington leasehold property investments; Forestry assets and managed funds.
Borrowing	Local authorities may borrow New Zealand currency to finance their lawful functions. Borrowing is a useful method of funding the costs of a project where the benefits will accrue into the future, for example, funding the capital costs of a flood control scheme, major building project or intergenerational environmental projects. The Regional Council will periodically borrow for such purposes. Short term borrowings may be used to smooth one-off large operational expenditure. Borrowing is generally repaid from funds collected from general or targeted rates.
Reserves	Local authorities have traditionally, and to varying degrees, developed reserve funds. Reserve funds have been used to allocate funds for special purposes such as asset replacement, future capital works, flood, and drainage schemes, and for emergencies and contingencies. The Regional Council has some reserves which help in the financial management of activities. Consideration of the appropriate reserves and reserve levels is addressed as part of the Long-Term Plan and Investment Policy.
Grants and subsidies	Grants and subsidies are generally only appropriate for funding the operating or capital costs of the particular activity that the grant or subsidy is intended to pay for. For example, Waka Kotahi NZTA transport subsidies can only be used to fund transport projects.
Other sources	Other sources of funding include proceeds from asset sales, and unexpected or unanticipated revenue such as vested assets and bequests.

Section A

Summary of funding sources

In the summary table below, percentages are indicative. Once rates are assessed and collected the actual percentage may differ slightly.

Activity	Fees & user charges	Grants, subsidies & other	Targeted rate	General rate
Governance and Partnerships Group				
Community Representation & Leadership, including Tāngata Whenua Partnerships				100%
Community Sustainability				100%
Environmental education, corporate sustainability, and climate action				100%
Sustainable Homes, including Clean Heat			90%	10%
Regional Economic Development			100%	
Policy and Regulation Group				
Policy & Planning				100%
Regulatory Implementation				100%
Freshwater Farm Plans				100% for Council's contribution and administration
Resource Consents	90% from consent applicants			10% of recoverable costs 100% of non-recoverable consents costs
Compliance	90% from consent holders			10% of recoverable costs 100% of non-recoverable compliance costs
Pollution Response				100% after the recovery of fines and penalties
Maritime Safety				
Harbour Operations	100% Napier Port/ other users			
Maritime Safety				
Education and recreational users				100% after other income
Integrated Catchment Management Group				
Environmental Science & Information				
State of the Environment (SOE) Reporting				100%
Research and Grants				100%
Land Research and Monitoring			25%	75%
Air Quality				100%
Marine and Coast				100%
Water Quantity	35% from consent holders			65%

TE KAUPAPARE MONIWHIWHI, AHUMONI HOKI 2024
TE KAUNIHERA Ā-ROHE O TE MATAU-A-MĀUI

Activity	Fees & user charges	Grants, subsidies & other	Targeted rate	General rate
Water Quality	15% from consent holders		20%	65%
Water Information Services	90% from consent holders			10%
Sustainable Land Management			25%	75%
Soil Conservation Nursery	100%			
Erosion Control Scheme/Land for Life		See p 12 for amended wording.		100% for Council's share of costs
Biodiversity				100%
Primary Production Pests			100%	
Asset Management Group				
Flood Protection & Control Works	Targeted rate differential for Upper Tukituki scheme			
Flood protection schemes			70%	30%
Drainage and pumping			90%	10%
River & stream maintenance				100%
<u>Mangarau Stream flood resilience</u>			100%	
Initial capital to build Category 2 Flood Schemes	NEW rate targeted to Hastings District Council ratepayers in HDC differential rating area 1. See p 14-15		0-70%	30-100%
Initial costs for Category 2 General Works				100%
Flood Risk Assessment and Warning				100%
River investigations, enquiries and subsidised work				100% certain works are recovered on a proportional basis
Coastal Hazards			60%	40%
Westshore Beach Renourishment				100%
Regional Water Security		100%		
Open Spaces				100%
Regional Parks				100%
Hawke's Bay Trails				100% after grants & subsidies
Forestry		100% funded by harvest revenue		
Emergency Management Group				
Hawkes Bay CDEM			100%	
HBRC Emergency Management				100%
Transport Group				
Transport Planning & Road Safety				100% after grants & subsidies
Passenger Transport, and Total Mobility	Targeted rate amended. See p 21		100% after fees & user charges, and grants & subsidies	

Section B

Two step approach

In developing this policy, the Regional Council used a two-step approach as required by section 101(3) of the Local Government Act 2002 (the Act).

Step One

The first step is to consider for each activity, the five matters in s101(3)(a) of the Act. These are summarised in the table below and applied in the *Appendix: Step One Funding Needs Assessment and Step Two outcomes*.

1. Community outcomes	The Regional Council must identify which of its community outcomes ¹ , each activity primarily contributes to. HBRC's community outcomes are: <ul style="list-style-type: none"> • Healthy environment • Prosperous community • Resilient community.
2. Distribution of benefit	The Regional Council must consider who benefits and by how much. It may be the community as a whole, any identifiable part of the community, and/or individuals. For example, individuals who take up the service are the primary beneficiaries from the Clean Heat programme, while parts of the community (those in the airshed) benefit from clear air and the community as a whole benefit to a lesser degree from reduced emissions.
3. Period of benefit	The Regional Council must identify the period in or over which those benefits are expected to occur. In doing this, the Regional Council has identified an annual benefit matching the period of expenditure or ongoing benefits that will last for future generations.
4. Whose acts create a need	The Regional Council must consider if there are contributors – individuals or groups – who, through their action, or inaction, contribute to the need to undertake the activity. For example, polluters create a need for the Regional Council to clean up the mess or make rules about how it is to be reduced or cleaned up.
5. Costs and benefits of funding activity distinctly	The Regional Council must consider the costs and benefits, including consequences for transparency and accountability, of funding an activity separately. For example, consider whether user charges or targeted rates or a combination of these pays for this, or whether the activity should be funded by the general rate. ²

Step Two

The Regional Council then considered the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural wellbeing of the community, as required under section 101(3)(b) of the Act.

The Regional Council particularly considered the rating impact and the amount of fees and user charges to be recovered and made the following major refinements from the initial tools selected in step one of the process. Note all changes are noted in the last column of the table in the *Appendix: Step One Funding Needs Assessment and Step Two outcomes*.

¹ The outcomes that a local authority aims to achieve in order to promote the social, economic, environmental, and cultural wellbeing of its district or region in the present and for the future (section 5 of the Local Government Act 2002)

² In the funding needs assessment in Appendix 1, the Regional Council sometimes summarises this requirement in terms of need for separate funding. Where it says there is no need for separate funding for an activity this means that the cost/benefit analysis of separate funding does not strongly indicate separate over general funding.

General rate

The Regional Council considered the merits of both land value and capital value (CV) for the general rate. Having considered the overall impacts on all ratepayers, the Regional Council concluded capital value is a better tool based on the taxation principles of equity/affordability and benefit/impact and is therefore its preferred method. Higher CV properties are generally better able to bear the costs of a proportionally higher general rate, and, through the higher value of improvements, CV recognises multiple impacts of a single property.

The Regional Council considers that recovering the general rate on capital value creates a more resilient rates base better able to respond to rate changes. Capital value also better reflects the principles set out in the Preamble to Te Ture Whenua Māori Act 1993 than land value because land that is undeveloped will generally pay less than a developed property under capital value.

The Regional Council also considered the impacts of various types and locations of properties and concluded that a general rate differential is not appropriate.

Rates equalisation

The city and district councils within Hawke's Bay revalue their properties at different times, on a three yearly rotating basis. Each year QV provides information to allow the Regional Council to calculate rates on equalised values. The Regional Council uses this information to adjust the rate so that each rating unit would be paying a similar amount of rates, as if all properties were valued on the same date.

Uniform annual general charge

The uniform annual general charge (UAGC) is part of the general rate and is a fixed amount charged to all separately used or inhabited parts of a rating unit. Its effect is to reduce some rating impact on high value properties and increase rating impact on lower value properties. The Regional Council considers that a UAGC is an appropriate rating tool particularly for a CV-based general rate.

The Regional Council considers it appropriate that all properties should contribute a fixed amount towards the general rate. As the Local Government (Rating) Act 2002 limits the amount of all fixed rates (UAGC and uniform targeted rates) to 30% of total rates, the Regional Council concluded that the UAGC will be set annually as a levelling tool to achieve a percentage of between 20% and 30% of total rates.

Fees and user charges

The Regional Council has applied fees and user charges to recover part or all of the costs for the following activities:

- Resource Consents
- Compliance
- Maritime Safety – Harbour Operations
- Environmental Science and Information
- Water Information Services
- Soil Conservation Nursery
- Passenger Transport

Amended to give Council flexibility in its use of fixed rates

Appendix: Step One Funding Needs Assessment and Step Two outcomes

Step One							Step Two
Activity (sub-activity)	Community outcome	Distribution of benefits	Period of benefit	Whose acts create a need	Costs and benefits of funding activity distinctly	Overall rationale for funding (Percentages are indicative)	What was further refined
Governance and Partnerships Group							
Community Representation and Leadership, and Tāngata Whenua Partnerships	Healthy Environment	The community as a whole benefit from democratic representation, transparent and legally compliant Council processes and the quality of decisions enabled by a Treaty-based partnership approach with tangata whenua.	There is an annual benefit matching the period of expenditure	No specific, separately identifiable group causes a need.	There is no particular need to fund this activity separately. Council reports on the financial and service performance for this activity in its quarterly and annual report/s.	As there are region-wide and whole community benefits the general rate is considered the most appropriate funding source. <i>100% general rate.</i>	No change from step one.
Community Sustainability (environmental education, corporate sustainability, climate action)	Healthy Environment	The community as a whole benefits from a coordinated programme to drive climate action to reduce the regions and its own carbon footprint, including environmental education.	There is an annual benefit matching the period of expenditure.	No specific, separately identifiable group causes a need.	There is no particular need to fund this activity separately. Council reports on the financial and service performance for this activity in its quarterly and annual report/s.	As there are region-wide and whole community benefits the general rate is considered the most appropriate funding source. <i>100% general rate.</i>	No change from step one.
Community Sustainability (Sustainable Homes programme, including Clean Heat)	Resilient Community	Individuals who take up the service are the primary beneficiaries. Parts of the community benefit from less air pollution. The community as a whole benefits to a lesser degree from reduced emissions.	There are ongoing benefits from cleaner and more sustainable homes.	No specific, separately identifiable group causes a need.	There are benefits from funding this activity separately as separate funding enables Council to target those who benefit either from improvements to their property or from residing in a healthy airshed.	Individuals benefit from services that improve their property and those in the airshed benefit from cleaner air, therefore targeted rates are considered the most appropriate funding source. <i>90% targeted rate and 10% general rate.</i>	Urban footprint by valuation roll. Targeted rate based on land value.

Step One							Step Two
Activity (sub-activity)	Community outcome	Distribution of benefits	Period of benefit	Whose acts create a need	Costs and benefits of funding activity distinctly	Overall rationale for funding (Percentages are indicative)	What was further refined
Regional Economic Development	Prosperous Community	The broader business community are the primary beneficiaries of tourism promotion and regional economic development. The community as a whole benefits to a lesser extent.	There is an annual benefit matching the period of expenditure.	No specific, separately identifiable group causes a need.	There are benefits from funding this activity separately as separate funding enables Council to apply revenue requirements that are consistent with the levels of benefit that different ratepayer categories receive. Separate funding also supports accountability and transparency to the ratepayers who fund the activity.	Businesses greatly benefit from the united approach to attracting visitors and commercial opportunities regional economic development. Residents benefit from the enhanced lifestyles with modern amenities, things to see and do, accessibility and a greater sense of security which is vital for health and wellbeing. Therefore, differentiated targeted rate is considered the most appropriate funding source.	Differential targeted rate defined: Residential & Lifestyle is 30% of total yield based on fixed charge per SUIP. Commercial & Industrial is 75% of allocation of 70% total yield based on capital value. All other usage is 25% of allocation of 70% of yield based on capital value.
Amended to remove tourism per changes adopted in the Three-Year Plan 2024-2027							
Policy and Regulation Group							
Policy and Planning, and Regulatory Implementation	Healthy Environment	The community as a whole benefits.	There are ongoing benefits.	No specific, separately identifiable group causes a need. Everyone uses the region's natural resources to some extent.	There is no particular need to fund this activity separately. Council reports on the financial and service performance for this activity in its quarterly and annual report/s.	As there are region-wide and whole community benefits the general rate is considered the most appropriate funding source. 100% general rate.	No change from step one.

Step One							Step Two
Activity (sub-activity)	Community outcome	Distribution of benefits	Period of benefit	Whose acts create a need	Costs and benefits of funding activity distinctly	Overall rationale for funding (Percentages are indicative)	What was further refined
Resource Consents	Healthy Environment	Consent applicants are the primary beneficiaries. The community as a whole benefits to a lesser degree from environmental outcomes from implementing the Regional Plan via consenting. The community as a whole benefits from the advisory services provided.	There are ongoing benefits.	Consent applicants create a need to process and issue consents.	There are benefits from funding this activity separately to target those who benefit or create the need.	Council considers that those who benefit or contribute to the need for the activity should contribute to the recovery of those costs. When recovery is not possible, then the general rate is considered the most appropriate funding source after an allowance for any fees. <i>90% funded by consent applicants. 10% of recoverable consent processing costs funded by general rates. 100% of non-recoverable consent administration funded by general rates.</i>	No change from step one.
Compliance	Healthy Environment	Consent holders are the primary beneficiaries. The community as a whole benefits to a lesser degree from environmental outcomes from implementing the Regional Plan via compliance activities.	There is an annual benefit matching the period of expenditure.	Non-compliant consent holders who form part of the high priority monitoring schedule.	There are benefits from funding this activity separately to target those who benefit or create the need.	Council considers that those who benefit or contribute to the need for the activity should contribute to the recovery of those costs. When recovery is not possible, then the General Rate is considered the most appropriate funding source. <i>90% funded by consent holders. 10% of recoverable compliance activity costs funded by general rates. 100% of non-recoverable compliance costs funded by general rates.</i>	No change from step one.

Step One							Step Two
Activity (sub-activity)	Community outcome	Distribution of benefits	Period of benefit	Whose acts create a need	Costs and benefits of funding activity distinctly	Overall rationale for funding (Percentages are indicative)	What was further refined
Pollution Response	Healthy Environment	The community as a whole benefits from having a 24/7 response capability.	There is an annual benefit matching the period of expenditure.	Polluters create the need for pollution response. Generally, polluters can only be identified after a pollution event and sometimes the liable party cannot be identified.	There are benefits from funding this activity separately to target those who benefit or create the need.	As there are region-wide and whole community benefits the general rate is considered the most appropriate funding source. However, where a liable party can be identified, they should contribute to the recovery of those costs. <i>100% general rate after the recovery of fines and penalties where possible.</i>	No change from step one.
Maritime Safety (harbour operations)	Resilient Community	Napier Port Limited is the primary beneficiary of Harbourmaster activities to support safe commercial shipping in the Napier harbour. Other users (commercial and non-commercial) also benefit from harbour operations.	There is an annual benefit matching the period of expenditure.	Napier Port and other users create the need for the harbour related activities.	There are benefits from funding this activity separately to target those who benefit or create the need.	Council considers that there is a distinct benefit for Napier Port and other users from the Harbourmaster services at the port and harbour, therefore those users should fund those costs using fees and user charges. <i>100% fees and user charges.</i>	No change from step one.
Maritime Safety (education and recreation users)	Resilient Community	The community as a whole benefits. Recreational boat and water users benefit from navigational aids, education programmes and the enforcement of maritime safety regulations.	There is an annual benefit matching the period of expenditure.	No specific, separately identifiable group causes a need.	There is no particular need to fund this activity separately.	As there are region-wide and whole community benefits from maritime education and safety the General Rate is considered the most appropriate funding source. <i>100% general rate after offsetting other income.</i>	No change from step one.

Step One							Step Two
Activity (sub-activity)	Community outcome	Distribution of benefits	Period of benefit	Whose acts create a need	Costs and benefits of funding activity distinctly	Overall rationale for funding (Percentages are indicative)	What was further refined
Integrated Catchment Management Group							
Environmental Information and Science	Healthy Environment	The community as a whole benefits from monitoring and analysis of environmental information and research, and research and investigations on matters relevant to policy development. This contributes to the evidence base needed for regional plan development. There is also a distinct benefit for consent holders because the information gathered, and science activities are needed to issue consents.	There is an annual benefit matching the period of expenditure and some ongoing benefits from having data available and science knowledge.	Everyone uses the region's natural resources to some extent. Consent holders contribute to the need for this activity as consented activities, such as water takes and discharges, drive the need for Council to collect environmental information and undertake science activities. Landowners contribute to the need for this activity as diffuse sources are drivers of the state of environment.	There are benefits from funding this activity separately to target those who benefit or create the need.	As there are region-wide and whole community benefits the General Rate is considered the most appropriate funding source with a portion of the costs funded by a targeted rate to recognise diffuse sources, and consent holders who have a distinct benefit and contribute to the need. <i>65-75% general rate, 20% targeted rate and 15- 35% fees and user charges.</i>	No change from step one for water quantity science. Water quality science: 65% general rate, 20% targeted rate (non-urban footprint by valuation roll based on land value) and 15% fees & user charges.
Environment Information (Water Information Services)	Healthy Environment	Water-take consent holders are the primary beneficiaries from the provision of an accurate and reliable telemetry network. The community as a whole benefits to a lesser degree from rainfall, flood modelling and forecasting.	There is an annual benefit matching the period of expenditure and some ongoing benefits from having data available.	Water consent holders create a need.	There are benefits from funding this activity separately to target those who benefit or create the need.	Council considers that those who benefit or contribute to the need for the activity should contribute to the recovery of those costs with the balance funded from the general rate. <i>90% fees and user charges and 10% general rate.</i>	No change from step one.
Sustainable Land Management (includes rural partnerships & water efficiency)	Healthy Environment	The community as a whole benefits from reduced environmental pressures from good management practices and compliance with regulations. <u>Parts of the community receive a greater benefit due</u>	There are ongoing benefits.	No specific, separately identifiable group causes a need.	There is no particular need to fund this activity separately.	As there are region-wide and whole community benefits the general rate is considered the most appropriate funding source <u>with a portion of the costs funded by a targeted rate.</u> <i>75% general rate and 25% targeted rate on land value by</i>	No change from step one.

Step One							Step Two
Activity (sub-activity)	Community outcome	Distribution of benefits	Period of benefit	Whose acts create a need	Costs and benefits of funding activity distinctly	Overall rationale for funding (Percentages are indicative)	What was further refined
		<u>to improved livelihood</u> from their property <u>and the surrounding area.</u>				<i>non-urban valuation roll footprint.</i>	
Sustainable Land Management (Soil Conservation Nursery)	Healthy Environment	Recipients of plants from the nursery are the beneficiaries.	There is an annual benefit matching the period of expenditure.	No specific, separately identifiable group causes a need.	There are benefits from funding this activity separately to target those who benefit to fully fund annual costs.	Council considers that those who benefit should contribute to the recovery of those costs, so fees and user charges are considered the most appropriate funding source. <i>Fees and user charges and recoveries from other Council activities fund 100% of costs.</i>	No change from step one.
Sustainable Land Management (Erosion Control Scheme, Land for Life).	Healthy Environment	The community as a whole benefits from reduced erosion leading to improved water quality in streams, rivers, and the coast, as well as improved biodiversity and carbon sequestration from large-scale tree planting. Benefits to individuals from the Erosion Control Scheme are funded directly by the individual.	There are ongoing benefits.	No specific, separately identifiable group causes a need. The need is driven by past events and climate change.	There is no particular need to fund this activity separately.	As there are region-wide and whole community benefits the general rate is considered the most appropriate funding source after the recovery of charges to individuals. <i>100% general rate for Council's share of costs.</i>	No change from step one.
Biodiversity (including animal and plant pest control that contribute to biodiversity outcomes)	Healthy Environment	The community as a whole benefits from the protection and restoration of native species and ecosystems including the reduced spread of possums. Biodiversity contributes to the region's natural character and ecosystem services. Parts of the community receive a greater benefit from	There are ongoing benefits.	No specific, separately identifiable group causes a need.	There is no particular need to fund this activity separately assuming the current owner-occupied model, however, if the delivery model for possum control management changes there may be a need	As there are region-wide and whole community benefits the general rate is considered the most appropriate funding source. <i>100% general rate.</i>	No change from step one.

Step One							Step Two
Activity (sub-activity)	Community outcome	Distribution of benefits	Period of benefit	Whose acts create a need	Costs and benefits of funding activity distinctly	Overall rationale for funding (Percentages are indicative)	What was further refined
		reduced spread of unwanted pest damage.			to target specific beneficiaries.		
Primary Production Pests	Prosperous Community	Parts of the community (primary producers) benefit from reduced loss to pasture, crops, trees and shrubs and sustained/increased production.	There is an annual benefit matching the period of expenditure.	High value productive land uses drive the need for this activity.	There are benefits from funding this activity separately to target those who benefit or create the need.	Council considers that those who benefit or contribute the need for the activity should contribute to the recovery of those costs using targeted rates. <i>100% targeted rate on land value by non-urban valuation roll footprint.</i>	No change from step one.
Asset Management Group							
Flood Protection & Control Works	Resilient Community	Property owners and residents in flood schemes are the primary beneficiaries from maintaining flood schemes to agreed levels of protection. The community as a whole benefits to a lesser degree from economic and social resilience from protected arterial transport routes and utilities. Districts are interwoven so regardless of where flooding occurs it has a regional economic and social impact.	There are intergenerational benefits due to significant infrastructure.	No specific, separately identifiable group causes a need.	There are benefits from funding this activity separately to target those who benefit. Separate funding also supports accountability and transparency to the ratepayers who fund the activity.	Council considers that those who benefit should contribute to the costs via targeted rates on the flood scheme area with the balance of costs met via the general rate. <i>70% targeted rate and 30% general rate for all schemes.</i>	Differential targeted rates on capital value using the following rating factors: Upper Tukituki – 43 Heretaunga Plains – 2 Makara – 3 Maraetotara - has no differentials Wairoa – 2 Whirinaki (Other) – 2 Whirinaki (Industrial) - has no differentials Pōrangahau – 2
Mangarau Stream flood resilience	Resilient Community	<u>Hastings District Council rating area 1 and the differential are used to apportion cost relative to a property's land use and perceived impact. These ratepayers are considered</u>	<u>There are intergenerational benefits due to significant infrastructure.</u>	<u>Natural disaster exacerbated by climate change that everyone has contributed to.</u>	<u>There are benefits from funding this activity separately to target those who benefit. Separate funding also supports accountability and</u>	<u>Council considers that those who benefit should contribute to the costs via targeted rates on the flood scheme area.</u> <i>100% targeted rate for Hastings District Council's Differential Rating Area One.</i>	<u>Differential targeted rates on land value using HDC's proportion basis:</u> Residential – 1 Residential Clive – 0.81

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TE KAUPAPAHERE MONIWHIWHI, AHUMONI HOKI 2024
TE KAUNIHERA Ā-ROHE O TE MATAU-A-MĀUI

Step One							Step Two
Activity (sub-activity)	Community outcome	Distribution of benefits	Period of benefit	Whose acts create a need	Costs and benefits of funding activity distinctly	Overall rationale for funding (Percentages are indicative)	What was further refined
		primary beneficiaries from the construction of flood mitigation agreed as part of the cost-share agreement with the Crown to support recovery from Cyclone Gabrielle.			transparency to the ratepayers who fund the activity.		Residential non-urban – 0.75 Hort/farming – 0.68 CBD commercial – 3 Other commercial – 2.75 Commercial non-urban – 2.35
Initial capital to build Category 2 Flood Schemes	Resilient Community	Property owners and residents in Category 2 flood schemes are the primary beneficiaries from the construction of flood mitigation agreed as part of the cost-share agreement with the Crown to support recovery from Cyclone Gabrielle. All ratepayers in the region benefit from the co-funded flood mitigation which enables affected property owners to rebuild rather than funding Category 3 property rights purchase.	There are intergenerational benefits due to significant infrastructure.	Natural disaster exacerbated by climate change that everyone has contributed to.	There are benefits from funding the initial capital to build Category 2 flood schemes separately to target those who benefit.	<i>70% targeted rate and 30% general rate for Whirinaki (Industrial), Heretaunga Plains (Ohiti Rd /Omāhu, Waiohiki and Pākōwhai) - except for Whirinaki (Other) and Pōrangahau at 100% general rate.</i>	Differential targeted rates on capital value using the following rating factors: Whirinaki (Other) – 2 Whirinaki (Industrial) has no differentials Heretaunga Plains -2 Pōrangahau – 2
Initial costs for Category 2 general works	Resilient Community	The community as a whole benefit from the agreed infrastructure repairs, upgrades and planning across a range of assets, area, and schemes.	There are intergenerational benefits.	Natural disaster exacerbated by climate change that everyone has contributed to.	There is no particular need to fund this activity separately.	As there are region-wide and whole community benefits the general rate is considered the most appropriate funding source. <i>100% general rate.</i> Future operational and capital expenditure will be funded through the rating for the particular activity.	No change from step one.

Step One							Step Two
Activity (sub-activity)	Community outcome	Distribution of benefits	Period of benefit	Whose acts create a need	Costs and benefits of funding activity distinctly	Overall rationale for funding (Percentages are indicative)	What was further refined
Drainage and pumping schemes	Prosperous Community	Property owners within the drainage scheme areas are the primary beneficiaries. These property owners benefit as the scheme allows land to be used more intensely or for a higher value use. The community as a whole benefits to a lesser degree from economic activity generated from productive land use.	There are intergenerational benefits.	No specific, separately identifiable group causes a need.	There are benefits from funding this activity separately to target those who benefit. Separate funding also supports accountability and transparency to the ratepayers who fund the activity. Separate funding is useful to demonstrate the benefits from drainage are less regional than flood protection.	Council considers that those who benefit should contribute to the costs via targeted rates on the drainage scheme area with the balance of costs met via the general rate. <i>Capital value reflects intensification. 90% targeted rates and 10% general rate.</i>	Differential targeted rates on capital value except Raupare Enhancement Scheme (by Area), and Opoho Scheme (fixed charge).

Step One							Step Two
Activity (sub-activity)	Community outcome	Distribution of benefits	Period of benefit	Whose acts create a need	Costs and benefits of funding activity distinctly	Overall rationale for funding (Percentages are indicative)	What was further refined
River and stream maintenance	Resilient Community	The community as a whole stands to benefit. Benefits arise from a mix of planned and reactive interventions across the region. Proximate properties get some direct benefit which could range from high to low but difficult to quantify.	There are minor intergenerational benefits with small capital expenditure.	Some exacerbators but frequency and effect on total cost is low and difficult to identify individuals.	Separate funding for this activity is not sensible as it is too difficult to quantify direct benefit and could be cost prohibitive to charge those direct beneficiaries.	As there are region-wide and whole community benefits the general rate is considered the most appropriate funding source. <i>100% general rate.</i>	No change from step one.
River investigations enquiries & subsidised work	Resilient Community	The community as a whole stands to benefit from the advisory service, investigation of community-raised issues and subsidised work proposals. Parts of the community and individuals benefit from subsidised works.	There is an annual benefit matching the period of expenditure.	No specific, separately identifiable group causes a need.	There are benefits from funding this activity separately to recover the costs from those who directly benefit. This is work not specific to an individual scheme.	As there are region-wide and whole community benefits the general rate is considered the most appropriate funding source. When beneficiaries of subsidised works can be separately identified, the costs are partially recovered via fees and user charges. <i>100% general rate. Certain works are recovered on a proportional basis.</i>	No change from step one.
Flood Risk Assessment and Warning	Resilient Community	The community as a whole benefits from hazard information for land use planning purposes and advice on rainfall and water flows during flood conditions. Information is collected from a comprehensive network of recorders across the region that supports modelling.	There are intergenerational benefits.	No specific, separately identifiable group causes a need.	There is no particular need to fund this activity separately. This is work is not specific to an individual scheme.	As there are region-wide and whole community benefits the general rate is considered the most appropriate funding source. <i>100% general rate.</i>	No change from step one.

Step One							Step Two
Activity (sub-activity)	Community outcome	Distribution of benefits	Period of benefit	Whose acts create a need	Costs and benefits of funding activity distinctly	Overall rationale for funding (Percentages are indicative)	What was further refined
Coastal Hazards	Resilient Community	The community as a whole benefits from better understanding of causes and effects of coastal hazards.	There is an annual benefit matching the period of expenditure and some ongoing benefits from coastal hazard knowledge.	No specific, separately identifiable group causes a need.	There are benefits from funding this activity separately to target those who benefit. Separate funding supports accountability and transparency to the ratepayers who fund the activity. It also makes sense given the potential growth in scope in the future, which is subject to a future Council decision on whether to implement the Clifton to Tangoio Coastal Hazards Strategy.	Council considers that those who benefit should contribute to the costs via targeted rates with the balance of costs met via the general rate. <i>60% targeted rate (Napier & Hastings ratepayers) and 40% general rate</i> <i>(Total expenditure evenly split between NCC, HDC and HBRC)</i>	No change from step one.
Coastal Hazards (Westshore beach renourishment)	Resilient Community	The community as a whole and properties within Westshore and the Napier area are beneficiaries from beach renourishment of the park and reserve.	There are ongoing benefits.	No specific, separately identifiable group causes a need.	There is no particular need to fund this activity separately. However, with the proposed growth in scope of coastal hazards implementation it makes sense to consider Westshore Beach Renourishment as a separate activity which may require separate funding in the future to target those who have a distinct benefit.	Council considers that the general rate is the most appropriate funding source at the moment and should be reviewed as part of the Clifton to Tangoio Strategy implementation when all cells will be analysed. <i>100% general rate (Total expenditure 50:50 split with NCC)</i>	No change from step one.

Step One							Step Two
Activity (sub-activity)	Community outcome	Distribution of benefits	Period of benefit	Whose acts create a need	Costs and benefits of funding activity distinctly	Overall rationale for funding (Percentages are indicative)	What was further refined
Regional Water Security	Resilient Community	As many Hawke's Bay freshwater resources are already under pressure and with the increasing effects of climate change, the community as a whole benefits from investigations into delivery models for water storage and demand management solutions.	There are intergenerational benefits.	Everyone uses the region's freshwater resources to some extent.	There is no particular need to fund this activity separately. However, there is significant government funding attached to the current activities and with the possible growth in scope and some projects potentially commercialised in the future it makes sense to consider Water Security as a separate activity which may require separate funding to target those who have a distinct benefit.	As there are region-wide and whole community benefits the general rate is considered the most appropriate funding source. <i>100% general rate.</i>	No change from step one.
Open Spaces	Healthy Environment	The community as a whole benefits from provision of regional parks and cycleways spread across the region and available for use by all members of the Hawke's Bay community.	There are intergenerational benefits.	No specific, separately identifiable group causes a need.	There is no particular need to fund this activity separately. Council reports on the financial and service performance for this activity in its quarterly and annual report/s.	As there are region-wide and whole community benefits the general rate is considered the most appropriate funding source. <i>100% general rate.</i>	No change from step one.
Open Spaces (Forestry)	Healthy Environment	The community as a whole benefits from HBRC's management of forestry blocks held primarily for soil conservation and environmental enhancement reasons.	There are intergenerational benefits.	No specific, separately identifiable group causes a need.	There are benefits from funding this activity separately to transparently show costs are fully funded via harvest revenue.	Council considers that full cost recovery via harvest revenues is the most appropriate funding source. <i>100% funded by harvest revenue</i>	No change from step one.

Step One							Step Two
Activity (sub-activity)	Community outcome	Distribution of benefits	Period of benefit	Whose acts create a need	Costs and benefits of funding activity distinctly	Overall rationale for funding (Percentages are indicative)	What was further refined
Emergency Management Group							
Hawke's Bay Civil Defense Emergency Management (CDEM)	Resilient Community	The community as a whole benefits from hazard knowledge and preparedness for and coordination of regional or localised emergency events.	There is an annual benefit matching the period of expenditure with some ongoing benefit from knowledge gained.	No specific, separately identifiable group causes a need.	There are benefits from identifying the rate separately to signal it is funded on behalf of the city and district councils.	Despite region-wide and whole community benefits, a region- wide targeted rate is considered the most appropriate funding source due to a need to identify the rate separately. <i>100% targeted rate.</i>	Fixed charge per SUIP.
HBRC Emergency Management	Resilient Community	The community as a whole benefits from HBRC's capability and capacity to respond and manage its staff and assets for regional or localised emergency events.	There is an annual benefit matching the period of expenditure.	No specific, separately identifiable group causes a need	There is no particular need to fund this activity separately. Council reports on the financial and service performance for this activity in its quarterly and annual report/s.	As there are region-wide and whole community benefits from the general rate is considered the most appropriate funding source. <i>100% general rate.</i>	No change from step one.
Transport Group							
Transport Planning & Road Safety	Resilient Community	The community as a whole benefits from planning for the region's transport needs and from road safety activities.	There is an annual benefit matching the period of expenditure.	No specific, separately identifiable, group causes a need.	There is no particular need to fund this activity separately. Council reports on the financial and service performance for this activity in its quarterly and annual report/s.	As there are region-wide and whole community benefits the General Rate is considered the most appropriate funding source for the balance of costs after grants and subsidies. <i>100% general rate after grants and subsidies.</i>	No change from step one.

Step One							Step Two
Activity (sub-activity)	Community outcome	Distribution of benefits	Period of benefit	Whose acts create a need	Costs and benefits of funding activity distinctly	Overall rationale for funding (Percentages are indicative)	What was further refined
Passenger Transport (including Total Mobility)	Prosperous Community	Individuals who use and communities who can access public transport services are the primary beneficiaries. The community as a whole benefits to a lesser degree from less congestion on roads and reduced emissions.	There is an annual benefit matching the period of expenditure.	No specific, separately identifiable, group causes a need.	There are benefits from funding this activity separately to target those who benefit.	Council considers that those who benefit should contribute to the costs therefore a Targeted Rate for those areas served by passenger transport services is considered the most appropriate funding source after allowing for fees and user charges and government subsidies. <i>100% targeted rate after fees and user charges, and grants and subsidies.</i>	Targeted rate defined (after user charges, and grants & subsidies): <u>17.5% capital value charge for commercial and industrial ratepayers by valuation roll within an urban footprint.</u> <u>72.5% SUIP charge for all others by valuation roll within the same urban footprint.</u> <u>10% indirect charge based on CV to all rateable units within Napier, Hastings, and Central Hawke's Bay districts.</u>

Amended to further refine the
targeted rate and introduce an
indirect rating portion

Explanation of rating method

General Rates	Activities Funded	Types of land to be rated Government (Rating) Act, schedule 2)	(Local	Basis of rating Government (Rating) Act (2002, schedule 3)	(Local
General Rate	General rate funds the remaining cost of the council activities, excluding that portion funded by targeted rates and the UAGC.	All rateable rating units within the region.		Capital Value	
Uniform annual general charge (UAGC)	The UAGC is set on a fixed cost per separately used or inhabited part of a rating unit (SUIP). This is calculated as a percentage of the total rates up to a maximum of 30%, within the range of 20%–30%.	All rateable rating units within the region.		UAGC (refer to note 1)	
		Removed the range which allows for more flexibility in rate setting. Please see page 7 of the amended Revenue and Financing Policy			
Targeted Rates	Activities Funded	Types of land to be rated Government (Rating) Act, schedule 2)	(Local	Basis of rating Government (Rating) Act (2002, schedule 3)	(Local
Coastal Hazards	To fund development of the Clifton to Tangoio Coastal Hazards Strategy.	All rateable units within Napier and Hastings.		UTR (refer to note 1)	
Hawke's Bay Civil Defence Emergency Management (CDEM)	Funding of the CDEM Group Office to manage the provision of effective CDEM consistent with the CDEM Act 2002.	All rating units in the region except for Rangitikei and Taupō districts.		UTR (refer to note 1)	
Subsidised Public Transport	Public passenger transport, including Total Mobility.	Rating units in Napier and Hastings within a designated valuation roll footprint. The direct commercial and industrial rating units based within a designated valuation roll footprint. The direct portion for all other rateable units, excluding utilities, based within a designated valuation roll footprint. Council considers QV codes in determining categorisation. Yearly review of map footprint for direct to be completed for >50% urbanisation.		Capital Value UTR (refer to note 1)	This has been adjusted to the preferred rating method. Please see page 26 of the Consultation Document
Subsidised Public Transport	Public passenger transport, including Total Mobility.	This indirect rate is calculated on all rateable units in Napier, Hastings, and Central Hawke's Bay districts to reflect the availability of the Total Mobility Scheme.		Capital Value	This has been added as a preferred addition to the rate. Please see page 25 of the Consultation Document
Sustainable Homes - Clean Heat	Management of the scheme to encourage the replacement of open fire or wood burners with more efficient forms of heating, and where necessary, the installing of insulation.	Rating units in Napier and Hastings within a designated valuation roll footprint.		Land Value	
Sustainable Homes - Financial Assistance	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 voluntary targeted differential rate.		Extent of provision of any service to the rating unit	
Regional Economic Development	To fund regional economic and tourism development in the Hawke's Bay region. It is agreed that HBRC collects rates on behalf of the other territorial authorities for Hawke's Bay Tourism.	Residential and Lifestyle rating units based as a fixed amount per SUIP. All other rateable units, excluding utilities, based on a variable capital value calculation. Council considers QV codes in determining categorisation.		Differential UTR by usage category (refer to note 1) Capital Value	

Note 1: A uniform Annual General Charge (UAGC) or Uniform Targeted Rate (UTR) is set on each separately used or inhabited part of a rating unit, this includes any portion inhabited or used by the owner or 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.

Targeted Rates	Activities Funded	Types of land to be rated Government (Rating) Act, schedule 2)	(Local Government (Rating) Act (2002, schedule 3)
Primary Production Pests	Pest management – rabbits, cock, and primary production pest plants. Rated on all rateable rural land in the region.	Non-urban properties by valuation roll	Land value
Sustainable Land Management Strategy	All productive rateable rural land in the region.	Non-urban properties by valuation roll	Land Value
Water Quality	Water Quality - Fresh Water Science. Rated on all rateable rural land in the region.	Non-urban properties by valuation roll	Land Value
Land Monitoring, Research, and Investigations Science	State of the Environment monitoring and investigation for healthy ecosystems and sustaining land for productive use. Rated on all rateable rural land in the region.	Non-urban properties by valuation roll	Land Value
Flood Protection and Control Schemes	Rating Factor	Types of land to be rated Government (Rating) Act, schedule 2)	(Local Government (Rating) Act (2002, schedule 3)
Heretaunga Plains Flood Control Scheme (HPFCS)			
Napier City & Hastings District	Direct	Properties receive direct benefit from reduced risk of flooding and rivers changing their course. Rating units receiving direct benefit within Napier City and Hastings District from flood control measures.	Capital Value
Napier City & Hastings District	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. All rating units within Napier City and Hastings District.	Capital Value
Mangarau Stream			
Hastings District		Hastings District Council rating area 1 utilising differential categories based on land use and location.	Land Value
Maraetotara Flood Maintenance Scheme			
Hastings District		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 54 hectares. 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 stopbanks to the river.	Capital Value

This has been added as the preferred rating method to mirror the exact way Hastings District Council would rate if they rated for this work. Please see page 16 of the Consultation Document

Flood Protection and Control Schemes	Rating Factor	Types of land to be rated (Government (Rating) Act, schedule 2)	(Local Government (Rating) Act (2002, schedule 3))
Upper Makara Streams Catchment Scheme			
Central Hawke's Bay District	High	Direct Benefit - valley floor in the upstream, flood plains of the Makara Stream, Makara flats, and Makara flats downstream of Kokatewai Road	Capital Value
Central Hawke's Bay District and Hastings District	Medium	Direct Benefit - the flood plain of the Makara Stream from the Elsthorpe township to the outlet of the catchment, flood plain of the Silver Range Stream from the Makara Stream, to the bridge on the Kahurānaki Road, and Makara floodplain northward and follows a soil and topography boundary on the eastern side of the Kahurānaki Road.	Capital Value
Central Hawke's Bay District and Hastings District	Low	An area not in the classes above but receiving indirect benefit from all the works carried out on the scheme through the protection of communication assets including roads, 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.	Capital Value
Upper Tukituki Flood Control Scheme (UTTFCS)			
Hastings District & Central Hawke's Bay District	High	Land adjacent to stopbanked reaches, and lower land at risk of inundation adjacent to non stopbanked reaches, of Tukituki and Waipawa rivers and receiving a high direct benefit from reduced risk of flooding and rivers changing their course as a result of stopbanks and river control works.	Capital Value
Hastings District & Central Hawke's Bay District	Medium	Land 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.	Capital Value
Hastings District & Central Hawke's Bay District	Low	Land receiving a lower level of direct benefit from reduced risk of flooding and rivers changing their course as a result of stopbanks and river control works.	Capital Value
Hastings District & Central Hawke's Bay District	Indirect	An indirect rate for all rating units within Central Hawke's Bay and those in Hastings District within the direct UTTFCS footprint.	Capital Value
Whirinaki Industrial			
Hastings District		Land receiving a lower level of direct benefit from reduced risk of flooding and rivers changing their course as a result of stopbanks and river control works.	Capital Value

This has been added as the preferred rating addition to the current method. Please see page 33 of the Consultation Document

Drainage and Pumping Schemes	Rating Factor	Types of land to be rated (Local Government (Rating) Act, schedule 2)	Basis of rating (Local Government (Rating) Act (2002, schedule 3))
Brookfields Awatoto			
Napier City	D7	Rateable land situated in Napier within the Brookfields Awatoto drainage area which the council considers receives direct benefit of drain and stream maintenance works.	Capital Value
Clive & Muddy Creek			
Hastings District	D8	Rateable land situated in the Hastings District within the Clive Muddy Creek drainage area which the council considers receives benefit of drain and stream maintenance works.	Capital Value
Haumoana			
Hastings District	D4	Rateable land situated in the Hastings District within the Haumoana drainage area which the council considers receives direct benefit of drain and stream maintenance works.	Capital Value
Karamu Drainage & Enhancement			
Hastings District		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. The scheme also involves maintenance of the completed enhancement works in the Karamū Stream.	Capital Value
Napier, Meeanee, Puketapu			
Hastings District	D1	Rateable land situated in the Hastings District which the council considers received direct benefit of drain maintenance works within the drain catchment areas of Meeanee, Napier, Puketapu, and Dartmoor but excluding Napier CBD and the Brookfields Awatoto drainage area within Napier City.	Capital Value
Napier City	D1	Rateable land situated in Napier City on the right bank of the Tūtaekuri River within the drain catchment area of Ōmarunui, which the council considers received direct benefit of drain maintenance works within the drain catchment areas of Meeanee, Napier, Puketapu, and Dartmoor but excluding Napier CBD and the Brookfields Awatoto drainage area within Napier City.	Capital Value
Napier City	D11	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.	Capital Value

Drainage and Pumping Schemes	Rating Factor	Types of land to be rated (Government (Rating) Act, schedule 2)	(Local Government (Rating) Act (2002, schedule 3))
Ohia Whakaki Drainage Scheme			
Wairoa District	A	This scheme is located only a few kilometres east of Wairoa where it drains a 3,410-hectare catchment to Hawke's Bay. The scheme uses a combination of detention and gravity drains plus controlled pump discharges to enable landowners to improve production. The cost is apportioned across a land area of just over 1,000 hectares based on the location. Land that without drainage could be inundated up to 12 months of the year. Primary rate payer.	Capital Value
Wairoa District	B	This scheme is located only a few kilometres east of Wairoa where it drains a 3,410-hectare catchment to Hawke's Bay. The scheme uses a combination of detention and gravity drains plus controlled pump discharges to enable landowners to improve production. The cost is apportioned across a land area of just over 1,000 hectares based on the location. Land that without drainage could be inundated up to 12 months of the year. All other ratepayers.	Capital Value
Opoho Drainage Scheme			
Wairoa District	A, B, C	The Opoho scheme involves three neighbouring farms situated approximately halfway between Wairoa and Nuhaka. The relative values between the three properties in the scheme were determined by the way of an analysis of the benefits received by each property and respective apportionment of costs. The rating allocation should be reviewed every six years.	Fixed Amount
Paeroa Drainage Scheme Special Rating Area			
Wairoa District	A	Rateable property situated in the Wairoa District on the lower lying land in the valley of the Waikoko Stream, the sloping land in the Clydebank Road area and on the valley floors in the middle reaches of the Awatere and Waikiki Streams which the Council considers receives both direct and indirect benefit of the drain and stream maintenance works.	Capital Value
Wairoa District	B	Rateable property situated in the Wairoa District which the council considers receives direct and indirect benefit.	Capital Value
Pūkōwhai			
Hastings District	D6	Rateable land situated in the Hastings District within the Pūkōwhai, Pūnanga drainage area which the council considers receives direct benefit of drain and stream maintenance works.	Capital Value

Drainage and Pumping Schemes	Rating Factor	Types of land to be rated (Government (Rating) Act, schedule 2)	(Local Government (Rating) Act (2002, schedule 3))
Poukawa Drainage Special			
Hastings District	A	Rateable properties situated in the Hastings District which the council considers receives both direct and indirect benefit of the maintenance of the drainage scheme.	Capital Value
Puninga			
Hastings District	D9	Rateable land situated in the Hastings District within the Clive Muddy Creek drainage area which the council considers receives benefit of drain and stream maintenance works.	Capital Value
Raupare Enhancement			
Hastings District	DA3	Selected properties in the Raupare catchment (1,179 hectares) which have agreed to contribute to the enhancement of specific streams and drains in the Raupare Catchment.	Area
Raupare Twyford			
Hastings District	D3	Rateable land situated in the Hastings District within the Twyford Raupare drainage area which the council considers receives direct benefit of drain and stream maintenance works.	Capital Value
Tūtāekuri Waimate Moteo			
Hastings District	D5	Rateable land situated in the Hastings District within the Tūtāekuri-Waimate, Moteo drainage area which the council considers receives direct benefit of drain and stream maintenance works.	Capital Value

**Tukua mai
ō whakaaro,
Te Matau-a-Māui**

**Have
Your Say
Hawke's Bay**

**ANNUAL PLAN 2025-26
CONSULTATION DOCUMENT**

**Our resilience-focused
Annual Plan 2025-26**

HAWKES BAY
REGIONAL COUNCIL
TE KAUNIHERA Ā-ROHE O TE MATAU-A-MĀUI



We need your feedback by
2 May 2025

There are lots of different
ways to have your say.
See page 55 for options.

The purpose of this document is to:

- inform you that we've cut back your planned rate increase and show you how we're proposing to do this.
- seek your feedback on decisions yet to be made. This includes how many years to collect a targeted rate from some Hastings district ratepayers to pay for resilience work to Mangarau Stream and rating methods for two targeted rates - Passenger Transport and Upper Tukituki Flood Resilience Scheme.
- seek your feedback on proposed changes to the Hawke's Bay Regional Public Transport Plan 2025-2035, our Rates Remission and Postponement Policies, and our Revenue and Financing Policy.



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He kōwhiri mā te Taihau me te Kaiwhakahaere Mātua

Message from our Chair and Chief Executive

Our 2025-26 Annual Plan has a key focus on two critical issues for our region. Firstly, how we live with our rivers in times of flood – where does the water go in massive events and how much should we invest in further flood resilience? Secondly, in times of water scarcity – how do we support our environment, our people, and economy? As our climate changes we need to adapt.

At a practical level this means a continued focus on enhanced flood forecasting and monitoring, delivery of flood resilience projects across the region from Wairoa to Pōrangahau, and a community-based review of our Heretaunga and Upper Tukituki flood schemes. To benefit our rivers and aquifers we intend to complete a full feasibility study of water storage on a tributary in the upper Ngaruroro catchment.

Tough decisions to reduce rate increases

Our Three-Year Plan 2024-2027 forecast an 18.3% average rates increase for 2025-26 and additional costs including implementing independent flood review recommendations would have pushed rates up even further. We know this is unaffordable for our ratepayers.

We are pleased to have reduced proposed average rates down to 9.9%, nearly half of what was initially forecast. Some Hastings district ratepayers will also be paying an additional targeted rate for Mangarau Stream flood resilience.

We've had to make some tough decisions to reduce services in some areas. See What's impacting rates on page 8 for more information on what is pushing our costs up and what we're proposing to do to get our costs, and your rates, down.

We're also seeking your feedback on decisions yet to be made, see Part 2: Rate changes we want your feedback on.

This consultation also provides an opportunity for you to provide feedback on the Regional Public Transport Plan. The Regional Transport Committee

has reviewed the plan and is proposing minor changes, along with re-confirming the intent to implement a new bus network. See Part 3: Policy and plan changes for more information plus information on how we're refining some of our policies.

We have a busy year ahead, see Part 7: What else is happening to find more.

We encourage you to read this document and have your say. Your views matter to us.

Ngā mihi nui



Hinewai Ormsby
Chair Hawke's Bay
Regional Council



Dr Nic Peet
Chief Executive
Hawke's Bay Regional Council

Part 1

E aha ana te aha

Where we're at

Part 1: Where we're at

Our priorities

This annual plan is all about preparation. We are setting ourselves up – reducing budgets, refining policies, and reprioritising effort – so we can deliver our time-critical ~\$250 million NIWE Flood Resilience Programme and even more importantly, prepare for the bigger conversations and costs we need to reimagine flood resilience and water shortage resilience.

In developing the Annual Plan 2025 -26 we were guided by our priorities. These priorities are:

- recovery and flood resilience
- water security
- erosion control, including catchment group empowerment
- financial control, including efficiency and effectiveness, and reduced rate increases.

Finding the balance between these sometimes competing priorities is challenging. This consultation is your opportunity to tell us if we've got the balance right.



NIWE (North Island Weather Event) Flood Resilience Programme

Following Cyclone Gabrielle, the Regional Council committed to delivering a programme of works funded through a cost-sharing agreement with the Crown.

We are working closely with communities to design and construct new spillways or stopbanks in six areas – Wairoa, Whirinaki, Waiohiki, Pākōwhai, Omāhu, and Pōrangahau, as well as region-wide improvements to existing schemes and telemetry.

This is the biggest construction programme we have undertaken, and we need to complete the work at pace to secure Crown funding and to build resilience to future flooding to help keep communities safe. This Annual Plan also includes rate funding for Mangarau Stream in Havelock North, being delivered by Hastings District Council.

For more information about this work, see [NIWE Flood Resilience Programme](#)

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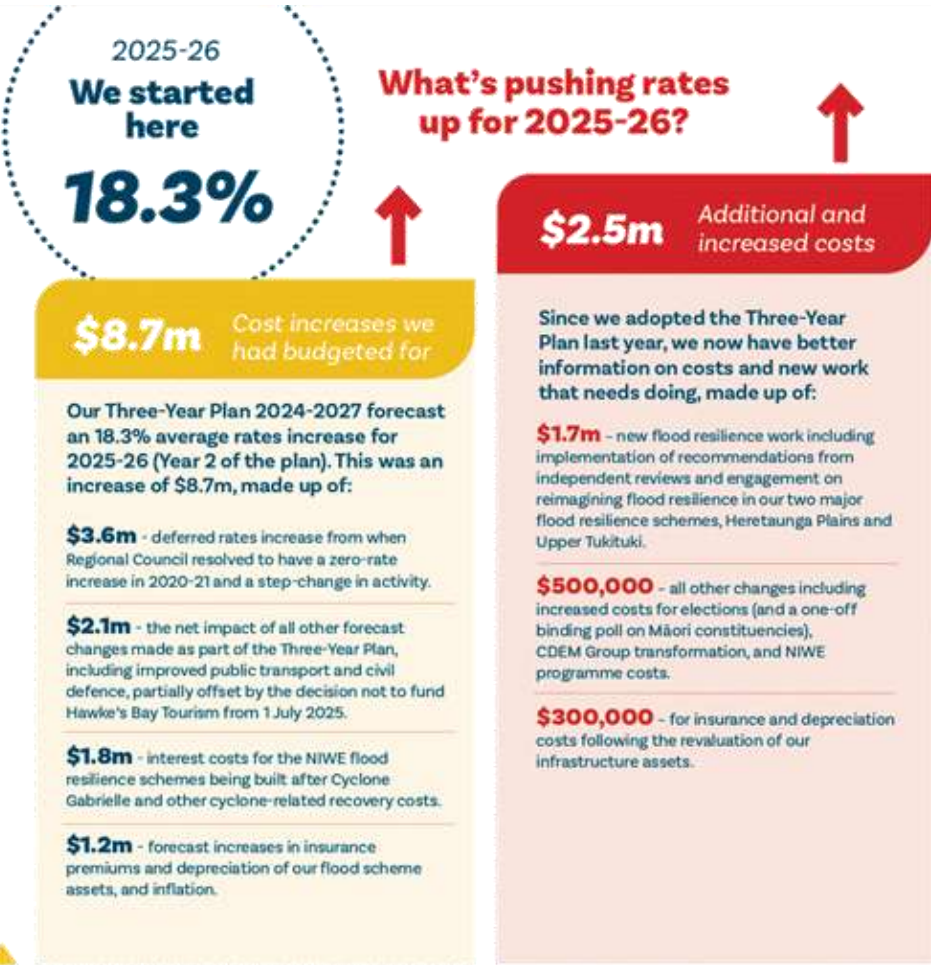
Item 6 Annual Plan 2025-2026 consultation

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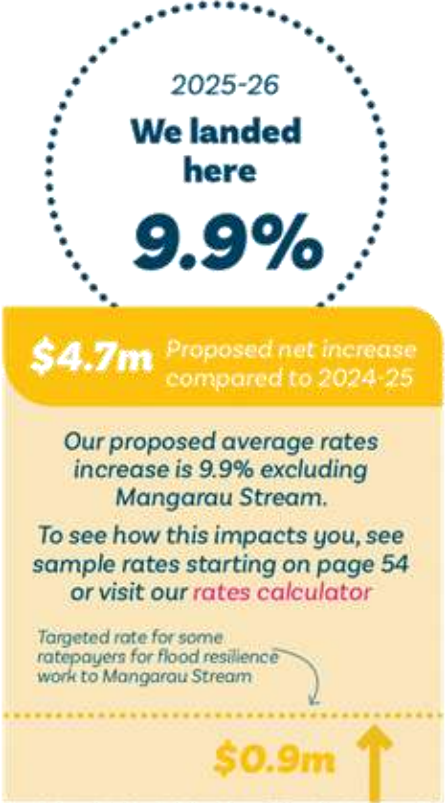
Part 1: Where we're at

What's impacting rates?

This waterfall graphic spread over two pages explains how we've gone from forecast 18.3% to a proposed 9.9% average rates increase for 2025-26



Part 1: Where we're at



Part 1: Where we're at

Proposed budget cuts for 2025-26 to keep rates down

ACTIVITY	RATING IMPACT OF BUDGET CUT	WHAT IS THIS?
Corporate	\$1.4m	This is where we account for savings in overheads for reductions in activity budgets and across the board savings such as travel and training. This also includes reduced sponsorship across a broad range of events, awards, and contributions, further reductions to our fleet, and a reduction to environmental education.
Biodiversity/ Biosecurity	\$1.2m	This reduces operational funding for the Ecosystem Prioritisation Programme (rare and threatened forest remnants and wetlands) and the Targeted Catchment Fund (which is available for community-led biodiversity enhancement projects). Over the next two years some biodiversity work will be funded through the sale of low-risk carbon credits. This budget cut also impacts staffing levels and reduces budget for pest surveillance and management, advice, research, and incentive schemes including possum bait and rabbit subsidies*. *See over the page for more information about our Biodiversity work.
Other Integrated Catchment Management	\$0.6m	This includes removing rate funding for staff in the Environmental Information and Sustainable Land Management teams and reducing the number of sites we monitor. Our Erosion Control Scheme is also being reduced by \$439,000 available to landowners but this has no rating impact in 2025-26 as it is loan funded. Environmental Science, State of the Environment sampling, and air quality and land monitoring are also reduced, as well as our Research & Investigation budget for land, air, coastal, and surface water.
Public Transport & Road Safety	\$0.5m	This reduces the local share we forecast for 2025-26 in our Three-Year Plan to match NZTA Waka Kotahi co-funding secured through the National Land Transport Plan. This was confirmed after our Three-Year Plan was adopted.
Policy & Regulation	\$0.3m	This includes removing rate funding for staffing in the Policy and Planning, Regulatory Implementation, and Compliance teams. These positions are partially funded through consent charges.
TOTAL	\$4.0m	

Table 1: Proposed budget cuts for 2025-26 to keep rates down

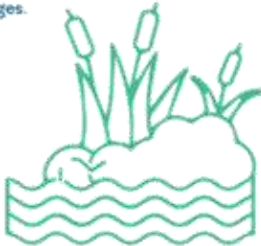
Part 1: Where we're at



Part 1: Where we're at

Proposed Biodiversity cuts

From Table 1 on page 10 you can see one of our biggest rate savings is in our Biodiversity and Biosecurity work. Most of this is in Biodiversity. Biodiversity is made up of two key work programmes. Table 2 on page 13 shows direct expenditure (operating and staff costs) on these two work programmes. It does not include uncontrollable costs such as overheads. The difference between what we spend now (2024-25) and what we propose to spend in 2025-26 is a reduction of \$514,000. Our Three-Year Plan 2024-2027 had planned for spending in Biodiversity to increase. This reduction impacts what we can do on the ground, as described on the following pages.



Priority Ecosystem Programme

What do we do?

- Initiated in 2018, this programme is the cornerstone of our work to protect indigenous biodiversity.
- 675 sites representing the range of the region's ecosystems are prioritised for protection.
- Working with landowners and local groups we have so far undertaken work at 54 sites, helping protect 1,803 hectares. That's 8% of the prioritised ecosystems we're trying to protect.
- This investment has leveraged external funding enabling more protection work to be done.
- The main work undertaken is deer fencing, and pest plant and animal control.
- We also have a monitoring programme to assess the impact of our work and help understand the state and trend of freshwater wetlands across Hawke's Bay.

What do the proposed budget cuts mean for this programme?

- We will be able to meet our target for 2025-26 of 4 new sites and 14 maintained sites, but will not be able to undertake all planned maintenance across the other sites. Decisions on which new sites to protect and where maintenance activities are undertaken will be increasingly influenced by cost rather than ecological impact. Ongoing maintenance is essential to ensure Council's investment is protected and ecological gains are not lost.
- Identified sites that we are not able to undertake new protection work on will continue to degrade with ongoing biodiversity loss. Long-term this will potentially mean the loss of some ecosystem types.
- Reduced budget will mean we have less money to leverage funding from external sources but some external funding sources are coming to an end such as Jobs for Nature funding.

Environmental Protection and Enhancement Programme

What do we do?

Targeted Catchment Work Fund

- Provide funding to support landowners and communities to undertake environmental projects that have benefits at a catchment and sub-catchment scale and do not meet criteria for our other funding programmes. This includes improved water quality, riparian protection, biodiversity enhancement, and wetland development.
- Community groups can leverage this funding to secure funding from other organisations and central government enabling more work to be done.

Partnership funding for Hawke's Bay Biodiversity

- Initiated in 2023, we provide \$50,000 each year for Hawke's Bay Biodiversity's Environmental Contestable Community Fund. The fund supports individuals and organisations with projects to improve biodiversity in the region. We know from experience that investing in community-led projects builds on existing momentum to deliver enduring biodiversity gains. Without this investment many of these projects would not get off the ground and acknowledges that Council alone cannot reverse biodiversity decline.

Marine Protection and Enhancement

- Research to help understand and protect our marine and coastal environment.

What do the proposed budget cuts mean for this programme?

Targeted Catchment Work Fund

- Reduced funding means we will be limited to what projects we can support. Projects requiring greater investment (and associated greater outcomes) will be more difficult to support. Some community-led biodiversity projects may lose momentum.

Marine Protection and Enhancement

- Reduced research for understanding and protecting our marine and coastal environment.



Table 2: Direct expenditure for our Biodiversity programmes

Programme	Direct expenditure		
	2024-25 current	2025-26 planned (forecast in Three-Year Plan)	2025-26 proposed
Priority Ecosystem Programme	\$1,250,000	\$1,580,000	\$915,000
Environmental Protection & Enhancement Programme	\$619,000	\$770,000	\$440,000
Total	\$1,869,000	\$2,350,000	\$1,355,000

Part 2

Ngā panonitanga utu
tāke kaunihera hei
tuku whakaaro mai
mā koutou

Rate changes we want your feedback on

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Part 2: Rate changes we want your feedback on

Regional Council is setting up
a new rate for some Hastings
district ratepayers to collect
funding for flood resilience
work for Mangarau Stream.

This is to secure Crown funding
and ensure the work gets done
so people can repair or rebuild
their homes flooded in Cyclone
Gabrielle.

We are proposing to recover
the necessary money over
three years.

We want to know if you support
this or think we should spread
it over a longer time.



Setting a targeted rate for flood resilience work for Mangarau Stream

Parts of Havelock North were badly flooded during Cyclone Gabrielle in February 2023. Substantial rain fell in the Mangarau dam catchment, on the western face of Te Mata Peak. Streams overtopped and homes were flooded.

Work is being done so the 38 Category 2C properties bordering Mangarau Stream can be recategorised to Category 1, meaning people can repair or rebuild their homes. Category 2C areas are deemed to have an intolerable risk to life without community based flood mitigation. Work is focused on increasing the stream's ability to cope with future severe weather events.

As part of the region's recovery package the Crown agreed to fund 75.15% of the \$10 million work package

for Mangarau Stream, as long as the remaining 24.85% - \$2.49 million - was paid locally.

Hastings District Council (HDC) owns the assets, is responsible for the management of streams in Havelock North, and is undertaking the work. However, as the flood mitigation component of the Crown's regional recovery package is with the Regional Council, HDC has asked Regional Council to collect the local portion - \$2.49 million - and then pass it on to them, along with the funding from the Crown.

This is part of HDC's broader [Havelock North dams and streams work programme](#). Other operational and non-category 2C capital expenditure is funded by HDC.

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Targeted rate for Mangarau Stream

What are we proposing to do and why

Regional Council has agreed to fund the \$2.49 million and pass it on to Hastings District Council (HDC). This guarantees the recovery work gets done. If the work is not done these properties would move to Category 3 and HDC will need to go through the voluntary buy-out process, which will cost ratepayers significantly more.

We are borrowing the \$2.49 million and need to collect rates to repay this plus the interest incurred. We do not have a rating scheme for this as Regional Council does not own or manage Mangarau Stream assets so we need to set up a special targeted rate.

As it's HDC's asset, we plan to rate the same ratepayers HDC would rate for this work; in line with HDC's Revenue and Financing Policy, which has been consulted on. HDC will rate for ongoing maintenance.

To mirror HDC's rating method, properties in HDC's Differential Rating Area 1 (DRA 1) would be rated based on land value using HDC's differentials (differentials are the proportion of the land value we use to then calculate the rate). This new rate will impact around 27,000 ratepayers. See the map on this page to see what areas this includes or visit our [rates calculator](#) to see if it affects you.

We will start rating from 1 July 2025. The tough choice Council is faced with is whether to spread it over a longer time to make it more affordable for ratepayers annually (but results in ratepayers paying more rates overall over time due to interest costs) or collect higher annual rates over a shorter time, so ratepayers pay less overall.

We are proposing to recover the necessary money over three years and want to know if you support this. The major advantage of recovering the money over a shorter timeframe is that we pay the loan back earlier reducing overall debt.

Figure 1: Hastings District Differential Rating Area (DRA)



Preferred option

Option A: Collect rates over 3 years

Repaying the \$2.49 million principal on the loan over three years would mean less interest to be repaid overall and less impact on debt.

It would mean however, that ratepayers would be paying more per year compared to option B.

Impact on rates and debt

Total:
Loan principal + interest (\$280,000) + GST = \$1.06 million
annual rate requirement over 3 years

Average rate in 2025-26 (incl GST):	
Residential	\$ 27.21
Commercial/industrial	\$185.33
Other	\$ 87.45

Impact on level of service

No impact as Hastings District Council is undertaking the resilience work

Option B: Collect rates over 20 years

This option most closely mirrors HDC's rating method. If HDC was rating for it, it would rate over 20 years, reflecting the length of loan it would take out for the work.

This is because HDC owns the asset and can treat it as an intergenerational asset with current and future ratepayers paying for the work. While the annual repayments would be less, this option would cost ratepayers more over the years of the targeted rate.

Impact on rates and debt

Total:
Loan principal + interest (\$1.23 million) + GST = \$213,617
annual rate requirement over 20 years

Average rate in 2025-26 (incl GST):	
Residential	\$ 5.49
Commercial/industrial	\$37.36
Other	\$17.63

Impact on level of service

No impact as Hastings District Council is undertaking the resilience work

The proposed new rate impacts 27,000 ratepayers in the Hastings district. See figure 1 on the previous page to see what areas this includes or visit our [rates calculator](#) to see if it affects you.

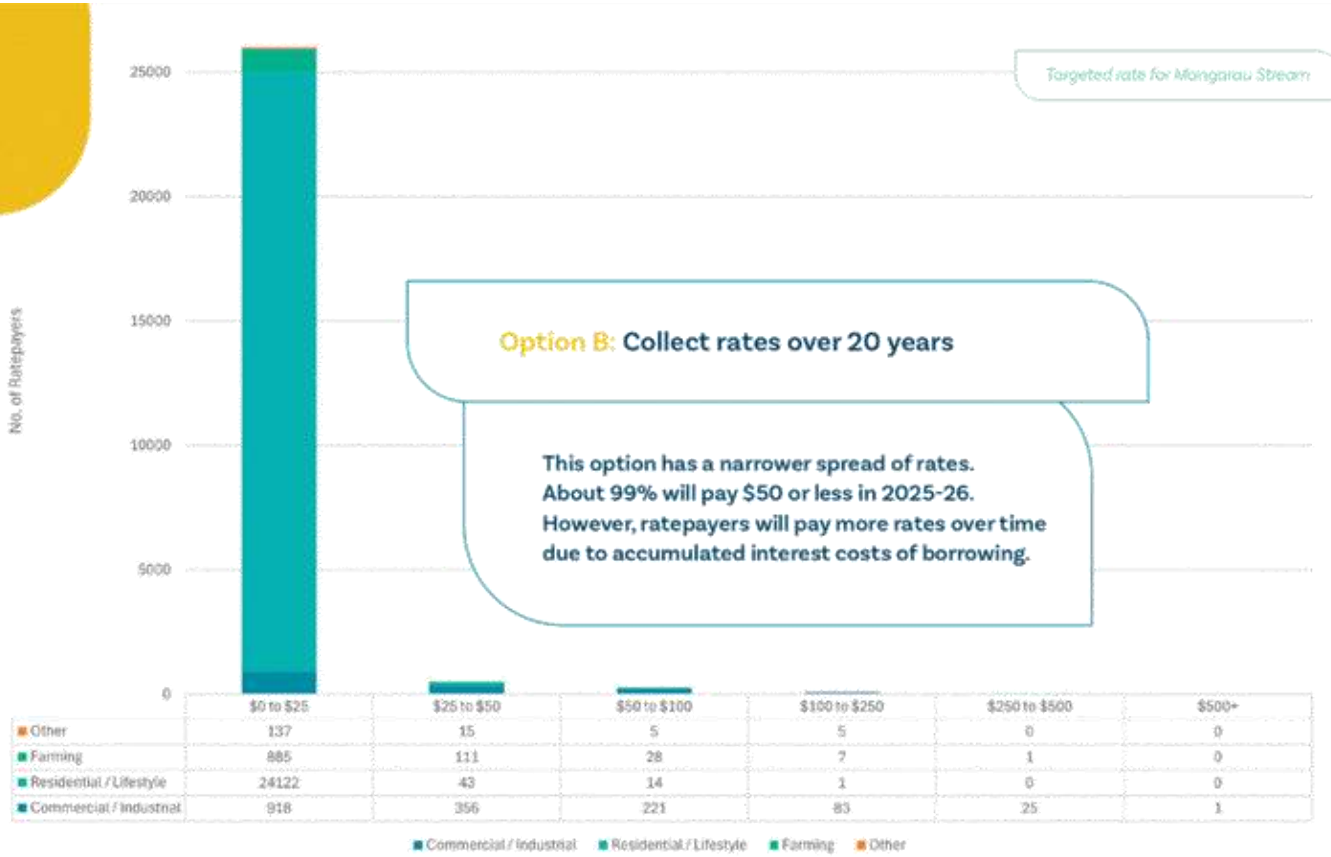


Table 3: Spread of Mangarau Stream flood resilience targeted rate over 3 years

Table 4: Spread of Mangarau Stream flood resilience targeted rate over 20 years

Targeted rate for Mangarau Stream

The table below shows sample rates for both Option A and Option B. Sample rates are a way to see what the indicative impact on your rates will be.

Sample properties from the differential rating area (DRA 1)




			Option A: 3 years	Option B: 20 years
Category	Land value	2024-25 Current HBRC rates	Proposed amount per annum	Proposed amount per annum
	Total \$	Total \$	Total \$	Total \$
	Commercial/Industrial (High)	7,860,000	14,365.77	1,074.23
	Commercial/Industrial (Medium)	1,160,000	2,342.48	185.52
	Commercial/Industrial (Low)	405,000	1,825.96	70.66
	Farming (High)	9,710,000	5,727.02	384.00
	Farming (Medium)	2,220,000	2,320.32	87.80
	Farming (Low)	800,000	1,103.94	46.53
	Residential/Lifestyle (High)	2,700,000	2,113.95	119.34
	Residential Lifestyle (Medium)	690,000	984.15	27.29
	Residential/Lifestyle (Low)	240,000	456.02	13.96

Table 5: Sample rates for paying the Mangarau Stream targeted rate over 3 and 20 years



Targeted rate for Mangarau Stream

Why are we consulting on this?

Under the Local Government Act 2002, we must consult when making funding decisions such as setting a new rate as this requires a change to our Revenue and Financing Policy.

Refer to the [Statement of Proposal](#) in our supporting information to amend our Revenue and Financing to see the proposed change. Funding for six flood resilience projects under the cost-share agreement with the Crown – Wairoa, Whirinaki, Waiohiki, Pākōwhai, Omāhu, and Pōrangahau were consulted on as part of HBRC's Three-Year Plan 2024-2027. The added complexity of joint responsibility with HDC for Mangarau Stream resulted in consultation in this Annual Plan rather than last year's Three-Year plan.



How many years should Regional Council collect the targeted rate for flood resilience work for Mangarau Stream in the Hastings district?



Have your say at haveyoursayhb.co.nz

Part 2: Rate changes we want your feedback on



Rates are one of our main funding tools we use to pay for the work we do. We charge general rates and targeted rates.

General rates cover activities that benefit the entire region, with no specific groups identified for cost recovery. Targeted rates apply when certain ratepayers cause the need for the activity or benefit differently from others in the region.

Other sources of funding include grants and subsidies (including central government funding), income from our investments, borrowing, reserves, and fees and user charges.

Amending two targeted rates

Council made some key changes in February 2024 to how we set our rates. This followed a comprehensive two-year review of how we rate to make it clear, fair, simple, consistent, and flexible.

Council changed some of our targeted rates including how we rate for passenger transport and for our flood resilience and drainage schemes.

We received lots of feedback and when Council adopted its Three-Year Plan 2024-2027 in July 2024 Council said it would revisit the Passenger Transport rate and the Upper Tukituki Flood Resilience Scheme rate.

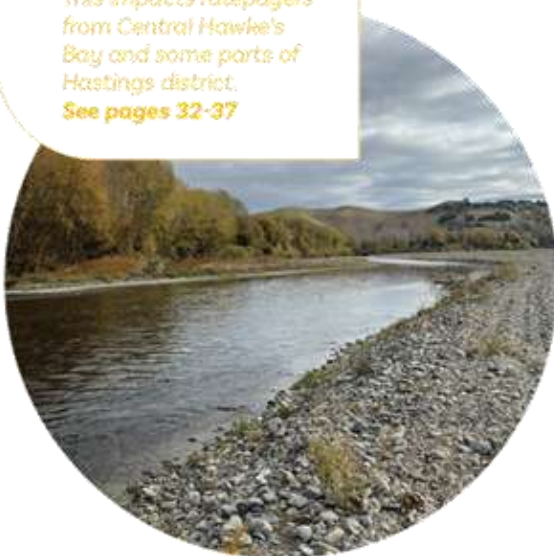
Council has done this and is proposing changes to these two targeted rates that we want your feedback on.

These are the two targeted rates we are proposing changes to

Passenger Transport rate
This impacts ratepayers from Napier city, Hastings district, and Central Hawke's Bay.
See pages 24-31



Upper Tukituki Flood Resilience Scheme rate
This impacts ratepayers from Central Hawke's Bay and some parts of Hastings district.
See pages 32-37



Passenger Transport rate

About passenger transport

We provide the following services which are partially funded through our Passenger Transport targeted rate:

- a bus service, goBay, that operates in the urban areas of Napier, Hastings, Havelock North, Bay View, and Clive. This includes a commuter express service between Napier and Hastings.
- a Total Mobility service to assist eligible people with a permanent disability that makes it difficult for them to use our public transport, to instead access alternative subsidised transport services. Total Mobility operates across Napier, Hastings, and Central Hawke's Bay. It does not operate in Wairoa as the district does not have an approved taxi service. Regional Council does not operate school buses.



What are we proposing and why

We are proposing a new method for the Passenger Transport rate. This was a big topic of discussion during our Three-Year Plan 2024-2027. Council has undertaken further analysis of who benefits from having access to our services and who should pay.

Preferred option

Option A: A new rating method

There are three components to the new method. We propose to:

1. Split the Passenger Transport rate to include an indirect targeted rate - 10% of the Passenger Transport rate - to be charged to all ratepayers in Napier, Hastings, and Central Hawke's Bay. This will be calculated using capital value.

This rate acknowledges that the Total Mobility service is available for eligible people living in Napier, Hastings, and Central Hawke's Bay. Ratepayers outside the direct rating area, including Central Hawke's Bay, have not previously been rated for this but have had access to the service. Wairoa does not have access to the Total Mobility service as there is no approved taxi service.

The average amount will be \$8.46 a year for ratepayers and will vary depending on the capital value of your property.

An indirect and direct rate is used to differentiate based on benefit received. Ratepayers in the direct rate have greater access to the service so are deemed to benefit more, therefore pay more, and vice versa.



Figure 2: Proposed direct and indirect areas for the Passenger Transport rate

Passenger Transport rate

Option A: A new rating method continued

2. Change how we allocate the rest (90% and rated as the 'direct' rate) of the Passenger Transport rate.

All non-commercial/industrial ratepayers (eg residential, lifestyle and farming ratepayers) will now pay 72.5% of the rate as a fixed charge per SUIP*. This was previously calculated on capital value. Commercial/industrial ratepayers will continue to pay the Passenger Transport rate calculated on capital value for the remaining 17.5% of the rate.

The introduction of a fixed charge per SUIP for non-commercial/industrial will standardise the amount paid, reducing the range paid by these ratepayers for access to the same service.

*A SUIP is a separately used or inhabited part of a rating unit. Properties that have multiple units or dwellings, such as retirement homes or apartment complexes will have more SUIPs.

A non-commercial property with one SUIP within the direct footprint will pay \$82.90 plus the indirect rate.

3. Remove five rating areas (valuation rolls) from paying the direct Passenger Transport targeted rate.

Council reviewed its criteria for deciding what areas should be charged the direct rate. It decided areas that were less developed and populated (i.e. urbanised) should be excluded.

Council set the threshold at 50% urbanisation, meaning areas less than this will not be rated the direct rate. We will conduct an annual review to ensure growing areas are included in this rate once they are over the threshold.




Figure 3: Proposed ratings areas to remove from paying the Passenger Transport rate


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Passenger Transport rate

Option B: Keep the current rating method

Under this option we would keep rating properties in the map based on capital value as we do this year. There would be no indirect rate. This means ratepayers within the current rating footprint (direct rating area, including the five rolls with less than 50% urbanisation) would continue to subsidise the Total Mobility service for ratepayers in the wider Napier, Hastings, and Central Hawke's Bay districts.

See the Statement of Proposal in our supporting information to amend our Revenue and Financing Policy to reflect the proposed changes to our Passenger Transport rate.



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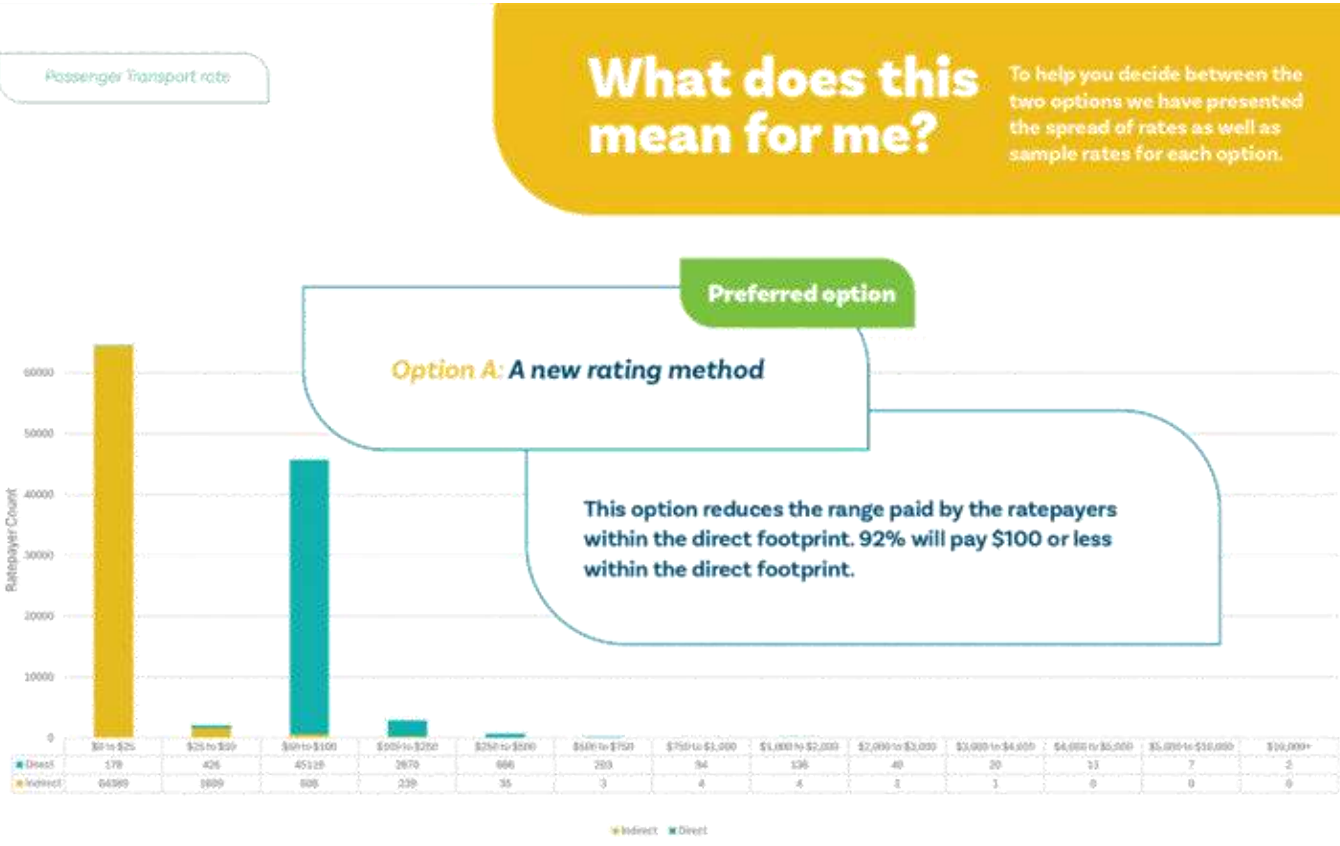


Figure 6: Spread of Passenger Transport rate with proposed rating method

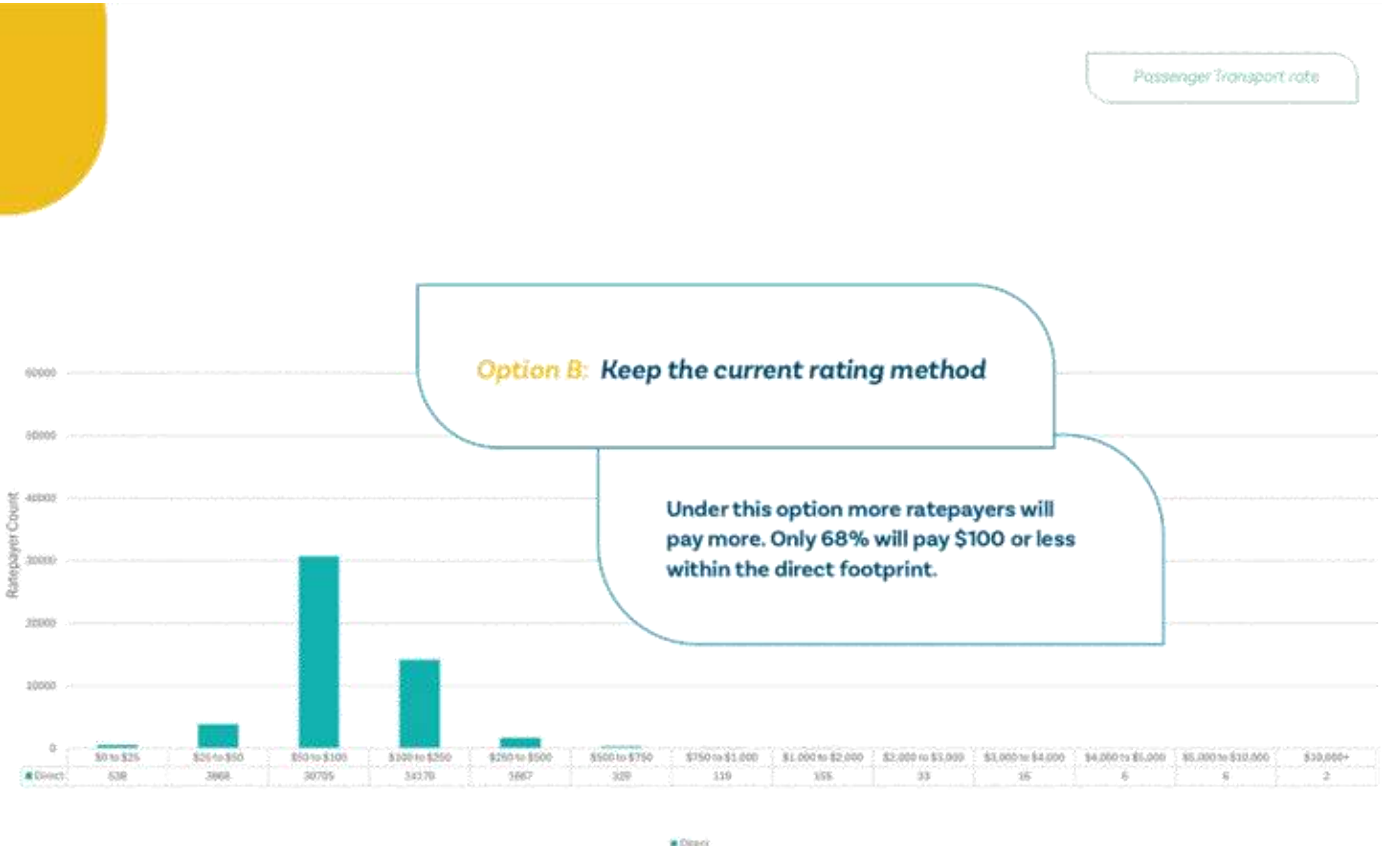


Figure 7: Spread of Passenger Transport rate with current rating method

Passenger Transport rate

This table shows sample rates for both Option A and Option B. Sample rates are a way to see what the indicative impact on your rates will be.

			Option A: A new rating method	Option B: Keep the current rating method
			Proposed amount per annum	Proposed amount per annum
Property Type	SUIP	Capital Value \$	Total \$	Total \$
CHB				
Residential	N/A	1,140,000	9.34	-
Pastoral	N/A	4,100,000	33.58	-
Pastoral	N/A	8,560,000	70.11	-
Pastoral	N/A	15,200,000	124.74	-
Pastoral	N/A	22,410,000	183.55	-
Pastoral	N/A	561,000	4.59	-
Lifestyle	N/A	359,000	2.94	-
Napier				
Residential	1	2,760,000	103.37	314.89
Residential	4	1,240,000	340.81	141.47
Commercial	N/A	7,020,000	921.31	800.92
Residential	22	3,940,000	1,853.09	449.52
Commercial	N/A	24,350,000	3,195.70	2,778.11
Residential	1	880,000	89.43	100.40
Lifestyle	N/A	2,480,000	18.39	282.95
Hastings				
Residential	1	780,000	88.56	87.01
Other	1	9,190,000	149.52	1,025.19
Commercial	N/A	3,250,000	417.05	362.56
Industrial	N/A	9,270,000	1,189.56	1,034.12
Commercial	N/A	20,600,000	2,643.47	2,298.04
Commercial	N/A	35,050,000	4,497.74	3,910.02
Forestry	N/A	8,090,000	58.64	-
Horticulture	N/A	1,702,000	12.34	-

Table 8: Passenger Transport sample rates

Passenger Transport rate

Tell us what you think of our proposed new rating method for passenger transport.

Have your say at haveyoursayhb.co.nz

Upper Tukituki Flood Resilience Scheme rate

About the Upper Tukituki Flood Resilience Scheme

The Upper Tukituki Flood Resilience Scheme is one of two major flood schemes we administer, the other being Heretaunga Plains.

The scheme covers the low lying historic river plains of the Upper Tukituki River and its tributaries. It protects around 24,750 hectares of land and around 7,000 properties within the scheme boundaries. This includes the urban centres of Waipawa, Waipukurau, Ongaonga, and a small number of properties (130) in the Hastings district.

In line with all our flood schemes we collect a targeted rate (70%) and use the general rate (30%) to fund repairs, improvements, and maintenance work. The targeted rate amount depends on the location of your property within the scheme boundary and is calculated on capital value. The general rate component is also calculated on capital value across the whole region.

Properties within the scheme are assessed as high, medium, or low (known as bandings or rating factors) to reflect the benefit they receive from the scheme. Most properties (5,600) are in the low-banding.



This impacts ratepayers from Central Hawke's Bay and some parts of Hastings district

What are we proposing and why

We are proposing a new rating method for the Upper Tukituki Flood Resilience Scheme.

This is to address the cumulative impact of policy changes and increases in activity through our Three-Year Plan 2024-2027 which led to large increases particularly for ratepayers with higher capital value properties in the medium and high bandings.

Preferred option

Option A: A new rating method

There are two components to the new method. We propose to:

- 1. Split the Upper Tukituki Flood Resilience Scheme rate to include a new, indirect targeted rate – 10% of the total targeted rate – to be charged to all ratepayers in Central Hawke's Bay, and parts of the Hastings district within the scheme's footprint. This will be calculated using capital value.
- 2. Change the proportional split of how we collect the direct rate. The direct rate is 90% of the Upper Tukituki Flood Resilience Scheme targeted rate and calculated on capital value.

The indirect rate component recognises that the whole Central Hawke's Bay district, plus parts of Hastings, benefit from flood resilience. The scheme improves resilience through protecting utilities and roading as well as private property. It ensures access within and through the district to essential services such as health care and supermarkets and protects productive land uses on which the economy depends.

The average amount will be around \$17 a year for most ratepayers and will vary depending on the capital value of your property.

We are proposing to increase the proportion of the direct rate collected from properties in the low band and to adjust the proportion for the Hastings district to match Central Hawke's Bay for the same banding levels. This will reduce rates for those in the medium and high bands resulting in a fairer allocation of costs.

Figure 4: Proposed indirect rating area for the Upper Tukituki Flood Resilience Scheme rate



Upper Tukituki Flood Resilience Scheme rate

Upper Tukituki Flood Resilience Scheme rate

Option B: Keep the current rating method

See the Statement of Proposal in our supporting information to amend our Revenue and Financing Policy to reflect the proposed changes to our Upper Tukituki Flood Resilience Scheme rate.

Under this option we would keep the current proportional split. This means we would have no indirect rate to recognise that the whole Central Hawke's Bay district, plus parts of Hastings, benefit from flood resilience.

It means the rate remains with a small allocation to the low banding and those Hastings district properties in the scheme paying less than their Central Hawke's Bay equivalents.

Upper Tukituki Flood Resilience Scheme rate



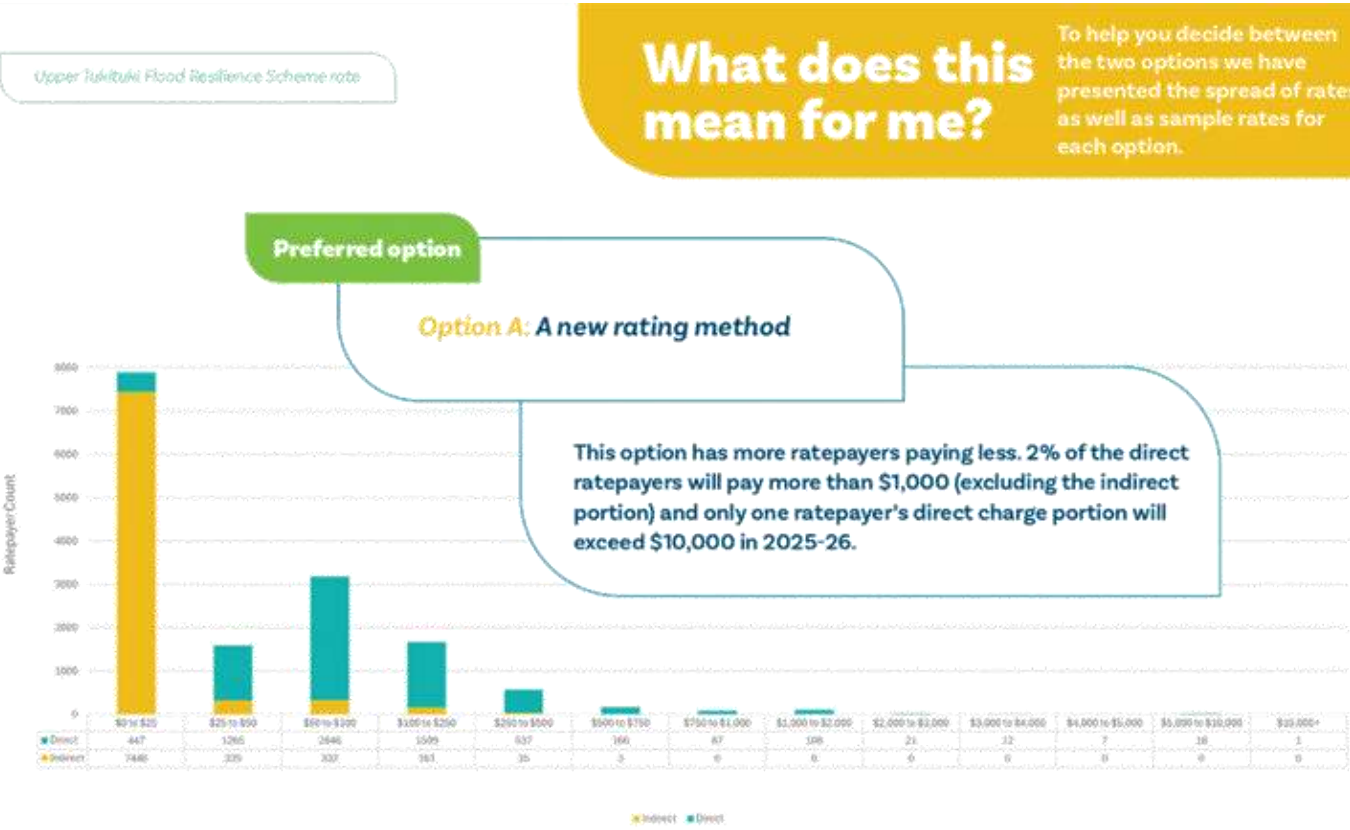


Table 9: Spread of Upper Tukituki Flood Resilience Scheme rate with proposed rating method

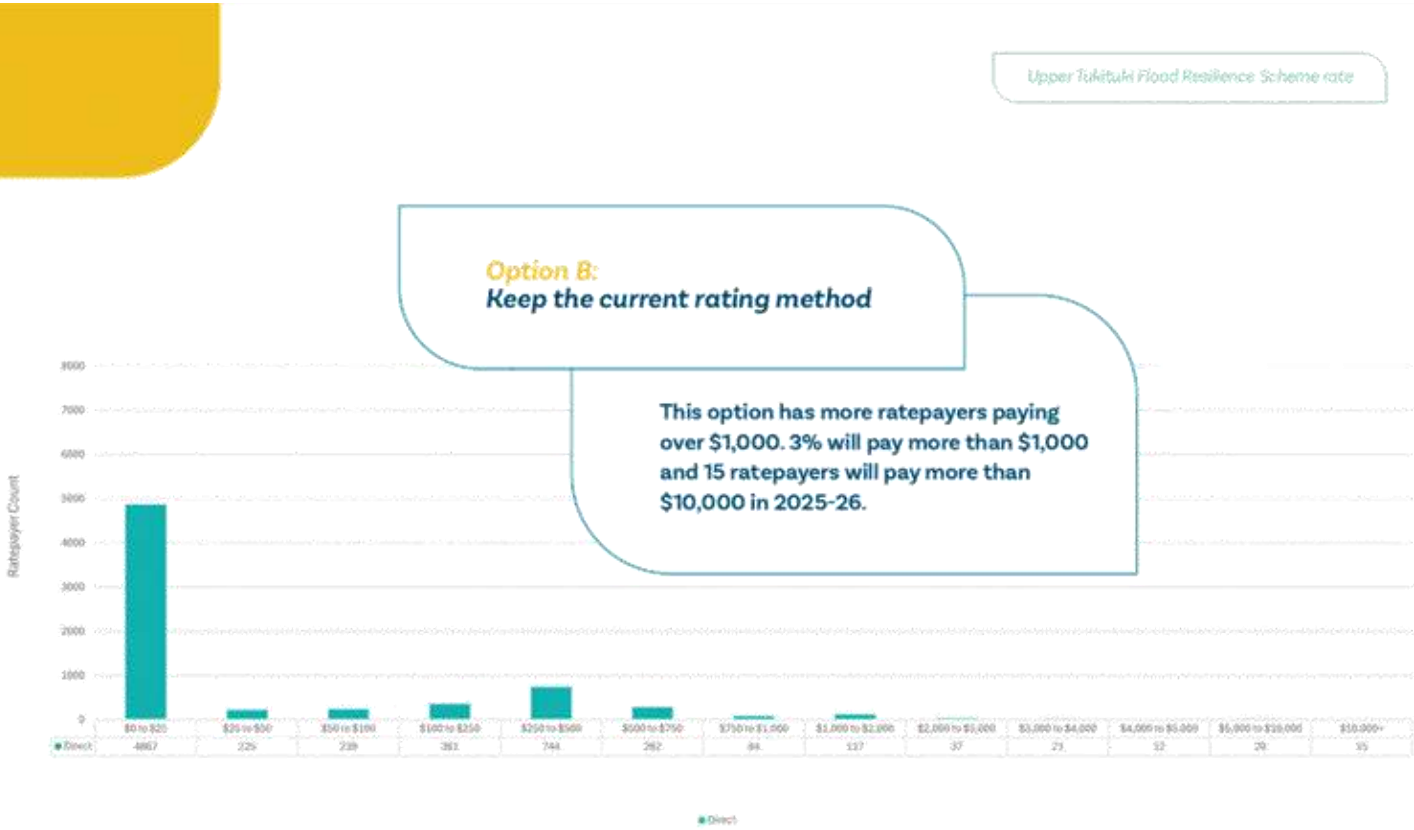


Table 10: Spread of Upper Tukituki Flood Resilience Scheme rate with current rating method

Upper Tukituki Flood Resilience Scheme rate

This table shows sample rates for both Option A and Option B. Sample rates are a way to see what the indicative impact on your rates will be.

			Option A: A new rating method	Option B: Keep the current rating method
			Proposed amount per annum	Proposed amount per annum
Property Type	Banding (or rating factor)	Capital Value \$	Total \$	Total \$
Central Hawke's Bay				
Lifestyle	Low	1,435,000	167.45	23.67
Lifestyle	Medium & Low	425,000	62.82	43.98
Pastoral	Low	264,000	30.81	4.36
Commercial	Low	102,000	11.90	1.68
Other	Low	51,000	5.95	0.84
Pastoral	Medium	1,572,000	568.60	1,102.17
Industrial	High	1,080,000	1,008.08	2,004.40
Pastoral	High	1,632,000	1,523.33	3,028.88
Pastoral	High & Medium	5,100,000	3,168.20	6,249.12
Horticulture	High, Medium, & Low	36,400,000	6,211.98	5,366.32
Hastings				
Pastoral	Low	1,580,000	163.14	11.53
Pastoral	Low	4,440,000	458.44	32.41
Other	Medium & Low	4,790,000	695.88	97.36
Pastoral	Medium	161,500	51.70	11.79
Pastoral	Low	341,000	30.87	2.14
Residential	Low	150,000	15.49	1.10

Table T1: Upper Tukituki Flood Resilience Scheme sample rates



Upper Tukituki Flood Resilience Scheme rate

Tell us what you think of our proposed new rating method for the Upper Tukituki Flood Resilience Scheme.

Have your say at haveyoursayhb.co.nz

Part 3

Ngā panonitanga
ā-kaupapa here,
ā-whakamahere

**Policy and plan
changes**



Part 3: Policy and plan changes

The Regional Transport Committee has reviewed the Regional Public Transport Plan and is proposing minor changes, along with re-confirming its intent to implement a new bus network.

We outline the key changes and encourage you to give us your feedback on the revised plan.

To read the full draft plan go you can collect a copy from our Dalton Street office.

Regional Public Transport Plan 2025-2035

What is this plan?

Hawke's Bay Regional Council is responsible for planning and administering public bus and Total Mobility services.

The Regional Public Transport Plan guides the design, policies, and delivery of these services. The plan covers the Hawke's Bay region, primarily the main urban areas where most people live and work, and where essential services are located.

We develop this plan with a 10-year view, focusing on three-yearly operational cycles. We review the plan to ensure our services meet community needs.



Regional Public Transport Plan 2025-2035

What are we proposing to change and why



1. Later than planned changes to public bus services

Our Regional Public Transport Plan 2022-2032 proposed a new improved public bus network in Hastings and Napier with the first stage of changes scheduled to start in mid-2025. The proposed network was supported by the community with feedback during consultation telling us frequency, efficiency, and reliability were important.

Since the development of that plan however, we are facing significant funding pressures and are now having to delay making the planned changes. Cyclone Gabrielle has significantly impacted funding priorities in the region, and we are receiving less co-funding than anticipated from central government for public transport.

This means we are having to push back the roll-out date of our new network design to 2026, and at a reduced frequency than originally hoped for. More frequent bus services and longer hours will only be implemented when additional funding becomes available, more than likely after 2027.

The new network is still in draft form. We encourage you to read the [Draft Regional Public Transport Plan 2025-2035](#) and let us know whether the planned changes will work for you and your community.

Regional Council and key partners will ensure the community is informed of upcoming changes before they happen.

The planned changes for 2026 are:

- implementing bus routes that run the same way in both directions between Napier and Hastings, making them easier to understand and more direct.

Future planned changes that are dependent on funding include:

- increasing the frequency of bus services and creating more connections between routes
- extending operating hours on weekdays and weekends
- trialling a commuter express bus service from Central Hawke's Bay to Hastings
- identifying existing initiatives in Wairoa and supporting the establishment of Community Transport Initiatives.

2. Paying for bus tickets

As part of our ongoing service innovations, we will be implementing the National Ticketing System late 2025/early 2026. This will mean fare payments can be made by a range of methods such as credit/debit card, Apple Pay, and Motu Move, making it easier to get your ticket.

As part of this transition, we need to consider whether we keep cash as a form of fare payment. We need to take into account the safety of drivers and users, operational efficiencies, and the impacts on those who depend on cash. Two options under consideration include:

1. **We retain cash payments** - this would ensure accessibility but would continue to make buses slower than they could be, with heightened safety risks.
2. **We move to a fully cashless system over time** - this would maximise both safety and efficiency but may disadvantage some user groups. It would be supported by a public education campaign and alternative payment support.

Regional Public Transport Plan 2025-2035



Which option do you prefer?



1. We retain cash payments
2. We move to a fully cashless system over time

Have your say at haveyoursayhb.co.nz

Regional Public Transport Plan 2025-2035

3. Changes to our Total Mobility Scheme

Our Total Mobility Scheme has consistently experienced growing demand. We are proposing to make several changes to ensure it continues to meet user needs and is financially sustainable.

Our Total Mobility Scheme assists eligible people with a permanent disability that makes it difficult for them to use our public transport, to instead access alternative subsidised transport services. The services are available across Napier, Hastings, and Central Hawke's Bay. They are provided through contracted service providers, typically approved taxis and companion services.

The scheme provides users a 75% concession (discount) on their fare, up to a maximum subsidised fare of \$50, to get them to key appointments and essential services. The level of discount provided is a central government policy and therefore subject to change.

The growing demand for our Total Mobility Scheme is partly due to an ageing population. Usage accelerated through the Covid-19 pandemic and in the wake of Cyclone Gabrielle. Disruption to public bus services during these times also contributed to the increased use of the scheme.

The higher uptake comes at a greater cost. Over the past two and a half years Regional Council's expenditure on Total Mobility has increased by 34% percent.

Proposed key changes include:

- limiting our 75% concession to driving time only. Previously, the concession fare may have included waiting time or non-driving activities such as walking people to their appointments.
- ensuring the fees charged by taxi and companion services are largely in-line with each other.

For further details look at the [Draft Regional Public Transport Plan 2025-2035](#)



Regional Public Transport Plan 2025-2035



Keen to give us your feedback on the Draft Regional Public Transport Plan including a new network, and the proposed changes to our Total Mobility Scheme?

Have your say at haveyoursayhb.co.nz

The Regional Transport Committee will read submissions and hear from submitters who also want to give their feedback in person. The committee will then decide if any changes are needed and recommend the Regional Council adopts the amended Public Transport Plan so it can become operational.

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Changes to Rates Remission and Postponement Policies

What's this about?

Rates remission and postponement policies allow the Council to remit or postpone rates - partially or fully - under certain circumstances where it is considered fair and reasonable to do so.

What are we proposing

We are proposing to remove the following policies:

- 1. **Significant Impact Remission resulting from changes to the Rating Policy.** This was a single year remission to provide relief to local authorities within the utilities rolls as a standout ratepayer impacted by the change in the general rate from land value to capital value.
- 2. **Postponement of Sustainable Homes Voluntary Targeted Rate.** The Sustainable Homes programme concluded 30 June 2024, and the sustainable homes accounts are currently being amalgamated into the primary rate accounts removing the need for this postponement policy

And adjust the wording on:

- 3. **Hardship Remission resulting from changes to the Rating Policy.** The purpose of this amendment is to ensure the policy remains applicable to future changes as the Regional Council progresses regular policy reviews to minimise likelihood of sudden significant rate changes. The wording will clarify that a remission will only apply for one year in the first year a change is implemented, to assist ratepayers experiencing extreme financial hardship with budgeting.

See the **Statement of Proposals** in our supporting policies with marked-up changes.

Tell us what you think
haveyoursayhb.co.nz

Changes to the Revenue and Financing Policy

What's this about?

The Revenue and Financing Policy sets out who pays for the Council's activities and services.

What are we proposing

We are proposing to make some changes to this policy as discussed in Part 2 of this document and some other more minor amendments.

Changes include:

- 1. A new rate for Mangarau Stream. This is to collect funding for the resilience work on the Mangarau Stream which Hastings District Council will undertake. The funds the Regional Council collect will be passed through to Hastings District Council.
- 2. Removing the range under the description for the UAGC (Uniform Annual General Charge) to allow for more flexibility in rate setting.
- 3. Adjusting the wording for the Regional Economic Development activity to reflect the decision adopted during the Three-Year Plan 2024-2027 to no longer fund tourism promotion.
- 4. Amending the funding needs assessment for the Sustainable Land Management (includes rural partnerships & water efficiency) activity. This wording change is to make it clear that parts of the community receive a greater benefit thereby supporting part of the activity being funded by a targeted rate.
- 5. Adjusting the Upper Tukituki Flood Scheme. Adding an indirect rate recognises that the district as a whole benefits from flood mitigation and spreads the cost.
- 6. Adjusting the Passenger Transport targeted rate. A new differential split has been proposed and includes an indirect charge to all of Napier, Hastings, and Central Hawke's Bay for access to Total Mobility.

Part 4
Ngā tauira utu tāke
kaunihera
Sample rates





Part 4 - Sample rates

The tables on the next four pages provide indicative sample rates to show the difference between current rates for 2024-25 and proposed rates for 2025-26. Also see our [online rates calculator](#) at [haveyoursayhb.co.nz](#) for an indication of what your rates might be. These are not final numbers. We will not have these until the Annual Plan is adopted in June 2025.

The amount you pay in rates depends on a range of factors including:

- the services your property is rated for
- the capital and land value of your property
- the revaluation cycle for your district or city.

For the four following tables please note the rate comparison between 2024-25 (current year) and 2025-26 (proposed year) does not include any revaluation impact for properties in Wairoa and Central Hawke's Bay. It also excludes all value changes as a result of property improvements, new dwellings, etc. and also utilises the **equalisation*** from prior year due to timing.

***Rates equalisation** - The city and district councils within Hawke's Bay revalue their properties at different times, on a three yearly rotating basis. Each year QV provides information to allow the Regional Council to calculate rates on equalised values. The Regional Council uses this information to adjust the rate so that each rating unit would be paying a similar amount of rates, as if all properties were valued on the same date.

Part 4 - Sample rates

Sample rural rates (GST inclusive)

Description of rates	Rating Basis	24/25	25/26	24/25	25/26	24/25	25/26
		Hastings		CHB		Wairoa	
Details for comparison							
Capital Value (\$)	CV	1,530,000	1,530,000	1,370,000	1,370,000	810,000	810,000
Land Value (\$)	LV	930,000	930,000	1,320,000	1,320,000	480,000	480,000
Area (Hectares)	Area	5.2644	5.2644	44.3170	44.3170	20.1450	20.1450
General Rate	CV	352.82	483.79	356.06	489.50	193.91	269.97
Uniform Annual General Charge	Fixed	125.95	94.59	125.95	94.59	125.95	94.59
General funded rates (\$)		478.77	578.38	482.01	584.09	319.86	364.56
Coastal Hazards	Fixed	3.98	3.98	-	-	-	-
CDEM Emergency Management	Fixed	52.62	54.75	52.62	54.75	52.62	54.75
Regional Economic Development	CV	22.49	10.56	22.74	10.69	12.39	5.91
Public Transport Indirect	CV	-	11.17	-	11.23	-	-
Primary Production Pest	LV	34.69	37.29	56.63	60.98	18.91	20.45
Sustainable Land Management	LV	46.87	53.85	76.43	88.04	25.49	29.52
Water Quality	LV	30.88	28.18	50.42	46.07	16.80	15.46
Land Monitoring, Research, and Investigations Science	LV	14.32	17.67	23.36	28.91	7.82	9.70
HPFCS Direct	CV	131.12	143.97	-	-	-	-
HPFCS Indirect	CV	32.13	35.04	-	-	-	-
UTTFCS Direct	CV	-	-	1,124.79	616.25	-	-
UTTFCS Indirect	CV	-	-	-	20.00	-	-
Tūtaekuri-Wamate Moteo	CV	692.63	640.46	-	-	-	-
Paeroa	CV	-	-	-	-	100.29	103.40
Targeted rates (\$)		1,061.73	1,036.92	1,406.99	936.92	234.32	239.19
TOTAL RATES (\$)		1,540.50	1,615.29	1,889.00	1,521.01	554.18	603.75
Dollar increase			\$74.79		(\$367.99)		\$49.57
Percentage increase			4.86%		(19.48%)		8.95%

Table 12: Sample rural rates

Part 4 - Sample rates

Sample commercial/industrial rates (GST inclusive)

Description of rates	Rating Basis	24/25	25/26	24/25	25/26	24/25	25/26	24/25	25/26	24/25	25/26
		Hastings		Hastings Industrial		Napier		CHB		Wairoa	
Details for comparison											
Capital Value (\$)	CV	2,760,000	2,760,000	3,720,000	3,720,000	1,180,000	1,180,000	690,000	690,000	445,000	445,000
Land Value (\$)	LV	580,000	580,000	1,200,000	1,200,000	660,000	660,000	405,000	405,000	175,000	175,000
Area (Hectares)	Area	0.1009	0.1009	0.4312	0.4312	0.07	0.07	0.5814	0.5814	0.1096	0.1096
General Rate	CV	636.46	872.71	857.83	1,176.26	277.06	381.61	179.33	246.54	106.53	148.32
Uniform Annual General Charge	Fixed	251.90	189.18	125.95	94.59	377.85	283.77	125.95	94.59	125.95	94.59
General funded rates (\$)		888.36	1,061.89	983.78	1,270.85	654.91	665.38	305.28	341.13	232.48	242.91
Coastal Hazards	Fixed	797	797	3.98	3.98	11.95	11.95	-	-	-	-
CDEM Emergency Management	Fixed	105.23	109.50	52.62	54.75	157.85	164.25	52.62	54.75	52.62	54.75
Public Transport Direct	CV	286.21	334.24	385.76	450.49	124.61	146.08	-	-	-	-
Public Transport Indirect	CV	-	20.15	-	27.16	-	8.73	-	5.66	-	-
Sustainable Homes - Clean Heat	LV	14.96	15.60	30.96	32.28	17.23	18.02	-	-	-	-
Regional Economic Development	CV	264.41	124.75	356.38	168.14	115.05	54.63	74.45	35.26	44.23	21.23
HPFCS Direct	CV	236.53	259.72	318.80	350.05	102.90	113.63	-	-	-	-
HPFCS Indirect	CV	57.96	63.20	78.12	85.19	25.25	27.61	-	-	-	-
Mangarau Streams	LV	-	101.21	-	191.88	-	-	-	-	-	-
UTTFCS Direct	CV	-	-	-	-	-	-	470.93	239.50	-	-
UTTFCS Indirect	CV	-	-	-	-	-	-	-	10.07	-	-
Karamū & Tributaries	CV	187.68	186.02	252.96	250.73	-	-	-	-	-	-
Napier, Meeanee, Puketapu	CV	-	-	-	-	398.01	379.37	-	-	-	-
Targeted rates (\$)		1,160.95	1,222.36	1,479.58	1,614.65	952.85	924.29	598.00	345.24	96.85	75.98
TOTAL RATES (\$)		2,049.31	2,284.25	2,463.36	2,885.51	1,607.76	1,589.67	903.28	686.37	329.33	318.89
Dollar increase			\$234.94		\$422.15		(\$18.09)		(\$216.91)		(\$10.44)
Percentage increase			11.46%		17.14%		(1.13%)		(24.01%)		(3.17%)

Table 13: Sample commercial/industrial rates

Part 4 - Sample rates

Sample urban rates (GST inclusive)

Description of rates	Rating	24/25	25/26	24/25	25/26	24/25	25/26	24/25	25/26
	Basis	Napier Hill		Napier South		Taradale		Havelock North	
Details for comparison									
Capital Value (\$)	CV	890,000	890,000	620,000	620,000	670,000	670,000	1,350,000	1,350,000
Land Value (\$)	LV	520,000	520,000	380,000	380,000	360,000	360,000	600,000	600,000
Area (Hectares)	Area	0.075	0.075	0.062	0.062	0.046	0.046	0.035	0.035
General Rate	CV	208.97	287.83	145.58	200.51	157.32	216.68	311.31	426.87
Uniform Annual General Charge	Fixed	125.95	94.59	125.95	94.59	125.95	94.59	125.95	94.59
General funded rates		334.92	382.42	271.53	295.10	283.27	311.27	437.26	521.46
Coastal Hazards	Fixed	3.98	3.98	3.98	3.98	3.98	3.98	3.98	3.98
CDEM Emergency Management	Fixed	52.62	54.75	52.62	54.75	52.62	54.75	52.62	54.75
Public Transport Direct	Fixed	93.98	82.90	65.47	82.90	70.75	82.90	140.00	82.90
Public Transport Indirect	CV	-	6.59	-	4.59	-	4.96	-	9.86
Sustainable Homes - Clean Heat	LV	13.57	14.20	9.92	10.37	9.40	9.83	15.48	16.14
Regional Economic Development	Fixed	7.68	3.59	7.68	3.59	7.68	3.59	7.68	3.59
HPFCS Direct	CV	-	-	54.06	59.71	58.42	64.52	-	-
HPFCS Indirect	CV	19.05	20.83	13.27	14.51	14.34	15.68	28.35	30.92
Mangarau Streams	LV	-	-	-	-	-	-	-	34.92
Karamū & Tributaries	CV	-	-	-	-	-	-	91.80	90.99
Napier Meeanee Puketapu	CV	-	-	52.27	49.85	56.48	53.87	-	-
Targeted rates		190.88	186.85	259.27	284.26	273.67	294.09	339.91	328.05
TOTAL RATES		525.80	569.26	530.80	579.35	556.94	605.35	777.17	849.51
Dollar increase			43.46		48.55		48.41		72.34
Percentage increase			8.27%		9.15%		8.69%		9.31%

Table 14: Sample urban rates

Part 4 - Sample rates

Sample urban rates continued (GST inclusive)

Description of rates	Rating	24/25	25/26	24/25	25/26	24/25	25/26	24/25	25/26
	Basis	Flaxmere		Hastings		Wairoa		Central HB	
Details for comparison									
Capital Value (\$)	CV	520,000	520,000	810,000	810,000	385,000	385,000	640,000	640,000
Land Value (\$)	LV	285,000	285,000	470,000	470,000	145,000	145,000	210,000	210,000
Area (Hectares)	Area	0.089	0.089	0.076	0.076	0.114	0.114	0.264	0.264
General Rate	CV	119.91	164.42	186.79	256.12	92.17	128.32	166.34	228.67
Uniform Annual General Charge	Fixed	125.95	94.59	125.95	94.59	125.95	94.59	125.95	94.59
General funded rates		245.86	259.01	312.74	350.71	218.12	222.91	292.29	323.26
Coastal Hazards	Fixed	3.98	3.98	3.98	3.98	-	-	-	-
CDEM Emergency Management	Fixed	52.62	54.75	52.62	54.75	52.62	54.75	52.62	54.75
Public Transport Direct	Fixed	53.92	82.90	84.00	82.90	-	-	-	-
Public Transport Indirect	CV	-	3.80	-	5.91	-	-	-	5.25
Sustainable Homes - Clean Heat	LV	7.35	7.67	12.13	12.64	-	-	-	-
Regional Economic Development	Fixed	7.68	3.59	7.68	3.59	7.68	3.59	7.68	3.59
HPFCS Direct	CV	44.56	48.93	69.42	76.22	-	-	-	-
HPFCS Indirect	CV	10.92	11.91	17.01	18.55	-	-	-	-
Mangarau Streams	LV	-	16.59	-	27.35	-	-	-	-
UTTFCS Direct	CV	-	-	-	-	-	-	10.30	65.34
UTTFCS Indirect	CV	-	-	-	-	-	-	-	9.34
Karamū & Tributaries	CV	35.36	35.05	55.08	54.59	-	-	-	-
Targeted rates		216.39	269.18	301.92	340.50	60.30	58.35	70.60	138.27
TOTAL RATES		462.25	528.19	614.66	691.21	278.42	281.26	362.89	461.53
Dollar increase			65.94		76.55		2.84		98.64
Percentage increase			14.27%		12.45%		1.02%		27.18%

Table 14: Sample urban rates continued

Part 5 Next steps

Me pēhea tō tuku mai i ō whakaaro

How to have your say

page 55

Ō kaikaunihera

Your councillors

page 56-57

Ētahi atu kaupapa o te wā

What else is happening

page 58-59

The easiest way is online at haveyoursayhb.co.nz



Online:

Visit haveyoursayhb.co.nz or scan our QR code

Email:

Email haveyoursay@hbrc.govt.nz with 'Annual Plan submission' as the subject

Post:

Print a submission form and post to **Annual Plan submission, Hawke's Bay Regional Council, Private Bag 6006, Napier 4142**

In person:

Collect a submission form from our main Napier office **159 Dalton Street, Napier**

Scan here



Part 5 -How to have your say

Timeline

31 March-2 May 2025

You tell us what you think

You can submit your feedback to us during this time for councillors to consider when making decisions.

20-21 May 2025

You can speak directly to councillors about your feedback

You can present your feedback in person to councillors in a public meeting. These meetings are called Hearings.

28 May & 4 June 2025

We consider your feedback

Council meet to consider all feedback and make decisions about proposed changes. This is called Deliberations.

25 June 2025

We adopt our Annual Plan

Council formally adopts its Annual Plan 2025-26. Your rates are then set for 2025-26 and the plan is implemented.

ANNUAL PLAN 2025-26 Consultation document 55

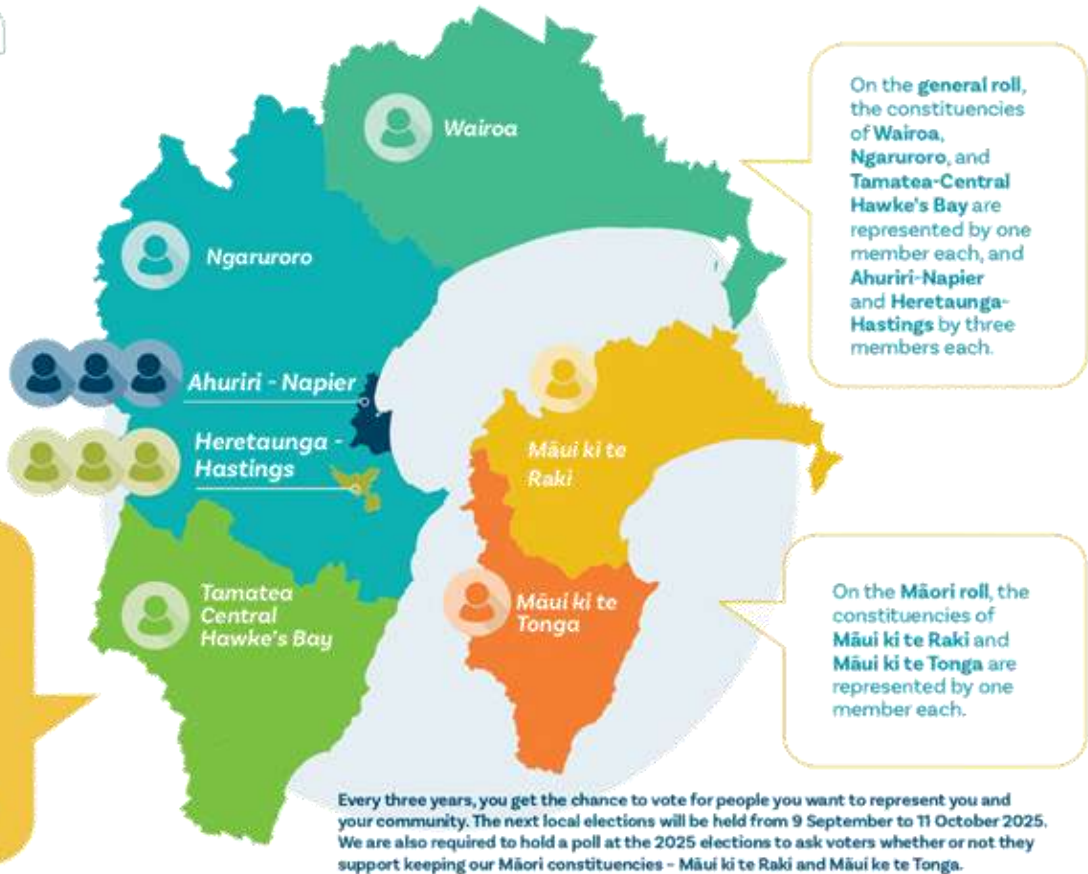
Item 6 Annual Plan 2025-2026 consultation

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Part 5 - Your councillors

How is council made up?

The Hawke's Bay region has **seven constituencies** represented by **11 councillors**



Part 5 - Your councillors

Your councillors

Hinewai Ormsby
Chair
Ahuriri - Napier
Cr.Hinewai.Ormsby
@hbrc.govt.nz

Will Foley
Deputy Chair - Tamatea Central Hawke's Bay
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For more information and contact details go to hbrc.govt.nz, search: **#councillors**

Part 5 - What else is happening

We have a busy year ahead. Your voice is critical to our planning. Here is information on the scope and breadth of our engagements in 2025.

Living with rivers

Flooding is a significant and increasing climate risk facing our region. Flooding could be caused by river or surface flooding, or coastal erosion and inundation. With much of Hawke's Bay built on a flood plain, learning to live with rivers in times of flood is essential. The Regional Council plays an important role in communities feeling safer and being more resilient to flooding. HBRC owns and manages 27 flood control, drainage schemes and river maintenance schemes including river bar openings. Local councils also play an important role through the provision of infrastructure such as stormwater networks. The Regional Council is working on a range of flood resilience projects at different locations and at different project phases.

What is a scheme?

A scheme is a defined area where flood defences (eg stopbanks, floodwalls, dams, pumps, floodgates, drains) are built and maintained to manage flood risks, riverbank erosion, and land drainage. A scheme's goal is to protect life and property while preserving ecological value and supporting agriculture. We administer 27 schemes, each providing different levels of service based on community needs.



Key engagements for 2025

NEW FLOOD RESILIENCE SCHEMES (CAT 2)

As part of Hawke's Bay's recovery plan following Cyclone Gabrielle, we are delivering a series of significant infrastructure repair and upgrade projects over the next four to five years in six areas. These schemes are part of the 'North Island Weather Event flood Resilience Programme, a multi-year initiative co-funded by the Crown and the Regional Council to enhance flood mitigation across the region. These allow communities severely affected by the cyclone to stay in place while new flood mitigations are put in place for Wairoa, Whirinaki, Waiohiki, Pākōwhai, Omāhu, and Pōrangahau.

SMALLER SCHEME REVIEWS

A review of 25 smaller flood protection, drainage, and river/stream schemes across Hawke's Bay, including several within Napier City Council boundaries. Do they work as intended? Will they work in the future? What will the cost implication be to scheme ratepayers?

MAJOR SCHEME REVIEWS - REIMAGINING FLOOD RESILIENCE

A review of the Heretaunga Plains and Upper Tukituki Flood Protection Schemes - where the majority of us work, live, and play. We need to reimagine our long-term approach to managing our two major flood schemes. This will require healthy and challenging debate on protection levels versus affordability, and residual risk with our communities. Some key concepts that will form part of the approach include flood spillways, secondary stopbanks, making room for rivers, and nature-based solutions.

Adapting for the future: water, coastlines, and climate

This work focuses on the long-term management of Hawke's Bay's environment, addressing key challenges such as water security, coastal hazards, and climate resilience.

KOTAHI

What does the management of the environment within the region look like?

We want to hear from you about all aspects of the environment including freshwater, biodiversity, climate change, soil management, the coastal and marine area, natural hazards and risk, energy, transport, and infrastructure. The Kotahi Plan replaces our existing resource management plans.

COASTAL HAZARDS

The Coastal Hazards Strategy is a long-term adaptive response to coastal erosion, coastal inundation, and climate change impacts at the coast between Clifton and Tangoio.

WATER SECURITY

The Regional Water Security Programme aims to ensure Hawke's Bay has long-term, climate-resilient and secure supplies of freshwater, for all. This includes feasibility of a water storage reservoir in the Ngaruroro catchment.

CLIMATE ACTION

The Climate Action Joint Committee has commissioned Hawke's Bay's first regional climate change risk assessment report with a regional and district level breakdown. This report is an assessment of existing climate data and information and informs climate adaptation decision-making and action across the region.

How might we adapt to coastal erosion, coastal inundation, and climate change impacts at the coast between Clifton and Tangoio?

With climate change impacting our environment, the gap between how much water we will use and how much we can access is growing.

What climate risks does the region face and how might that inform decision-making and action across the region?

Key engagements for 2025

Regular engagements

The Annual Plan outlines Regional Council's investment in strengthening the region's resilience to future climate events, our Draft Regional Public Transport Plan is focused on improvements to our bus network and supporting people with transport disadvantages, while State of the Environment evaluates how human actions influence environmental change.

ANNUAL PLAN

This is the Regional Council's annual funding plan laid out in this document and open for consultation now.

TRANSPORT

How can we make the passenger transport system work better for our region?

Passenger transport isn't only about buses in Napier and Hastings, it's also about how we help people with transport disadvantages move about the region. The Draft Regional Public Transport Plan 2025-2035 proposes improvements that we want your say on.

STATE OF THE ENVIRONMENT

How much are our actions impacting the rate of change in our environment and what we are doing to help reduce this?

Our State of the Environment report is our three-yearly check-in on the condition of our waters, land, air and coast, that supports our unique and valuable biodiversity. It highlights where things are going well, and where things may need more support.

HAWKE'S BAY REGIONAL
INVESTMENT COMPANY LTD

Statement of Intent

For the Year Ending 30 June 2026

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1 About Us

Hawke's Bay Regional Investment Company (HBRIC) is the investment management arm of the Hawke's Bay Regional Council (Council).

HBRIC was established in 2012 to provide appropriate separation of Council's investment assets from its core service functions. That establishment started with a shareholding in Napier Port Holdings Limited (the Napier Port).

Today, we operate under an expanded mandate, looking after both the investment assets of both Council and our own assets. HBRIC seeks to apply commercial investment expertise to these assets as a collective, providing the greatest overall benefit to the ratepayers of the Region through Council.

HBRIC is a majority shareholder in Napier Port, a significant infrastructure asset for our region. We also hold other financial and property investments, applying capital from a partial sale of the Napier Port shares in 2019.

In 2023, Council resolved to use HBRIC more fully, asking HBRIC to provide its investment management expertise across Council's own investment assets. The investment assets of the Council managed by HBRIC include financial and property assets.

The combination of both HBRIC and Council investments under one operating entity allows HBRIC to provide scale and a more strategic approach to both asset management and to returns to Council. In supporting this wider mandate, HBRIC has and is continuing to increase its commercial capabilities, including the move to a majority independent Board of Directors.

Collectively, HBRIC manages assets of approximately \$502 million.

Asset	Owner	Strategic to Council?	31 Dec 24 Value (\$'000)
Napier Port Holdings Ltd	HBRIC	Strategic	282,700
Foodest-Haumako Ltd Partnership	HBRIC	Non-Strategic	3,470
Future Investment Funds (Managed Funds)	HBRIC/HBRC	Strategic	125,233
Long Term Investment Funds (Managed Funds)	HBRC	Non-Strategic	55,957
Property Assets Investments	HBRC	Non-Strategic	34,980
			502,341

The Council has determined that the shareholding in HBRIC, our majority holding in Napier Port, and the proceeds from the 2019 Napier Port partial sale are Strategic Assets of the Region.

HBRIC is a wholly owned subsidiary of the Council, and a Council Controlled Trading Organisation (CCTO) and is required to annually produce a Statement of Intent.

2 Our Operating Environment

The social, economic and environmental event of the past three years have altered the risk environment in which HBRIC operates.

Since 2020, our investments have had to cope directly with pandemics (Covid-19), natural disasters (Cyclone Gabrielle), and periods of higher inflation and interest rates that we have not seen for 15 years.

HBRIC's portfolio is not immune to such events, impacting both the current asset values, but also in some cases impacting the level of our cash earnings. Our objective is to provide Council as steadily growing cash flow, so support the ongoing service that Council provides. The events of the last three years have required a reset of expectations in terms of earning provided to Council to ensure that we preserve the assets for all generations.

Our largest investment, the Port of Napier has been impacted by each of these events, and the recovery back to 'normal' market conditions will take time, as the region rebuilds. We are pleased that the Port Board and Management performance throughout the recovery process continues to deliver solid results for HBRIC as shareholder.

Our shareholder, the Council too has been significantly impacted by the events of recent years. Cyclone Gabrielle has added a significant one off and ongoing costs to Council in its role of protecting the community and building wider environmental resilience for an increasingly uncertain climate future.

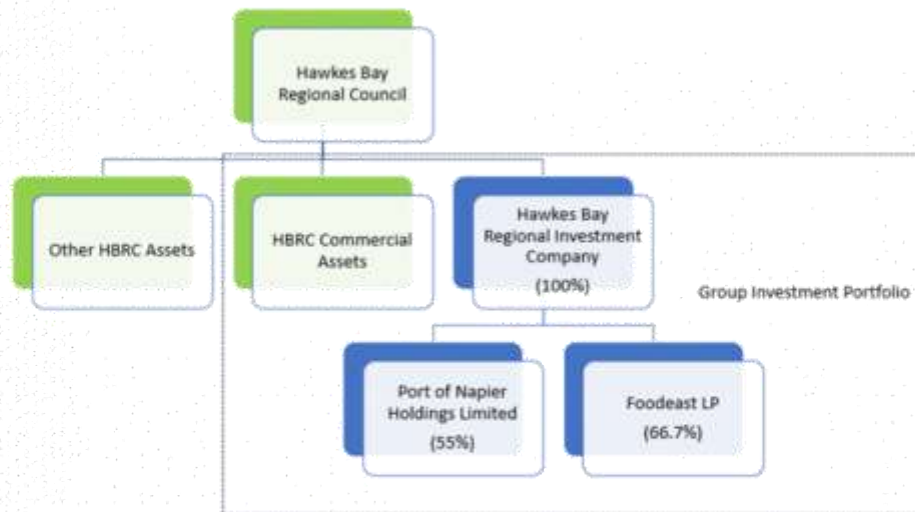
Such events emphasise the need for to continuously question how best to manage risk appropriately, and to look to create and take new opportunities that will ultimately benefit the Council and the ratepayers of today and tomorrow. To achieve this, the assets that HBRIC has today, may not be the assets of tomorrow, but rather will reflect a portfolio of assets that HBRIC believe will best achieve the Purpose and Objectives outlined in this Draft Statement of Intent.

It is against this operating environment backdrop that HBRIC has prepared its Draft Statement of Intent.

3 Our Group

This Draft Statement of Intent (SOI) is prepared in accordance with Section 64(1) of the Local Government Act 2002 (the Act).

It has been prepared following the consideration by the HBRIC Board of Directors of the Council Statement of Expectations.



The SOI covers the following:

- Hawkes Bay Regional Investment Company Limited and subsidiaries: HBRIC as an asset including its majority shareholding in the Port of Napier and Foodeast, plus other investments of HBRIC. Collectively, this is referred to as the 'HBRIC Group'.
- The Group Investment Portfolio: HBRIC has been appointed manager as Advisor and Investment Manager of Councils Commercial Assets in addition to the commercial assets owned by HBRIC. Collectively, these are referred to as the 'Group Investment Portfolio'.

Foodeast is a Limited Partnership and a CCTO in its own right and produces its own SOI for HBRIC. The Napier Port, while a subsidiary of HBRIC, is not required to produce a SOI given its listing on the New Zealand Exchange (NZX).

4 Our Mission

HBRIC mission is:

To optimise and grow the quantum and reliability of long-term financial returns to Council from its Group Investment Portfolio.

5 Our Objectives

The objectives of HBRIC Ltd are to:

- Provide Council with a consistent and growing long-term cash income stream to support their service delivery
- Manage and grow the Groups Investment Portfolio as a long-term endowment for the region's ratepayers
- Consider Social and Environmental Responsibility through how we manage our investments and how we deal with others
- Be a trusted advisor to Council
- Be a responsible manager of our shareholding in the Napier Port

- Through prudent investment, manage investment risk and look to diversify the Groups Investment Portfolio
- Be an investment manager of choice, attracting exceptional governance and top-tier support
- Be a respected partner to current and future co-investors, including Tangata Whenua.

6 Our Role

The LGA requires that the Nature and Scope of Activities Undertaken be defined.

Our Collective Role in Management of the Group Investment Portfolio

- Generation of commercial returns and a consistently growing income stream to Council through the holding of a diversified Group Investment Portfolio.
- Manage the Group Investment Portfolio from an intergenerational perspective.
- Demonstrate excellence in Risk and Asset Management through the use of experts in governance and management.
- Management of Managed Funds in accordance with the Group Statement of Investment Policy and Objectives (SIPO).
- Ensure open dialogue exists between Council as shareholder and asset owner and HBRIC.
- Be a trusted advisor to Council in relation to Investment Assets.

Our Role as owner and manager of HBRIC Investment Assets

- Monitor the financial performance and corporate governance of the Napier Port as befits a majority shareholder.
- Evaluate, develop, and nurture commercial opportunities as they arise.

7 Our Corporate Governance

This section gives readers an overview of the company's main corporate governance policies, practices and processes adopted or followed by the HBRIC Ltd Board.

Role of the Board of Directors

The Board of Directors is responsible to Council for the strategic direction and control of HBRIC Ltd's activities. The Board is to guide and monitor the business and affairs of HBRIC Ltd in accordance with its mission and objectives as set out in this Statement of Intent.

Council has delegated responsibility for its Investment Assets to the HBRIC Board.

Management has been delegated responsibility for the day-to-day management of the company. HBRIC Ltd may make use of external advisers from time to time.

All directors are required to comply with a formal Code of Conduct, which is based on the New Zealand Institute of Directors' Principles of Best Practice.

Board Composition and Fees

Appointments to the HBRIC Ltd Board are made directly by Council in accordance with Council's Policy on Director Appointments.

Fees for the HBRIC Ltd Board will be set triennially in accordance with this same Council policy. HBRIC Ltd will affect an appropriate directors' and officers' liability insurance cover at the expense of HBRIC Ltd.

The Board meets regularly as required.

Subsidiary Companies

All subsidiary companies (not including Napier Port Holdings or those where HBRIC Ltd owns less than 50%) are required to submit an annual Statement of Intent to HBRIC Ltd, which will evaluate them and suggest changes as considered necessary, before finalisation by the company concerned. In the event of a new subsidiary company being established the first statement of Intent of the subsidiary company will be referred to the Council for comment.

Subsequently, if any material changes are proposed by subsidiaries, HBRIC Ltd will consult with Council on such changes.

Representatives of the subsidiary board and management will meet with HBRIC Ltd at least twice each year, to discuss the company's strategic direction and any significant issues that arise. The Board also receives other reports as are necessary to perform its monitoring function. HBRIC Ltd however, does not involve itself in the operational management of the subsidiary companies.

Board Appointments

All directors of subsidiary companies (and associate companies, if any) are selected in accord with Council's Appointments Policy. We seek an open, professionally managed process, targeting appropriate relevant expertise and aptitude in consultation with Council.

Director appointments of Napier Port are done in accordance with NZX guidelines. HBRIC Ltd has no director appointment rights for Napier Port.

Financial Results

Directors receive and review HBRIC Ltd parent company financial and other reports regularly and provide formal group and parent company financial statements to the shareholder annually – for the year ended 30 June.

Joint Ventures

Joint ventures not established as company entities will adhere to the reporting requirements specified for subsidiary companies above.

8 Our Responsibility to Our Shareholder

Statement of Expectation

Council has in accord with the Act, delivered a Statement of Expectation to HBRIC on 9 November 2023. This confirmed the expanded role that this SOI has been prepared in accordance with. That Statement of Expectation applied to the financial years 2025 to 2027 and is available on the Council website (www.hbrc.govt.nz). A supplementary amendment to dividend expectations for the 2025 and 2026 financial years was delivered to HBRIC on 4 June 2024.

Statement of Intent

In accordance with the Local Government Act 2002, each year by 1 March HBRIC Ltd will submit a draft Statement of Intent for the ensuing year to Council for its consideration. The SOI sets out HBRIC Ltd's overall objectives, intentions, and financial and performance targets. Having considered any comments on the SOI by Council, the final operative Statement of Intent is then delivered to Council (as shareholder) for its approval on or before 30 June each year.

Expense Reimbursement

It is anticipated that there will be instances where Council uses the service of HBRIC, and HBRIC uses the services of Council. Any such expenditure can be charged accordingly where it is agreed reasonable by Council and the Board of Directors. A Management Agreement will be created to outline specific costs

that can be recovered as part of the enhanced role of HBRIC.

No Surprises

The relationship between HBRIC and its shareholder is based on Trust and Confidence. The Group therefore operates a "no surprises" policy between HBRIC and Council. Any significant variation from the Statement of Intent or Statement of Expectations will be informed at the soonest practical opportunity.

9 Our Shareholders Funds and Valuation

The estimated figures below reflect the 30 June positions of their respective years and take into account changes to asset values due to revaluations. HBRIC Ltd will keep council informed of performance against targets on a timely basis.

The values below represent the HBRIC Group, including the shareholding in the Napier Port at market value. The Napier Port is NZX listed, and its market value may differ from its accounting value under IFRS.

At the time of providing this forecast, HBRIC holds no material debt. The Group has the ability to take on debt to support the ongoing expansion of the Groups objectives.

Parent Company	2025	2026	2027
Shareholder's funds/total assets	>95%	>95%	>95%
Net debt (\$m)	\$0m	\$0m	\$0m
Shareholders' funds (\$m) *	\$300m	\$309m	\$319m

Valuation

HBRIC Ltd will monitor its own market value at 30 June in each financial year by undertaking an internal assessment of its ongoing capital value (including valuation of subsidiaries and associates). This will be used to assist the management of capital, debt, revenue, and expenditure streams to achieve the returns set out in Section 10 of this Statement of Intent.

The commercial value of HBRIC at the time of writing is \$359m. (based on a Napier Port Share price of \$2.57.)

10 Our Performance Targets

Performance Targets are effective for the year of this Statement of Intent. Targets will be measured and reported on in the Annual Report of HBRIC for the year to 30 June 2026.

The following Performance Targets are applicable to HBRIC only.

Portfolio	Objective	Measure
Napier Port	Maintain a majority holding in the Napier Port.	Hold greater than 50.1% shareholding. Council approval and community consultation through the Special Consultative Procedure set out in Section 93 of the Act and the relevant Council policy must be followed prior to any change to the current shareholding.

Portfolio	Objective	Measure
	Monitor and report on the performance of the Napier Port.	Two investor presentations by Napier Port representative to the HBRIC Board (or Council) annually.
Managed Funds	7% p.a. Total Investment Return, including 2.5% p.a. Capital Protection..	Total investment returns will be assessed as net of fees and tax, on a rolling five-year basis. Capital Protected return is reflected as Total Investment Returns less any cash distributions.
	Compliance with the Group SIPO.	Compliance with the Group SIPO, or notification to Council in advance of material breaches.
Other Investment Assets	Grow a portfolio of other investment assets for optimal long term commercial return in accordance with the HBRIC Group Investment Strategy	Annual performance review of Other Investment Asset.
Governance	Keep Council informed on a 'no surprises' basis through regular presentation to Council.	HBRIC Quarterly presentation to Corporate and Strategic Committee

The following Performance Targets are applicable to the Group Investment Portfolio

Portfolio	Objective	Measure
Managed Funds	7% p.a. Total Investment Return, Including 2.5% Capital Protection.	Total investment returns will be assessed as net of fees and tax, on a rolling five-year basis. Capital Protected return is reflected as Total Investment Returns less any cash distributions.
	Ensure all Managed Funds are in compliance with the Group SIPO.	Compliance with the Group SIPO, or notification to Council in advance of material breaches.
Other Investment Assets	Monitor, manage, and diversify the Group's portfolio of other Investment assets for optimal long term commercial return.	Annual review of HBRC other investment Assets by HBRIC (Wellington and Napier leasehold property.)
Dividend and Returns	Meet the distribution expectations set out in Council's Statement of Expectations.	meet Council's Group Investment Portfolio dividend expectations: <ul style="list-style-type: none"> • FY26 Cash Dividend of \$13.3m • FY26 2.5% growth on Managed Funds • Minimum Growth of Dividend Resilience Reserve of [\$1,000,000] - subject to council drawdown.
Governance	Ensure Group Investment strategy, SIPO and, policies are current and appropriate.	All policies and procedures reviewed no less than biennially by the HBRIC Board.

11 Financial Performance Targets

FY26

Deliver shareholder cash expectations from Group Investments,	\$13,300,000
Meet capital protection watermarks on the Group Managed Funds portfolio for the financial year	2.5% p.a.
Creation of dividend resilience reserve (subject to Council Drawdown)	>=[\$1,000,000] p.a.

12 Our Distributions to Shareholder

The Group is conscious of trying to ensure that Council receives a steadily increasing income stream from the Group Investment Portfolio. It is up to the Board of Directors of HBRIC to determine the portion of Distribution that is derived from HBRIC, and the level of cash income derived for Council from its own portfolio under HBRIC management.

HBRIC Ltd will pay dividends to the shareholder after taking into account its profitability, future investment, and cash management requirements. Dividends payable to the shareholder will be determined by the Board after consideration of the company's funding requirements and the requirement to meet the solvency test under the provisions of the Companies Act 1993. Dividends are forecast to be paid in regular instalments agreed with Council each financial year, with a minimum of two, six-monthly instalments. HBRIC Ltd expects a blend of growth and income across the portfolio to achieve the distribution forecast to Council and inflation adjusted asset growth. The cash return expectation to Council has historically been set at 3% of Managed Funds with other assets having their own return profiles. The level of actual distribution paid from HBRIC to Council, as a portion of the total cash earnings to Council from the Group Investment Portfolio, is set in the Statement of Expectations issued by Council to HBRIC from time to time.

Financial Year	2025	2026	2027
Distribution (\$m) Total to Council from Group Investment Portfolio	\$15.05m	\$13.3m	\$13.5m
Distribution proportion of above coming from HBRIC as a dividend	40% – 80% (\$6m - \$12m)	40% – 80% (\$5.3m to \$10.6m)	40% – 80% (\$5.4m to \$10.8m)

Cash expectations (for distribution) are assessed against annual return targets. Total investment returns will be assessed as gross on a rolling five-year basis. Inflation adjusted returns are reflected as net returns less distributions. For the purpose of managing reserves, inflation will be set at 2.5% per annum through the Long-Term Plan.

Council seeks to grow resilience over the life of the 2025 Three Year Plan. Council wishes to see HBRIC grow resilience equivalent to one year's dividend from the Port, through the retention of capital gains and any surplus cash from Investment Assets over and above the distribution proposed in the Long-Term Plan.

13 Our Reporting

Statutory information requirements

The company will provide an annual Statement of Intent in accordance with Section 64(1) of the Local Government Act 2002. The directors will include any other information they consider appropriate. Where appropriate, revised forecasts will be submitted to the shareholder.

HBRIC Ltd will submit a Consolidated Annual Report to the shareholder. The annual report will include audited financial statements, and such other details as are necessary to permit an informed assessment of the company's performance and financial position during the reporting period, and to comply with the requirements of the Companies Act and Financial Reporting Act.

HBRIC Ltd will provide a parent entity quarterly report to the shareholder within two months after the end of the first half of each financial year. The report will provide among other things, an update on the financial performance and investing activities of the company.

Other information to meet the needs of Council

The company will provide regular reports to Council on its activities and the results of its subsidiary companies. It will operate on a timely basis in respect of significant shareholder - related matters, to the fullest extent possible in the context of commercial sensitivity and confidentiality agreements.

14 Our Policy on Acquisition and Divestment

HBRIC Ltd will comply with Council's Investment Policy as set out in the Three-Year Plan (LTP) 2025-27 (or any successive LTP's) for acquisitions and divestments.

The Group has the ability to enter into new financial investments, or to dispose of existing financial investment, provided it is in accordance with this Statement of Intent and HBRIC working towards the long-term objectives of the Group.

HBRIC Ltd will periodically review its investments to ensure that continued ownership represents the best option for HBRIC Ltd and Council and will consult with Council prior to any material divestment or major restructuring of a subsidiary company.

Changes in investment assets such as Managed Funds must be in accordance with the Group SIPO. This includes adherence to the Groups position on Responsible Investment. Any change to the SIPO requires the approval of Council.

15 Our Activities for Which Compensation is Sought

HBRIC Ltd has lent Hawke's Bay Regional Council \$16.63m. The loan is interest bearing with Council making scheduled payments to HBRIC Ltd. The loan term expires on 30 June 2025 but may be extended by agreement of the parties.

Currently HBRIC Ltd procures certain treasury, financial, accounting and other services from HBRC to support its operations. As a result of HBRIC's recently expanded mandate HBRIC Limited is reviewing its operating and resourcing model, which may result in HBRIC seeking compensation from Council in respect of management services and responsibilities in relation to HBRC-owned Investment Assets. Any proposed changes will need to first satisfy HBRC procurement and delegations' policies.

16 Our Accounting Policies

HBRIC Ltd will adopt accounting policies that are consistent with New Zealand International Financial Reporting Standards, generally accepted accounting practice and the policies adopted by the Hawke's Bay Regional Council group.

17 Our Directory

Postal Address:

Private Bag 6006, Napier 4142

Registered Address:

159 Dalton Street, Napier South, Napier 4110

Board of Directors:

Mr Dan Druzianic	Independent Director and Board Chair
Mrs Debbie Birch	Independent Director
Mr Jonathan Cameron	Independent Director
Mr Will Foley	Director and HBRC Councillor
Mr Neil Kirton	Director and HBRC Councillor

Executive:

Mr Tom Skerman	Commercial Manager
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Contact email – tom.skerman@hbric.nz