

## Meeting of the Hawke's Bay Regional Council

**Date:** 26 July 2023  
**Time:** 1.30pm  
**Venue:** Council Chamber  
Hawke's Bay Regional Council  
159 Dalton Street  
NAPIER

### Attachments excluded from Agenda

Item	Title	Page
<b>5.</b>	<b>Annual Plan 2023-2024 for adoption</b>	
	Attachment 1: HBRC Annual Plan 2023-2024 for adoption	2
	Attachment 2: HBRC Schedule of fees and charges 2023-2024	34
<b>10.</b>	<b>Report and recommendations from the Napier-Hastings Future Development Strategy Joint Committee</b>	
	Attachment 1: 11 July 2023 Napier-Hastings Future Development Strategy Joint Committee meeting agenda	44

# Mahere ā-Tau Annual Plan

2023-2024

Supporting  
our region's  
recovery

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



## Te whakamārama i te āhua - Huripari Kapariera Setting the scene – Cyclone Gabrielle

*Cyclone Gabrielle swept through the upper and eastern North Island in mid-February 2023 and was one of the worst storms to hit New Zealand in living history. Hawke's Bay was one of the worst affected regions.*

We were battered by gale-force winds and a staggering amount of rain fell over a relatively short period of time – significantly more than what was forecast in some areas. One of our monitoring sites at Esk Valley for example, recorded 501mm over 24 hours – equal to nearly six months of rain, and double what was forecast.

Our rainfall data shows the cyclone was one of the most significant weather events to impact the region since records began. At the onset of the cyclone, we had just experienced our wettest six-month period on record.

Eight lives were tragically lost, and many homes and livelihoods were badly damaged or destroyed. Hawke's Bay was in a state of national emergency for one month.

Our stopbanks were breached in 37 places covering nearly 6 kilometres, and a further 28km of our 248km stopbank network was weakened.

Many communities were cut off with state highways, roads, and bridges unsurpassable. Power and communications went down causing widespread disruption and distress for communities, whānau, businesses, households, and response teams. It was nearly two months before power was restored back to normal.

Our Civil Defence staff led the most complex and large-scale response ever mounted in Hawke's Bay. More than 1000 people worked with our team of 12. The operation relied heavily on staff from the emergency management sector, the Defence Force, central government agencies, emergency services, our local councils, volunteers, and people who simply decided to roll up their sleeves and help. Shifts ran around the clock for the first three weeks, and in total the Group Emergency Coordination Centre operated for 11 weeks.

Supporting our isolated communities was an ongoing focus and presented some incredibly complex logistical challenges. At the peak of the response there were up to 25 helicopter supply missions a day. Hawke's Bay Regional Council also ran an Emergency Operations Centre, as all councils are required to, which also stood up a 24/7 response. A huge effort by a crew of around 160 people, including consultants and contractors, worked tirelessly repairing stopbanks to restore confidence.

Another priority was repairing flooded pump stations and restoring rain and river level monitoring sites. The remote monitoring sites were recording during the cyclone, but the information was delayed for approximately five days before being transmitted back to Regional Council.

Cyclone Gabrielle dumped vast amounts of silt – metres high in some places – and left a trail of waste. Cleaning up continues to be a big job.



## Te tautoko i te whaka- oranga o tō tātau rohe Supporting our region's recovery



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## He karere mai i Te Toihau Message from the Chair

*Tēnā koutou katoa E mihi ana ki te rohe  
o Te Matau-a-Māui*

*Manaakitia tonu tātau i a tātau i te wā nei  
Kia kaha, kia māia, kia manawanui. Taiki e!*  
**Greetings to our people and place of  
Hawke's Bay.**

**Continue to lean on and in to the numerous  
caring people in these difficult times.**

**Be strong, be brave, be steadfast and  
together we will overcome.**

The impact of Cyclone Gabrielle on our people and  
the devastation on our region will be felt for years  
to come.

Many people continue to face emotional and financial  
stress as they navigate what their future will look like.  
We are working alongside our impacted communities  
and local councils on land categorisation and what  
this means for their homes, land, livelihoods, and  
communities. These are difficult conversations  
to have, and I would like to thank people for their  
patience and understanding.

This has been a difficult Annual Plan budget to  
prepare. We are dealing with challenges of substantial  
unplanned cyclone costs, with more expected to  
come, and increased insurance premiums and rising  
interest rates and inflation.

To help contain the burden on our ratepayers and  
keep the focus on recovery we made some tough  
decisions about our previously planned work. We have  
paused some work and scaled back and deferred  
other work. We have cut internal costs and used loan  
funding to reduce the impact on our ratepayers. We  
have also extended the timeframe for our internal  
loan repayments. As you will appreciate loan funding  
operational matters is only a short-term solution and  
one we are conscious of.

The decisions to change some work programmes  
were tough because none of the issues we manage  
on your behalf have gone away, and in fact, Cyclone  
Gabrielle has given our work even more urgency.

Prior to adopting the Hawke's Bay Regional Water  
Assessment in June 2023 we updated it to include  
both sides of climate change – not enough water,  
or drought, and too much water, or severe  
weather events.

Following the cyclone, we have also taken on new  
work across a wide geographical area. This includes  
removing and processing silt, which we are now  
undertaking as a joint initiative with Hastings District  
Council and funded by central government.

We informed the community of the tough choices we  
faced and how we are working differently through our  
Annual Plan 2023-2024 engagement from 16 June to  
2 July 2023.

I would like to thank all of the submitters who  
provided feedback – we received 87 submissions.

We can confirm a 6 percent average rates increase,  
substantially lower than our Long Term Plan forecast  
of 14.5 percent. We are also introducing a regional  
cyclone recovery charge. On your rates bill you will see  
both a fixed and variable charge. The fixed charge is  
capped at \$55 per SUIP (separately used or inhabited  
part of a rating unit). The variable charge will relate to  
your land value. Together this will raise \$5.88 million  
(including GST) to help pay for cyclone costs we don't  
expect will be covered by other sources.

Tremendous progress has been made repairing our  
stopbanks and our focus for 2023-2024 remains  
firmly on reinstating the region's flood infrastructure  
and setting ourselves up to support the region's  
recovery as best we can.

As a region, we have a huge job ahead of us. We  
remain committed to our region's recovery and to  
continued collaboration with our communities.

**Hinewai Ormsby**  
Te Toihau  
Chair



*Hinewai Ormsby*



### Welcome to our new Chief Executive

I would like to take this opportunity to  
welcome Dr Nic Peet, our new Tumu Whakarae  
Chief Executive for the Regional Council who  
started in early July 2023. Dr Peet brings a  
wealth of environmental experience, with the  
past 10 years at Horizons Regional Council  
where he led the organisation's approaches to  
freshwater reform and climate change.

I would also like to thank our Te Pou Whakarae  
Pieri Munro and Bill Bayfield who have been our  
consecutive Interim Chief Executives following  
the departure of James Palmer in February  
2023. I acknowledge and have appreciated  
their valued contribution and commitment  
during the regional response and recovery.







# He kupu nā ngā Toihau Kōmiti Māori

## Message from the Māori Committee Co-Chairs

*Mā tōu rourou mā tōku rourou  
ka ora te manuhiri.*

*With your food basket and with my  
food basket the people will be fed.*

As a region, Cyclone Gabrielle produced one of our region's most significant weather events and one of our biggest ever challenges. We'd like to acknowledge our Māori communities across Te Matau-a-Māui who have pulled together and supported each other, and others through these trying times.

Nine marae within our rohe were directly impacted by the flooding of 14 February 2023. We proudly witnessed all our iwi and Post Settlement Governance Entities standing up and helping whānau with the coordination and delivery of welfare needs and supplies.

Waipatu Marae opened their doors to Waiohiki residents, many of whom remain. All marae that had the capacity to help responded within 48-hours of the cyclone and continued with ongoing support in the aftermath.

As we look forward and begin to work through what this means for the future of our people and our land, we are in full support of the locally-led, regionally-coordinated approach. This provides our whānau, hapū, and iwi with the opportunity for conversations specific to them and enables us all to understand and consider the options available.

This year we have welcomed new committee members and we are picking up additional roles as we look to the coming year and support our region's recovery. Two representatives from the Māori Committee have stepped onto the Cyclone Recovery Committee and we are gaining mana whenua inclusion on the Hawke's Bay Civil Defence Emergency Management (HBCDEM) Group Joint Committee.

As Cyclone Gabrielle has left a mark on our memories, it has also reminded us that climate change is here. With its influence on our changing weather patterns, we have also stepped into a new role on the Climate Action Joint Committee, with the aim of building climate resilience and ensuring we achieve our regional goals.

This year sees the whole community navigating a testing and uncertain time, and our commitments will strengthen the voice for Māori. Working alongside others in Te Matau-a-Māui, we will ensure a fair and considered approach is taken for our people as well as preserve and restore our taonga as we rebuild.

As kaitiaki, we're committed to ensuring a sustainable, healthy future for our generations to come.

**Mike Paku and Katarina Kawana**

**Ngā Toihau - Kōmiti Māori**  
*Māori Committee Co-Chairs*

**Strong  
partnerships  
support recovery**





## Kupu whakataki Introduction

### Role of a regional council

As a regional council we are primarily responsible for the integrated management of the natural and physical resources of Hawke's Bay. This includes land, water, air, soil, biodiversity, and built structures such as stopbanks.

We plan, budget, and report on our work in groups of activities. We have combined the range of work we do into the following groups of activities:



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### Governance & Partnerships

We help our elected members and tangata whenua representatives in their governance roles, and promote community sustainability and regional development.

### Policy & Regulation

We carry out policy planning and implementation, issue consents, compliance monitoring and pollution response. We are also responsible for maritime safety.

### Integrated Catchment Management

We provide science and environment information, catchment management, and biodiversity and biosecurity work.

### Asset Management

We carry out flood protection and control works, and flood risk assessment and warning. We also manage the Regional Water Security Programme, and work to date to reduce the effects of coastal hazards.

We also own and manage various regional parks, and maintain cycle ways that are on our stopbanks that form part of Hawke's Bay Trails.

### Emergency Management

We manage the Hawke's Bay Civil Defence Emergency Management Group (HBCDEM) on behalf of the region's councils. We also maintain emergency response capability to support the CDEM Group. Additionally, we operate a 24-hour CDEM and HBRC duty management service to respond to urgent public enquiries and complaints.

### Transport

We undertake regional transport planning and coordinate road safety education across Hawke's Bay. We also contract public bus and Total Mobility taxi services.



### About this Annual Plan

This Annual Plan revises our plan for 2023-2024 outlined in our Long Term Plan 2021-2031.

We undertook community engagement from 16 June to 2 July 2023 to inform the community of the tough choices we proposed and seek feedback on the focus of this Annual Plan following Cyclone Gabrielle.

We received 87 submissions from all over Te Matau-a-Māui. There was strong input from our horse-riding community, as part of a longer-term strategy wanting more horse-riding trails, better quality and safer trails, and better access to them. People needing to feel safe was important to submitters. Build back, and better, and helping people that have been impacted by Cyclone Gabrielle were also important to submitters.

### Our planning and reporting cycle

We produce annual plans in the years between long term plans to update information and budgets for the coming year, highlight key variances from the long term plan forecast for that year, and set the rates.

We review and update our long term plan every three years. A long term plan describes the community outcomes the Regional Council aims to achieve, and the activities it will fund and undertake to achieve those outcomes over a 10-year period. Our current Long Term Plan 2021-2031 was adopted on 30 June 2021.

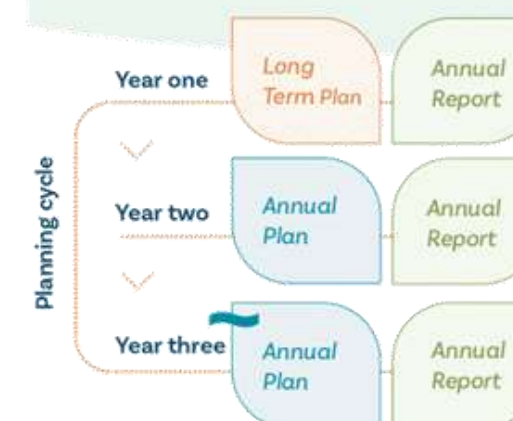
We produce an annual report at the end of each financial year to let you know whether we did what we said we would do in the previous year.



Our Long Term Plan 2021-2031 recognises our region has enormous and pressing environmental issues. Cyclone Gabrielle has reminded us how important our work is in preparing for climate change.

The Long Term Plan is available online or at Regional Council offices in Napier, Taradale, Waipawa, and Wairoa.

[hbrc.govt.nz, search: #LTP2131](https://hbrc.govt.nz/search/#LTP2131)





## Ō tātau kaikaunihera Our councillors



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## Our vision and values

### Our vision

**We want** a healthy environment and a resilient and prosperous community.



### Our purpose

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



Hawke's Bay Regional Council is made up of 11 representatives elected by the community through the local body elections. The elections are held every three years with the most recent election held on 8 October 2022. Councillors elect the Chair at the first Regional Council meeting following a local body election. The Hawke's Bay region is divided into seven

constituencies. Since October 2022, the Regional Council has two Māori constituencies. Councillors are responsible for setting the strategic direction and developing or approving all major policies to enable the Regional Council to achieve its vision for a healthy environment and a resilient and prosperous community.



## Tā te huripari whakararu i te mahere pūtea Cyclone shock for our budget

*Cyclone Gabrielle has had a significant impact on our budget. We have incurred substantial unplanned costs in our response and recovery to Cyclone Gabrielle - and expect more to come; we face a range of external cost pressures; and there are still a lot of unknowns as the region works to rebuild itself.*

Top of mind for us in developing this budget was the impact on our ratepayers, who are already facing similar pressures. We have tried to strike a balance to contain costs to reduce the burden on our ratepayers and position ourselves so we can make a head start on costs we know are coming to restore our region's infrastructure.

The estimates contained in this Annual Plan are based on the best information available at the time and costs may change during the year.

### Unplanned cyclone costs

As of mid-July 2023, we have \$92 million in unplanned costs for response and subsequent recovery work because of the cyclone.

This includes \$42 million for waste collection (costs for this are covered by the Government's Severe Weather Debris Funding Programme), \$36 million on emergency repairs and rebuilding flood infrastructure, and \$8 million for Civil Defence's work.

We anticipate we will face further substantial unplanned costs during the upcoming year. We are working with the Government and other agencies to cover as much of these costs as possible.

### Rising external costs

Our budget has been impacted by increased insurance premiums, rising interest rates, and inflation on both labour and supplies following the disruptions of Covid, the war in Ukraine, and other global, national, and regional events over the past few years. These increases have been much higher than anticipated in our Long Term Plan 2021-2031.

### Uncertainty

We are expecting funding shortfalls between what we can claim back for cyclone work through the Government, NEMA (National Emergency Management Agency) and our insurance. We will continue to explore all other possible funding avenues.

We do not yet know what recommendations will come out of planned reviews (see page 19) and how any advised work would be funded.

Uncertainty also exists around the physical works needed and how we can fund required mitigations to support Category 2 designated properties.

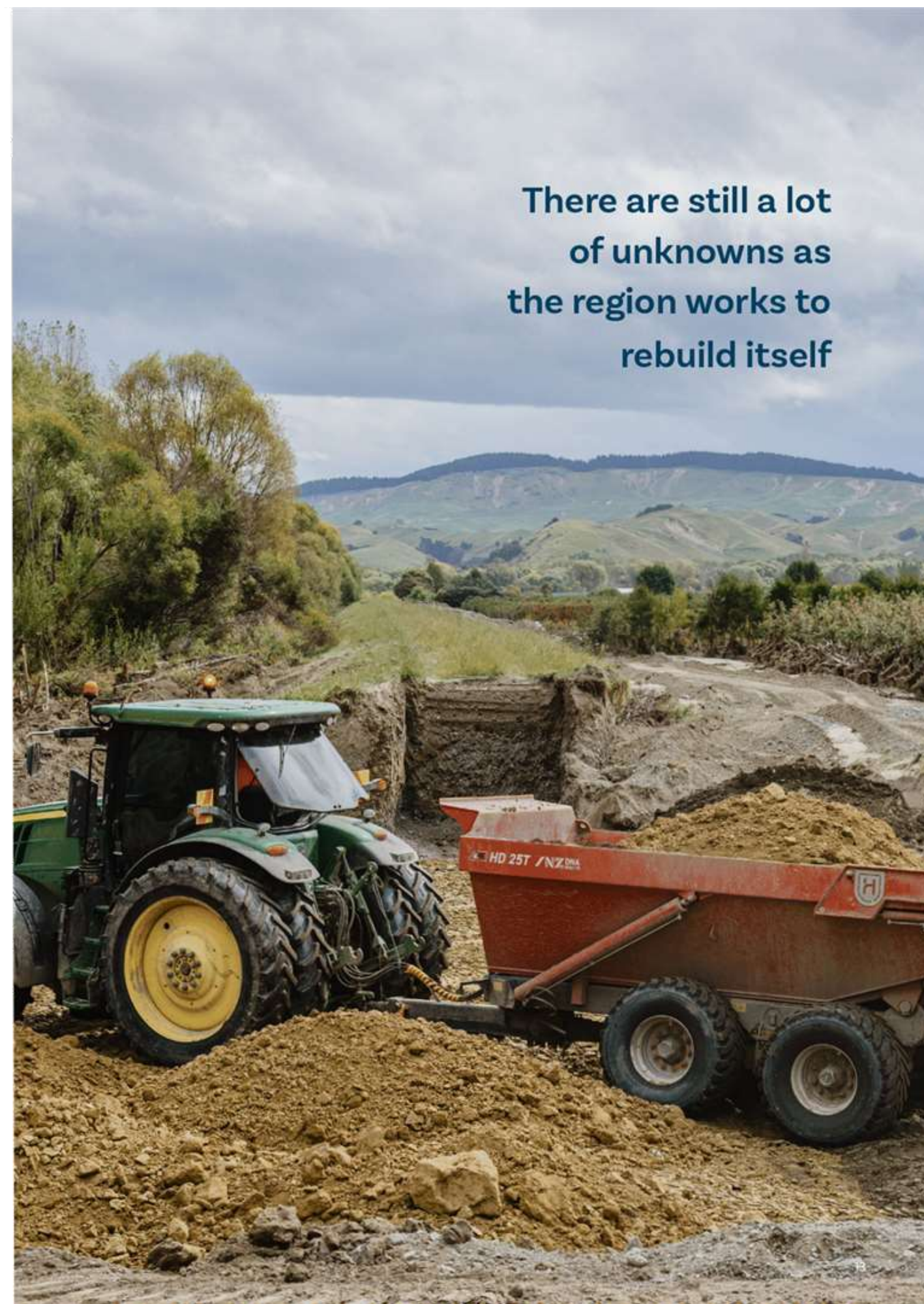






Image courtesy of the Wairoa Star

## 6% average rates increase

We have substantially reduced our Long Term Plan forecast of 14.5 percent average rates increase down to 6 percent.

We have a no-frills budget that focuses on core business such as reinstating our flood protection infrastructure and supporting the region's recovery.

To do this we had to make some tough choices about the work we do and where we could cut costs:

- We have paused, scaled back and/or deferred some previously programmed work. For example, we deferred the Napier pilot of MyWay Hawke's Bay (on-demand public transport service) until further central government funding can be secured, we deferred construction spend on Ahuriri and Wairoa regional parks, and reduced funding in pest work and research while staff are deployed to rural recovery.
- We reduced some internal operational costs, including some ICT software development, staff training budget, and are not filling some vacancies.
- We took up general rates smoothing loan funding not drawn in years one and two of our Long Term Plan 2021-2031.
- We will be extending our internal loan repayments from 10 years to 20 years.

Rate increases vary between properties and can be higher or lower than the average. For example:

- Your rates depend on the range of services provided in your area.
- You may have made some changes to your property such as renovations, which will impact on your rating valuation.
- If your property is in the Hastings district, the recent general revaluation may impact your rates, if your property value increased more than the average percentage.
- Some targeted rates will increase more due to previous decisions to smooth the impact of targeted rates to rebuild reserves.

### Rates support for those in financial hardship

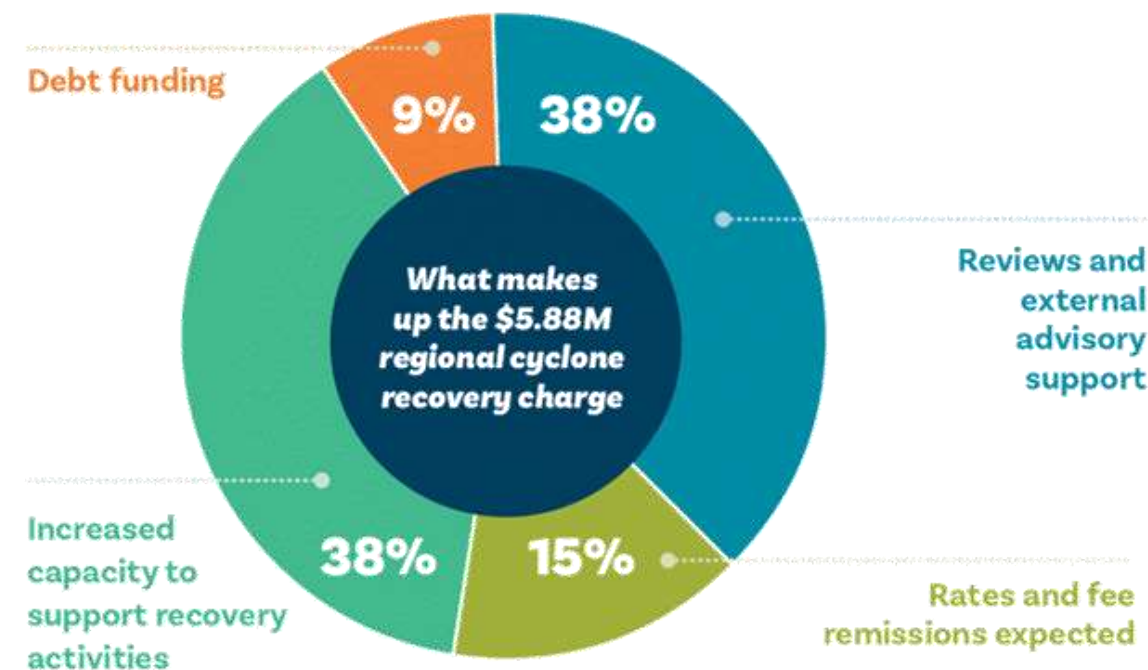
We are understanding and responsive of people's circumstances, particularly if your house, business, productive land, livelihood, or employment have been affected by Cyclone Gabrielle.

Rates invoices for 2023-2024 will be issued in August 2023. We invite and encourage those ratepayers who are experiencing financial hardship because of the cyclone to contact our rates team for a confidential discussion about how we can assist you. We have increased our team's capacity to ensure we can respond and are available to talk with you.

**You can contact us on 06 835 9200 or 0800 10 88 38 or [info@hbrc.govt.nz](mailto:info@hbrc.govt.nz)**



Debt funding



## Regional cyclone recovery charge

In addition to the rate increase, we are introducing a *regional cyclone recovery charge*. This consists of a fixed charge of \$55 per SUIP (separately used or inhibited part of a rating unit) plus a separate variable line item on your rates based on your land value (LV).\*

Together, they will raise \$5.88 million (including GST) and help pay for response and recovery costs that we don't expect to be covered by other sources.

This charge wasn't included in our Long Term Plan 2021-2031 however we informed the community in our Annual Plan 2023-2024 engagement document. We can set a new rate if it's needed to meet an unforeseen and urgent need which can't be reasonably met any other way.

For detailed financial information see Part 4, 2023-2024 Financials pages.

\*The reason two line items will be listed rather than one is because the Regional Council must not have the Uniform Annual General Charge and targeted rates set on a uniform basis exceeding 30% of total revenue from all rates sought – as per section 21 of the Local Government Act 2002.



## Ngā panonitanga mahi i muri mai i a Huripari Kapihiera Working differently after Cyclone Gabrielle

*We are changing the way we work as we focus on supporting our communities and environment to recover from Cyclone Gabrielle and become stronger and more resilient.*



### Environmental resilience planning

Fundamental to our recovery work is our Environmental Resilience Plan for Hawke's Bay. Our Environmental Resilience Plan, along with each of the Hawke's Bay council's and other agencies' Locality Plans, feed into the Regional Recovery Plan being developed by the Hawke's Bay Regional Recovery Agency. The Hawke's Bay Regional Recovery Agency will use the Regional Recovery Plan to advocate for Government funding.

### Supporting the Regional Recovery Agency

The Regional Recovery Agency is not currently a registered legal entity and has no bank account, or ability to execute agreements with any stakeholders such as the Government for funding agreements. Central government, with the support of other councils, and the Matariki Governance Group, requested that HBRC manage and administer the Regional Recovery Agency for now as it can provide the required services and has regional jurisdiction. Importantly, doing this means recovery work can continue while other arrangements for the Regional Recovery Agency are explored.

We are assisting to manage recovery money the Government allocates to the region and are also undertaking back-office support such as procurement, accounts payable, human resource support, and IT support.

We want to advise you of this role, as it is not included in our Long Term Plan 2021-2031, but is vital work to help with Hawke's Bay's recovery.

### Technical assessments for land categorisation

Two of our key roles as a regional council are flood hazard modelling and providing the technical assessment to support decision making on credible and affordable options for flood protection.

Both are informing land-use categorisation for properties affected by Cyclone Gabrielle and land-use planning more generally.

Land-use categorisation is determining where homes can be rebuilt. While we alone aren't making decisions on land-use categorisation our technical assessments are a critical input.

We are working alongside our impacted communities, central government, and local councils on land categorisation and what this means for homes, land, livelihoods, and communities. We understand people want certainty.

### Rethinking flood protection

Our immediate focus is completing permanent repairs to reinstate our flood infrastructure to what it was before Cyclone Gabrielle. Once the rapid rebuild programme is complete our focus will be implementing solutions to Category 2 areas to manage risk so homes can be rebuilt on current sites and assessing what the protection level is post Cyclone Gabrielle.

Beyond this, the Council's focus will be on solutions to build resilience. These solutions will emerge through technical reviews and the independent review capturing community views. These will include both engineering solutions such as spillways, secondary stopbanks, and catchment or nature-based solutions such as tree-planting and wetlands. This will build on work already taken to improve resilience such as the Taradale stopbank upgrade and gravel extraction work in Upper Tukituki, made possible with significant central government co-funding. The Taradale stopbank was upgraded to a 0.2 percent likelihood of flooding in any given year (or 1-in-500-year level of flood protection) before the cyclone and helped to protect the Taradale community from catastrophic flooding.

Government funding of \$100 million announced in May 2023 for flood protection for all regions

affected by Cyclone Gabrielle and the outcome of negotiations with the Government on cost-sharing will be critical for helping us get this work done.

### Keeping our communities safe

Additional money has been allocated in this Annual Plan to immediately boost capacity in our Civil Defence team. The team will be seeking further increased funding in our next long term plan.

The focus for the team following Cyclone Gabrielle is to build on and accelerate the work they already do in working with communities to help build resilience to disasters, being prepared for our next events, and embed the operational learnings from the cyclone.

With our local councils and emergency services, staff will work with marae and rural communities in places that could be isolated in the event of a natural disaster.

The importance of having communities prepared and able to support themselves was highlighted by Cyclone Gabrielle where many communities set up their own hubs when they were cut off and not accessible by road. The hubs were able to be used as distribution points when helicopters dropped in essential supplies.



## Cleaning up the silt and waste created by Cyclone Gabrielle remains an enormous job

### Cleaning up

Cleaning up the silt and waste created by Cyclone Gabrielle remains an enormous job. The Silt Recovery Taskforce, a joint initiative between us and Hastings District Council, is making headway – it shifted around 350,000 cubic metres from properties in its first three months. The Taskforce estimated in June 2023 that it had around 1 million cubic metres still to collect based on current logged jobs.

We are planning to re-use silt where we can. It has a variety of uses such as filling land voids in large properties, recontouring and shaping land depressions, backfill for borrow sites (typically used for stopbank repairs), and can be used in making topsoil and compost for future land replenishment. Our Works Group was initially tackling the huge job of cleaning up woody debris. The Taskforce is now doing this, with a focus on Wairoa.

The Taskforce's work is funded through central government with the Regional Council responsible for managing the funding.

As a region we are collectively facing tough decisions about how to deal with cyclone and flood waste. In May 2023, we put an exception in place for flood damaged properties within airsheds to responsibly burn waste over winter. A temporary law change now enables rural landowners to burn cyclone and flood waste on commercial-scale horticultural and agricultural properties not located in the Hastings or Napier airsheds. A fire management plan must be submitted to the Regional Council and people need to follow the advice of Fire and Emergency NZ.

### Supporting our rural and primary sector recovery

Our Integrated Catchment Management teams have redeployed many staff to support our rural community.

Our Rural Recovery Team is working closely with farmers and growers to understand their ongoing needs so we can connect them to appropriate services, assist with individual farm recovery planning (that can be transitioned into Freshwater Farm Plans when they are implemented in Hawke's Bay), and partner with them on appropriate Regional Council programmes such as our Hill Country Erosion Control scheme and Land for Life.

### Getting more trees in the ground

Cyclone Gabrielle caused significant and, in some cases, unprecedented landslide, earthflow, gully and streambank erosion in many parts of the region.

We will be working with urgency in partnership with tangata whenua, mana whenua, and landowners to explore options for whole catchments to get trees and appropriate plants into the ground and keep soil out of water.

That includes looking into developing nurseries across the region to meet the increasing demand for poplar and willow poles in Hawke's Bay.

This work also includes looking into the possibility of significantly scaling up our Land for Life programme (formerly Right Tree Right Place). The programme supports farmers to plant the right trees in the right places to slow erosion, improve freshwater quality, improve biodiversity, and build resilient farms. It also supports improvements in pastoral farm systems and regenerative farming practices that are good for farmers' bottom lines and have less impact on the environment.

### Science expertise to understand cyclone impacts on environment

Our scientists are working to direct central government's Extreme Weather Science Funding to examine how Cyclone Gabrielle has impacted our natural environment and how we can build resilience.

We are looking at four focus areas:

- Resilient land
- Climate resilience
- Water security and health
- Integrated ecological assessments

This work will be done in partnership with Crown Research Institutes, Ministries, and national organisations.

### Reviews

Reviews are important after natural disasters of this scale so we can see where improvements can be made to keep our communities safe and to support long-term investment decisions.

Two key independent reviews are planned and will be funded through the regional recovery charge, see page 15.

They are:

- 1) HBRC Flood Protection Assets and Drainage Performance Review
- 2) Review of the Hawke's Bay Civil Defence Emergency Management (HBCDEM) Group operational response to Cyclone Gabrielle

We are also undertaking internal reviews which will inform the two independent reviews above, for example, a review of our telemetry system which transmits and records monitoring information such as rainfall.





## 2023-2024 financial information

External factors such as Covid, inflation, and interest rate increases continue to have significant impacts on council planning and the cost and availability of labour, contractors, and supplies. The recovery from the cyclone has added an extra layer of complexity to our planning, especially as we are still in the early stages of a long process.

As described earlier in this plan we have made some tough choices about the work we do to bring our average rates increase down to 6 percent.

In addition to the rate increase, we have introduced a fixed regional cyclone recovery charge of \$55 per SUIP (separately used or inhabited part of a rating unit), plus a separate variable line item on your rates based on your land value (LV).

Together, they will raise \$5.88 million (including GST) and help pay for response and recovery costs that we don't expect to be covered by other sources.

To check the rates for your individual property, go to [hbrc.govt.nz](https://hbrc.govt.nz), search: #myproperty

### 2023-2024 funding sources

The graph below shows the various sources of funding the Regional Council will use in the upcoming year to deliver our activities. The 'other' category includes expected insurance proceeds while the 'subsidies and grants' is greater than last year because it includes estimates for NEMA (National Emergency Management Agency) claims still to be made.

### Fees and charges

Hawke's Bay Regional Council has a range of fees and charges for services to fund part of its regulatory functions.

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

The charges are notified and published on our website [hbrc.govt.nz](https://hbrc.govt.nz), search: #AnnualPlans







## 2023-2024 operating expenditure

The graphs on the next page reflect the planned operating spend for the 2023-2024 financial year, including the breakdown between our business as usual (BAU) activities and the additional work resulting from Cyclone Gabrielle. The BAU Spend graph is broken down into the six groups of activities, that are described in detail in our Long Term Plan 2021-2031, plus our Corporate Services.

The Corporate Services activity includes operational expenditure which is funded via loans, reserves or rates and is not reallocated throughout the groups of activities.

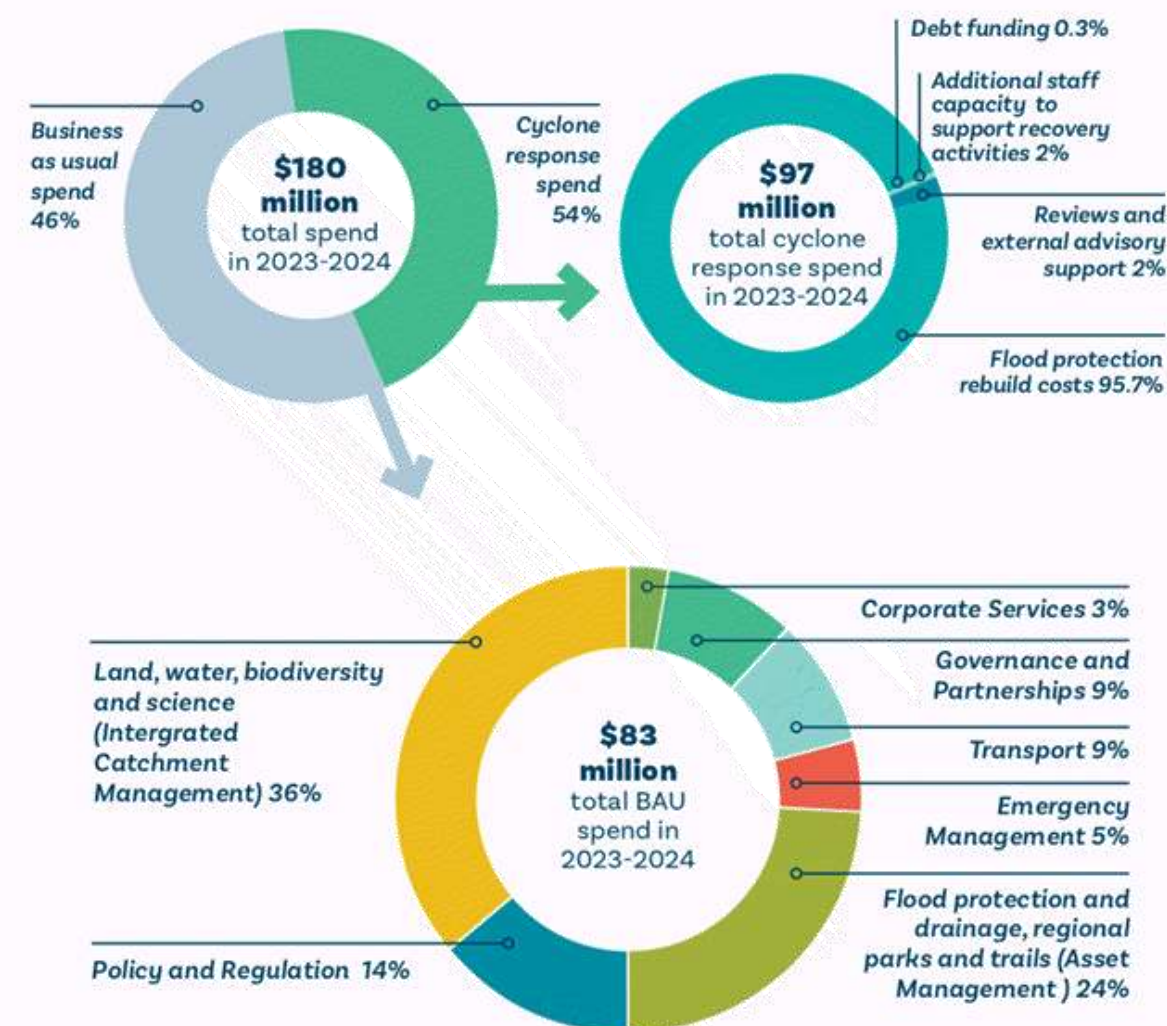
The flood protection rebuild costs that sit in the Cyclone Response Spend graph have been classified as operating cost at this stage while the accounting treatment for the rebuild of our infrastructure assets are finalised. This causes the Regional Council to fall under the balanced budget benchmark, permitted under section 100 (20) of the Local Government Act 2002.

The Annual Plan budget includes \$19.7 million additional borrowing for operating expenditure, not set out in year 3 of the Long Term Plan. This additional borrowing means the Council does not have a balanced budget for the 2023-24 financial year, with operating expenditure exceeding operating revenue by \$21.5 million.

The additional borrowing comes from three main sources:

1. \$13.5 million additional loan funding (borrowing) to fund the shortfall in the cost of repairs to flood protection assets damaged during Cyclone Gabrielle, not covered by insurance or government grants. This expenditure is currently classified as an operating cost, pending a final decision on the financial treatment of this work.
2. \$3.6 million additional general rate offset loan funding, which was planned but not drawn in years 1 and 2 of our LTP.
3. \$2.2 million of planned loan funding for ICT development and environmental data models. In the LTP and Annual Plan 22/23, these costs were treated as capital, but are now classified as operating due to a change in accounting standards.

Council has the financial capacity to fund the operating revenue shortfall using borrowing, and to do so is appropriate given the long-term benefits of the expenditure funded.



## 2023-2024 capital expenditure

Capital expenditure, excluding the Cyclone Gabrielle recovery costs described above, is similar to that in year three of the Long Term Plan 2021-2031 with a few exceptions. Spend on property, plant, equipment and intangible assets has decreased through a review of ICT service software development and an extension of how long we hold vehicles for.

Other areas are being reassessed and reprioritised as we develop our post-cyclone recovery plans.



**Prospective Statement of Comprehensive Revenue and Expense**

	Note	Annual Report 2021/22 (\$'000)	Year 1 LTP 2022/23 (\$'000)	Year 2 LTP 2023/24 (\$'000)	Annual Plan 2023/24 (\$'000)
<b>REVENUE</b>					
Revenue from activities	1	11,060	9,787	9,951	12,664
Revenue from rates	2	30,068	33,865	38,768	40,960
Revenue from grants		13,340	14,881	5,111	32,197
Other revenue	3	12,852	21,148	20,132	70,962
Fair value gains on investments	7(a)	12,205	1,156	1,179	1,179
Reduction in ACC Leasehold Liability		-	815	831	831
<b>Total Operating Revenue</b>		<b>79,525</b>	<b>81,651</b>	<b>75,972</b>	<b>158,793</b>
<b>EXPENDITURE</b>					
Expenditure on activities	1	73,672	70,742	69,103	170,117
Finance costs	1	2,169	2,125	2,589	5,040
Depreciation & amortisation expense	5	4,138	4,509	5,355	5,160
Fair value losses		15,159	-	-	-
Other expenditure		23	-	-	-
Impairment		-	-	-	20-
<b>Total Operating Expenditure</b>		<b>95,161</b>	<b>77,375</b>	<b>77,046</b>	<b>180,337</b>
<b>OPERATING SURPLUS</b>					
<b>Operating Surplus / (Deficit) Before Income Tax</b>		<b>(15,636)</b>	<b>4,275</b>	<b>(1,075)</b>	<b>(21,544)</b>
Income tax expense		-	-	-	-
<b>Operating Surplus / (Deficit) After Income Tax</b>		<b>(15,636)</b>	<b>4,275</b>	<b>(1,075)</b>	<b>(21,544)</b>
<b>OTHER COMPREHENSIVE REVENUE AND EXPENSE</b>					
Gain / (loss) infrastructure assets	7(a)	28	3,133	-	3,133
Gain / (loss) in revalued intangible assets	7(a)	(72,243)	26,352	25,982	25,982
Gain / (loss) in revalued property, plant and equipment assets		6,237	-	-	-
<b>Total Other Comprehensive Revenue and Expense</b>		<b>(65,978)</b>	<b>29,485</b>	<b>25,982</b>	<b>29,115</b>
<b>TOTAL COMPREHENSIVE REVENUE AND EXPENSE</b>		<b>(81,614)</b>	<b>33,760</b>	<b>24,908</b>	<b>7,571</b>

**Statement For General Funding Position**

<b>CAPITAL EXPENDITURE</b>				
Property, plant, equipment & intangible assets		5,167	6,112	3,627
Infrastructure assets - flood & drainage		17,284	4,107	4,843
Infrastructure assets - open spaces & regional assets		4,074	2,157	4,367
Forestry assets		357	188	281
Sustainable homes net lending		4,970	5,289	3,360
Public debt repayments	4(a)	6,596	4,867	4,503
<b>TOTAL CAPITAL EXPENDITURE</b>		<b>38,448</b>	<b>22,720</b>	<b>20,981</b>

**RESERVE AND PUBLIC DEBT FUNDING**

Reserves funding	6	4,111	(232)	3,273
Doubtful debts		20	20	20
Depreciation	5	4,509	5,355	5,160
Public debt funding	4(a)	27,503	20,661	36,081
Fair value gains on investments	7(a)	(1,156)	(1,179)	(1,179)
Fair value gains on other comprehensive revenue and expenses		(29,485)	(25,982)	(29,115)
Reduction in ACC leasehold liability		(815)	(831)	(831)
<b>Total Reserve &amp; Loan Funding</b>		<b>4,688</b>	<b>(2,188)</b>	<b>13,410</b>
<b>UNDERLYING SURPLUS / (DEFICIT)</b>		<b>0</b>	<b>(0)</b>	<b>(0)</b>

**Prospective Statement of Changes In Net Assets / Equity**

	Note	Annual Report 2021/22 (\$'000)	Annual Plan 2022/23 (\$'000)	Year 3 LTP 2023/24 (\$'000)	Annual Plan 2023/24 (\$'000)
<b>Net Assets / Equity at the Start of the Year</b>		<b>819,603</b>	<b>854,648</b>	<b>940,885</b>	<b>885,275</b>
Total Comprehensive Revenue and Expense		(81,614)	33,760	24,908	7,571
<b>Net Assets / Equity at the End of the Year</b>		<b>737,989</b>	<b>888,408</b>	<b>965,793</b>	<b>892,846</b>

**Prospective Statement of Financial Position**

	Note	Annual Report 2021/22 (\$'000)	Annual Plan 2022/23 (\$'000)	Year 3 LTP 2023/24 (\$'000)	Annual Plan 2023/24 (\$'000)
<b>ASSETS</b>					
<b>Non Current Assets</b>					
Property, plant & equipment		37,412	37,188	39,369	36,705
Intangible assets		14,087	16,829	16,785	16,725
Infrastructure assets		197,279	235,940	235,199	244,204
Investment property		71,940	68,041	65,879	69,220
Forestry assets		13,628	14,344	9,833	12,382
Finance assets		123,359	142,934	147,495	147,934
Investment in council-controlled organisations		386,690	496,469	573,200	522,451
Advances to council-controlled organisations		121	-	-	-
Napier / Gisborne rail lease		-	1,486	1,486	1,486
<b>Total Non Current Assets</b>		<b>826,516</b>	<b>1,013,231</b>	<b>1,089,247</b>	<b>1,051,107</b>
<b>Current Assets</b>					
Inventories		409	419	484	430
Trade & other receivables		11,876	13,278	13,594	13,104
Finance assets		3,833	2,786	2,956	2,807
Advances to council-controlled organisations		-	-	-	-
Cash & cash equivalents		10,657	7,047	3,491	3,424
<b>Total Current Assets</b>		<b>26,775</b>	<b>23,531</b>	<b>20,525</b>	<b>19,764</b>
<b>TOTAL ASSETS</b>		<b>853,291</b>	<b>1,036,762</b>	<b>1,109,772</b>	<b>1,070,871</b>

**NET ASSETS / EQUITY**

Accumulated comprehensive revenue and expense	8	321,329	292,487	313,852	274,215
Fair value reserves	8	326,209	460,311	529,155	486,293
Other reserves	8	90,451	135,611	122,786	132,338
<b>Total Net Assets / Equity</b>		<b>737,989</b>	<b>888,408</b>	<b>965,793</b>	<b>892,846</b>

**LIABILITIES**

<b>Non Current Liabilities</b>					
Derivative financial instruments		-	18	-	-
Borrowings		59,738	97,874	118,782	131,936
ACC Leasehold Liability		32,204	29,060	9,453	26,779
Provisions for other liabilities & charges		431	510	520	510
<b>Total Non Current Liabilities</b>		<b>92,373</b>	<b>127,462</b>	<b>128,755</b>	<b>159,225</b>

**Current Liabilities**

Derivative financial instruments		-	46	-	-
Trade & other payables		15,946	12,174	12,511	12,218
Borrowings		3,650	5,984	1,087	3,500
ACC Leasehold Liability		1,526	50	44	1,500
Provisions for other liabilities & charges		1,807	2,638	1,582	1,582
<b>Total Current Liabilities</b>		<b>22,929</b>	<b>20,892</b>	<b>15,223</b>	<b>18,800</b>

<b>Total Liabilities</b>		<b>115,302</b>	<b>148,353</b>	<b>143,979</b>	<b>178,025</b>
<b>TOTAL NET ASSETS / EQUITY AND LIABILITIES</b>		<b>853,291</b>	<b>1,036,762</b>	<b>1,109,772</b>	<b>1,070,871</b>



Prospective Cash Flow Statement					
	Note	Annual Report 2021/22 (\$'000)	Year 1 LTP 2022/23 (\$'000)	Year 2 LTP 2023/24 (\$'000)	Annual Plan 2023/24 (\$'000)
CASH FLOW FROM OPERATING ACTIVITIES					
Cash to be provided from:					
Rates		30,789	32,532	38,629	40,813
Receipts from customers		14,744	22,422	11,980	13,642
Dividends received		9,035	10,497	10,905	10,905
Interest received		234	6,139	6,261	6,261
Grants		13,340	6,151	5,111	32,197
Other income		1,042	-	-	53,795
GST		-	(539)	27	-
Total		69,184	77,200	72,913	157,613
Cash applied to:					
Payments to suppliers		38,728	40,497	41,940	131,041
Payments to employees		28,838	29,990	27,104	40,739
Finance expense		1,463	2,125	2,589	5,040
Total		69,029	72,612	71,632	176,819
Net Cash Flows from Operating Activities		155	4,590	1,281	(19,205)
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash to be provided from:					
Disposal of property, plant & equipment		56	891	722	-
Disposal of investment properties		1,965	-	-	-
Disposal of financial assets		1,448	2,970	3,360	3,360
Receipts from sale of investments		-	-	-	-
Disposal of forestry assets		-	-	1,313	1,313
Disposal of Napier/Gisborne Rail Lease		-	-	-	-
Total		3,469	3,861	5,395	4,673
Cash applied to:					
Purchase of property, plant & equipment		4,030	4,152	3,436	3,561
Purchase of intangible assets		669	1,016	2,676	66
Construction of infrastructure assets		6,871	21,715	6,452	9,491
Community lending		3,107	6,901	7,579	6,721
Purchase of financial assets		475	3,419	3,497	-
Forestry asset development		65	-	-	-
Leasehold Liability		-	821	871	831
Total		15,217	38,024	24,512	20,669
Net Cash Flows from Investing Activities		(11,748)	(34,163)	(19,117)	(15,996)
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash to be provided from:					
Loans drawn		19,000	27,503	20,661	36,081
Cash applied to:					
Loans repaid		4,851	6,596	4,867	4,503
Net Cash Flows from Financing Activities		14,149	20,907	15,794	31,578
Net Increase / (Decrease) in Cash & cash equivalents		2,556	(8,666)	(2,042)	(3,623)
Opening cash & cash equivalents		8,101	15,713	5,533	7,047
Closing Cash & cash equivalents		10,657	7,047	3,491	3,424

Note 1 - Activity Revenue & Expenditure					
	Annual Report 2021/22 (\$'000)	Year 1 LTP 2022/23 (\$'000)	Year 2 LTP 2023/24 (\$'000)	Annual Plan 2023/24 (\$'000)	
REVENUE					
Groups of Activities					
Governance & Partnerships	778	766	1,001	1,001	
Policy & Regulation	2,555	3,175	3,354	3,823	
Integrated Catchment Management	3,588	3,291	3,311	4,380	
Asset Management	3,324	1,527	1,430	3,521	
Emergency Management	88	-	-	-	
Transport	392	-	-	-	
Corporate Overhead	335	1,027	856	140	
TOTAL REVENUE FROM ACTIVITIES	11,060	9,787	9,951	12,664	
EXPENDITURE					
Groups of Activities					
Governance & Partnerships	6,965	7,008	7,512	8,058	
Policy & Regulation	8,223	11,076	11,533	11,946	
Integrated Catchment Management	32,816	30,565	29,431	29,869	
Asset Management	19,102	15,910	15,646	113,922	
Emergency Management	3,205	3,301	3,327	6,797	
Transport	7,312	7,011	7,819	7,333	
Corporate Overhead	2,438	2,505	1,779	2,412	
Total Groups of Activities	80,061	77,375	77,046	180,337	
Less					
- interest on borrowings	2,169	2,125	2,589	5,040	
- payments associated with the transfer of Napier leasehold cashflows to ACC	-	-	-	-	
- internal expenditure	82	-	-	-	
Total finance costs	2,251	2,125	2,589	5,040	
Less depreciation and amortisation expense	4,138	4,509	5,355	5,160	
Less impairment expense	-	-	-	20	
TOTAL EXPENDITURE ON ACTIVITIES	73,672	70,742	69,103	170,117	

Expenditure - Asset Management, the increase from year 3 LTP is due to \$93.9 million additional expenditure for flood protection infrastructure rebuild and scheme reviews as a result of Cyclone Gabrielle. Protection infrastructure rebuild as a result of Cyclone Gabrielle

Expenditure - Emergency Management, the increase from year 3 LTP includes \$2.7 million additional staff capacity, expenditure and debt funding to support Hawke's Bay Regional Council cyclone recovery management.



**Notes 2 & 3 - Rates & Other Revenue**

	Annual Report 2021/22 (\$'000)	Year 1 LTP 2022/23 (\$'000)	Year 2 LTP 2023/24 (\$'000)	Annual Plan 2023/24 (\$'000)
<b>NOTE 2: RATES</b>				
<b>General Funding Rates</b>				
Uniform Annual General Charge (UAGC)	3,818	4,579	5,233	4,600
General Rate on Land Value	7,525	9,089	10,388	8,735
<b>Total General Funding Rates</b>	<b>11,343</b>	<b>13,668</b>	<b>15,622</b>	<b>13,335</b>
<b>Targeted Rates</b>				
Regional Cyclone Recovery Rate	-	-	-	5,115
Upper TūkiTūki Catchment Control Scheme	760	878	1,017	1,017
Separate Flood Control & Drainage Schemes	332	339	462	462
Wairoa Rivers & Streams Scheme	180	184	236	236
Central & Southern Areas Rivers & Streams Scheme	71	73	75	75
Heretaunga Plains Flood Control & Drainage Schemes	5,854	6,942	8,079	8,177
Biosecurity Schemes	2,109	2,239	2,703	2,696
Subsidised Public Transport	2,802	2,907	3,285	3,091
Clean Heat Administration Rate	593	609	624	624
Sustainable Land management	922	962	1,095	1,226
Economic Development Rate	2,312	2,379	2,497	2,334
Coastal Erosion Rate	174	176	180	180
Emergency Management Rate	2,213	2,509	2,893	2,892
<b>Total Targeted Rates</b>	<b>18,322</b>	<b>20,197</b>	<b>23,146</b>	<b>28,126</b>
Rates Remissions	(11)	-	-	(500)
Penalties	414	-	-	-
<b>TOTAL RATES</b>	<b>30,068</b>	<b>33,865</b>	<b>38,768</b>	<b>40,960</b>

The Regional Cyclone Recovery Rate is a new targeted rate in the Annual Plan 2023-2024 as a result of Cyclone Gabrielle.

**NOTE 3: OTHER REVENUE**

Dividends	9,974	10,497	10,905	10,905
Interest	655	6,139	6,261	6,261
Leasehold rents	1,950	1,503	1,575	1,575
Forestry Income	649	1,276	279	1,061
Other Income	272	1,735	1,112	51,159
Net gain / (loss) on disposal of assets	(296)	-	-	-
Subvention Payments	121	-	-	-
Gain / (Loss) on investments - net	(473)	-	-	-
<b>TOTAL OTHER INCOME</b>	<b>12,852</b>	<b>21,148</b>	<b>20,132</b>	<b>70,962</b>

Other Income includes an assumed \$51 million of proceeds from insurance claims as a result of Cyclone Gabrielle.

**Note 4(a) - External Debt & Interest Expense**

	Annual Report 2021/22 (\$'000)	Year 1 LTP 2022/23 (\$'000)	Year 2 LTP 2023/24 (\$'000)	Annual Plan 2023/24 (\$'000)
<b>LOAN REQUIREMENTS</b>				
Opening Balance	47,538	82,951	104,075	103,858
New Borrowing	19,000	27,503	20,661	36,081
Principal Repayments	3,150	6,596	4,867	4,503
<b>Total Loan Balance</b>	<b>63,388</b>	<b>103,858</b>	<b>119,868</b>	<b>135,436</b>
Interest Expense	2,169	2,125	2,589	5,040

New Borrowings reflect an increased budgeted debt as a result of flood protection rebuild expenditure following Cyclone Gabrielle.

**Note 4(b) - Internal Debt & Interest Expense**

	Annual Report 2021/22 (\$'000)	Year 1 LTP 2022/23 (\$'000)	Year 2 LTP 2023/24 (\$'000)	Annual Plan 2023/24 (\$'000)
<b>LOAN REQUIREMENTS</b>				
<b>NEW BORROWINGS</b>				
Governance & Partnerships	6,211	6,901	7,579	5,000
Policy & Regulation	-	-	-	-
Integrated Catchment Management	3,921	5,137	4,678	4,954
Asset Management	225	3,225	1,759	16,613
Emergency Management	-	-	-	-
Transport	-	-	-	-
Corporate Overhead	5,927	10,065	6,693	9,677
<b>Total New Borrowings</b>	<b>16,284</b>	<b>25,328</b>	<b>20,709</b>	<b>36,244</b>

**PRINCIPAL REPAYMENTS**

Governance & Partnerships	3,354	3,538	3,652	2,685
Policy & Regulation	20	-	-	20
Integrated Catchment Management	1,258	691	1,098	1,334
Asset Management	566	334	402	450
Emergency Management	-	-	-	-
Transport	13	25	24	14
Corporate Overhead	804	2,103	964	-
<b>Total Principal Repayments</b>	<b>6,015</b>	<b>6,691</b>	<b>6,140</b>	<b>4,503</b>

<b>TOTAL LOAN MOVEMENT</b>	<b>10,269</b>	<b>18,637</b>	<b>14,569</b>	<b>31,741</b>
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**LOAN BALANCES**

Governance & Partnerships	22,357	21,335	21,898	23,650
Policy & Regulation	50	-	-	30
Integrated Catchment Management	12,947	20,747	19,880	24,367
Asset Management	1,441	8,107	6,573	24,270
Emergency Management	-	-	-	-
Transport	92	163	164	149
Corporate Overhead	9,838	28,927	26,694	38,604
<b>Loan Balances</b>	<b>46,725</b>	<b>79,279</b>	<b>75,210</b>	<b>111,070</b>

**LOAN INTEREST EXPENSE**

Governance & Partnerships	523	334	545	1,102
Policy & Regulation	1	-	-	1
Integrated Catchment Management	277	181	468	744
Asset Management	47	80	152	269
Emergency Management	-	-	1	304
Transport	1	4	5	3
Corporate Overhead	200	580	187	1,802
<b>TOTAL LOAN INTEREST EXPENSE</b>	<b>1,049</b>	<b>1,179</b>	<b>1,357</b>	<b>4,226</b>

Asset Management - new borrowings includes \$13.5 million internal loan to be raised for Cyclone Gabrielle recovery activities (flood protection rebuild).



**Note 5 - Depreciation & Amortisation**

	Annual Report 2021/22 (\$'000)	Year 1 LTP 2022/23 (\$'000)	Year 2 LTP 2023/24 (\$'000)	Annual Plan 2023/24 (\$'000)
<b>Capital Expenditure on Property, Plant &amp; Equipment</b>				
Land and Buildings	1,012	641	773	26
Vehicles, Plant & Equipment	2,234	2,876	2,448	2,946
Hydrology Equipment	903	634	214	589
Intangible Assets - Other	1,323	1,016	2,676	66
<b>Total Capital Expenditure on Property, Plant &amp; Equipment</b>	<b>5,472</b>	<b>5,167</b>	<b>6,112</b>	<b>3,627</b>
<b>Proceeds of Property, Plant &amp; Equipment Disposals</b>				
Land and Buildings	-	-	-	-
Vehicles, Plant & Equipment	(296)	891	717	-
Hydrology Equipment	-	-	-	-
Intangible Assets - Other	-	-	-	-
<b>Total Proceeds of Property, Plant &amp; Equipment Disposals</b>	<b>(296)</b>	<b>891</b>	<b>717</b>	<b>-</b>
<b>Depreciation on Property, Plant &amp; Equipment</b>				
Land and Buildings	496	220	225	850
Vehicles, Plant & Equipment	1,512	1,244	1,575	2,466
Hydrology Equipment	715	1,356	1,441	728
Intangible Assets - Other	634	263	587	169
<b>Property, Plant &amp; Equipment Asset Depreciation</b>	<b>3,357</b>	<b>3,083</b>	<b>3,828</b>	<b>4,214</b>
<b>Depreciation on Infrastructure Assets</b>				
Infrastructure Assets	781	1,426	1,526	946
<b>Infrastructure Asset Depreciation</b>	<b>781</b>	<b>1,426</b>	<b>1,526</b>	<b>946</b>
<b>TOTAL DEPRECIATION &amp; AMORTISATION</b>	<b>4,138</b>	<b>4,509</b>	<b>5,355</b>	<b>5,160</b>

**Note 6 & 7 - Reserve Movements & Fair Value Gains**

	Annual Plan 2022/23 (\$'000)	Year 3 LTP 2023/24 (\$'000)	Annual Plan 2023/24 (\$'000)
<b>Note 6: Funding from Reserves</b>			
Project Scheme Reserves	3,347	406	1,015
Investment Income Equalisation Reserve	-	-	-
Specific Regional Projects Reserve	-	-	-
Tangoio Soil Conservation Forestry Reserve	631	510	(489)
Asset Replacement Reserve	598	211	1,822
Infrastructure Asset Depreciation Reserve	157	(877)	3,916
Future Investment Fund	(1,309)	(1,336)	(1,336)
Long-Term Investment Fund	2,787	1,076	182
Council Disaster Damage Reserves	(21)	(33)	(1,000)
Scheme Disaster Damage Reserves	(146)	(170)	(894)
Other Reserves	(1,933)	(19)	57
<b>Total Net Funding from Reserves</b>	<b>4,111</b>	<b>(232)</b>	<b>3,273</b>
<b>Note 7a: Fair Value Gains from Investments</b>			
Investment Property at beginning of year	66,885	64,701	68,041
Additions	-	-	-
Disposals	-	-	-
Movement during the year	-	-	-
Fair value gains (included in statement of comprehensive revenue and expense)	1,156	1,179	1,179
<b>Investment Property at end of year</b>	<b>68,041</b>	<b>65,879</b>	<b>69,220</b>
<b>Note 7b: Fair Value Gains from Forestry Assets</b>			
Forestry Assets at beginning of year	13,987	12,271	14,727
Additions	357	188	281
Disposals	(383)	(1,313)	(1,313)
Movement during the year	(26)	(1,125)	(1,032)
Fair value gains (included in statement of comprehensive revenue and expense)	383	(1,313)	(1,313)
<b>Forestry Assets at end of year</b>	<b>14,344</b>	<b>9,833</b>	<b>12,382</b>
Other fair value gains (included in the statement of comprehensive revenue and expense)	29,102	27,295	30,428
<b>Total Fair value gains &amp; losses (included in statement of comprehensive revenue and expense)</b>	<b>30,641</b>	<b>27,161</b>	<b>30,294</b>

Other fair value gains (included in the statement of comprehensive revenue and expense) - movement from year 3 LTP is the Gain/Loss on infrastructure due to the revaluation being deferred from 30 June 2023 to 30 June 2024 as a result of Cyclone Gabrielle.



Note 8 - Council Reserve Funds

	Accumulated Funds	Infrastructure Asset Renewal	Wairoa Rivers & Streams	Special Scheme	Investment Income Equalisation	Asset Replacement	Regional Disaster Damage	Scheme Disaster Damage	Clive River Dredging	Tangoio Soil Conservation	Maungaharuru Tangitū	Future Investment Fund	Long Term Investment Fund	Sale of Land Non-Investment	Rabbit	Ngati Pāhauwera Reserve	Other Reserves	Total Other Reserves	Fair Value Reserves
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)			(17)
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
ANNUAL PLAN 2023/24																			
At 1 July 2023	292,487	3,234	356	(3,118)	-	2,513	2,327	4,177	1,315	1,425	506	66,963	53,907	1,083	52	79	789	135,611	457,178
Deposits in year	-	925	3	2,615	-	2,443	1,000	1,000	855	489	-	1,336	946	-	-	-	-	11,610	29,115
Withdrawals in year	(18,272)	(5,449)	(50)	(3,630)	-	(4,265)	-	(106)	(246)	-	(1)	-	(1,128)	-	(8)	-	-	(14,884)	-
Net Movement	(18,272)	(4,525)	(47)	(1,015)	-	(1,822)	1,000	894	609	489	(1)	1,336	(182)	-	(8)	-	-	(3,274)	29,115
At 30 June 2024	274,215	(1,291)	309	(4,133)	-	691	3,327	5,071	1,924	1,914	505	68,299	53,725	1,083	44	79	789	132,337	486,293

Related Activities to Reserve Funds

	Accumulated Funds	Infrastructure Asset Renewal	Wairoa Rivers & Streams	Special Scheme	Investment Income Equalisation	Asset Replacement	Regional Disaster Damage	Scheme Disaster Damage	Clive River Dredging	Tangoio Soil Conservation	Maungaharuru Tangitū	Future Investment Fund	Long Term Investment Fund	Sale of Land Non-Investment	Rabbit	Ngati Pāhauwera Reserve	Other Reserves	Fair Value Reserves
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)		(17)
Governance & Partnerships	✓			✓		✓								✓				
Policy & Regulation	✓					✓								✓		✓	✓	
Integrated Catchment Management	✓			✓		✓									✓			
Asset Management	✓	✓	✓	✓		✓		✓	✓	✓	✓		✓	✓				✓
Emergency Management	✓			✓		✓												
Transport	✓			✓		✓												
Corporate Overheads	✓				✓	✓	✓					✓	✓					✓

Purpose of Reserve Funds

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



Funding Impact Statement (Whole of Council, Annual Plan Disclosure Statement)			
	Annual Plan 2022/23 (\$'000)	Year 3 LTP 2023/24 (\$'000)	Annual Plan 2023/24 (\$'000)
SOURCES OF OPERATING FUNDING			
General rates & uniform annual general charges, rates penalties	13,668	15,622	12,835
Targeted Rates	20,197	23,146	28,126
Subsidies & grants for operating purposes	6,151	5,111	31,392
Fees & charges	11,870	10,620	13,901
Interest & dividends from investments	16,635	17,167	17,167
Local authorities fuel tax, fines, infringement fees & other receipts	1,539	1,580	52,558
Total operating funding	70,059	73,245	155,977
APPLICATIONS OF OPERATING FUNDING			
Payments to staff & suppliers	72,807	66,202	172,418
Finance costs	2,125	2,589	5,040
Other operating funding applications	(2,085)	2,880	(2,301)
Total applications of operating funding	72,847	71,671	175,157
Operating surplus / (deficit) of operating funding	(2,788)	1,574	(19,180)
SOURCES OF CAPITAL FUNDING			
Subsidies & grants for capital expenditure	8,731	-	806
Development & financial contributions	-	-	-
Increase / (decrease) in debt	20,907	15,794	31,578
Gross proceeds from sale of assets	891	717	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	30,529	16,511	32,384
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure:			
- to meet additional demand	-	-	-
- to improve the level of service	10,609	5,620	9,260
- to replace existing assets	16,273	6,944	3,858
	26,882	12,564	13,118
Increase / (decrease) in reserves	(4,111)	232	3,273
Increase / (decrease) of investments	4,970	5,289	3,187
	27,741	18,085	13,204
Capital	2,788	(1,574)	19,180
Grand Total	-	-	-
Reconciliation from Funding Impact Statement to Statement of Comprehensive Revenue and Expenditure			
Surplus / (deficit) of operating funding (above)	(2,788)	1,574	(19,180)
Depreciation and amortisation expense	(4,509)	(5,355)	(5,160)
Reduction in ACC Leasehold Liability	815	831	831
Provision for Doubtful Debts	(20)	(20)	(20)
Fair Value Gains	1,156	1,179	1,179
Add Capital Grants and Subsidies	8,731	-	806
Gain on Sale of Assets	891	717	-
Operating Surplus / (Deficit) After Income Tax per Statement of Comprehensive Revenue and Expenditure	4,275	(1,075)	(21,545)
The following amounts have been reflected in the Annual Plan 2023-2024 amount as a result of Cyclone Gabrielle:			
Sources of operating funding - subsidies & grants for operating purposes - \$26 million sundry income			
Sources of operating funding - local authorities fuel tax, fines, infringement fees & other receipts - \$51 million proceeds from insurance			
Applications of operating funding - payments to staff and suppliers - \$92,530 million contractors			
Sources of capital funding - increase / (decrease) in debt - increased budgeted debt as a result of Cyclone Gabrielle.			

Annual Plan Disclosure Statement		
Annual Plan disclosure statement for the year ending 30 June 2024		
The purpose of this statement is to disclose the Council's planned financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenue, expenses, assets, liabilities, and general financial dealings. The Regional Council is required to include this statement in its annual plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.		
Benchmark	Planned 2023-2024	Achieved
Rates Affordability Benchmark		
Total rates revenue will not exceed 60% of total revenue	25.79%	YES
Annual rate revenue will not exceed 8% of operating expenditure	3.93%	YES
For this benchmark, a) HBRC's planned rates income for the year must not exceed 60% of total income, and b) HBRC's planned rates increase for the year must not exceed 8% of operating expenditure		
Debt Affordability Benchmark		
Debt / Total revenue will not exceed 175%	85.29%	YES
Interest / Annual rates income will not exceed 20%	12.30%	YES
For this benchmark, the council's planned borrowing is compared with debt to total revenue ratio not exceeding 175% and total interest expense on external public debt not exceeding 20% of total annual rates income.		
Balanced Budget Benchmark		
equal or greater than 100%	88.05%	NO
For this benchmark, the council's planned revenue (excluding development contributions, vested assets, financial contributions, gains on derivative financial instruments, and revaluations of property, plant or equipment) is presented as a proportion of its planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant or equipment).		
The Council meets the balanced budget benchmark if its operating revenue equals or is greater than its operating expenses.		
Essential Services Benchmark		
equal or greater than 100%	254.21%	YES
For this benchmark, the council's planned capital expenditure on network services is presented as a proportion of expected depreciation on network services. The Council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services (NB Council only has one network service and that covers the flood and drainage schemes).		
Capital expenditure on flood protection and control works are funded by a combination of depreciation, reserve funding and borrowing for new assets. Not all infrastructure assets are depreciated as items such as stop banks do not drop in value.		
Debt Servicing Benchmark		
equal or less than 10%	3.17%	YES
For this benchmark, the Council's planned borrowing costs are presented as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluation of property, plant and equipment).		
Because Statistics New Zealand projects that council's population will grow as fast as the national population growth rate, it meets the debt servicing benchmark if councils' planned borrowing costs equal or are less than 10% of its planned revenue.		



## Pūrongo pānga ā-pūtea Funding impact statement

### Introduction

#### Your rates explained

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

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

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

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

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

#### Due dates for payment of rates

The rates for the 2023-2024 financial year are due and payable on 20 September 2023. Pursuant to Section 57 of the Local Government (Rating) Act 2002, a penalty charge of 10% will be imposed on any outstanding current rates as at 20 September 2023. A further 10% will be charged on total rates, including penalties outstanding on 1 July 2024.

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

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

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

For the avoidance of doubt, a rating unit that has a single use or occupation is treated as having one separately used or inhabited part. Therefore, units in a rest home, retail shops in a shopping complex, and additional farmhouses are charged with separate UAGCs and UTRs. Where two or more rating units are contiguously joined, owned by the same ratepayer, and used for the same purpose or a farm property with separately titled paddocks, then additional UAGCs or UTRs will not be payable.

The only exception is for the UTR covering the economic development and regional cyclone recovery rates which are set on each rateable property. HBRC's intention is that this mix of rating bases better reflects the benefits delivered to the general community while addressing some of the rate level volatility experienced by those ratepayers in the community whose land values have increased by more than the average.

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

Section 21 of the Local Government (Rating) Act 2002 (LGRA) requires that Uniform Annual General Charges and Targeted Rates set on a uniform basis are not to exceed 30% of the total revenue from all rates sought by Hawke's Bay Regional Council for the budgeted year. The rates making up this category amount to 29.5% of the Regional Council's total rates in 2023-2024 and are therefore within the limits prescribed by the Act.

#### Rates statement for 2023-2024

Important: The indicative figures that follow are included to give ratepayers an estimate of what their level of rates is likely to be in the 2023-2024 financial year. These figures are not the actual level of rates that will be assessed in the coming year, and the actual figure will not be known until the Council's Rating Information Database is finalised for 2023-2024. All figures quoted are inclusive of GST (except where explicitly stated otherwise).

#### Inspection and objection to HBRC's Rating Information Database

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



### Comparison of Rates on Specific Commercial Properties

Description of rates	Rating Basis	Napier Hotel		Napier Retail		Hastings Office	
		2022-23	2023-24	2022-23	2023-24	2022-23	2023-24
Details for comparison							
Capital Value	CV	3,550,000	3,550,000	2,440,000	2,440,000	6,570,000	8,270,000
Land Value	LV	1,630,000	1,630,000	920,000	920,000	1,530,000	1,990,000
Area (Hectares)	Area	0.4011	0.4011	0.0401	0.0401	0.3220	0.3220
Rates	Basis	\$	\$	\$	\$	\$	\$
General Rate	LV	524.86	463.74	296.24	261.74	549.88	416.11
UAGC Fixed Amount	Fixed	70.43	65.89	140.86	131.78	70.43	65.89
General Funded Rates		595.29	529.63	437.10	393.52	620.31	482.00
HPFCS FIDirect	CV	306.01	377.01	-	-	643.20	692.20
HPFCS F2 Indirect	CV	76.33	92.66	52.46	63.68	160.31	169.54
D1 Karamū & Tributaries	LV	-	-	-	-	383.27	306.66
Public Transport	LV	370.83	358.27	209.30	202.22	388.62	321.39
Central Stream/Drains	CV	4.97	4.97	3.42	3.42	10.51	9.10
Sustainable Homes	LV	70.91	65.36	40.02	36.89	74.36	58.71
Economic Development	CV	1,027.73	1014.24	706.38	697.11	2,160.22	1,860.75
Meeanee Napier Puketapu	LV	284.76	332.19	-	-	-	-
Coastal Hazards	Fixed	3.23	3.27	6.46	6.54	3.23	3.27
Emergency Management	Fixed	38.63	43.96	77.26	87.92	38.63	43.96
Regional Cyclone Recovery	SUIP	-	55.00	-	110.00	-	55.00
Regional Cyclone Recovery	LV	-	62.59	-	35.33	-	76.42
Targeted Rates		2,183.38	2,409.52	1,095.29	1,243.11	3,862.34	3,597.00
TOTAL RATES		2,778.67	2,939.15	1,532.39	1,636.63	4,482.65	4,079.00
Dollar Increase			160.48		104.24		-403.65
Percentage Increase			5.78%		6.80%		-9.00%

Note: The above rates are indicative based on the values of sample properties chosen. The change in rates will vary between properties based on the property values and, in the case of properties in the Hastings District, the amount of the increase in property values following the 2022 revaluation, relative to other properties.

(continued)

Description of rates	Rating Basis	Hastings Industrial		Hastings Shop		Waipukurau Office		Wairoa Shops	
		2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24
Details for comparison									
Capital Value	CV	3,500,000	5,090,000	700, 000	880,000	210,000	295,000	185,000	310,000
Land Value	LV	1,000,000	1,450,000	600,000	780,000	60,000	90,000	80,000	280,000
Area (Hectares)	Area	0.4708	0.4708	0.0941	0.0941	0.0717	0.0717	0.2022	0.2022
Rates	Basis	\$	\$	\$	\$	\$	\$	\$	\$
General Rate	LV	359.40	303.20	215.64	163.10	24.96	20.91	65.94	60.26
UAGC Fixed Amount	Fixed	70.43	65.89	70.43	65.89	70.43	65.89	70.43	65.89
General Funded Rates		429.83	369.09	286.07	228.99	95.39	86.80	136.37	126.15
HPFCS FIDirect	CV	342.65	426.03	68.53	73.66	-	-	-	-
HPFCS F2 Indirect	CV	85.40	104.35	17.08	18.04	-	-	-	-
D1 Karamū & Tributaries	LV	-	-	150.30	120.22	-	-	-	-
D2 Karamū & Tributaries	LV	1,002.10	893.93	-	-	-	-	-	-
Public Transport	LV	254.00	234.18	152.40	125.97	-	-	-	-
Central Stream/Drains	CV	5.60	5.60	1.12	0.97	0.38	0.35	-	-
Sustainable Homes	LV	48.60	42.78	29.16	23.01	-	-	-	-
Economic Development	CV	1,150.80	1,145.25	230.16	198.00	78.85	73.87	68.88	71.36
Upper Tukituki Scheme u4	LV	-	-	-	-	3.09	3.54	-	-
Coastal Hazards	Fixed	3.23	3.27	3.23	3.27	-	-	-	-
Wairoa River Scheme	CV	-	-	-	-	-	-	16.52	20.74
Emergency Management	Fixed	38.63	43.96	38.63	43.96	38.63	43.96	38.63	43.96
Regional Cyclone Recovery	SUIP	-	55.00	-	55.00	-	55.00	-	55.00
Regional Cyclone Recovery	LV	-	55.68	-	29.95	-	3.46	-	10.75
Targeted Rates		2,931.01	3,010.03	690.61	692.03	120.95	180.18	124.03	201.81
TOTAL RATES		3,360.84	3,379.12	976.68	921.02	216.34	266.98	260.40	327.66
Dollar Increase			18.28		-55.66		50.64		67.56
Percentage Increase			0.54%		-5.70%		23.41%		25.94%

Note: The above rates are indicative based on the values of sample properties chosen. The change in rates will vary between properties based on the property values and, in the case of properties in the Hastings District, the amount of the increase in property values following the 2022 revaluation, relative to other properties.



Comparison of Rates on Specific Urban Properties									
Description of rates	Rating Basis	Napier Hill		Napier South		Flaxmere		Havelock North	
		2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24
Details for comparison									
Capital Value	CV	1,510,000	1,510,000	520,000	760,000	240,000	385,000	1,000,000	1,530,000
Land Value	LV	470,000	470,000	325,000	325,000	66,000	128,000	450,000	720,000
Area (Hectares)	Area	0.0760	0.0760	0.0650	0.0650	0.000	0.000	0.0777	0.0777
Rates	Basis	\$	\$	\$	\$	\$	\$	\$	\$
General Rate	LV	151.34	133.72	104.65	92.46	23.72	26.76	161.73	150.55
UAGC Fixed Amount	Fixed	70.43	65.89	70.43	65.89	70.43	65.89	70.43	65.89
General Funded Rates		221.77	199.61	175.08	158.35	94.15	92.65	232.16	216.44
HPFCS F1 Direct	CV	-	-	44.82	80.71	23.50	32.22	-	-
HPFCS F2 Indirect	CV	32.47	39.41	11.18	19.84	5.86	7.89	24.40	31.37
Napier Meeanee Puketapu	LV	-	-	56.78	66.24	-		-	-
Public Transport	LV	106.93	103.31	73.94	71.44	16.76	20.67	114.30	116.28
Central Stream/Drains	CV	2.11	2.11	0.73	1.06	0.38	0.42	1.60	1.68
Karamū & Tributaries	LV	-	-	-	-	16.53	19.72	-	-
Karamū Drainage	Fixed	-	-	-	-	-		13.45	12.89
Karamū Enhancement	Fixed	-	-	-	-	-		12.55	12.02
Coastal Hazards	Fixed	3.23	3.27	3.23	3.27	3.23	3.27	3.23	3.27
Sustainable Homes	LV	20.45	18.85	14.14	13.03	3.21	3.78	21.87	21.24
Economic Development	Fixed	11.95	11.58	11.95	11.58	11.95	11.58	11.95	11.58
Emergency Management	Fixed	38.63	43.96	38.63	43.96	38.63	43.96	38.63	43.96
Regional Cyclone Recovery	SUIP	-	55.00	-	55.00	-	55.00	-	55.00
Regional Cyclone Recovery	LV	-	18.05	-	12.48	-	4.92	-	27.65
Targeted Rates		215.76	295.54	255.39	378.61	120.05	203.43	241.97	336.94
TOTAL RATES		437.53	495.15	430.47	536.96	214.20	296.08	474.13	553.38
Dollar Increase			57.62		106.49		81.88		79.25
Percentage Increase			13.17%		24.47%		38.23%		16.71%

Note: The above rates are indicative based on the values of sample properties chosen. The change in rates will vary between properties based on the property values and, in the case of properties in the Hastings District, the amount of the increase in property values following the 2022 revaluation, relative to other properties.

(continued)									
Description of rates	Rating Basis	Taradale		Hastings		Wairoa		Central HB	
		2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24
Details for comparison									
Capital Value	CV	740,000	740,000	630,000	900,000	175,000	350,000	485,000	810,000
Land Value	LV	430,000	430,000	300,000	550,000	60,000	175,000	170,000	380,000
Area (Hectares)	Area	0.1105	0.1105	0.1012	0.1012	0.1832	0.1832	0.1407	0.1407
Rates	Basis	\$	\$	\$	\$	\$	\$	\$	\$
General Rate	LV	138.46	122.34	107.82	115.01	41.21	37.66	105.37	88.27
UAGC Fixed Amount	Fixed	70.43	65.89	70.43	65.89	70.43	65.89	70.43	65.89
General Funded Rates		208.89	188.23	178.25	180.90	111.64	103.55	175.80	154.16
HPFCS F1 Direct	CV	63.79	78.59	61.68	75.33	-	-	-	-
HPFCS F2 Indirect	CV	15.91	19.31	15.37	18.45	-	-	-	-
Napier Meeanee Puketapu	LV	75.12	87.63	-	-	-	-	-	-
Public Transport	LV	97.83	94.51	76.20	88.83	-	-	-	-
Central Stream/Drains	CV	1.04	1.04	1.01	0.99	-	-	1.05	0.97
Wairoa Rivers/Streams	CV	-	-	-	-	18.66	23.42	-	-
UTTFCS	LV	-	-	-	-	-	-	13.03	14.93
D2 Karamū & Tributaries	LV	-	-	75.15	84.76	-	-	-	-
Coastal Hazards	Fixed	3.23	3.27	3.23	3.27	-	-	-	-
Sustainable Homes	LV	18.71	17.24	14.58	16.23	-	-	-	-
Economic Development	Fixed	11.95	11.58	11.95	11.58	11.95	11.58	11.95	11.58
Emergency Management	Fixed	38.63	43.96	38.63	43.96	38.63	43.96	38.63	43.96
Regional Cyclone Recovery	SUIP	-	55.00	-	55.00	-	55.00	-	55.00
Regional Cyclone Recovery	LV	-	16.51	-	21.12	-	6.72	-	14.59
Targeted Rates		326.19	428.64	297.79	419.52	69.23	140.68	64.67	141.03
TOTAL RATES		535.08	616.87	476.04	600.42	180.87	244.23	240.47	259.19
Dollar Increase			81.79		124.38		63.36		54.72
Percentage Increase			15.29%		26.13%		35.03%		22.76%

Note: The above rates are indicative based on the values of sample properties chosen. The change in rates will vary between properties based on the property values and, in the case of properties in the Hastings District, the amount of the increase in property values following the 2022 revaluation, relative to other properties.



Comparison of Rural Rates in three Districts

Description of rates	Rating Basis	Hastings		Hastings		Central HB	
		2022-23	2023-24	2022-23	2023-24	2022-23	2023-24
Details for comparison							
Capital Value	CV	4,440,000	7,060,000	4,970,000	8,790,000	2,720,000	4,010,000
Land Value	LV	3,540,000	6,200,000	4,030,000	7,860,000	2,120,000	3,280,000
Area (Hectares)	Area	436.55	436.55	610.86	610.86	282.98	282.98
Rates	Basis	\$	\$	\$	\$	\$	\$
General Rate	LV	1,272.28	1,296.42	1,448.38	1,643.53	909.54	761.94
UAGC Fixed Amount	Fixed	70.43	65.89	70.43	197.67	70.43	65.89
General Funded Rates		1,342.71	1,362.31	1,518.81	1,841.20	979.97	827.83
HPFCS F2 Indirect	CV	108.34	144.73	121.27	180.20	-	-
Central Stream/Drains	CV	7.10	7.77	7.95	9.67	5.21	4.81
Plant Pest	Area	265.23	271.11	371.13	219.84	171.92	175.74
Animal Pest Rate	Area	979.33	1,227.06	1,370.37	995.03	634.81	795.40
Land Management	Area	481.07	580.25	673.15	470.53	311.83	376.12
Pōrangahau Flood	LV	-	-	-	-	193.19	196.14
Coastal Hazards	Fixed	3.23	3.27	3.23	9.81	-	-
Economic Development	Fixed	11.95	11.58	11.95	34.74	11.95	11.58
Emergency Management	Fixed	38.63	43.96	38.63	131.88	38.63	43.96
Regional Cyclone Recovery	SUIP	-	55.00	-	165.00	-	55.00
Regional Cyclone Recovery	LV	-	238.08	-	301.82	-	125.95
Targeted Rates		1,894.88	2,582.81	2,597.68	2,518.52	1,367.56	1,784.70
TOTAL RATES		3,237.58	3,945.12	4,116.49	4,359.72	2,347.53	2,612.53
Dollar Increase			707.54		243.23		265.00
Percentage Increase			21.85%		5.91%		11.29%

Note: The above rates are indicative based on the values of sample properties chosen. The change in rates will vary between properties based on the property values, in the case of properties in the Hastings District, the amount of the increase in property values following the 2022 revaluation, relative to other properties.

(continued)

Description of rates	Rating Basis	Central HB		Wairoa		Wairoa	
		2022-23	2023-24	2022-23	2023-24	2022-23	2023-24
Details for comparison							
Capital Value	CV	10,540,000	10,540,000	10,630,000	10,630,000	1,286,000	1,286,000
Land Value	LV	9,000,000	9,000,000	9,600,000	9,600,000	1,187,000	1,187,000
Area (Hectares)	Area	437.96	437.96	1,293.45	1,293.45	598.00	598.00
Rates	Basis	\$	\$	\$	\$	\$	\$
General Rate	LV	2,495.70	2,090.70	2,260.80	2,065.92	279.54	255.44
UAGC Fixed Amount	Fixed	70.43	65.89	140.86	131.78	70.43	65.89
General Funded Rates		2,566.13	2,156.59	2,401.66	2,197.70	349.97	321.33
Central Stream/Drains	CV	13.70	12.65	-	-	-	-
Plant Pest	Area	266.08	271.99	785.84	803.27	363.32	371.38
Animal Pest Rate	Area	982.50	1,231.03	2,901.66	3,635.66	-	-
Forest Pest Rate	Area	-	-	-	-	464.55	589.94
Land Management	Area	482.62	582.13	1,425.36	1,719.21	658.98	794.84
Wairoa River	CV	-	-	566.58	711.15	68.54	86.03
Coastal Erosion	Fixed	-	-	-	-	-	-
Upper Tukituki River	LV	308.70	353.70	-	-	-	-
Economic Development	Fixed	11.95	11.58	23.90	23.16	11.95	11.58
Emergency Management	Fixed	38.63	43.96	77.26	87.92	38.63	43.96
Regional Cyclone Recovery	SUIP	-	55.00	-	110.00	-	55.00
Regional Cyclone Recovery	LV	-	345.60	-	368.64	-	45.58
Targeted Rates		2,104.19	2,907.64	5,780.59	7,459.01	1,605.97	1,998.31
TOTAL RATES		4,670.32	5,064.23	8,182.25	9,656.71	1,955.94	2,319.64
Dollar Increase			393.91		1,474.46		363.70
Percentage Increase			8.43%		18.02%		18.59%

Note: The above rates are indicative based on the values of sample properties chosen. The change in rates will vary between properties based on the property values and, in the case of properties in the Hastings District, the amount of the increase in property values following the 2022 revaluation, relative to other properties.



Explanation of Rating Method – Types of Rates/ Activities Funded

General rates	Activities Funded	Types of land to be rated (Local Government (Rating) Act, schedule 2)	Basis of rating (Local Govt (Rating) Act, schedule 3)
General rates	General rates fund the remaining cost of Council activities excluding that portion funded by targeted rates and the UAGC. Activities funded include: <ul style="list-style-type: none"><li>• Consents and Compliance</li><li>• Integrated Catchment Management</li><li>• Governance and Partnerships</li><li>• Catchment works (part)</li><li>• Erosion Control Scheme</li></ul>	All rateable rating units within the region.	Land Value using Section 131 of the LGRA
Uniform Annual General Charges	The UAGC is set at a level which is approximately 20% of rates, subject to the statutory maximum, are charged on a fixed basis. Activities funded include: <ul style="list-style-type: none"><li>• Consents and Compliance</li><li>• Integrated Catchment Management</li><li>• Governance and Partnerships</li></ul>	All rateable rating units within the region.	UAGC (Refer Note 1) section 15 (1)
Targeted rates	Activities funded	Types of land to be rated (Local Government (Rating) Act, schedule 2)	Basis of Rating (Local Govt (Rating) Act, Schedule 3)
Subsidised Public Transport	Passenger Transport	Those rating units within the urban areas of Napier, Hastings & Havelock North including Clive Township but excluding Bay View. Clive Township is capped at \$200,000 LV.	Land Value
Heretaunga Plains Control Scheme - Rivers	Asset Management - Flood Protection & Control <ul style="list-style-type: none"><li>• Direct Benefit</li><li>• Indirect Benefit (see Flood Protection &amp; Control section)</li></ul>	Rating units receiving direct benefit within Napier City and Hastings District from flood control measures.  All rating units within Napier City and Hastings District.	Capital Value
Heretaunga Plains Flood Control Scheme - Streams and Drains	Asset Management - Flood Protection & Control <ul style="list-style-type: none"><li>• Direct Benefit (see Flood Protection &amp; Control section)</li></ul>	Rating units receiving direct benefit within one of nine individual drainage catchment areas.  For all rating units within each of the nine drainage catchment areas a differential of four times for properties with an industrial land use.  Also separate targeted rates for Raupare enhancement agreement and Karamū enhancement.	Land Value  Area or fixed amount
Upper Tukituki Catchment Control	Asset Management - Flood Protection & Control (see Flood Protection & Control section)	All rating units within the Central Hawke's Bay District and all rating units on the southern boundary of Hastings District Council on a differential basis based on the provision of service provided.	Differential Land Value
Central & Southern Rivers & Streams	Asset Management - Flood Protection & Control	All rating units in the region excluding Wairoa District.	Capital Value
Wairoa River & Stream	Asset Management - Flood Protection & Control	All rating units in the Wairoa District.	Capital Value

(continued)

Targeted Rates	Activities funded	Types of Land to be Rated (Local Government (Rating) Act, Schedule 2)	Basis of Rating (Local Govt (Rating) Act, Schedule 3)
Various Stream & Drainage Schemes	Asset Management - Flood Protection & Control	Location and use of properties with a services of stream and drainage works are provided.	Differential Land Value Area of land within a rating unit. Fixed amount per rating unit.
Animal Pest Strategy	Pest Animal Control	All rateable rural land containing 4.0469 hectares in the region excluding rating units greater than 200 hectares where the land is not used for productive purposes. (Council has defined land that is covered in more than 90% in indigenous vegetation as not productive).  Rating factors are divided into Northern (N) and Southern (S) areas with the Ngaruroro River being the divide. Taupō, Napier and Wairoa are Northern, Central Hawkes Bay and Rangitikei are Southern. Hastings area is included in both Northern and Southern.  Land that is used for forestry and has a land area between 40 and 4000 hectares will be levied a differential rate. Council has defined land that is covered in more than 75% in production forestry as being used for forestry purposes.	Area/Use
Sustainable Land Management	Catchment Management - Delivery & Policy Implementation	All productive rateable rural land containing 4.0469 hectares in the region. Council has defined properties titles subject to QEII Open Space Covenants are not productive.	Area/Use
Plant Pest Strategy	Pest Plant Control	All rateable rural land containing 4.0469 hectares in the region excluding rating units greater than 200 hectares and where the land is not used for productive purposes. Council has defined land covered in more than 90% indigenous vegetation is not productive.	Area/Use
Sustainable Homes	Management of the scheme to encourage the replacement of open fire or wood burners with more efficient forms of heating and where necessary the installation of insulation.	All rating units in Napier and Hastings within the affected air-shed.	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 Targeted Differential rate.	Extent of provision of any service to the rating unit
Erosion Control - Financial Assistance	Repayment of financial assistance to ratepayers to fund riparian fencing, planting and maintenance of planted areas for highly-erodible land unsuitable for commercial forestry.	Those ratepayers who have opted for financial assistance to be repaid over 10 years with interest as a fixed amount through a Targeted Differential rate.	Extent of provision of any service to the rating unit



(continued)

Targeted Rates	Activities funded	Types of Land to be Rated (Local Government (Rating) Act, Schedule 2)	Basis of Rating (Local Govt (Rating) Act, Schedule 3)
Coastal Hazards	To fund development of Stage 4 of the Clifton to Tangoio Coastal Hazards Strategy	All rateable units within Napier and Hastings	UTR (Refer Note 1)
Economic Development Rate	Regional Development. To fund economic and tourism development in the Hawke's Bay Region	Commercial/industrial rating units based on the Capital Value. Residential and rural rating units as a fixed amount per SUIP.	Differential Capital Value Differential UTR by location (Refer to Note 2)
Emergency Management	Funding of the Hawke's Bay Civil Defence Emergency Management (CDEM) Group Office to manage the provision of effective CDEM consistent with the CDEM Act 2002	All rating units in the region with the exception of Rangitikei and Taupō districts	UTR (Refer to Note 1)
Cyclone Recovery Charge	Funds regional cyclone response & recovery activities	All rating units within the region based as a fixed amount per SUIP. All rating units within the region based on the Capital Value.	UTR (Refer to Note 1) Differential 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, licence or other agreement. This definition includes separately used parts, whether or not actually occupied at any particular time, which are used by the owner for rental (or other form of occupation) on an occasional or long-term basis by someone other than the owner.

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

Explanation of Rating Methods				
River Control and Drainage/Explanation of Rates				
Flood Protection & Control			Explanation of Rates	
Heretaunga Plains Flood Control Scheme - Rivers				
Napier City	Capital Value	Direct	Properties receive direct benefit from reduced risk of flooding and rivers changing their course.	
Napier City	Capital Value	Indirect	Properties receive indirect benefit as a result of their proximity to area of increased economic activity, increased social/recreational/cultural infrastructure, and increased opportunity for employment, service industry and investment.	
Hastings District	Capital Value	Direct	Properties receive direct benefit from reduced risk of flooding and rivers changing their course.	
Hastings District	Capital Value	Indirect	Properties receive indirect benefit as a result of their proximity to area of increased economic activity, increased social/recreational/cultural infrastructure, and increased opportunity for employment, service industry and investment.	
Heretaunga Plains Flood Control Scheme - Streams & Drains				
Meeanee, Napier Puketapu, Oamaranui, Dartmoor Drainage Areas	Land Value	D1	Rateable land situated in the Hastings District and Napier City on the right bank of the Tūtaekuri River within the drain catchment area of Oamaranui, which 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.	
Meeanee, Napier, Puketapu, Oamaranui, Dartmoor Drainage Areas Industrial	Land Value	DI1	Rateable land within the D1 differential and being zoned for industrial purposes. The Council considers the benefit to these properties is added economic activity made possible by the drainage network and its continued maintenance.	
Karamū Stream and Tributaries	Land Value	D2	Rateable land situated in the Hastings District within the Karamū Stream catchment area which Council considers receives direct benefit of drain and stream maintenance works.	
Karamū Stream and Tributaries Industrial	Land Value	DI2	Rateable land within the D2 differential and being zoned for industrial purposes. The Council considers the benefit to these properties is added economic activity made possible by the drainage network and its continued maintenance.	
Twyford Raupare	Land Value	D3	Rateable land situated in the Hastings District within the Twyford Raupare drainage area which Council considers receives direct benefit of drain and stream maintenance works.	
Twyford Raupare Enhancement	Area	DA3	Selected properties in the Raupare Catchment (1,179 Hectares) which have agreed to contribute to the enhancement of specific streams and drains in the Raupare Catchment.	
Twyford Raupare Industrial	Land Value	DI3	Rateable land within D3 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.	
Haumoana/Te Awanga	Land Value	D4	Rateable land situated in the Hastings District within the Haumoana drainage area which Council considers receives direct benefit of drain and stream maintenance works.	
Haumoana/Te Awanga Industrial	Land Value	DI4	Rateable land within the D4 differential and being zoned for industrial purposes. The Council considers the benefit of these properties is added economic activity made possible by the drainage network and its continued maintenance. No rates charged.	
Tūtaekuri-Waimate & Moteo	Land Value	D5	Rateable land situated in the Hastings District within the Tūtaekuri-Waimate, Moteo drainage area which Council considers receives direct benefit of drain and stream maintenance works.	



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Pākōwhai	Land Value	D6	Rateable land situated in the Hastings District within the Pākōwhai, Punga drainage area which Council considers receives direct benefit of drain and stream maintenance works.
Pākōwhai	Land Value	DI6	Rateable land within the D6 differential and being zoned for industrial purposes. The Council considers the benefit to these properties is added economic activity made possible by the drainage network and its continued maintenance. No rates charged.
Brookfield Awatoto	Land Value	D7	Rateable land situated in Napier within the Brookfield Awatoto drainage area which Council considers receives direct benefit of drain and stream maintenance works.
Brookfield Awatoto Industrial	Land Value	DI7	Rateable land within the D7 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.
Clive Muddy Creek	Land Value	D8	Rateable land situated in the Hastings District within the Clive Muddy Creek drainage area which Council considers receives benefit of drain and stream maintenance works.
Clive Muddy Creek	Land Value	DI8	Rateable land within the D8 differential and zoned used 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.
Puninga	Land Value	D9	Rateable land situated in the Hastings District within the Puninga drainage area which Council considers receives direct benefit of drain and stream maintenance works.
Puninga	Land value	DI9	Rateable land within the D9 differential and being zoned for industrial purposes. The Council considers the benefit to these properties is added economic activity made possible by the drainage network and its continued maintenance. No rates charged.
Upper Tukituki Flood Control Scheme			
Central HB District	Land Value	A - direct	Land adjacent to stopbanked reaches of Tukituki and Waipawa rivers and receiving full and direct benefit from reduced risk of flooding and rivers changing their course as a result of stopbanks and river control works.
Central HB District	Land Value	B - direct	Land adjacent to stopbanks and receiving an intermediate level of direct benefit from reduced risk of flooding and rivers changing their course as a result of stopbanks and river control works; and land between the Waipawa, Tukituki and Tukipo Rivers which could experience floodwaters flowing in channels in the event of stopbank failure on the south banks of the Waipawa and Tukituki Rivers.
Central HB District	Land Value	C - direct	Lower land adjacent to non stopbanked reaches of the Tukituki and Waipawa Rivers and adjacent to the lower reach of the Makaretu River; and land on the Ruataniwha Plains and downstream river terraces which is considered to be high enough to be at or just above inundation levels; and an area of land protected by the upstream end of the stopbank on the north bank of the Tukipo River where only minor channel improvements are required to protect the stopbank; and land immediately adjacent to the channel in the upstream reach of the Papanui Stream recognising the benefits to be received from improvements to the Waipawa River channel.
Central HB District	Land Value	D - direct	Unprotected land adjacent to rivers and streams which require only a minor level of channel improvements; higher land which is adjacent to more highly classified land or is adjacent to the lower reaches of the main rivers. It is land which would generally not be expected to experience flooding in a major event; an area between the Makaretu and Tukipo Rivers through which overflow from the Makaretu River would be expected to flow in channels; and land adjacent to the channel in the middle reach of the Papanui Stream where the channel is not as entrenched as it is further upstream.
Central HB District	Land Value	E - direct	Land adjacent to watercourses on which a level of channel maintenance is to be pursued (e.g. lower Papanui Stream, Tukituki River downstream of Tamumu, Ongaonga Stream); and a broad strip of land adjacent to watercourses and more highly classified land which includes both flat and hill country on or adjacent to the Ruataniwha Plains.
Central HB District	Land Value	F - Indirect	Land of the catchment which receives only indirect benefit, including eastern and southern hill country, central hills, mountain foothills and the highest parts of the Ruataniwha Plains.

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Central HB District	Land Value	U1 - direct	Rateable property situated in the Upper Tukituki Catchment Control Scheme area being generally land on the Ruataniwha Plains adjacent to the presently stopbanked reaches of the Waipawa and Tukituki Rivers which Council considers receives direct benefit from a full range of flood protection measures provided by the scheme works, and generally being urban land within the townships of Waipawa and Waipukurau.
Central HB District	Land Value	U2 - direct	Rateable property situated in the Upper Tukituki Catchment Control Scheme area being generally land on the Ruataniwha Plains adjacent to the presently stopbanked reaches of the Waipawa and Tukituki Rivers which Council considers receives direct benefit from a full range of flood protection measures provided by the scheme works, and generally being urban land within the townships of Waipawa and Waipukurau which is considered to be high enough to be at or just above possible inundation levels.
Central HB District	Land Value	U3 - direct	Rateable property situated in the Upper Tukituki Catchment Control Scheme area being generally land on the Ruataniwha Plains adjacent to the presently stopbanked reaches of the Waipawa and Tukituki Rivers which Council considers receives direct benefit from a full range of flood protection measures provided by the scheme works, and generally being urban land within the townships of Waipawa and Waipukurau which would generally not be expected to experience flooding in a major event.
Central HB District	Land Value	U4 - direct	Rateable property situated in the Upper Tukituki Catchment Control Scheme area being generally land on the Ruataniwha Plains adjacent to the presently stopbanked reaches of the Waipawa and Tukituki Rivers which Council considers receives direct benefit from a full range of flood protection measures provided by the scheme works, and generally being urban land within the townships of Waipawa and Waipukurau. A broad strip adjacent to watercourses and land receiving a greater degree of benefit including both flat and hill country on or adjacent to the Ruataniwha Plains where river control works reduce the risk of erosion to adjoining hills and river terraces.
Hastings District	Land Value	E - direct	Land adjacent to watercourses on which a level of channel maintenance is to be pursued (e.g. lower Papanui Stream, Tukituki River downstream of Tamumu, Ongaonga Stream); and a broad strip of land adjacent to watercourses and more highly classified land which includes both flat and hill country on or adjacent to the Ruataniwha Plains.
Hastings District	Land Value	F - indirect	Land of the catchment which receives only indirect benefit, including eastern and southern hill country, central hills, mountain foothills and the highest parts of the Ruataniwha Plains.
Upper Mākara Streams Catchment Special Rating Scheme			
Central HB District	Area Basis	A	This rural class of direct benefit extends on the valley floor in the upstream flood plains of the Mākara Stream and part elsewhere downstream. This area is susceptible to very severe and frequent flooding and siltation and receives flood protection.
Central HB District	Area Basis	B	A direct benefit area of the Mākara flats where the flooding is less frequent than the land in Class A and which provides near optimum cropping potential. This area extends downstream to include the flood plains of the Wharemate and Silver Range Streams at their confluence with the Mākara Stream.
Central HB District	Area Basis	C - Mākara	A direct benefit area of the Mākara flats downstream of Kokatewai Road where only medium frequency flooding and siltation occurs, but where utilisation is more limited than in Class B due to accessibility and the width of the flats.
Central HB District	Area Basis	C - Wharemate	A direct benefit area adjacent to the Wharemate Stream that is susceptible to very severe and frequent flooding and ponding due to poor drainage. This area will have greater protection due to the detention dams. The area is difficult to utilise due to the irregularities of the valley floor.
Central HB District	Area Basis	D - Mākara	This rural class of direct benefit covers the flood plain of the Mākara Stream from the Elsthorpe township to the outlet of the catchment. It is an area of low frequency flooding and siltation in the lower Mākara where protection in the upstream dams will provide 20-year plus protection here with the large channel that exists making the land suitable for high risk cropping.
Central HB District	Area Basis	D - Silver Range	This rural class of direct benefit covers the floodplain of the Silver Range Stream from the Mākara Stream to the bridge on Kahurānaki Road. This area has a narrow stream bed and limited stopbanks that result in high frequency flooding and siltation. Given the risks, this area will be suitable only for grazing.
Central HB District	Area Basis	E	This class of direct benefit extends from the Mākara floodplain northward and follows a soil and topography boundary on the eastern side of Kahurānaki Road. An area of moderate to very severe soil erosion in the northern section of moderate to very steep hill country requiring intensive conservation measures to prevent loss and damage to land and improvements and stabilise stream beds.



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Central HB District	Area Basis	F	An area not in the classes above but receiving indirect benefit from all the works carried out on the Scheme through the protection of communications assets including roads, and telecommunications networks, the support of amenities, services and facilities in the area and the general economic stability of the community. Contains the balance of the catchment.
Central HB District	Area Basis	G	For those properties that straddle the catchment boundary, this area is the balance of properties that lie outside the catchment boundary and therefore, receive no benefit from the scheme. No rates charged.
<b>Poukawa Drainage Special Rating Scheme</b>			
Hastings District	Land value	A	Rateable property situated in the Hastings District on the lower lying land surrounding Lake Poukawa and subject to seasonal inundation which HBRC considers receives both direct and indirect benefit of the maintenance of the drainage scheme.
Hastings District	Land value	B	Rateable property situated in the Hastings District on the periphery of the land surrounding Lake Poukawa receiving the benefits as described in Class A which HBRC considers receives both direct and indirect benefit of the maintenance of the drainage scheme.
Hastings District	Land value	C	Rateable property situated in the Hastings District surrounding Lake Poukawa which HBRC considers receives indirect benefit of the maintenance of the drainage scheme.
<b>Paeroa Drainage Scheme Special Rating Area</b>			
Wairoa District	Area Basis	A	Rateable property situated in the Wairoa District on the lower lying land in the valley of the Waikoko Stream and the majority of the flat area surrounding and including the aerodrome, racecourse which HBRC considers receives both direct and indirect benefit of the drain and stream maintenance works.
Wairoa District	Area Basis	B	Rateable property situated in the Wairoa District including the sloping land in the Clydebank Road area on the delta at the lower end of the Awatere Stream valley which HBRC considers receives both direct and indirect benefit of the drain and stream maintenance works.
Wairoa District	Area Basis	C	Rateable property situated in the Wairoa District on the valley floors in the middle reaches of the Awatere and Waikoko Streams, and the slightly higher land adjacent to the Awatere Stream in the vicinity of SH2. It also includes the land to the west of the aerodrome which relies on culverts under the runway for a drainage outlet which HBRC considers receives both direct and indirect benefit of the drain and stream maintenance works.
Wairoa District	Area Basis	D	Rateable property situated in the Wairoa District on land near the boundaries of the classified area more remote from the watercourse maintained under the Scheme. It also includes land to the south of the railway (mainly urban property) which relies directly on the Awatere Stream for a drainage outlet which HBRC considers receives both direct and indirect benefit of the drain and stream maintenance works.
Wairoa District	Area Basis	E	Rateable property situated in the Wairoa District which HBRC considers receives indirect benefit only and includes the top ends of the valley floors, hill country adjacent to that land receiving direct benefit and an area of North Clyde.
<b>Ohuia- Whakakī Drainage Scheme</b>			
Wairoa District	Area Basis	A	This Scheme is located only a few kilometres east of Wairoa where it drains a 3,410ha catchment to Hawke 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 1,038ha based on the location. Each category has a proportionate factor applied to determine the amount payable per hectare.
Wairoa District	Area Basis	B	Land that without drainage could be inundated up to eight months of the year.
Wairoa District	Area Basis	C	Land affected by high water table because of poor outfall, overflow or backing up from lower lands.
Wairoa District	Area Basis	D	Land subject to ponding from time to time because of lack of outfall or from backing up to a lesser degree.
Wairoa District	Area Basis	E	Hill land and other land benefiting by improved access not available under original conditions.

(continued)

<b>Opoho Drainage Stream Scheme</b>			
Wairoa District	Fixed Amount	A, B, C	The Opoho Flood and Drainage Scheme involves three neighbouring farms situated approximately half way between Wairoa and Nuhaka. The relativities between the three properties in the Scheme were determined by way of an analysis of the benefits received by each property and respective apportionment of costs. The rating allocation should be reviewed every six years.
<b>Kopuawhara Stream Flood Control/Maintenance Scheme</b>			
Wairoa District	Area Basis	K1	Rateable property situated in the Scheme area within 20m of the banks of the Kopuawhara Stream which HBRC considers receives direct benefit from flood protection works. The benefits of these flood protection measures are reduction in bank erosion, bank and channel stability and loss of land by flooding and siltation. The K1 rating covers approximately 7.5km of channel versus only 4.7km of maintained channel as the lower reaches of the K1 rating areas are deemed to receive benefit from the upstream maintenance.
Wairoa District	Area Basis	K2	Rateable property situated in the Scheme area being the balance of flat land within the scheme area between Mahanga Road and the Railway Bridge over the Kopuawhara Stream but excluding land in differential K1. HBRC considers this land receives benefit from flood protection works. The benefits of these protection measures are reduction in bank erosion, bank and channel stability and loss of land by flooding and siltation to a lesser extent than the benefits received by land in differential area K1.
Wairoa District	Area Basis	K3	Rateable property situated in the Scheme area being two bands of flat land, each 300m wide, on both sides of the Kopuawhara Stream extending south from the Mahanga Road Bridge downstream to the boundary of the Scheme area. Land within differential K1 and K2 are excluded. HBRC considers this land receives benefit from flood protection works. The benefits of these flood protection measures are a reduction in the frequency of flooding from overflows from the Kopuawhara Stream.
Wairoa District	Area Basis	K4	Rateable property situated in the Scheme area being the flat land outside of the two 300m bands of K3 below Mahanga Road. Land within differential K1, K2 and K3 are excluded. HBRC considers this land received benefit from flood protection works. The benefits of these flood protection measures are a reduction in the frequency of flooding from overflows from the Kopuawhara Stream.
<b>Te Ngarue Stream Flood Protection Scheme</b>			
The rating system has two rating class covering an area of 135ha. Rates are levied for the Scheme's maintenance activities only.			
Hastings District	Area Basis	TN	Rateable property situated in the Hastings District within Te Ngarue Stream catchment (excluding property in Part Section 7 Block/ Tangoio Survey District) receiving direct and indirect benefit from Te Ngarue Scheme flood protection. The benefit of these protection measures, clearing of all trees and obstructions from the stream channel between the lagoon and Tangoio Road bridge, the removal of trees growing along the stream bank at risk of falling into the channel, and widening of parts of the channel and bank protection works adjacent to Beach Road, are a reduction in the risk of flooding to land situated within the benefit area.
The rating system has two rating class covering an area of 135ha. Rates are levied for the Scheme's maintenance activities only.			
Hastings District	Area Basis	TN1	Rateable property situated in Part Section 7 Block I Tangoio Survey District within Te Ngarue Stream catchment receiving direct and indirect benefit from Te Ngarue Scheme flood protection. To reduce the effect of flooding and erosion and provide security for investment and economic activity.



(continued)

Esk River and Whirinaki Stream Maintenance Scheme

Esk River

Hastings District	Area Basis	E1	The Esk rating system has two categories, namely Esk (E1 and E2) and Rural Industry (R11, R12, R13). Some of the properties are rated for more than one category. The rating catchment area for Esk is approximately 515ha. Rateable land situated in the Esk River Maintenance Scheme area from the confluence with the Mangakopikopiko Stream to the sea is charged this rate. The benefit of the river works has reduced the incidence of flooding on these properties during floods.  Properties in area E1 are part of the Esk scheme with costs apportioned based on a percentage of the total scheme costs apportioned to this category.
Hastings District	Area Basis	E2	Properties in area E2 are part of the Esk scheme with costs apportioned based on a percentage of the total scheme costs apportioned to this category.
Hastings District	Area Basis	R11	Properties in area R11 are part of the Esk scheme with costs apportioned based on a percentage of the total scheme costs apportioned to this category.
Hastings District	Area Basis	R12	Properties in area R12 are part of the Esk scheme with costs apportioned based on a percentage of the total scheme costs apportioned to this category.
Hastings District	Area Basis	R13	Properties in area R13 are part of the Esk scheme with costs apportioned based on a percentage of the total scheme costs apportioned to this category.

Whirinaki Stream

Hastings District	Area Basis	W1,W2,W3, W4,W5,W6, W7	Costs are separately identified for Whirinaki (W). This is rateable land within the Whirinaki Stream Maintenance Scheme receiving direct benefit from the maintenance work associated with the Whirinaki Stream and its designated tributaries. Each category has an applied percentage.
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Karamū Drainage Maintenance

Hastings District	UTR	This Scheme covers properties in Havelock North, being properties in the Karamū Catchment, which do not contribute to the Heretaunga Plains Flood Control Scheme- Streams & Drains (Karamū D2). The Scheme involves maintenance of the completed enhancement works in the Karamū Stream.
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Karamū Enhancement

Hastings District	UTR	This Scheme covers properties in Havelock North, being properties in the Karamū Catchment, which do not contribute to the Heretaunga Plains Flood Control Scheme- Streams & Drains (Karamū D2). The Scheme involves funding for one third the cost of new enhancement works in the Karamū Stream.
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Pōrangahau Flood Control

Central HB District	Land Value	This Scheme covers 90km of waterways consisting of the Porangahau River and some of its tributaries in Central Hawke's Bay. It was established to reduce flooding and bank erosion and ensure the main access to the community via Porangahau Road is not closed so often due to flooding. The Porangahau Scheme uses only natural assets (streams and rivers) and no hard engineering structures. The main strategy is routine maintenance involving vegetation control, predominantly willow with minor bank stabilisation and debris build-up removal.
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Maraetotara Flood Maintenance

Hastings District	Capital Value	This Scheme reduces the risks of the Maraetotara River flooding Te Awanga township, roading and communication links. The rating scheme has only one rating class covering an area of 54ha. Rates are levied for the Scheme's maintenance activities only. The Scheme was established to protect a 1/100 year flood event, although land on the right bank will still be flooded when the river is high the scheme keeps the Maraetotara River flows within the stopbanks, floodwalls and natural high ground, and a flood-gated outlet from the lagoon through the stopbank to the river.
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Kairakau Community Scheme

Central HB District	UTR	This Scheme maintains flood protection, including the seawall and Mangakuri River retaining wall for the Kairakau community on the Central Hawkes Bay coastline. HBRC works closely with the Kairakau Development Society (KDS) which requested the scheme. KDS determines on behalf of the community what work is needed.
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All rates figures are GST inclusive



Image courtesy of the Wairoa Star

Details of Rates Calculated within each District and City:  
General Rates and Uniform Annual General Rates

Rate type	Districts	Rates set on	Differentials or Units of Charge	Calculation Factor	2022-23 Rate	Estimated Rates Revenue 2023-24
GENERAL RATE				Cents in \$		
	Napier City	Land Value		0.02845	\$2,977,841	\$2,662,911
	Hastings District	Land Value		0.02091	\$5,166,798	\$5,216,085
	Central HB District	Land Value		0.02323	\$1,613,221	\$1,375,376
	Wairoa District	Land Value		0.02152	\$668,810	\$625,316
	Taupō District	Land Value		0.02320	\$22,633	\$19,678
	Rangitikei District	Land Value		0.02231	\$4,314	\$3,670
					\$10,453,617	\$9,903,037
UNIFORM ANNUAL GENERAL CHARGE		No of SUiPs		Per SUIP		
	Napier City	Fixed Amount	29,009	65.89	\$1,989,021	\$1,911,403
	Hastings District	Fixed Amount	35,121	65.89	\$2,426,369	\$2,314,090
	Central HB District	Fixed Amount	7,260	65.89	\$483,443	\$478,361
	Wairoa District	Fixed Amount	5,243	65.89	\$362,219	\$345,461
	Taupō District	Fixed Amount	54	65.89	\$3,873	\$3,558
	Rangitikei District	Fixed Amount	1	65.89	\$70	\$66
					\$5,264,995	\$5,052,936



Details of Rates Calculated within each District and City

Rate Type	Districts	Rates set on	Differentials or units of charge	Calculation Factor	2022-23 Rate	Estimated rates revenue 2023 -24
SUBSIDISED PUBLIC TRANSPORT RATE				Cents in \$		
	Napier City	Land Value		0.02198	\$1,859,875	\$1,815,787
	Hastings District	Land Value		0.01615	\$1,453,962	\$1,719,048
	Clive	Land value		0.01615	\$28,793	\$19,839
					\$3,554,674	\$3,342,629
RIVER CONTROL				Benefit		
Heretaunga Plains Flood Control Scheme				Cents in \$		
	Napier City	Capital Value	Direct	0.01062	\$1,143,896	\$1,444,819
	Napier City	Capital Value	Indirect	0.00261	\$420,045	\$519,448
	Hastings District	Capital Value	Direct	0.00837	\$1,410,966	\$1,809,010
	Hastings District	Capital Value	Indirect	0.00205	\$674,896	\$874,137
					\$ 3,649,804	\$4,647,414
Upper Tukituki Catchment Control Scheme				Cents in \$		
	Central HB District	Land Value A	F1 100	0.39240	\$148,475	\$170,109
	Central HB District	Land Value B	F2 75	0.29430	\$244,377	\$281,891
	Central HB District	Land Value C	F3 50	0.19620	\$135,196	\$156,204
	Central HB District	Land Value D	F4 25	0.09810	\$151,435	\$175,858
	Central HB District	Land Value E	F5 10	0.03924	\$95,617	\$112,939
	Central HB District	Land Value F	F6 1	0.00393	\$104,805	\$122,337
	Central HB District	Land Value	U1 25	0.09810	\$77,028	\$88,648
	Central HB District	Land Value	U2 15	0.05886	\$11,412	\$13,061
	Central HB District	Land Value	U3 10	0.03924	\$17,757	\$20,529
	Central HB District	Land Value	U4 1	0.00393	\$17,998	\$20,889
	Hastings District	Land Value	F5 10	0.03533	\$1,814	\$2,190
	Hastings District	Land Value	F6 1	0.00353	\$3,440	\$4,601
					\$1,009,356	\$1,169,256
Coastal Hazards				No of SUIPs	Per SUIP	
	Napier City	Fixed Amount		28,642	\$3.27106	\$91,177
	Hastings District	Fixed Amount		34,783	\$3.27106	\$111,232
				63,425		\$202,408
						\$207,405
Wairoa River & Streams Scheme				Cents in \$		
	Wairoa District	Capital Value		0.00669	\$211,905	\$271,327
Central & Southern Area Rivers & Streams				Cents in \$		
	Napier City	Capital Value		0.00014	\$27,856	\$27,857
	Hastings District	Capital Value		0.00011	\$44,324	\$46,804
	Central HB District	Capital Value		0.00012	\$11,758	\$10,912
	Taupo District	Capital Value		0.00012	\$142	\$148
	Rangitikei District	Capital Value		0.00000	-	-
					\$84,080	\$85,721

(continued)

Rate Type	Districts	Rates set on	Differentials or units of charge	Calculation Factor	2022-23 Rates	Estimated rates revenue 2023 -24
STREAMS AND DRAINS				Cents in \$		
Napier Meeanee Puketapu				Cents in \$		
	Napier City	Land Value	Urban	0.02038	\$968,408	\$1,135,453
	Napier City	Land Value	Industrial	0.08152	\$272,857	\$318,819
	Hastings District	Land Value	Rural	0.01498	\$34,220	\$36,189
					\$1,275,485	\$1,490,461
Karamū & Tributaries				Cents in \$		
	Hastings District	Land Value	Urban	0.01541	\$1,111,602	\$1,246,869
	Hastings District	Land Value	Industrial	0.06165	\$382,006	\$368,663
					\$1,493,608	\$1,615,532
Raupare Enhancement				Cents per hectare		
	Hastings District	Area	1,178	1,320.66	\$16,538	\$14,855
Raupare Twyford				Cents in \$		
	Hastings District	Land Value	Rural	0.01720	\$194,891	\$180,994
	Haumoana	Land Value	Rural	0.04536	\$167,186	\$171,793
	Tūtaekuri Waimate Moteo	Land Value	Rural	0.07607	\$288,343	\$296,311
	Pākōwhai Brookfields	Land Value	Rural	0.08059	\$170,785	\$187,193
	Puninga	Land Value	Rural	0.14124	\$113,272	\$150,145
					\$934,477	\$986,436
Brookfields Awatoto				Cents in \$		
	Napier City	Land Value	Urban	0.08398	\$106,380	\$109,308
	Napier City	Land Value	Industrial	0.33590	\$78,494	\$80,650
					\$184,874	\$189,031
Muddy Creek				Cents in \$		
	Hastings District	Land Value	Urban	0.03189	\$225,807	\$220,876
	Hastings District	Land Value	Industrial	0.12755	\$64,232	\$77,155
					\$290,040	\$298,031
Karamū Drainage Mtce				Per rating unit		
	Hastings District	Fixed Amount	6,416	12.88738	\$82,685	\$82,700
Karamū Enhancement				Per rating unit		
	Hastings District	Fixed Amount	6,416	12.02067	\$77,125	\$77,121
Poukawa Drainage Special Rating Scheme				Cents in \$		
	Hastings District	Land Value	PO1	0.20959	\$38,844	\$39,944
	Hastings District	Land Value	PO2	0.03493	\$1,791	\$1,779
	Hastings District	Land Value	PO3	0.00699	\$763	\$712
					\$41,399	\$42,435



(continued)

Rate Type	Districts	Rates set on	Differentials or units of charge	Calculation Factor	2022-23 rate	Estimated rates revenue 2023-24
<b>STREAMS AND DRAINS</b>						
<b>Pōrongahau Flood Control</b>	Central HB District	Land Value	Cents in \$	0.00598	\$45,205	\$46,322
<b>Maraetotara Flood Mtce</b>	Hastings District	Capital Value	Cents in \$	0.00464	\$13,881	\$18,371
<b>Per SUIP</b>						
<b>Kairakau Community Scheme</b>	Central HB District	Uniform Charge	84 SUIPs	136.28000	\$11,169	\$11,448
<b>Paeroa Drainage Scheme Special Rating Area</b>				<b>Cents per hectare</b>		
	Wairoa District	Area Basis	A	8,060.78	\$14,900	\$15,177
	Wairoa District	Area Basis	B	5,239.51	\$6,051	\$6,571
	Wairoa District	Area Basis	C	3,627.35	\$1,870	\$1,746
	Wairoa District	Area Basis	D	2,821.27	\$1,215	\$1,256
	Wairoa District	Area Basis	E	403.04	\$849	\$757
					<b>\$24,885</b>	<b>\$25,507</b>
<b>Ohuia Whakaki Drainage Rating Scheme</b>				<b>Cents per hectare</b>		
	Wairoa District	Area Basis	A	18,242.03	\$46,493	\$54,634
	Wairoa District	Area Basis	B	14,593.62	\$10,848	\$13,212
	Wairoa District	Area Basis	C	10,945.22	\$6,625	\$8,147
	Wairoa District	Area Basis	D	5,472.61	\$16,644	\$19,346
	Wairoa District	Area Basis	E	1,824.20	\$3,639	\$3,300
					<b>\$84,248</b>	<b>\$98,639</b>
<b>Upper Makara Stream Catchment Special Rating Scheme</b>				<b>Cents per hectare</b>		
	Central HB District	Area Basis	A	22,836.44	\$8,680	\$12,379
	Central HB District	Area Basis	B	18,269.15	\$24,147	\$34,485
	Central HB District	Area Basis	C	14,843.69	\$36,667	\$52,293
	Central HB District	Area Basis	D	7,992.75	\$7,393	\$14,057
	Central HB District	Area Basis	E	1,141.82	\$18,459	\$26,325
	Central HB District	Area Basis	F	456.73	\$14,167	\$20,912
					<b>\$109,514</b>	<b>\$160,451</b>
<b>Opoho Drainage/Stream</b>				<b>Per SUIP</b>		
	Wairoa District	Fixed Amount	A	36,336.00	\$16,350	\$36,336
	Wairoa District	Fixed Amount	B	13,550.00	\$6,097	\$13,550
	Wairoa District	Fixed Amount	C	5,420.00	\$2,439	\$5,420
					<b>\$24,886</b>	<b>\$55,306</b>

(continued)

Rate Type	Districts	Rates set on	Differentials or units of charge	Calculation Factor	2022-23 rate	Estimated rates revenue 2023-2024
<b>STREAMS AND DRAINS</b>						
<b>Esk River Maintenance</b>				<b>Cents per hectare</b>		
	Hastings District	Area Basis	E1	4,436.70	\$5,005	\$12,080
	Hastings District	Area Basis	E2	1,774.68	\$1,617	\$3,979
	Hastings District	Area Basis	R11	4,906.92	\$646	\$1,567
	Hastings District	Area Basis	R12	21,032.28	\$404	\$979
	Hastings District	Area Basis	R13	71,250.80	\$404	\$979
					<b>\$8,076</b>	<b>\$19,584</b>
<b>DRAINAGE SCHEMES</b>						
<b>Whirinaki Stream Maintenance</b>				<b>Cents per hectare</b>		
	Hastings District	Area Basis	W1	43,372.48	\$6,752	\$13,801
	Hastings District	Area Basis	W2	37,728.09	\$859	\$1,757
	Hastings District	Area Basis	W3	127,811.02	\$859	\$1,757
	Hastings District	Area Basis	W4	22,789.98	\$3,069	\$6,273
	Hastings District	Area Basis	W5	8,197.63	\$246	\$502
	Hastings District	Area Basis	W6	15,207.85	\$246	\$502
	Hastings District	Area Basis	W7	5,396.33	\$246	\$502
					<b>\$12,277</b>	<b>\$25,093</b>
<b>Te Ngarue Stream Flood Protection Scheme</b>				<b>Cents per hectare</b>		
	Hastings District	Area Basis	TN	11,883.05	\$3,277	\$10,338
	Hastings District	Area Basis	TN1	50,391.68	\$180	\$567
					<b>\$3,457</b>	<b>\$10,905</b>
<b>Kopuawhara Stream Flood Control Maintenance Scheme</b>				<b>Cents per hectare</b>		
	Wairoa District	Area Basis	A	33,775.76	\$2,245	\$4,126
	Wairoa District	Area Basis	B	13,510.30	\$4,553	\$8,370
	Wairoa District	Area Basis	C	6,755.15	\$2,663	\$4,007
	Wairoa District	Area Basis	D	1,688.79	\$923	\$1,034
					<b>\$10,384</b>	<b>\$17,538</b>
<b>BIOSECURITY</b>						
<b>Plant Pest Strategy</b>				<b>Cents per hectare</b>		
	Napier City	Area Basis	4,685	62,102.90	\$2,534	\$2,917
	Hastings District	Area Basis	361,326	62,102.90	\$220,631	\$223,936
	Wairoa District	Area Basis	276,607	62,102.90	\$164,557	\$170,230
	Central HB District	Area Basis	303,430	62,102.90	\$183,415	\$187,047
	Taupō District	Area Basis	22,028	62,102.90	\$13,383	\$13,680
	Rangitikei District	Area Basis	10,192	62,102.90	\$6,192	\$6,329
			<b>978,268</b>		<b>\$590,712</b>	<b>\$605,449</b>



(continued)						
Rate Type	Districts	Rates set on	Differentials or units of charge	Calculation Factor	2022-23 rate	Estimated rates revenue 2023-24
BIOSECURITY						
Regional Animal Pest Management Strategy						
	Napier City	Area Basis	4,685	281.08217	\$9,356	\$13,030
	Hastings District	Area Basis	299,419	281.08217	\$670,863	\$834,164
	Wairoa District	Area Basis	220,780	281.08217	\$484,212	\$620,446
	Central HB District	Area Basis	294,900	281.08217	\$660,857	\$828,293
	Taupō District	Area Basis	8,125	281.08217	-	\$22,838
	Rangitikei District	Area Basis	10,192	281.08217	\$22,863	\$28,647
			838,100		\$1,848,153	\$2,347,418
Regional Animal Pest Forestry						
	Napier City	Area Basis	79	98.65222	-	\$78
	Hastings District	Area Basis	63,790	98.65222	\$49,800	\$62,930
	Wairoa District	Area Basis	53,902	98.65222	\$42,725	\$53,174
	Central HB District	Area Basis	7,306	98.65222	\$5,676	\$7,208
	Taupō District	Area Basis	13,903	98.65222	\$10,801	\$13,716
	Rangitikei District	Area Basis	-	-	-	-
			138,980		\$109,001	\$137,105
SUSTAINABLE LAND MANAGEMENT STRATEGY						
	Napier City	Area Basis	4,688	132.91700	\$4,628	\$6,200
	Hastings District	Area Basis	375,066	132.91700	\$415,607	\$498,232
	Wairoa District	Area Basis	275,514	132.91700	\$299,405	\$366,174
	Central HB District	Area Basis	302,170	132.91700	\$332,672	\$401,444
	Taupō District	Area Basis	38,288	132.91700	\$42,193	\$50,891
	Rangitikei District	Area Basis	10,192	132.91700	\$11,231	\$13,546
			1,005,917		\$1,105,735	\$1,336,488
SUSTAINABLE HOMES SCHEME						
Healthy Homes - Clean Heat						
	Napier City	Land Value		0.004010	\$364,689	\$339,519
	Hastings District	Land Value		0.002950	\$335,726	\$378,165
					\$700,415	\$717,684
SUSTAINABLE HOMES FINANCIAL ASSISTANCE						
Voluntary targeted rate to repay financial assistance to insulate homes and provide clean heat, solar heating, PhotoVoltaic cells, HRV, domestic water storage and septic tank replacement			\$10 per \$100 financial assistance	\$10	10 per \$100 financial assistance	

(continued)						
Rate Type	Districts	Rates set on	Differentials or units of charge	Calculation Factor	2022-23 rate	Estimated rates revenue 2022-23
ECONOMIC DEVELOPMENT			SUIP#	PER SUIP		
Residential and Rural						
	Napier City	Fixed Amount	25,877	11.58000	\$305,370	\$299,656
	Hastings District	Fixed Amount	31,923	11.58000	\$377,913	\$369,663
	Wairoa District	Fixed Amount	4,941	11.58000	\$58,534	\$57,214
	Central HB District	Fixed Amount	6,717	11.58000	\$78,213	\$77,783
	Taupō District	Fixed Amount	54	11.58000	\$657	\$625
	Rangitikei District	Fixed Amount	1	11.58000	\$12	\$12
			69,513		\$820,699	\$804,953
Commercial/Industrial				Cents in \$		
	Napier City	Capital Value		0.02857	\$822,172	\$800,408
	Hastings District	Capital Value		0.02250	\$1,015,458	\$1,002,944
	Wairoa District	Capital Value		0.02302	\$18,850	\$20,331
	Central HB District	Capital Value		0.02504	\$58,714	\$54,912
					\$1,915,194	\$1,878,594
CDEM EMERGENCY MANAGEMENT			SUIP#	PER SUIP		
Emergency Management	Napier City	Fixed Amount	28,644	43.96069	\$1,090,962	\$1,259,191
	Hastings District	Fixed Amount	34,783	43.96069	\$1,330,922	\$1,529,062
	Wairoa District	Fixed Amount	5,185	43.96069	\$198,674	\$227,922
	Central HB District	Fixed Amount	7,037	43.96069	\$265,165	\$309,347
			75,649		\$2,885,722	\$3,325,522
CYCLONE RECOVERY RATE			No. of SUIPs	Per SUIP		
	Napier City	Fixed Amount	29,009	55.00	-	\$1,595,495
	Hastings District	Fixed Amount	35,121	55.00	-	\$1,931,628
	Central HB District	Fixed Amount	7,260	55.00	-	\$399,300
	Wairoa District	Fixed Amount	5,243	55.00	-	\$288,365
	Taupō District	Fixed Amount	54	55.00	-	\$2,970
	Rangitikei District	Fixed Amount	1	55.00	-	\$55
			76,688		-	\$4,217,813
				Cents in \$		
	Napier City	Land Value		0.00384	-	\$360,356
	Hastings District	Land Value		0.00384	-	\$960,118
	Central HB District	Land Value		0.00384	-	\$227,756
	Wairoa District	Land Value		0.00384	-	\$111,562
	Taupō District	Land Value		0.00384	-	\$3,257
	Rangitikei District	Land Value		0.00384	-	\$632
					-	\$1,663,681











## Hawkes Bay Regional Council



### Fees and Charges Schedule 2023-2024

HBRC may fix charges relating to its functions and responsibilities under legislation such as the Local Government Act 2002, the Maritime Transport Act 1994 and the Resource Management Act 1991 (RMA). An outline of the charges applicable from 1 July 2023 to 30 June 2024 is provided below. Refer to the Fees and Charges section of the Long Term Plan 2021-2031, for further detail and policy related to these charges.

#### A. Charges relating to Resource Consent applications

*Table 1.1: Charges payable for processing resource consent applications*

Item	Initial fixed fee - payable upon lodgment (excl GST)	Additional charge - payable subsequent to processing
– Land use application for bore permit	\$ 500	Based on actual and reasonable costs <sup>1</sup>
– Land use for bore field where 3 or more bores are to be drilled for the same purpose on the same site (or in close proximity)	\$ 1,000	
– Land use consent for gravel extraction	\$ 1,000	
– Other consent applications	\$ 2,000	
Other changes or cancellations of consent conditions	\$ 750	Based on actual and reasonable costs <sup>1</sup>
Review of conditions as per RMA s128 1a, 1c or 2.	\$ 1,500	Based on actual and reasonable costs <sup>1</sup>
Transfer a consent to another site	\$ 1,000	Based on actual and reasonable costs <sup>1</sup>
Extensions to lapse dates	\$ 1,000	Based on actual and reasonable costs <sup>1</sup>
Transfer of resource consent (1 only, with transfer form completed and signed) to a new owner/occupier	\$ 200	Based on actual and reasonable costs <sup>1</sup> for non-standard process
Transfer of resource consent (2 or more, with transfer form completed and signed) to a new owner/occupier, or change of name	\$ 250	Based on actual and reasonable costs <sup>1</sup> for non-standard process
Certificate of compliance/ Deemed Permitted Activity:		
– Bore sealing	no charge	– N/A
– Confirmation of domestic on-site wastewater Permitted Activity status	\$ 750	
– Issuing a notice under s87BA or BB of the RMA stating whether an activity is a permitted activity	\$ 1,500	– Based on actual & reasonable costs <sup>1</sup>
Other	\$ 1,500	



## Hawkes Bay Regional Council



## Fees and Charges Schedule 2023-2024

Table 1.2: Charges for Resource Consent applications requiring notification or a hearing

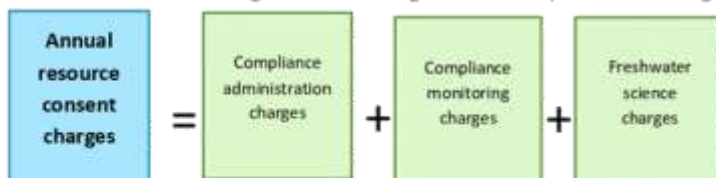
Application type	Type of fixed fee (excl GST)			Additional charge – payable subsequent to processing
	Initial fixed fee: payable upon application	Fixed fee: payable upon notification	Fixed fee: payable 5 days before hearing	
Individual resource consent application (including applications for ancillary activities)	(per Table 1.1)	\$ 5,000	\$ 7,500	Based on actual and reasonable costs <sup>1</sup>
Application processed as part of a catchment wide replacement process	(per Table 1.1)	\$ 1,500	\$ 2,000	Based on actual and reasonable costs <sup>1</sup>
Request for independent commissioner under s 100A RMA	Fixed fee payable on requesting a commissioner (excl GST)			Additional charge - payable subsequent to processing
Fixed fee payable on requesting an independent commissioner	\$ 3,000 per commissioner			Based on actual and reasonable costs <sup>1</sup> of additional cost incurred as a result of using an independent commissioner

**Note 1:** Actual and Reasonable Costs include time spent by staff in receiving, processing, and deciding on the applications, hearing costs and any external disbursements (which shall include any external expert advice from consultants at cost). Staff costs shall be calculated by multiplying the actual hours involved in receiving, processing and granting a consent by the hourly rates for the staff involved and adding any actual disbursements (as in Table 9); and adding any hearing costs, and costs of consultants and commissioned reports; and then subtracting the fixed charge that was paid in advance. The total calculated amount shall then, if necessary, be adjusted to reflect HBRC's actual and reasonable costs having regard to the factors referred to in section 36(4) of the RMA and any relevant discounts. (This does not apply to applications which are not subject to additional charges or refunds).

Where an activity requires multiple ancillary consents, and the application will be processed in a bundle, HBRC may require payment of only one initial fixed fee (deposit). The deposit shall be equal to the highest deposit required for any of the applications required, as per Table 1.1.

## B. Charges to holders of resource consents for administration, compliance and impact monitoring

Annual consent monitoring and admin charges are made up of the following:



Not all the charges in the diagram above are applicable to all resource consents.



## Hawkes Bay Regional Council



## Fees and Charges Schedule 2023-2024

## Compliance administration

Table 2.1: Charges for compliance administration

	Annual charge 2023/24 (excl GST)
Annual consent administration fee <sup>2</sup>	\$ 80
Annual water measuring device admin charge (for first meter)	\$ 230
PLUS - each additional water measuring device	\$ 55
Annual water measuring device admin - Non-exercised consent	\$ 45

**Note 2:** The annual consent administration fee is charged to holders of consents that require ongoing maintenance, and covers routine administration costs such as consent computer database and file system maintenance, compiling and monitoring accounts, correspondence to consent holders (e.g. around expiring consents) and general administration and enquiries.

Exemptions to the annual compliance administration charge include the following consent types; water takes, residential domestic effluent systems (permitted activity and accredited/non-accredited systems), bore permits, forestry permitted activities, land use permitted activities, and consents that no longer require monitoring.

## Compliance monitoring

Table 2.2: Charges for compliance monitoring

	Charge 2023/24 (excl GST)
On-site wastewater treatment - non-accredited - annual monitoring fee	\$ 400
Low flows annual monitoring fee	\$ 250
Issuing of abatement notice	\$ 187
Late submission of data and information returns	\$ 187
Monitoring of consents which require annual inspection, and/or information return, and/or sampling undertaken	Actual and reasonable costs <sup>3</sup> to undertake monitoring
Monitoring of National Environmental Standards for Plantation Forestry permitted activities	Actual and reasonable costs <sup>3</sup> to undertake monitoring
Additional monitoring as a result of non-compliance with consent conditions	Actual and reasonable costs <sup>3</sup> to undertake monitoring

**Note 3:** Actual and reasonable costs shall be calculated by multiplying the actual staff hours of undertaking monitoring of the consent, by the hourly rate for the staff involved, and adding any actual disbursements (as per rates in table 9). The total calculated shall then, if necessary, be adjusted to reflect HBRC's actual and reasonable costs having regard to the factors referred to in section 36 (4) of the RMA.



## Hawkes Bay Regional Council



## Fees and Charges Schedule 2023-2024

## Freshwater science charges

Discharges to water or land, and water take consent holders are charged for the costs of performing science investigations and monitoring to manage and inform on effects, or potential effects, on the Region's freshwater resources. These charges are authorised by Section 36 of the Resource Management Act 1991.

**Water Takes:**

Freshwater quantity science charges are levied against consents to take ground water, surface water and stream depleter takes. The charge is based on maximum consented weekly volume of take, not actual use. Where a maximum weekly take condition is not specified in the consent, a **deemed weekly volume** will be calculated by conversion of the consented maximum daily/28 day/monthly or annual take. Refer to the Long Term Plan 2021-2031 for exemptions and adjustments to the annual freshwater science charges schedule.

Table 3.1: Charges to consent holders for freshwater science: **WATER TAKES**

	Annual variable charge rate 2023/24 (excl GST)	
	\$	Units
Minimum charge	\$ 240	per consent
Volume up to 100,000 m <sup>3</sup>	\$ 0.075	per m <sup>3</sup> deemed weekly volume
Volume from 100,000 to 1,000,000 m <sup>3</sup>	\$ 0.054	per m <sup>3</sup> deemed weekly volume
Volume from 1 million to 2 million m <sup>3</sup>	\$ 0.027	per m <sup>3</sup> deemed weekly volume
Volume above 2 million m <sup>3</sup>	\$ 0.007	per m <sup>3</sup> deemed weekly volume

**Discharges to land or fresh water:**

Freshwater quality science charges are levied against consents to discharge to land or water. The charges are levied against each consent based on the receiving body of the discharge (land or water), and the scale of activity as defined in Table 3.3. Refer to the Long Term Plan 2021-2031 for exemptions and adjustments to the annual freshwater charges schedule.

Table 3.2: Charges to consent holders for freshwater science: **DISCHARGE CONSENTS**

Annual fixed charge 2023/24 (excl GST)			
Primary purpose: drainage, sewage, stormwater & wastewater			
Discharge to:		Water	Land
Small	1	\$ 897	\$ 449
	2	\$ 1,795	\$ 897
	3	\$ 2,692	\$ 1,346
Medium	4	\$ 3,589	\$ 1,795
	5	\$ 4,486	\$ 2,243
	6	\$ 5,384	\$ 2,692
Large	7	\$ 6,281	\$ 3,141
	8	\$ 7,178	\$ 3,589
	9	\$ 8,076	\$ 4,038
Activities not scaled:			
Discharge to:		Water	Land
Solid Waste		\$ 3,589	\$ 1,795
Other		\$ 1,795	\$ 897



## Hawkes Bay Regional Council

## Fees and Charges Schedule 2023-2024



Table 3.3: Definition of discharge consent scale of activity

Primary purpose of discharge	Small			Medium			Large		
	1	2	3	4	5	6	7	8	9
Drainage	Max discharge rate: < 10 l/s	Max discharge rate: 10 - 25 l/s	Max discharge rate: 26 - 75 l/s	Max discharge rate: 76 - 200 l/s	Max discharge rate: 201 - 1,000 l/s	Max discharge rate: 1,001 - 5,000 l/s	Max discharge rate: 5,001 - 10,000 l/s	Max discharge rate: 10,001-20,000 l/s	Max discharge rate: > 20,000 l/s
Sewage	Max discharge: 2-5 m3/day	Max discharge: 6-10 m3/day	Max discharge: 11-50 m3/day	Max discharge: 51-100 m3/day	Max discharge: 101-200 m3/day	Max discharge: 201-500 m3/day	Max discharge: 501-1,000m3/day	Max discharge: 1,001-2,000 m3/day	Max discharge: > 2,000 m3/day
Stormwater	Catchment area: < 1 ha	Catchment area: 1 to 5 ha	Catchment area: 6 to 10 ha	Catchment area: 11 to 20 ha	Catchment area: 21 to 40 ha Catchment area:	Catchment area: 41 to 60 ha Catchment area:	Catchment area: 61 to 80 ha Catchment area:	Catchment area: 81 to 100 ha Catchment area:	Catchment area: > 100 ha
Wastewater	Dairy & Piggery operations: Herd size < 100 cow equiv. All other operations: Max discharge < 15 m3/day	Dairy & Piggery operations: Herd size 100-400 cow equiv. All other operations: Max discharge 16-50 m3/day	Dairy & Piggery operations: Herd size 401-700 cow equiv. All other operations: Max discharge 51-250 m3/day	Dairy & Piggery operations: Herd size 701-1,000 cow equiv. All other operations: Max discharge 251-1,000 m3/day	Dairy & Piggery operations: Herd size 1,001-1,300 cow equiv. All other operations: Max discharge 1,001-2,000 m3/day	Dairy & Piggery operations: Herd size 1,301-1,600 cow equiv. All other operations: Max discharge 2,001-5,000 m3/day	Dairy & Piggery operations: Herd size 1,601-2,000 cow equiv. All other operations: Max discharge 5,001-10,001 m3/day	Dairy & Piggery operations: Herd size 2,001 to 3,000 cow equiv. All other operations: Max discharge 10,001-20,000 m3/day	Dairy & Piggery operations: Herd size >3,000 cow equiv. All other operations: Max discharge > 20,000 m3/day
Solid waste and other	No scale applied. HBRC may apply scale factor to "non-scaled" discharge consents if outliers become apparent.								

## Cow equiv.

Sheep, goats and pigs are converted to "cow equivalents" using the following conversions (6.5 sheep = 1 cow equiv, 8.13 goats = 1 cow equiv, 3.75 pigs = 1 cow equiv.)



## Hawkes Bay Regional Council



## Fees and Charges Schedule 2023-2024

## C. Charges relating to contaminated site management

Table 4: Charges relating to contaminated site management

	Charge (excl GST)
Where a party requests information about the 'contaminated site' status of a property	Actual and reasonable costs <sup>4</sup> of staff time incurred
Where a party requests HBRC review and comment on contaminated site investigation and remediation reports	Actual and reasonable costs <sup>4</sup> of staff time incurred
Where a party requests more extensive involvement of HBRC staff	Actual and reasonable costs <sup>4</sup> of staff time incurred

**Note 4:** Actual and reasonable costs shall be calculated by multiplying the actual staff hours of undertaking monitoring of the consent, by the hourly rate for the staff involved (as per rates in table 9) and adding any actual disbursements.

## D. Charges for gravel extraction

Gravel extraction may be undertaken with permissions issued under the HBRC resource consents, or via individual resource consents. The charge for receiving and processing an individual consent application for extraction of gravel from rivers are as set out in Table 14.1. Each party taking gravel will be required to pay compliance monitoring and administration charges based on the volume of gravel extracted, the source of the gravel, and its quality, as set out in table 5.1 or 5.2.

Table 5.1: Charges for gravel extraction under HBRC resource consent<sup>5</sup>

Fee for issuing permissions to extract gravel under HBRC resource consents:	Charge (excl GST)
0-50 cubic metres	\$ 80
Greater than 50 cubic metres	\$ 120
Extraction charge for compliance monitoring, environmental mitigation and administration:	Charge per cubic metre extracted (excl GST)
Upper Tukituki	\$ 0.80
HPFCS rivers including lower & middle Tukituki	\$ 1.20
Inferior grade	\$ 0.40

**Note 5:** HBRC resource consents: AUTH-123467-01, AUTH-123469-01 (Ngaruroro River), AUTH-123447-01, AUTH-123453-01 (Tukituki River) and AUTH-123452-01, AUTH-123458-01 (Tūtaekuri River).

Table 5.2: Charges for gravel extraction via individual resource consents based on \$ per cubic metre extracted per annum

	State of Environment monitoring charge (S35 of RMA)	Compliance / allocation charge (S36 of RMA)	Financial contribution (s108 of RMA)	Total (excl GST)
All rivers (other than Tukituki, Ngaruroro, Tūtaekuri Rivers, and their tributaries)	\$ 0.20	\$ 0.60	\$ 0.08	\$ 0.80
Inferior grade	\$ 0.20	NA	\$ 0.08	\$ 0.20



## Hawkes Bay Regional Council



## Fees and Charges Schedule 2023-2024

## E. Building Act charges for dams

Table 6: Charges for Building Act applications

Activity	Deposit (excl GST)	Additional charge – payable subsequent to processing
Building consent for dams – Project Information Memorandum (PIM)	\$ 500	Based on actual and reasonable costs <sup>6</sup>
Certificate of acceptance – Dam valued up to \$20,000	\$ 500	Based on actual and reasonable costs <sup>6</sup>
– Dam valued between \$20,000 and \$100,000	\$ 2,000	
– Dam valued over \$100,000	\$ 4,000	
Amendment to compliance schedule	\$ 1,000	Based on actual and reasonable costs <sup>6</sup>
<b>Levies<sup>7</sup> for building consent &amp; certificate of acceptance applications</b>	<b>Charge (excl GST)</b>	
MBIE levy for building work value greater than \$20,444	\$ 1.75 incl GST for every \$1000 (or part of \$1000) of the estimated value of the building work.	
BRANZ levy for building work value greater than \$20,444	0.1% of the contract value (above \$20,000) of the estimated value of the building work.	

**Note 6:** The function for consenting dams under the Building Act (2004) has been transferred to Waikato Regional Council. The transfer agreement specifies that Building Consent costs will be recovered on an actual and reasonable basis, with hourly rates and fixed charges as set and recovered directly by Waikato Regional Council.

**Note 7:** These levies may change in accordance with amendments made to regulations.

## F. Maritime transport &amp; navigation charges

Table 7.1: Tier 1 Marine Oil Response Plan charges

	Charge (excl GST)
Review or approval of a Tier 1 marine oil spill response plan, including an initial audit.	Actual and reasonable costs <sup>8</sup>
Attendance at Tier 1 plan site visit, exercise, or audit	Actual and reasonable costs <sup>8</sup>

**Note 8:** Actual and reasonable costs shall be calculated by multiplying the actual staff hours of undertaking monitoring of the consent, by the hourly rate for the staff involved (as per rates in table 9) and adding any actual disbursements.



## Hawkes Bay Regional Council



## Fees and Charges Schedule 2023-2024

Table 7.2: Navigation and Safety Charges

	Charge (excl GST)
Responding to breaches of Navigation and Safety By-laws, securing of vessels, responding to unseaworthy vessels or sinking vessels, and other tasks required to be undertaken to ensure safe navigation can be maintained.	Actual and reasonable costs <sup>9</sup>
<b>Passenger Vessel Licence (annual)</b>	
– Passenger Vessel Owner's Licence	\$ 70
– Passenger Vessel Licence (per vessel)	\$ 40
<b>Hire boat Licence (annual)</b>	
– Hire boat Owner's licence	\$ 70
<b>Hire boat Licence (annual per craft)</b>	
– Kayak	\$ 6
– Windsurfer	\$ 7
– Rowing boat	\$ 10
– Sailboat	\$ 20
– Jet ski	\$ 20
– Powerboat	\$ 40
<b>Pilot-exemption Recommendations/Revalidation</b>	\$ 300
<b>Pilotage assessment fee</b>	\$ 250
<b>Fee for issuing permits</b>	
– Hot work permit	\$ 145
<b>Applications for Suspension or Exemptions under Bylaw 5.1</b>	
– Public Notification	\$ 100 plus Actual Advertising Costs
<b>Jet Ski licensing and registration (per craft)</b>	
– Individual licensing (includes registration sticker)	\$ 60.86

**Note 9:** Actual and reasonable costs shall be charged to the master, owner or person who caused the cost to be incurred.

**Charges for Napier Port:**

An annual fixed charge will be levied to Napier Port Holdings Limited, based on 60% of the budgeted annual costs for navigational safety activities.

**G. Charges for the preparation of, or change to a regional plan**

Table 8: Charges for preparation or changes to a regional plan

	Deposit (excl GST)	Additional charge – payable subsequent to processing
Application for the preparation of, or change to, a regional plan	\$ 40,000	Based on actual and reasonable costs <sup>10</sup>

**Note 10:** If the actual costs incurred by HBRC in preparing, varying, or changing the regional plan exceed the deposit payable in advance, then these costs may be recovered by way of an additional charge (based on actual costs at hourly rates for staff involved and any actual disbursements (see Table 9) and subtracting the deposit already paid.)



## Hawkes Bay Regional Council



## Fees and Charges Schedule 2023-2024

## H. Charges for the provision of information

The first hour of time spent actioning a request for information on each or any occasion relating to the same general matter or issue arising from the Regional Policy Statement, regional plans or resource consents shall be provided free of charge. HBRC reserves its rights under section 13 of the Local Government Official Information and Meetings Act 1987 (LGOIMA) to charge for the provision of information above one hour. Staff time spent actioning any request over and above the time provided free of charge shall be charged at the rates set out in Table 9. HBRC may also choose to require payment in advance.

*Table 9: Charge rates for the purpose of calculating actual costs per hour*

Item	Per hour (excl GST)
Executive	\$ 208
Corporate Services	\$ 99
Emergency Management	\$ 99
Transport	\$ 99
Governance & Partnerships	\$ 99
Policy & Planning	\$ 146
<b>Asset Management</b>	
- Engineers & Project Management	\$ 146
- Parks/Open Spaces	\$ 99
<b>Integrated Catchment Management</b>	
- Environmental Science	\$ 146
- Environmental Information	\$ 99
- Water Information Services	\$ 99
- Catchment Management	\$ 99
- Biodiversity & biosecurity	\$ 99
<b>Consents and Compliance</b>	
- Resource consent processing	\$ 163
- Resource consent administration	\$ 113
- Compliance/impact monitoring of consents	\$ 140
- Pollution response	\$ 99
- Harbourmaster	\$ 146
<b>Disbursement costs shall be charged at the rates set out below:</b>	
- Accommodation	- Actual cost but not exceeding \$200 per night
- Public notification	- Actual advertising costs
- Photocopying	- 25c per A4 page B&W
	- 50c per A4 page colour
	- 50c per A3 page B&W
	- \$1 per A2 page B&W
- External laboratory testing	- Actual cost
- Consultant fees	- Actual cost



## Hawkes Bay Regional Council

### Fees and Charges Schedule 2023-2024



#### I. Other charges related information

##### Leasehold consent to transfer

Fee for processing consent \$57.50 inc GST

##### Charges by the Crown

HBRC is responsible for collecting the following Crown fees, rents, and royalties in addition to its charges:

In the Coastal Marine Area:

- restricted coastal activity application fees as specified
- extraction of sand and gravel - \$1.51 excluding GST per cubic metre royalty
- rent for the occupation of land from the Crown
- geothermal royalties.

##### Due Dates for Payment

- Charges payable in advance for consent applications are due on the filing of an application.
- Charges for receiving, processing, and issuing permissions to extract gravel under the HBRC Resource Consents, are payable to HBRC in advance. Charges for gravel extraction under individual consents are due and payable to HBRC monthly, on the same day as extraction declarations.
- Charges payable for photocopying of less than \$20 are due on collection of the copies.
- All other charges will be due and payable on the 20th of the month following date of the invoice.

##### Cost of Debt Recovery

All debt collection costs incurred by HBRC in relation to the activities covered in this section shall be borne as a debt by the party whose actions caused the initial charge.

-ends-



Tuesday, 11 July 2023



A Joint Committee of the Hawke's Bay Regional Council, Napier City Council and  
Hastings District Council - Administered by Hastings District Council  
**Napier-Hastings Future Development Strategy Joint Committee Meeting**

## Kaupapataka Agenda

*Te Rā Hui:*  
Meeting date: **Tuesday, 11 July 2023**

*Te Wā:*  
Time: **1.00pm**

*Te Wāhi:*  
Venue: **Council Chamber  
Ground Floor  
Civic Administration Building  
Lyndon Road East  
Hastings**

*Te Hoapā:*  
Contact: **Democracy and Governance Services  
P: 06 871 5000 | E: [democracy@hdc.govt.nz](mailto:democracy@hdc.govt.nz)**

*Te Āpiha Matua:*  
Responsible Officer: **Brett Chapman - Program Manager Growth Infrastructure**

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**HASTINGS DISTRICT COUNCIL**  
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Phone **06 871 5000** | [www.hastingsdc.govt.nz](http://www.hastingsdc.govt.nz)  
**TE KAUNIHERA Ā-ROHE O HERETAUNGA**



### Napier-Hastings Future Development Strategy Joint Committee

The Terms of Reference of the Napier-Hastings Future Development Strategy Joint Committee were adopted by the Hastings District Council, Napier City Council and Hawke's Bay Regional Council in the December 2022 – February 2023 period.

Hastings District Council is the administering authority for this Joint Committee.

The Terms of Reference can be viewed on the Hastings District Council's website as part of the document titled "Committee and Rural Community Board Register of Delegations 2022-2025" (adopted by the Council on 8 December 2022).





Tuesday, 11 July 2023

A Joint Committee of the Hawke's Bay Regional Council, Napier City Council and Hastings District Council - Administered by Hastings District Council

**Napier-Hastings Future Development Strategy Joint Committee Meeting**

## Kaupapataka Agenda

**Mematanga:**  
**Membership:**

**Koromatua**

**Chair:** Mayor Sandra Hazlehurst (HDC)

**Deputy Chair:** Tania Eden (Mana Ahuriri Trust)

**Members:**

**Hawke's Bay Regional Council**

Cr Jock Mackintosh (HBRC)

Cr Martin Williams (HBRC)

Cr Sophie Siers (HBRC Alternate)

**Napier City Council**

Mayor Kirsten Wise (NCC)

Cr Ronda Chrystal (NCC)

Cr Maxine Boag (NCC Alternate)

**Hastings District Council**

Cr Eileen Lawson (HDC)

Cr Alwyn Corban (HDC Alternate)

**Heretaunga Tamatea Settlement Trust**

Dr Darryn Russell (Heretaunga Tamatea Settlement Trust)

Second representative - to be appointed (Heretaunga Tamatea Settlement Trust)

Alternate – to be appointed (Heretaunga Tamatea Settlement Trust)

**Mana Ahuriri Trust**

Chad Tareha (Mana Ahuriri Trust)

Evelyn Ratima (Mana Ahuriri Trust Alternate)

**Maungaharuru Tangitū Trust**

Two representatives - to be appointed (Maungaharuru Tangitū Trust)

Alternate – to be appointed (Maungaharuru Tangitū Trust)

<File No. CG-17-27-00012>

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*Tokamatua:*  
**Quorum:**

6 members (being half of the members appointed – with at least one representative from each Partner Council to be present)

*Apiha Matua*  
**Officer Responsible:**

Brett Chapman - Program Manager Growth Infrastructure

*Te Rōpū Manapori me te*  
*Kāwanatanga*  
**Democracy &**  
**Governance Services:**

Caitlyn Dine (Extn 5636)



## Te Rārangī Take Order of Business

### Apologies & Leave of Absence – *Ngā Whakapāhatanga me te Wehenga ā-Hui*

1.0 At the close of the agenda no apologies had been received.

At the close of the agenda no requests for leave of absence had been received.

### 2.0 Conflict of Interest– *Mahi Kai Huanga*

Members need to be vigilant to stand aside from decision-making when a conflict arises between their role as a Member of the Council and any private or other external interest they might have.

### Confirmation of Minutes - *Te Whakamana i Ngā Minitī*

3.0 Minutes of the Napier-Hastings Future Development Strategy Joint Committee held Thursday 27 April 2023.  
(Previously circulated)

4.0 Consideration of Objectives and 'Issues and Options' for the Future Development Strategy

7



Tuesday, 11 July 2023

A Joint Committee of the Hawke's Bay Regional Council, Napier City Council and Hastings District Council – Administered by Hastings District Council  
Napier-Hastings Future Development Strategy Joint Committee



Item 4

*Te Rārangī Take*

# Report to Napier-Hastings Future Development Strategy Joint Committee

Nā: Brett Chapman, Programme Manager Growth  
From: Craig Scott, Environmental Planner (Policy)

Te Take: Consideration of Objectives and 'Issues and Options' for the  
Subject: Future Development Strategy

## 1.0 Purpose and summary - *Te Kaupapa Me Te Whakarāpopototanga*

- 1.1 The inaugural meeting of the Napier-Hastings Future Development Strategy Joint Committee meeting was held on 27<sup>th</sup> April 2023. The Chair (Mayor Hazlehurst) and Deputy Chair (Ms Eden) were elected.
- 1.2 The Committee adopted the detailed timeframe for the completion of the Future Development Strategy (FDS).
- 1.3 The Committee considered the Vision and Objectives for the FDS and provided guidance on their wording. Committee members felt that, as worded, the Objectives were too principle based and needed to be more measurable to show how they will be delivered. The Objectives were re-worded to provide for measurable outcomes and the amended document was provided to the Committee for comment. The Committees' comments have been incorporated into the Vision and Objectives and these are (attached as **Appendix 1**).
- 1.4 At the April meeting the Committee resolved that it should meet to receive an update on proposals for the first round of community engagement and to consider and receive the Issues and Options Report (attached as **Appendix 2**) that would form part of the community engagement.

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1.5 The purpose of this meeting is to:

- Adopt the FDS Vision and Objectives following feedback individually by Committee members, based on drafts prepared by the officers and discussed at the last meeting.
- Receive the Issues and Options Report, based on the demand analysis and the constraints and restraints investigations presented at the last meeting, that will underpin the first round of public engagement on the FDS.
- Receive and endorse the public engagement proposals (attached as **Appendix 3**) before engaging with the public generally on the opportunities that can be explored to address these constraints and opportunities before developing alternative scenarios for specific evaluation.

1.6 Officers have undertaken in the period since the Committee first met a “Call for Opportunities” where developers and stakeholders (including those that had previously registered an interest in the Heretaunga Plains Urban Development Strategy Review) were contacted to see if they would like to put forward sites for consideration as growth options. It was made clear that in providing suggested sites there would be no pre-determination of the sites and that they would all need to go through a rigorous screening process to identify any flaws that may take them out of contention for advancing to the next stage. There have been a significant number of sites identified in locations that range from coastal sites to lifestyle sites on the hills. If any sites successfully negotiate the screening process, they may be used to develop growth model scenarios for the next stage of community engagement.

1.7 The next engagement step is to allow the wider public and stakeholders an opportunity to suggest different options or approaches for urban development and to express their views on what is of importance or value in developing future scenarios. The ‘Issues and Options Report’ is a key resource to inform views relative to the challenges and realities of development on and within the Heretaunga Plains and surrounding environments.

1.8 Officers and our consultants welcome Committee feedback on the ‘Issues and Options Report’ and community engagement process.

1.9 The next Committee meeting is scheduled (at this stage) for November to discuss the feedback received and consider proposed spatial strategies and evaluation criteria that will be developed with iwi and mana whenua. Officers will then engage with the community and report back on the recommended (draft) FDS in March 2024.

1.10 The draft FDS will be formally consulted on (per The Local Government Act) after March 2024. The FDS may become ‘Operative’ circa October 2024 if endorsed/adopted by all three councils and mana whenua partners.

## 2.0 Recommendations - Ngā Tūtohunga

- A) That the Napier-Hastings Future Development Strategy Joint Committee receive the report titled Consideration of Objectives and ‘Issues and Options’ for the Future Development Strategy dated 11 July 2023.
- B) That the Committee adopt the Future Development Strategy Vision and Objectives.
- C) That the Committee endorses the proposed community engagement process.
- D) That the Committee receives the ‘Issues and Options Report’, as the basis of the first round of community engagement on the Future Development Strategy.



**Attachments:**

- |                     |  |                |
|---------------------|--|----------------|
| 1 <a href="#">📎</a> | Vision and Objectives                  | CG-17-27-00007 |
| 2 <a href="#">📎</a> | Issues and Options Report 5 July DRAFT | CG-17-27-00011 |
| 3 <a href="#">📎</a> | Public Engagement Proposals            | CG-17-27-00009 |

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Item 4 Consideration of Objectives and 'Issues and Options' for the Future Development Strategy  
Vision and Objectives

Attachment 1

Te Pae Tawhiti - Vision	
In 2053 Napier and Hastings has thriving, resilient, safe, equitable, sustainable and connected communities, within a protected and enhanced natural environment.	
Ngā Mātāpono - Key Principles	
Mahi Ngātahi - Partnership Mana Taurite - Equity and inclusion Manawaroa - Resilience Haumako - Productivity Taiao - Environment Tūhononga - Connectivity Matahūhua - Diversity	
Ngā Whāinga - Strategic objectives	Ngā Hua - Targets / Measures (to be developed. Below are placeholder examples)
Mana whenua and Councils work in a <b>genuine Te Tiriti partnership</b> to achieve their shared goals for urban development.	
We have a compact urban form, focussed around <b>consolidated and intensified urban centres</b> in Napier and Hastings.	
Our communities and infrastructure are <b>resilient to the effects of climate change</b> and risks from natural hazards.	
We have a <b>diverse range of housing choices</b> that meet people's needs in neighbourhoods that are <b>safe and healthy</b> .	
We have a <b>strong economy</b> , and businesses can grow in locations that meet their functional needs.	<i>Napier-Hastings has sufficient development capacity to accommodate projected demand for business land to 2053.</i>
The highly productive land of the <b>Heretaunga Plains</b> is protected for productive uses.	

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Vision and Objectives

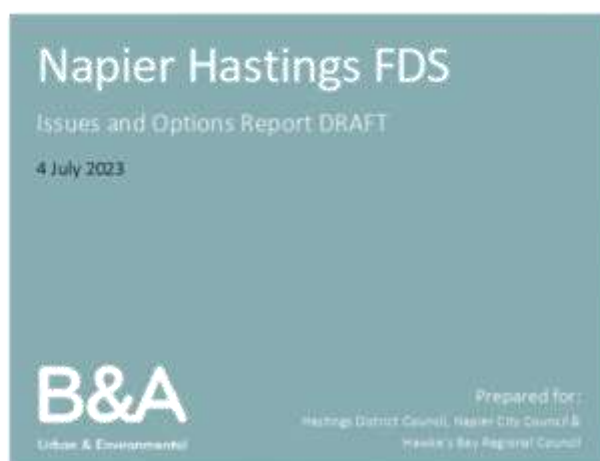
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Our communities and business areas are <b>well connected and accessible</b> , particularly by public and active transport.	<i>x% of homes and jobs are within a walkable catchment of either a city centre zone or public transport stop.</i>
We have <b>sufficient land</b> for housing and business to meet demand.	<i>There is sufficient land for housing and business to meet projected demand to 2053.</i>
Te Taiao / our <b>natural environment is protected and enhanced</b> , including our water bodies, indigenous biodiversity and outstanding landscapes.	
Our <b>infrastructure</b> is planned and designed to <b>efficiently support development</b> .	
Urban growth and infrastructure investment supports <b>equitable social outcomes</b> .	



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Napier Hastings Future Development Strategy | Issues and Options Report

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Prepared by:**Joe Jeffries**

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Napier Hastings Future Development Strategy | Issues and Options Report

### 1.0 Introduction

#### 1.1 Purpose of Report

The purpose of this report is to provide an overview of the issues for the Napier Hastings Future Development Strategy 2023-2053 ("FDS"), and the strategic options available for addressing them.

The issues originate from an evaluation of the statutory framework that forms the basis for the FDS, as well as a review of background reporting, strategies and plans prepared by Hastings District Council ("HDC"), Napier City Council ("NCC") and the Hawke's Bay Regional Council ("the Councils"). The issues are grouped by broad topic and are supported by GIS analysis of spatial data provided by the Councils.

Following an outline of the issues, the report sets out strategic options available for addressing those issues in an integrated manner. The options are posed as questions, that can be used as a basis for initial consultation and engagement.

### 2.0 Scope of the Napier Hastings FDS

#### 2.1 National Policy Statement: Urban Development

The National Policy Statement: Urban Development ("NPSUD") sets out what an FDS must show and be informed by.

It states that the purpose of the FDS is to promote long term strategic planning by setting out how the Councils intend to:

- Achieve **well-functioning urban environments** in their existing and future urban areas.
- Provide **at least sufficient development capacity over the next 30 years** to meet expected demand.
- Assist with the **integration of planning decisions** under the RMA with **infrastructure planning and funding decisions**.

As an over-arching principle, the NPSUD requires the FDS to provide for a well-functioning urban environment, which includes:

- Providing a **variety of homes** that meet demand and enable Māori to express their cultural traditions and norms.
- Providing a **variety of sites** suitable for different business sectors.
- Ensuring **good accessibility** for people between housing, jobs, community services, open spaces, including by public and active transport.
- Supports the **competitive operation** of land and development markets.
- Supports **reductions in greenhouse gas emissions**.
- Is **resilient to the likely current and future effects** of climate change.

The FDS is required to spatially identify:

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- the broad locations in which development capacity will be provided over the long term, in both existing and future urban areas, to meet the requirements of clauses 3.2 and 3.3; and
- the development infrastructure and additional infrastructure required to support or service that development capacity, along with the general location of the corridors and other sites required to provide it; and
- any constraints on development.

Together with other national direction, these factors will inform where and how the FDS provides for growth over the long term.

### 2.2 Future Regional Spatial Strategy

The upcoming Spatial Planning Act and the National and Built Environment Act will include requirements for the Hawke's Bay Region to prepare a Regional Spatial Strategy ("RSS"). The requirements for this are evolving as these two Bills progress through Parliament's legislation-making processes. The timeframes for preparing a spatial strategy covering the whole Hawke's Bay region is yet to be confirmed too. In the interim, the five Hawke's Bay Councils have commenced initial scoping for an RSS. An initial scoping report is being prepared that will address potential governance, RSS structure and partnership arrangements. The FDS for the Napier Hastings urban area will be a key building block of the RSS in relation to urban growth management issues.

In addition to the two new incoming Bills proposed to replace the RMA, the Government may also choose to create new national policies or amend existing national instruments that strongly influence urban growth choices for the Napier-Hastings area. Nonetheless this is a persistent and ongoing issue with any national government.

### 2.3 Study Area

The purpose of the study area is to clearly define a wider area within which urban development could be accommodated. The study area is aligned with a 15-minute drive time from Napier and Hastings city centre and is broad enough to enable a variety of growth options to be considered. It is shown as a solid yellow line in Figure 1 below. The study area does not necessarily align with the boundaries for urban development in the final FDS.

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Figure 1: Extent of the FDS study area.

## 2.4 Climate Change

Responding to climate change will be a key driver of the FDS in terms of how growth is provided for. The Resource Management Act 1991 ("RMA") and the NPSUD require the FDS to consider climate change mitigation and adaptation. The FDS can address this through:

- Supporting a reduction in greenhouse gas emissions through a compact urban form and transport infrastructure, with a focus on reducing carbon emissions from transport.
- Taking into account the effects of climate change (increased rainfall, drought and fire risk, and rising sea levels) when planning for growth.

In relation to this, the following legislation and national direction will be relevant to consider:

- Climate Change Response (Zero Carbon) Amendment Act 2019

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- National Adaptation Plan
- Emissions Reduction Plan

These matters will significantly influence almost all of the issues below, in particular, those relating to accessibility, natural hazards, water allocation and infrastructure. It also informs the strategic options and the priorities that flow from that. This is addressed in the various sections of the report below.

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### 3.0 Cyclone Gabrielle

Cyclone Gabrielle caused significant damage to Napier and Hastings when it landed in February 2023. While, the full impacts of the cyclone continue to be assessed, significant investment will be required to reconnect communities and to rebuild and future proof infrastructure.

**Figure 2** below shows some of the impact of the cyclone on the FDS study area including the preliminary cyclone flood extents, and red and yellow stickered buildings. This illustrates that the impact of the cyclone was primarily in rural communities including Esk Valley, Puketapu, Omaha, Twyford and Pakowhai. Urban areas were less impacted, with the exception of low-lying areas at the southern extent of Napier near Te Awa, Meeanee, Taradale, close to the Ahuriri Estuary, and in some parts of Havelock North including adjacent to the Mangarau Stream. It should be noted that this is preliminary information following the cyclone that may be subject to change.

Work is ongoing to understand the impacts of the cyclone, how infrastructure has been affected, and how best to build back for long term resilience. This work will be an important aspect for informing the development of the FDS.

The Hawke's Bay Recovery Agency has been established to provide a locally led, regionally co-ordinated, government supported recovery. This means the needs and priorities of local communities will be reflected in the region's recovery plan through locality plans developed in consultation with communities and adjusted over time to reflect progress made. Locality Plans will be co-developed by Councils and Māori, Hapu, and Iwi and will outline immediate needs and priorities, and how these should be funded and delivered over the next six months. The Regional Recovery Agency will then combine the locality plans into a Regional Recovery Plan for Matariki Governance to approve. Local councils and government agencies will be responsible for funding and delivery, and the Recovery Agency will provide coordination, direction and confidence that delivery is happening. **Figure 3** below sets out the organisational structure of the recovery Hawke's Bay Recovery framework.

Both Napier and Hastings have now prepared initial Locality Plans which outline the initial planning, priorities and actions to support recovery in the short term. This will be followed by a second plan with a longer view to focus on long-term resilience for lifelines.

A range of infrastructure was severely damaged or destroyed by Cyclone Gabrielle including the following:

- A number of bridges, culverts, and critical transport routes.
- Esk/Whirinaki WTP.
- NCC wastewater treatment plant at Awatoto.
- A number of stopbanks, drains and waterways.
- The Redclyffe substation.

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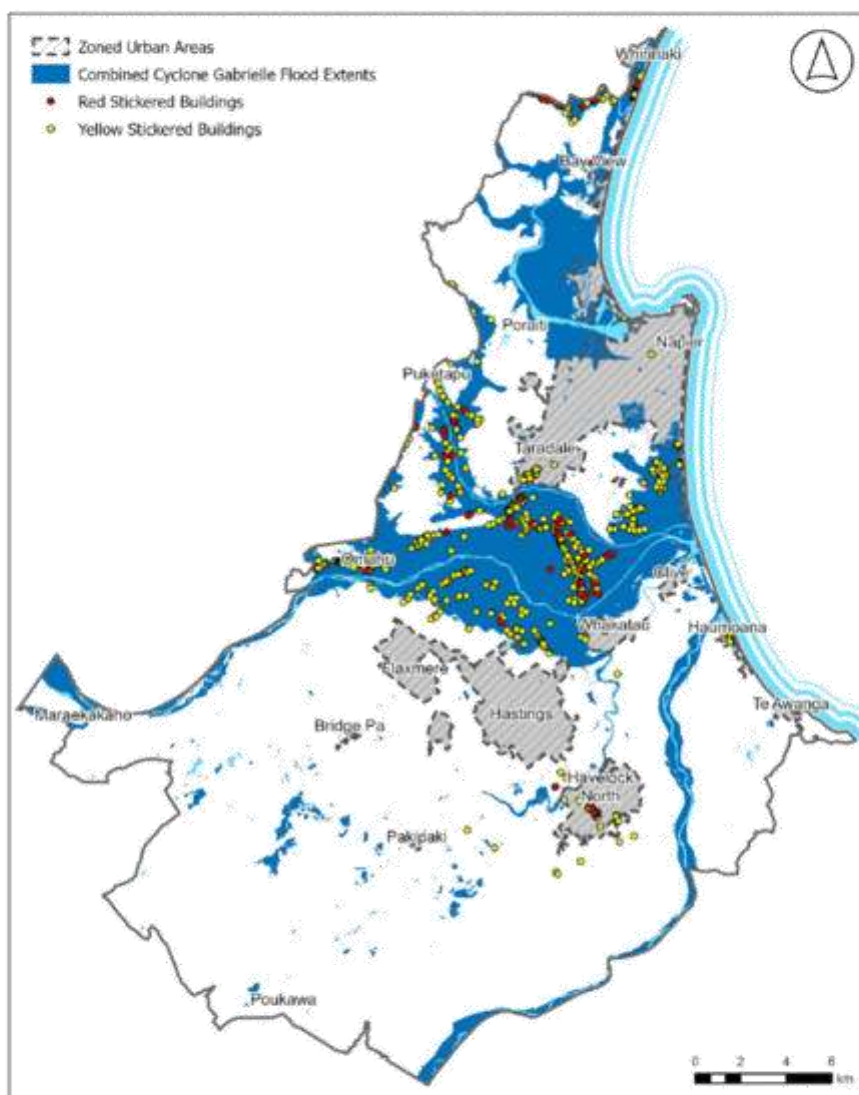


Figure 2: Cyclone Gabrielle: Extent of Impact in the FDS study area (Note: Preliminary Cyclone Gabrielle Data subject to further refinement).

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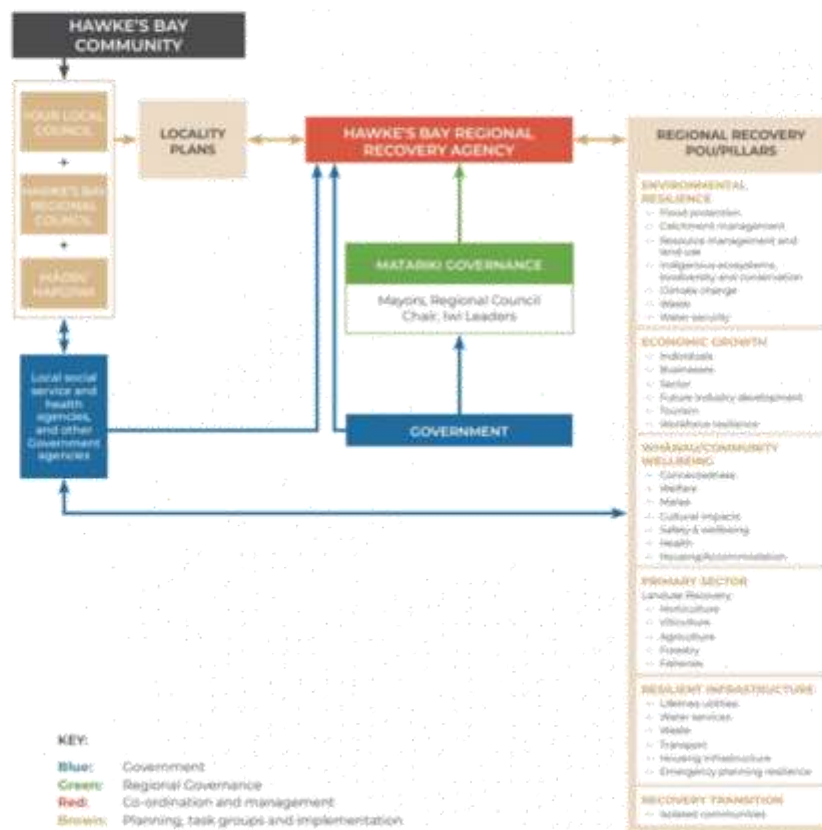


Figure 3 - Hawke's Bay Recovery Agency Framework

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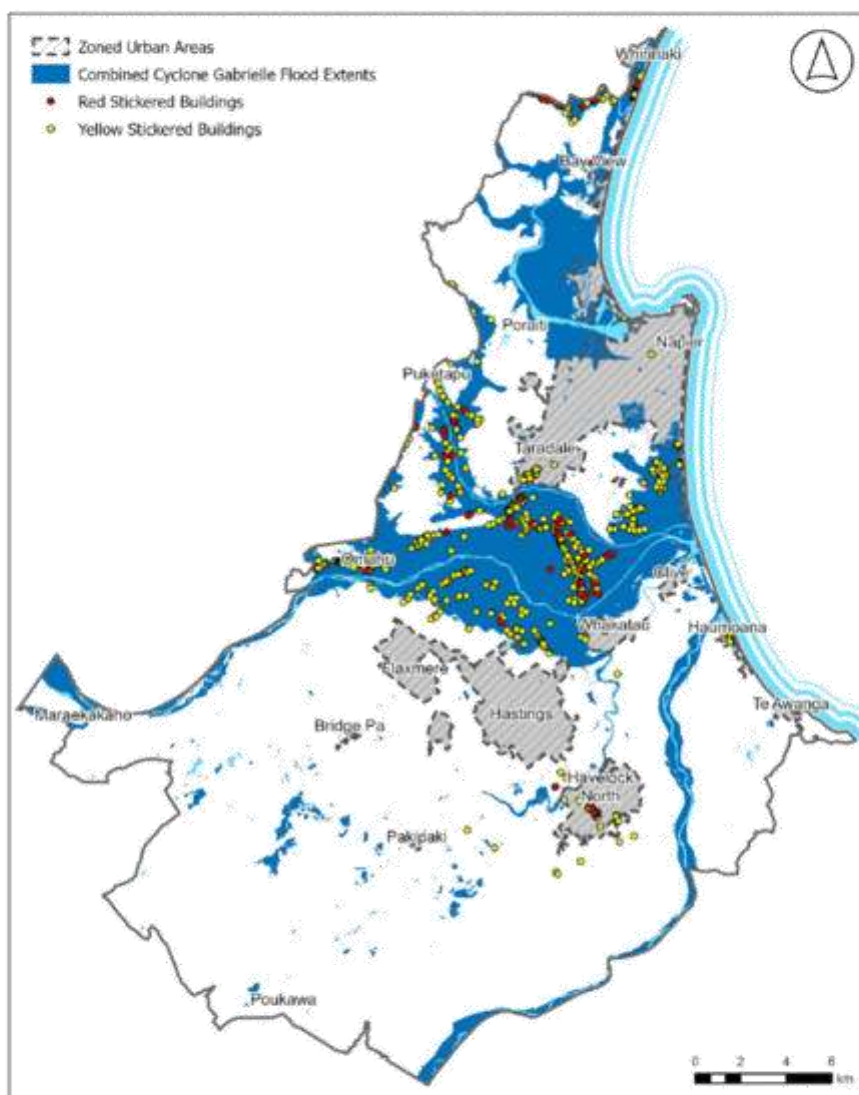


Figure 3: Cyclone Gabrielle: Extent of Impact in the FDS study area (Note: Preliminary Cyclone Gabrielle Data subject to further refinement).

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### 4.0 Heretaunga Plains Urban Development Strategy

The Heretaunga Plains Urban Development Strategy (HPUDS) is a joint strategy developed by Hastings District Council, Napier City Council and Hawke's Bay Regional Council to manage urban growth on the Heretaunga plains over a 30-year timeframe. The first version of HPUDS was adopted in 2010, and brought together separate urban development strategies that the relevant councils had in place. A reviewed version of HPUDS was re-adopted by the three councils in early 2017 (HPUDS 2017).

**The Napier Hastings Future Development Strategy once adopted will replace HPUDS.**

HPUDS was originally intended to be reviewed and updated every five years to remain relevant. However, as a result of the 2020 NPSUD, the FDS will replace HPUDS as the long-term growth strategy for the three councils. The FDS will build on the work already done for HPUDS.

The HPUDS strategy was based on a preferred settlement pattern for the Heretaunga Plains sub-region<sup>1</sup>. This recognised the community's preference to maintain the versatile land of the Heretaunga Plains for production purposes. The strategy defined growth areas and urban limits, with a need to balance increased intensification and higher densities close to the commercial nodes and higher amenity areas in the districts, against the provision of lifestyle choice.

Under HPUDS, development was expected to transition to 60% intensification, 34% greenfield, and 5% in rural areas by 2045. The strategy identified a number of residential and industrial growth areas, as set out in figure 4 below. The FDS will build on the work of HPUDS and will bring forward these HPUDS growth areas, albeit with a re-assessment under criteria specific to the FDS.

Despite being adopted in 2010, HPUDS had a five year lead in period, with an effective planning period from 2015-2045. This recognised the need to implement the necessary policy implementation components through the Regional Policy Statement, District Plans and the like before the new growth could be effectively managed in line with the new direction. The 2020 NPSUD effectively introduces the requirement for a new Future Development Strategy over the next scheduled 5 year review of HPUDS, but some elements of HPUDS will need to transition into the FDS in a similar way.

Looking back at the HPUDS period, it is noted that a scheduled five yearly review was not completed until 2017. That review took into account emerging issues over that period, including improving growth prospects following the Global Financial Crisis downturn that preceded HPUDS and characterised the 2008 -2015 period. However, changing migration policy settings from around 2015-2019 and the 2020 Covid repatriation of New Zealanders from abroad have seen the HPUDS growth projections from 2015-2020 and expectations to 2045, exceeded by a considerable margin. The resulting national housing crisis has been exhibited in the housing market locally. While the HPUDS growth expectations were met and even exceed by new dwelling construction, that was not sufficient to meet the unprecedented demand and a sizable housing backlog of demand now exists.

<sup>1</sup> The Heretaunga Plains sub-region covers a wider area than the FDS study area.



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During the period 2015-2022 period HPUDS has been and continues to be effective in guiding and directing greenfield growth to the intended areas and discouraging expansion onto versatile soils through ad hoc development. It has also been effective in facilitating greater levels of intensification in absolute terms consistent with the elevated growth being experienced across the housing market. The greater than anticipated demand and lack of capacity in the market to respond, has however meant that the transition away from greenfields and rural development to proportionately higher levels of intensification, while evident, has been much slower than desired.

A faster move toward greater intensification by further limiting greenfields land supply during the current housing crisis is unlikely to be acceptable to some, and a slower transition may need to be accepted over the next few years at least.

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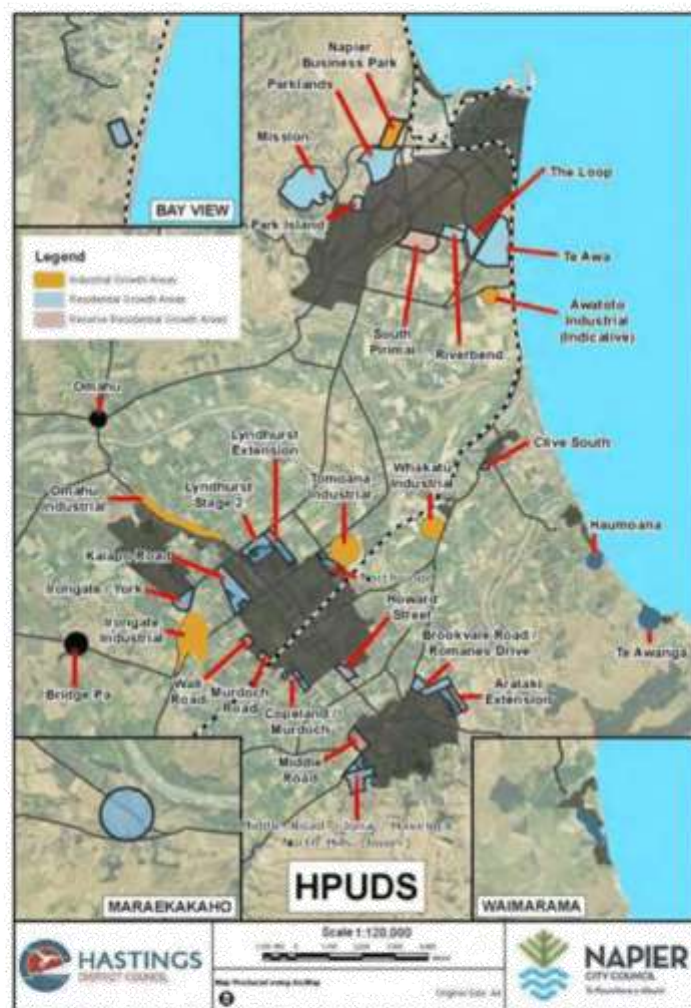


Figure 4 HPUDS – Heretaunga Plains Settlement Pattern 2017.

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### 5.0 Demand and Capacity

#### 5.1 Residential

##### 5.1.1 Demand and Capacity

A Housing Capacity assessment ('HCA') for Napier and Hastings was completed in September 2021 by Market Economics based on the medium-high population projects by StatsNZ. Key factors that are expected to change the nature and demand for dwellings (i.e. attached typologies) include an ageing population and ongoing population growth.

Modelling done under the 2021 HCA finds that there is projected to be demand for **7,190 additional dwellings in Napier** and **12,830 additional dwellings in the Hastings District** over the next 30 years (2020 – 2050), including an ongoing shift towards attached dwellings.

The 2021 HCA concludes that there is sufficient capacity in Napier to meet that projected demand over the short, medium, and long term<sup>2</sup>, and sufficient capacity in the short and medium term in Hastings, however, the surplus over the medium term is relatively small and sensitive to the assumptions associated with it. A shortfall of 4,250 dwellings is anticipated in Hastings over the long term, which can be partly attributed to infrastructure capacity constraints.

Market Economics have recently reviewed the 2021 HCA, and provided updated population and projected household demand figures to inform the FDS. This is based on Stats NZ 2022 population projections, updated to reflect the impact of Covid and more recent information about birth and mortality rates, and shows the following:

- These updated figures show a slight increase in projected population for Napier and Hastings compared to the 2021 figures, and show higher growth in younger age cohorts.
- This change in population structure means that the total, and type of dwelling demand, differ from the work for the HCA. Over the 30-year timeframe there is now projected to be demand for an **additional 9,620 households in the Hastings District** and **additional 6,700 households in Napier** under a medium-high scenario. The reduced projected demand for dwellings in comparison to the 2021 HCA is due to an increase in people per household and the different time period to which the projection applies (i.e 2020-2050 v 2022-2052)
- The impact of Cyclone Gabrielle on population numbers is not reflected in the projections. While there could be uncertain impacts over the short term, Market Economics do not expect substantial long term shifts due to the cyclone.

Figure 5 below compares the 2021 projections (dotted lines), with the December 2022 projections (solid lines) for Napier and Hastings.

<sup>2</sup> Under the NPSUD short term is defined as within the next 3 years, medium term is between 3 and 10 years, and long term is between 10 and 30 years.

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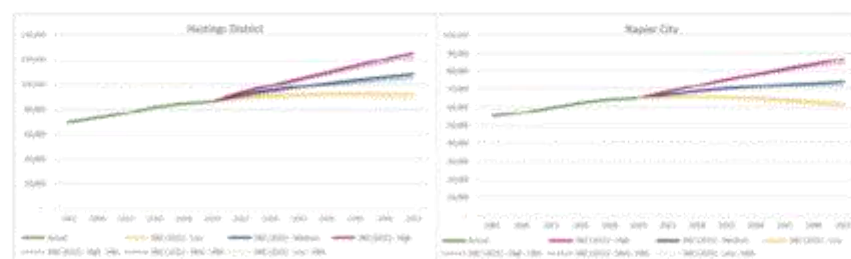


Figure 5 - Hastings District and Napier City Projected Population 2001 - 2053

#### 5.1.2 Rural versus Urban Demand

An analysis of the historic share of urban versus rural consents has been undertaken by Market Economics, in order to form a base line position for estimating the proportion of projected housing demand that is likely to be met outside of the urban area in Hastings and therefore not subject to scenario or policy development under the FDS. This analysis reveals that the urban<sup>3</sup> share of development has been relatively stable historically accounting for between 75 and 85% of new dwellings. Market Economics recommend using an assumption of an 80% share of demand being met within the urban areas for the FDS.

#### 5.1.3 Retirement Villages

A recent report on the retirement village sector demand (the Birman Report) projects over the next 30 years, 2,450 more retirement village-based independent-living units (villas and apartments) would be needed in Napier and Hastings. That will translate into a demand for about 80 units per annum going forward. Historically (1990-2022) the average number of retirement units consented in Napier and Hastings was 49/year in total – 29 and 20, for the two areas respectively. Over the past 10 years, there has been a significant uptick in this sector, with 772 units consented since 2013, an annual average of 39 units in Napier and 38 in Hastings. This suggests activity in this sector would need to increase even further to keep up with the expected demand.

The demand outlined in the Birman report can be compared against the population change in the higher age cohorts. While the recent population estimates show structural shifts, and a general move towards a younger profile (relative to the earlier projections released in 2021), growth is still expected in the higher age cohorts. For Napier, the higher age cohorts are expected to increase by 6,815 individuals and in Hastings, the equivalent is 9,355. While the HCA did not specifically account for the demand (in terms of dwelling typology, like retirement villages) associated with retirement sector activity, the population estimates support the view that providing for retirement village development would be in line with demand levels. The specific quantum of retirement villages, and the associated land is subject to several assumptions, like household size, design guidelines (unit-to-land relationships), and other on-site services. Another important aspect is affordability. This point is mentioned in the Birman report, and its effects on private sector delivered retirement activities are described.

<sup>3</sup> "Urban" in this context includes peri-urban lifestyle uses.



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#### 5.1.4 Influence of District Plan Changes on Capacity

Napier City Council is in the process of carrying out a full review of their operative District Plan and is aiming to notify a proposed District Plan in mid-2023. Hastings District Council has notified Plan Change 5 ('PCS') to the Hastings District Plan to enable greater intensification in urban areas. The hearings are scheduled for PCS in early 2024.

The analysis that has informed the zoning framework for the proposed Napier District Plan and PCS will form the starting point for the intensification strategy to test for the FDS.

Both the Napier District Plan review and PCS respond to the intensification directives of the NPSUD to enable increased development potential in urban areas. The proposed provisions, including new and updated district plan maps will be relevant to the development of the FDS, and a number of spatial features from these proposed maps have been considered below.

Market Economics are currently working to provide updated figures for the plan enabled, feasible and Reasonably Expected to be Realised (RER) development capacity of the Napier PDP and the Hastings District Plan updated by PCS.

#### 5.2 Business

A Business Capacity Assessment ('BCA') for Napier and Hastings was completed in September 2022 by Market Economics.

The economic centres of Napier and Hastings have linkages and form the main economic centres of the Hawke's Bay region. Significant regional economic assets are located within Napier, including Napier Port and the Hawke's Bay Airport. The Hastings economy includes a large rural and industrial component.

Strong growth has been seen in the past five years however, the Covid-19 pandemic has created a number of uncertainties that will need to be carefully monitored.

The BCA considered the demand and sufficiency for commercial, retail, and industrial land and floorspace over the short, medium, and long term<sup>4</sup>. These categories of business land and floorspace are discussed below.

##### 5.2.1 Commercial and Retail

The BCA finds that there will be demand for 21.4 additional hectares of commercial and retail floorspace in Napier and 13 hectares in Hastings in the long term. Stakeholder engagement indicates that there is generally sufficient retail space in Hastings, but a lack of commercial land available e.g., for office space.

In terms of commercial and retail capacity in Napier, there is a shortfall of vacant land available for development, however, there is redevelopment capacity available over the long term to address this shortfall, i.e., vertical development through increased buildings heights. Approximately 7 per cent of redevelopment capacity would need to be realised to ensure sufficient capacity.

<sup>4</sup> Short term is defined as within the next three years, medium term as between 3 and 10 years, and long term as 10 to 30 years.

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In Hastings, there is sufficient commercial and retail capacity over the short term, but a shortfall over the medium and long term. Over 20 per cent of redevelopment capacity would need to be realised to address this shortfall.

#### 5.2.2 Industrial

The HCA finds that there will be additional demand for approximately 55 hectares of industrial land in Napier and 141 hectares in Hastings over the long term.<sup>5</sup>

Overall, there is sufficient industrial land in Napier to accommodate growth, however a relocation of demand from zones without capacity to other zones with capacity may be needed. The HCA also assumes that the Deferred Airport Zone will be available for industrial development and this area is proposed to be zoned for development in the proposed Napier District Plan. However, the area is subject to natural hazards and access is constrained by the location of the runway. Further discussions with the Napier Airport are required to understand their aspirations for this area, and we understand that the Airport may be updating its Masterplan in the future. A shortfall results if this land is excluded from future development as it accounts for **42ha of plan enabled capacity**.

In Hastings, there is sufficient industrial capacity however, any above trend growth over the short term may place pressure on land supply over the medium and long term, and growth patterns would need to be carefully monitored. Growth and capacity in Hastings is likely to be constrained by infrastructure readiness, including water supply and availability, which will also need to be carefully monitored.

#### 5.2.3 Napier Hastings Sub-Regional Industrial Land Supply Strategy

In May 2020, Napier City Council and Hastings District Council released the draft Sub-Regional Industrial Land Strategy (RILS). The objective of RILS was to recommend a strategy for accommodating industrial development over the next 30 years, with land demand projections focused on the next 10 year period for the Hastings District and Napier City local authority areas.

The key observations of RILS include:

- Population growth and economic activity in the Napier – Hastings area has been strong (relatively) in recent years and further growth in both appears likely.
- Land supply does not necessarily match the specific requirements of the market.
- Existing industrial nodes have developed from and about legacy industry rather than in locations selected for amenity, function and long-term growth.
- Many nodes are surrounded by land developed for residential or commercial activity and/or land of high productive value, limiting opportunity for the expansion of the node.
- Infrastructure servicing to numerous industrial nodes is expensive (capital & maintenance) and requires volume and scale to be viable.
- Whilst appropriate for the study period, incremental expansion of existing industrial areas to keep up with land demand is not a strategic solution for the future.

<sup>5</sup> Including a competitiveness margin as required by 3.22 of the NPSUD.



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According to RILS, growth until 2030 should be able to be accommodated within existing zoned areas, and with additional rezoning at Tomoana (as is consistent with the HPUDS recommendations), but development constraints could emerge around the year 2045.

RILS therefore recommends the development of a long-term industrial growth strategy, and the investigation of the development of one to three industrial hubs to serve the wider region.

#### 5.2.4 Development Opportunities

In June 2023, the Councils have put out a "call for opportunities" to better understand where players in the development market, including landowners, consultants and developers, see growth happening. This early engagement with the development sector is part of meeting our requirements under clause 3.15(2)(f) of the NPSUD and will ensure that the growth options that we assess fairly reflect the range of development opportunities present in the market.

#### 5.2.5 Summary

Updated population projections show additional housing demand for **9,620** households in the Hastings District and **6,700** households in Napier is required in the long term under a medium-high scenario. Residential demand and capacity over the medium term will need to be carefully monitored, as the estimated surplus is low and the FDS will need to provide more of a buffer over the next 10 years to cater for growth, particularly in the event that actual growth is higher than we are forecasting now.

Sufficient development capacity of commercial and retail land in Napier and Hastings is reliant on the uptake of redevelopment of existing land to accommodate greater building heights and intensities. There is sufficient industrial land capacity, however, efficiencies between zones may need to be considered to enable a transfer or relocation of demand from zones without capacity to other zones with capacity in Napier. Any above growth trends in Hastings may place pressure on land supply over the medium and long term. Consideration must also be given to the type of industrial land demand (e.g. heavy vs light / wet vs dry industrial) and the suitability of any locations to accommodate that demand.

Infrastructure availability will need to be monitored on an ongoing basis for both residential and business land, particularly water supply, as further detailed in Section 1010.1 below.

The 2021 Napier Hastings HCA did not include the residential development capacity enabled under PCS and the Napier Proposed District Plan. An assessment of the plan-enabled, feasible, and reasonably expected to be realised residential capacity under the Napier proposed District Plan provisions is currently being carried out and will be a key piece of information in developing the FDS.

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### 6.0 Cultural Values

The FDS is to be developed in accordance with the requirements of the NPSUD and RMA. Part 2 of the RMA and the NPSUD include a variety of provisions relevant to Māori values and engagement. In particular, engagement with iwi and hapū is required to identify iwi and hapū values and aspirations for urban development, which will inform the development of the FDS.

The most directly relevant provisions under the RMA include:

#### *Section 6 Matter of National Importance*

*In achieving the purpose of this Act, all persons exercising functions and powers under it, in relation to managing the use, development, and protection of natural and physical resources, shall recognise and provide for the following matters of national importance:*

*(e) The relationship of Māori and their culture and traditions with their ancestral lands, water, sites, waahi tapu, and other taonga.*

#### *Section 7 Other Matters*

*In achieving the purpose of this Act, all persons exercising functions and powers under it, in relation to managing the use, development, and protection of natural and physical resources, shall take into account the principles of the Treaty of Waitangi (Te Tiriti o Waitangi):*

*(a) Kaitiaki.*

#### *Section 8 Treaty of Waitangi*

*In achieving the purpose of this Act, all persons exercising functions and powers under it, in relation to managing the use, development, and protection of natural and physical resources, shall take into account the principles of the Treaty of Waitangi (Te Tiriti o Waitangi).*

And under the NPSUD the following provisions are relevant:

#### *Objective 5*

*Planning decisions relating to urban environments, and FDSs, take into account the principles of the Treaty of Waitangi (Te Tiriti o Waitangi).*

#### *Policy 9:*

*Local authorities, in taking account of the principles of the Treaty of Waitangi (Te Tiriti o Waitangi) in relation to urban environments, must:*

*a) involve hapū and iwi in the preparation of RMA planning documents and any FDSs by undertaking effective consultation that is early, meaningful and, as far as practicable, in accordance with tikanga Māori; and*

*b) when preparing RMA planning documents and FDSs, take into account the values and aspirations of hapū and iwi for urban development; and*

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*c) provide opportunities in appropriate circumstances for Māori involvement in decisionmaking on resource consents, designations, heritage orders, and water conservation orders, including in relation to sites of significance to Māori and issues of cultural significance; and*

*d) operate in a way that is consistent with iwi participation legislation.*

*Clause 3.13 Purpose and content of FDS*

*(3) Every FDS must include a clear statement of hapū and iwi values and aspirations for urban development.*

*Clause 3.14 What FDSs are informed by*

*(1) Every FDS must be informed by the following:*

*(d) Māori; and in particular tangata whenua, values and aspirations for urban development.*

There are a number of iwi and hapū-based entities throughout the Hawke's Bay region, and a number of whom have expressed interest in Napier and Hastings. These are:

- Heretaunga Tamatea
- Mana Ahuriri
- Maungaharuru-Tangitū
- Ngāti Hineuru
- Ngāti Kahungunu
- Ngāti Pāhauwera
- Ngāi Te Ohuake
- Ngāti Whitikaupeka

Figure 6 below identifies Treaty claimant groups' Areas of Interest within the FDS Study Area.

Figure 7 identifies a number of potential Māori cultural opportunities and constraints including identified Māori Land, Areas of Cultural Significance, Marae, and Archaeological Sites. Note that this is an indicative map and we are partnering with iwi groups to prepare the FDS and fully identify iwi and hapū values and aspirations for urban development and areas that may require protection. A number of other topics discussed in this report address topics of particular relevance for iwi and hapū values including freshwater, indigenous biodiversity, and special landscapes and features.

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Figure 6 - Claimant groups' Areas of Interest within the Study Area

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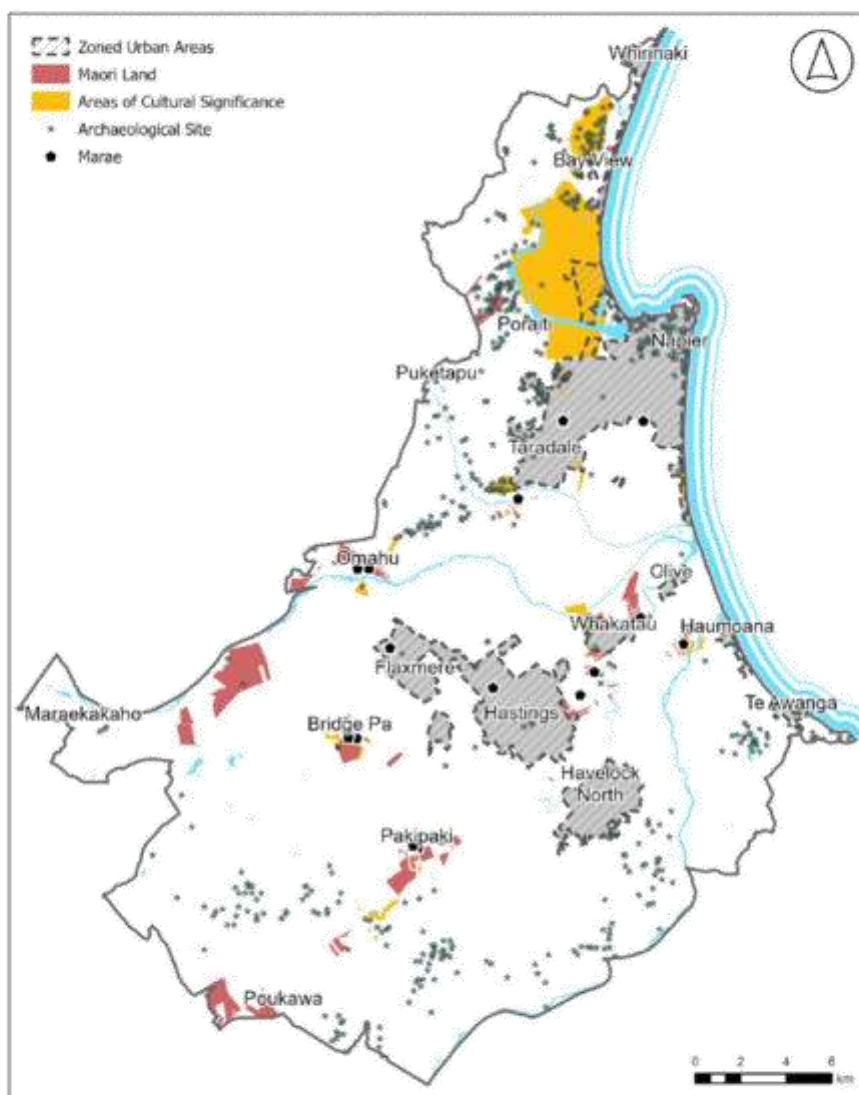


Figure 7 - Potential Māori cultural opportunities and constraints for future development

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### 7.0 Natural Environment, Landscape, and Freshwater

The Resource Management Act requires Councils to recognise and provide for the protection of areas of significant indigenous vegetation and habitats of indigenous fauna, and to have regard to the intrinsic values of ecosystems, and the maintenance and enhancement of the environment.

The Resource Management Act 1991 also requires Councils to protect Outstanding Natural Features and Landscapes from inappropriate subdivision, use, and development (RMA 6(b)).

Napier and Hastings include sites that have been identified for their high ecological, biodiversity, or landscape values. Different terms are used to describe these areas, as shown on figure 8 below.

#### 7.1 Natural Features and Landscapes

The Napier-Hastings area contains a number of distinctive and highly valued landscapes and natural features. The "protection of outstanding natural features and landscapes from inappropriate subdivision, use, and development" is provided as a matter of national importance under s6(b) of the RMA.

The Draft Napier District Plan spatially identifies the following landscape areas and features<sup>6</sup>:

- Outstanding Natural Features;
- Special Character Landscapes; and
- Special Character Features.

The Hastings District Plan identifies the following landscape areas and features:

- Coastal Landscape Character Area;
- Outstanding Natural Features;
- Outstanding Natural Landscape Area; and
- Significant Amenity Landscape Area.

The above-mentioned landscape areas and features for Napier and Hastings respectively are identified in figures 8 below.

The Outstanding Natural Features in Napier and Hastings, and the Outstanding Natural Landscape areas in Hastings are required to be protected from inappropriate subdivision, use, and development under s6(b) of the RMA. There is therefore no potential to develop in these areas. The Special Character Landscapes, Special Character Features, Significant Amenity Landscape Areas and Coastal Landscape Character Areas may be able to accommodate some development with appropriate mitigation to ensure landscape values are maintained, particularly when considered in the context of the limited range of options Napier and Hastings have for accommodating future growth.

<sup>6</sup> This is a draft District Plan that has not yet been through a statutory public participation process. Therefore, these may be subject to change.



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## 7.2 Indigenous Biodiversity

Indigenous biodiversity refers to native species, their genetic diversity, and the habitats and ecosystems that support them. Hawke's Bay's natural environment has been heavily modified by historic clearance for pastoral farming, however areas of significant biodiversity remain, and their scarcity increases the importance of protection.

The Napier Draft District Plan identifies Significant Natural Areas. These are mostly in and around the nationally significant Ahuriri Estuary but also include some parts of the hills surrounding Napier, such as stands of Kanuka at Bay View.

Many areas of significant indigenous vegetation within the Hastings District are in the ownership of the Department of Conservation and therefore legally or physically protected by them by way of covenants, reserves or forest parks. However, of the remaining areas of remnant native forest and wetlands outside of the Conservation Estate, the majority do not have any legal or physical protection and there is therefore little certainty of protection for these relatively few remaining significant natural areas. However, it will be important for the FDS to consider how development can avoid potential impacts on these areas.

The Government is currently developing a National Policy Statement for Indigenous Biodiversity which may change the requirements around what local authorities must do to maintain indigenous biodiversity.

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Figure 8 below shows identified SNAs, QEII Covenant areas, conservation land, and DOC Recommended Areas for Protection in the FDS study area.

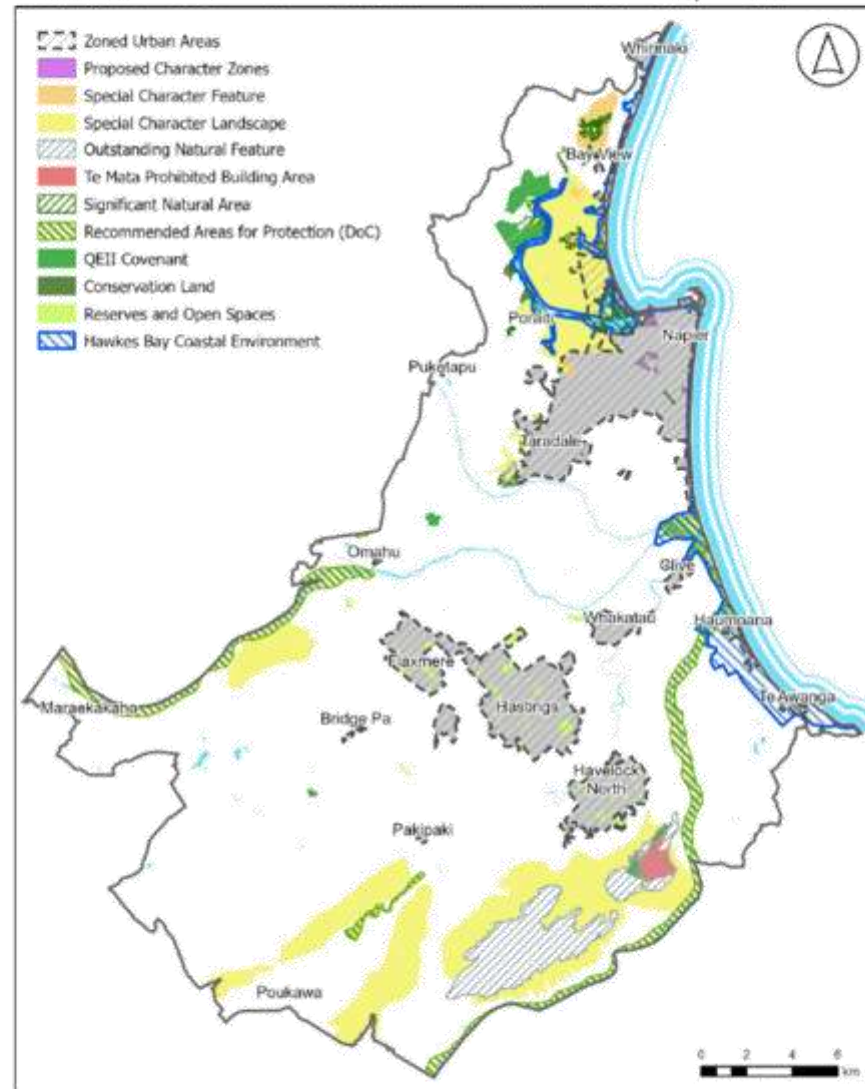


Figure 8- Landscape and ecological development constraints (Note: Placeholder figure. Further data on Outstanding Water Bodies to be included)

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#### 7.3 Freshwater

The National Policy Statement for Freshwater Management 2020 (NPS-FM) sets out the objectives and policies for freshwater management under the Resource Management Act 1991.

Freshwater management is a significant issue for Napier and Hastings to provide for human health, the protection of indigenous biodiversity, and the protection of cultural values.

By 2030, all regional councils are required to identify and map natural wetlands in accordance with the NPSFM and National Environmental Standards for Freshwater Regulations 2020 (NES-FW). The NES-FW contains a number of provisions which heavily restrict or prohibit development in and around natural wetlands.

'Wetland' is the collective term for the wet margins of streams, rivers, ponds, lakes, estuaries, bogs, swamps and lagoons. Wetlands aren't always 'wet'. They provide a habitat for wildlife and support an indigenous ecosystem of plants and animals that have adapted to living in wet conditions.

The main wetlands in the FDS study area are:

- Coastal (lagoons & estuaries): Ahuriri Estuary, Tukituki Estuary, Waitangi Estuary.
- Freshwater (swamps, lake margins): Pekapeka/Lake Poukawa, Lake Runanga, Lake Oingo.

There are many other smaller natural wetlands on public and private land. Some of these wetlands can be dry at certain times of year which can make identification difficult. The process to identify a natural wetland relies on vegetation, soil and hydrology assessments and may require specialist help.

THE NPSFM also recognises that a number of New Zealand's lakes, rivers and coastal areas are iconic and well known globally for their natural beauty and unique values, and allows for exceptional water bodies to have special protection. Plan Change 7 proposes to change the Hawke's Bay Regional Resource Management Plan to include a list of the region's outstanding water bodies, together with a framework which prescribes a high level of protection for these water bodies in consenting and future plan making. The outstanding water bodies identified within the FDS study area include the Ahuriri and Tukituki estuaries, and parts of the Tutaekuri and Tukituki rivers.

The Heretaunga Plains aquifer system is the main groundwater resource for people living on and adjacent to Heretaunga Plains and provides these communities with a significant portion of their water requirements. The Heretaunga Plains aquifer system is a complex mix of layers of sub-surface gravels and other materials. There are some parts of the aquifer system that are more vulnerable to activities on the surface of land and land disturbance. These locations are often referred to as the 'unconfined' aquifer system. Under the NPSFM, district plans must include provisions to promote positive effects, and avoid, remedy, or mitigate adverse effects of urban development on the health and well-being of water bodies, and freshwater ecosystems, and receiving environments. Therefore, particular care needs to be taken around developing above the unconfined aquifer.

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Figure 9 below identifies a number of freshwater constraints in the FDS study area including Wetlands, the Unconfined Aquifer, Source Protection Zones for community water supplies, and the Tukituki Surface Water Allocation Zones.

Under the current and past versions of the NPSFWM a number of changes to the policy and regulatory frameworks applying to the management of freshwater have been initiated by the Hawke's Bay Regional Council. In particular the concept of Te Mana o Te Wai and environmental limits under a changing climate as a foundation principle means that water scarcity will be a potentially significant constraint on both land use intensification and urban development, including industry.

The NPSFWM requires councils to adopt an integrated approach, ki uta ki tai (from the mountains to the sea), as required by Te Mana o te Wai, including managing land use and development in a sustainable way and encouraging the co-ordination and sequencing of regional or urban growth. HBRC is planning to fully implement the NPSFWM as part of a combined plan review known as the 'Kotahi Plan.' Prior to Cyclone Gabrielle, work has already commenced on preliminary phases of preparing the Kotahi Plan which has included iwi and community engagement.

For now, of particular relevance to the FDS is the TANK Plan Change (PC9) relating to the Heretaunga and Ahuriri Catchments. PC9 is currently subject to a number of Environment Court appeals. An application for a Water Conservation Order for the Ngaruroro River is also currently subject to court appeal proceedings.

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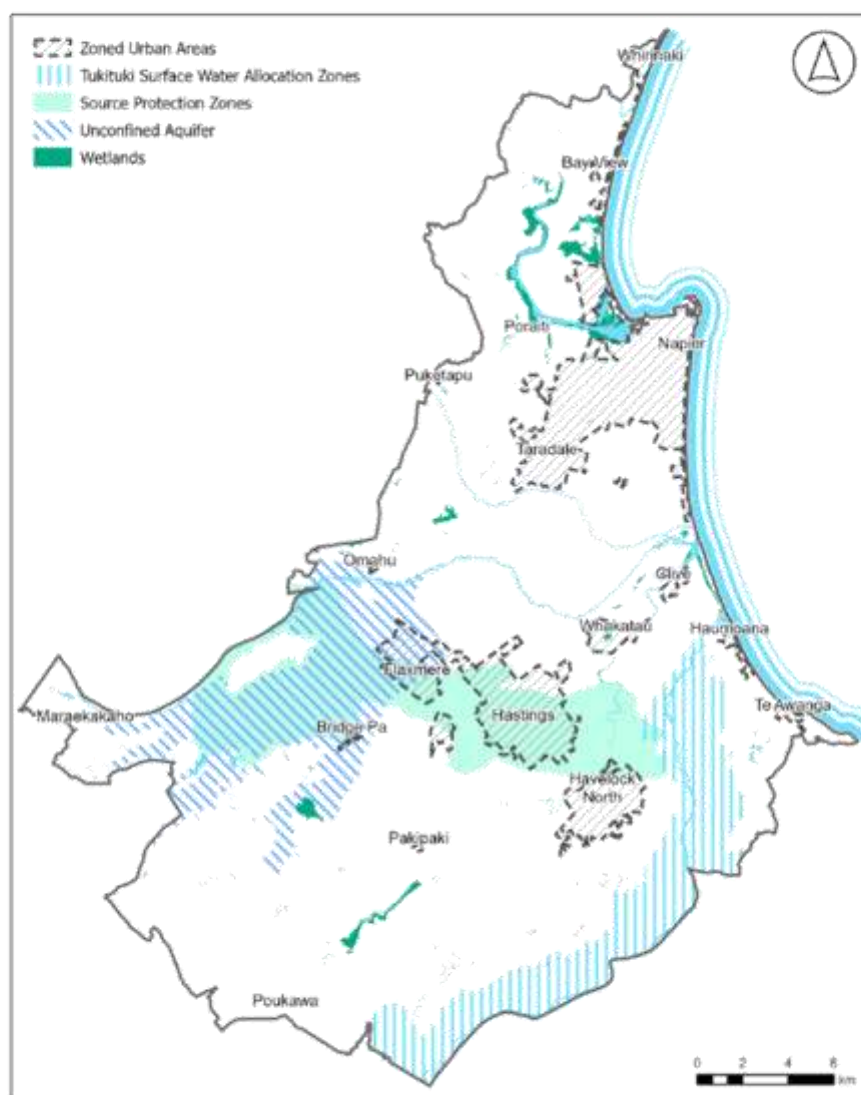


Figure 9 - Potential freshwater related development constraints (Note: Placeholder figure – further TANK PC9 data to be included)

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#### 7.4 Key Issues

Key issues for the FDS in relation to natural environment will include:

- How to ensure urban growth occurs while protecting, and potentially enhancing, water quality, indigenous biodiversity, and outstanding landscapes.
- How to ensure urban development promotes positive effects and avoids adverse effects on water bodies, and freshwater ecosystems, and receiving environments.
- To what extent can development be accommodated in Significant Amenity Landscape Areas, Special Character Landscapes, and Coastal Landscape Character Areas while still protecting the identified landscape values.

## 8.0 Rural Production

### 8.1 Overview

The versatile and productive soils of the Heretaunga Plains are a significant productive resource for the Hawke's Bay community. The Hawke's Bay is one of the two largest fruit producing regions in the country, and the rural environment has become increasingly popular for vineyards and wineries. The importance of the productive values associated with the Heretaunga Plains is one of the primary locational constraints for growth options, and there has been a clear message from the community that the soils should be protected from on-going development.

The National Policy Statement for Highly Productive Land ("NPS-HPL") provides policy direction to manage the use of highly productive land. It requires highly productive land to be protected for use in land-based primary production. The NPS-HPL requires the identification and mapping of highly productive land and sets out how subdivision, use, and development of highly productive land is to be managed.

Policy 5 of the NPSHPL seeks to **avoid** the urban rezoning of highly productive land, unless the requirements of clause 3.6 are met:

- That urban rezoning is required to provide sufficient development capacity to give effect to the NPSUD.
- There are no other reasonably practicable and feasible options for providing at least sufficient development capacity within the same locality and market while achieving a well-functioning urban environment, including greater intensification in existing urban areas and the rezoning of land that is not highly productive or has a relatively lower productive capacity.
- The environmental, social cultural and economic benefits of rezoning outweigh the long-term costs associated with the loss of highly productive land for primary production.

Until regional councils include maps of highly productive land in the regional policy statement, highly productive land includes land that is zoned general rural or rural production and has a land use capability class ('LUC') of 1-3 (inclusive). However, land that is identified for future urban development must not be mapped as highly productive land. This includes the preferred growth areas previously identified under HPUDS.

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**Figure 10** Figure 10 below shows LUC 1-3 land in and around Napier and Hastings, based on the identification by the New Zealand Land Resource Inventory ('NZLRI').

As shown in **Figure 10** below, the land outside of the Hastings urban area is predominantly underlain by highly productive soils, as is the flat land to the North and South of Napier being LUC 1 and 2 and the directive requirements of the NPS:HPL will therefore be highly relevant to the FDS.

The NZLRI provides high level mapping at a coarse scale of 1:50,000 based on physical limitations and qualities of the land, soil, and environment. There may also be land that is highly productive that is not identified as LUC 1, 2, or 3, and conversely some of the land identified as LUC 1, 2, or 3 may have significant limitations for productive use.

### 8.2 Key Issues

Key issues for the FDS in relation to rural production will include:

- How can urban growth be provided for while protecting the highly productive land of the Heretaunga Plains for rural production?
- Are there any areas of LUC 1, 2, or 3 land that are required to be rezoned for urban uses in order to provide sufficient development capacity that cannot be provided in other places?
- If yes to the above, then how can this be done in a way that minimises loss of rural productive capacity?
- How should the FDS address productive land which is not identified as LUC 1, 2 or 3 such as the Gimblett gravel soils?
- How can conflicts and reverse sensitivity between rural production and greenfield growth be managed?

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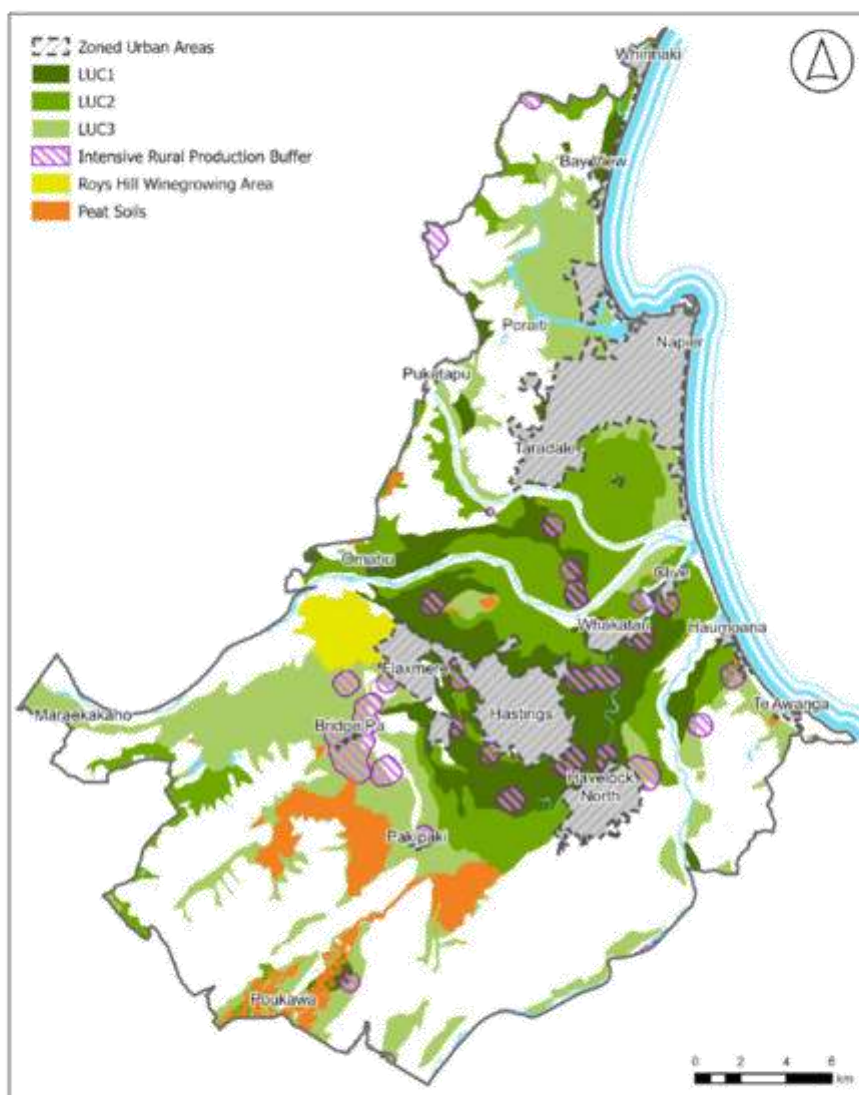


Figure 10: Land Use Capability Mapping. Source: New Zealand Land Resource Inventory.

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### 9.0 Natural Hazards

The Napier-Hastings area is at risk from a number of natural hazards including flooding, droughts, coastal erosion and inundation, tsunami, landslide and seismic hazards.

The Hawke's Bay Regional Council Hazard Portal displays spatial information on fault lines, liquefaction, coastal hazards, flood risk areas, tsunami inundation, and landslide risk. Figure 11 below shows where these natural hazards have been identified within the FDS study area.

Each of those hazards will have varying impacts on different types of urban activities. Low probability events with high impacts need attention and management in a different way to frequently occurring hazards with lesser impacts each time it occurs. Different types of urban activities will present differing degrees of risk (for example, an urban water supply pumping station outage will have different consequences to damage suffered by a retail outlet in the same event; or consequences of flooding impacting a residential block will differ from impacts of flooding of elderly care residences).

Therefore, it is important that the FDS not only consider the type of natural hazards, but also the varying degrees of impact (consequences) of different types of urban activities occurring in at-risk locations.

#### 9.1 Flood Hazards

Floods and storms are the most frequent hazard in Hawke's Bay. With climate change, they will increase in frequency and intensity. Historically there have been numerous major storms resulting in severe flooding which has resulted in stopbanks, pumping stations and other protection measures being put in place.

Figure 11 shows flood risk areas within the FDS study area based on information from the Hawke's Bay Hazard Portal. That flood modelling has been based on 100-year return period events (1% annual exceedance probability) for river flood risk areas, and 50-year return period events (2% annual exceedance probability) for floodplain flood risk areas. The flood extents shown in the maps are based on localised catchment modelling and is not meant to show specific flooding details on each property.

A limitation of these maps are the areas excluded including most of the Hastings urban area. The effects of climate change have also not been included in this modelling.

The Napier City Council is currently updating its flood hazard modelling data and more information will be available throughout the course of the project.

#### 9.2 Coastal Hazards

Coastal hazards for the Hawke's Bay area include tsunami, storm erosion and coastal inundation. The present-day extent and likelihood of these coastal hazard risks are expected to increase as a result of climate change projections of increased storm intensities, sea level rise, and coastal subsidence.

Figure 11 below includes areas identified as at risk of coastal erosion and coastal flooding based on information from The HBRC.

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Figure 12 below shows 2500-year Annual Return Interval for a tsunami event with 1m of sea level rise based on assessment provided by GNS in 2022.

### 9.3 Other Hazards

Other hazards that the Napier-Hastings area is subject to include liquefaction, faultlines, and slope stability. Figure 11 shows areas of high liquefaction risk, high landslide risk, and areas of highly steep land, and fault avoidance zones.

Hazards such as liquefaction, and to some extent slope stability, are generally able to be mitigated through engineering works. However, the costs of this mitigation may present challenges for the economic feasibility of development.

### 9.4 Key Issues

Natural hazard issues for the Napier-Hastings FDS include the following:

- How can we ensure that urban communities of Napier and Hastings and infrastructure are resilient to risks from natural hazards?
- Where are the areas where additional new development and re-development needs to be avoided entirely?
- Where are the areas where new development and re-development may be accommodated with appropriate mitigation?
- To what extent should growth be accommodated in existing urban areas that are known to be subject to natural hazard risk? What level of risk tolerance and mitigation should we be considering?
- How can tsunami evacuation routes be provided for?

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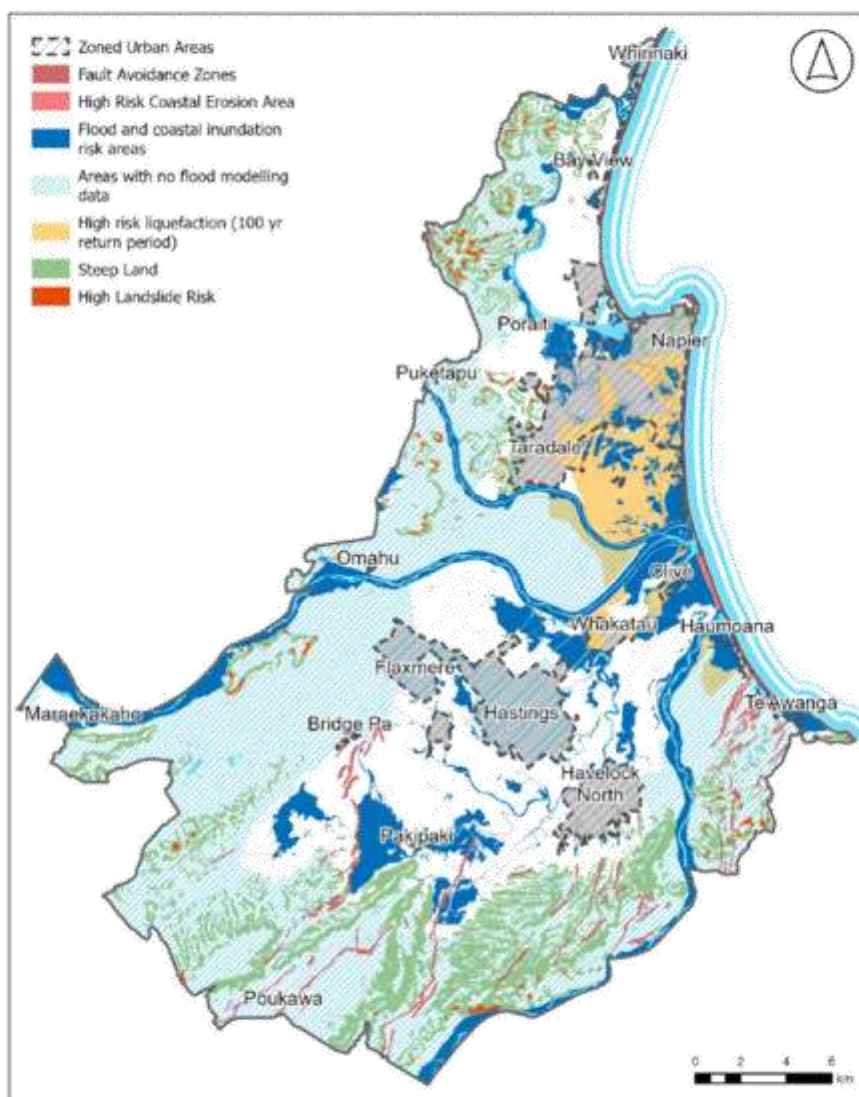


Figure 11 - Potential Natural Hazard constraints (excluding Tsunami Risk)

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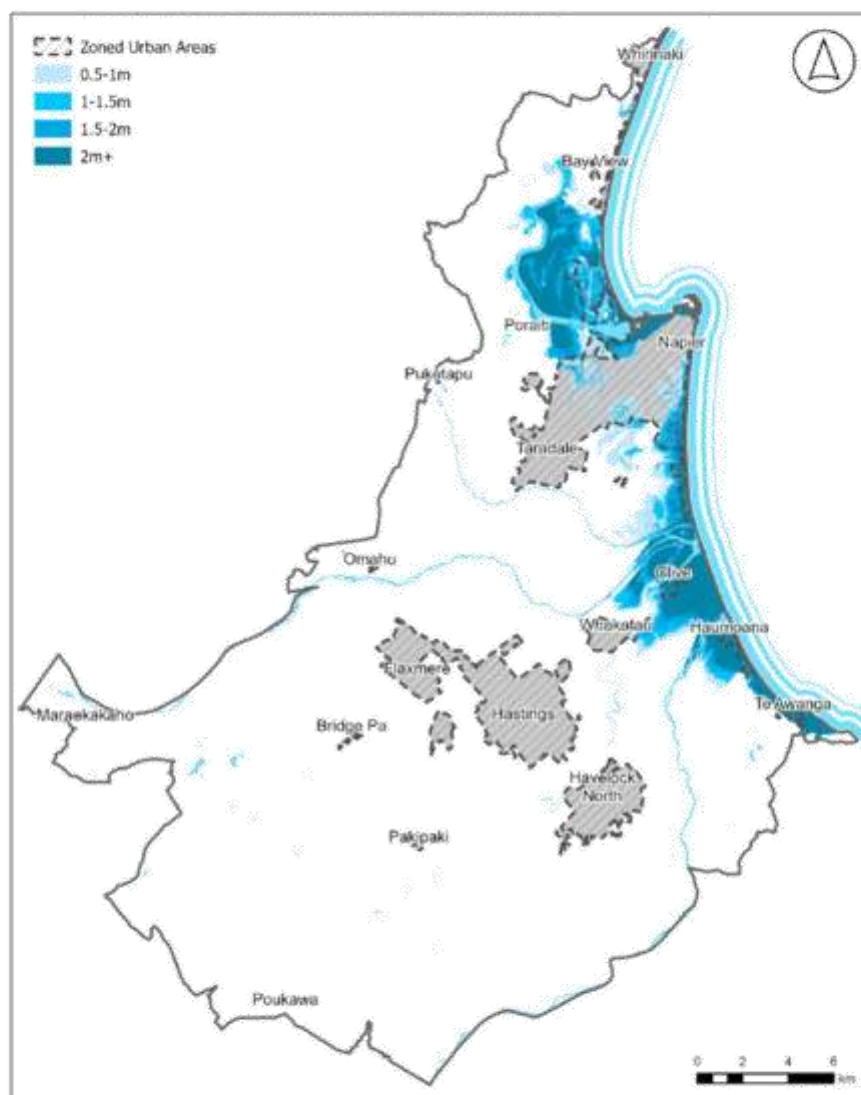


Figure 12 - 2500 year Annual Return Interval Tsunami Event (flood depth) with 1m of Sea Level Rise (data source: GNS/ HBRC)

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### 10.0 Infrastructure

As the Napier and Hastings areas are experiencing significant growth there is a need to invest significantly in infrastructure to provide for the required development capacity. Infrastructure includes 3 Waters (drinking water, wastewater and stormwater), telecommunications, energy, transportation, parks and open spaces, and community facilities. The role of infrastructure is to improve our social, economic, environmental and cultural well-being and support more sustainable and resilient outcomes. Ongoing growth in Hawke's Bay means that planning for future development capacity to be identified and serviced is a high priority.

Further information is provided below on three waters, transport, network utilities, and social infrastructure for both Napier and Hastings.

#### 10.1 Three Waters Reform

Central Government is currently carrying out a reform of the system for delivery of drinking water, wastewater and stormwater.

The Government has worked with local government, iwi and water industry leaders to create a detailed, affordable plan to make sure our water services system is in good condition to meet challenges like population growth, climate change and natural disasters.

Under this plan ten new publicly-owned Water Services Entities will run New Zealand's drinking water, wastewater and stormwater services – currently operated by councils on behalf of communities.

The Government's plan will build these new Water Services Entities (WSEs) on the foundations of existing council infrastructure, people, and expertise. The plan is designed to give the new water organisations the financial flexibility to make the necessary upgrades more affordable for everyone. The transition to the new system will take place over a number of years.

The current proposal combines the Tairāwhiti and Hawke's Bay areas into a single entity with responsibility for 3 Waters delivery separate from the five Councils (Gisborne, Wairoa, Napier, Hastings and Central Hawke's Bay). It is expected that the entity will work closely with the Councils to plan and deliver infrastructure services including a capital works programme that supports regional growth strategies and future development proposals within its jurisdictional area.

For Napier and Hastings, this requires the Councils to have a well-developed investment programme in place to ensure that growth infrastructure can continue to be implemented in established growth areas.

#### 10.2 Water Supply and Allocation

Water supply in Napier and Hastings is drawn from aquifers including the Heretaunga Plains, through water permits administered by Hawke's Bay Regional Council.

Increased water supply capacity is required to provide for population growth over the next 30 years, including servicing growth areas with new infrastructure and upgrading the existing network to ensure aging infrastructure remains fit for purpose. This includes providing for residential

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growth (through municipal supply), and also horticulture and other business activities that require security of water supply (through individual water permits).

However, natural aquifer systems are not endless. There are limits to the freshwater resource to protect the health of aquatic ecosystems and meet the health needs of people. In the Heretaunga Plains, recent scientific evidence from the Hawke's Bay Regional Council has identified that there is no additional volume of groundwater available to allocate to new activities and development.

Therefore, current growth projections for Hastings mean that there will be increasing demand for water that may not be able to be met by the current Hastings urban water supply consent in the future despite achieving greater efficiencies and improved water demand management.

Napier City Council commissioned GHD Limited to produce a Three Waters Servicing Structure Plan to identify additional upgrades needed to accommodate population growth. The Three Waters Servicing Structure Plan identified water supply upgrades as shown in Figure 13.

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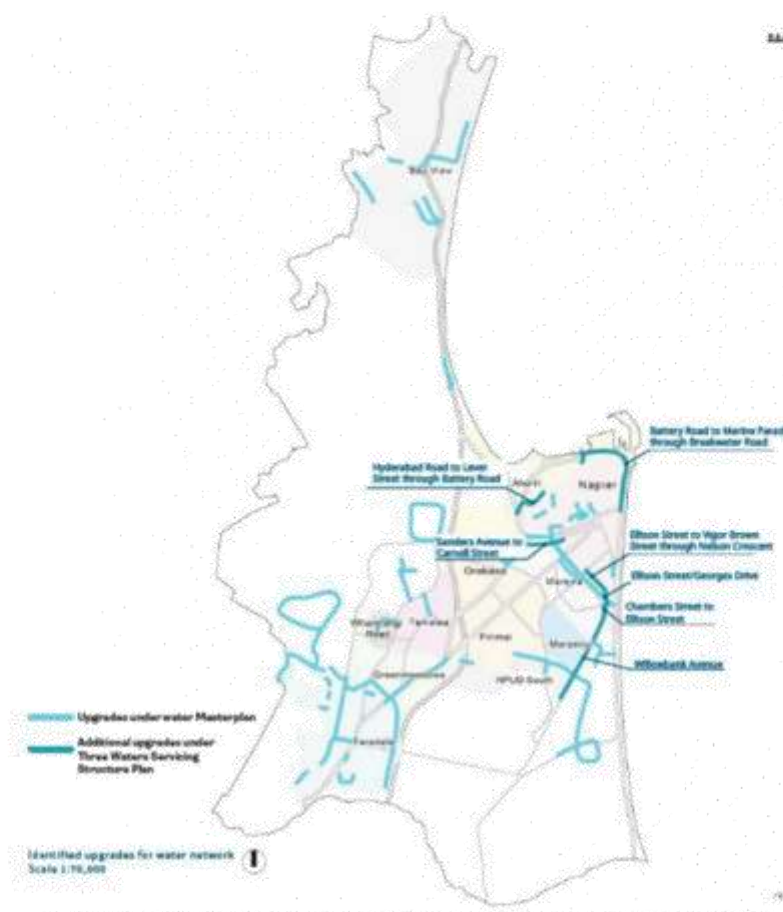


Figure 13 – Identified Water Supply Upgrades required for Napier.

#### 10.2.1 Hastings DC Drinking Water Strategy

The Drinking Water Strategy 2018 (WAT-20-20-18-52S) sets out the approach to drinking water that has water quality and safety as the prime objectives. The strategy includes a combination of new and redefined initiatives based on investigations, modelling and science to guide the establishment of new treatment and reservoir storage at Frimley Park and Eastbourne St, new and upgraded pipes, and a booster pump station in Havelock North.

The strategy also highlights the need to ensure that Hastings has access to sufficient quantities of water to meet current and future needs, whilst ensuring water is used efficiently. New information relating to sustainable groundwater abstraction rates and stream depletion effects from groundwater abstraction across the Heretaunga Plains means that Council must use water

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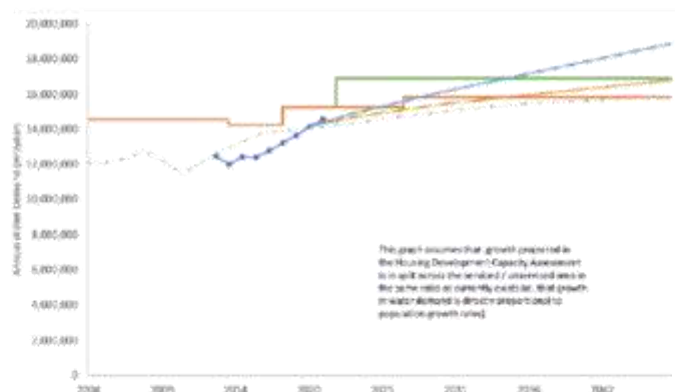
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efficiently while also ensuring that its abstractions are within sustainable allocation limits and are not having an adverse environmental effect.

The impact of residential growth is apparent in our consumption data which shows a continuing upward trend and it is expected that this trend will continue in the foreseeable future.

Demand Projections (Fig. 2.1.2 - Infrastructure Constraints Report)



The predictions shown above in Figure 2.1.2 are based on our historic and current consumption rates and estimates of future water demand using a medium and high growth scenario. These projections do not account for potential reductions from demand management programmes that are underway to reduce network wide leakage (leak detection and accelerated asset replacements), pressure reduction and the potential for domestic water metering to be progressed over a similar timeframe.

The infrastructure programme over the next 10 years will improve the delivery of water to customers and enhance fire-fighting capability. Upgrades include 19.25km of new and upgraded water mains, 4 new reservoirs and 4 new booster pump stations.



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#### 10.2.2 Hawke's Bay Regional Water Assessment

The Hawke's Bay Regional Water Assessment provides an account of the volumes of water supply and water use in Hawke's Bay and, using the 2019/20 year as a base, assesses the likely additional pressures on demand in the future. It is intended to assist in incorporating regional freshwater security into regional plans and strategies.

According to the Regional Water Assessment the region could experience a shortfall between demand and supply of freshwater of nearly 25 million cubic metres, increasing to 33 million cubic metres by 2060 under a medium growth projection.<sup>7</sup> Addressing this projected shortfall will require both a reduction in demand, through technology, behaviour and allocation, and an increase in supply. This will require investigating all practical options for increasing freshwater supplies in Hawke's Bay.

#### 10.2.3 TANK Plan Change

The Hawke's Bay Regional Council is currently progressing Plan Change 9 to the Regional Resource Management Plan ('**TANK Plan Change**') to include new rules to manage water quality and quantity for the Tūtaekuri, Ahuriri, Ngauroro and Karamū ('**TANK**') catchments. Decisions for the TANK Plan Change were notified September 2022, and Environment Court appeals are currently underway. The TANK Plan change is one of several initiatives that the Hawke's Bay Regional Council has underway to implement the National Policy Statement for Freshwater Management.

The decision version of the TANK Plan Change includes a number of provisions that will limit water take consents and the ability to increase water supply capacity to accommodate growth to cater for residents and businesses.

Historically, the amount of water taken for urban uses from the underground aquifer has been limited by consents which may no longer be sufficient for future demand even with more efficient use.

New rules on surface and groundwater takes under the TANK plan change will limit access to additional water such that industrial expansion or new industrial activities will be constrained and they may then rely more heavily on the Hastings supply to meet their essential water needs.

#### 10.3 Stormwater

The Hastings and Napier urban stormwater systems are vulnerable to increasing rainfall intensities and volumes due to climate change. A reduction in pervious surfaces caused by development, infill and extensions increases run-off. This means there is reduced ability to control stormwater in pipes and overland flow systems (detention ponds). Pipes fill up faster with more stormwater present in roads and properties, and increased overland flow increases the risk of flooding and inundation. Increased rainfall runoff and water quality issues will increasingly need to be addressed through natural system solutions such as swales and rain gardens.

<sup>7</sup> Note that this medium growth projection is based on a 2020 baseline. This differs from the medium-high growth projection based on a 2022 baseline being used to project demand for dwellings in the FDS.

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In the aftermath of the November 2020 flooding in Napier, plus devastating impacts of Cyclone Gabrielle in February 2023, there is increased anxiety in the community about the risk of flooding and expectations of Council to minimise flooding are heightened.

To respond to these stormwater constraints Hastings District Council has rules in place to ensure that new development alleviates stormwater within the property. Napier is also introducing stormwater neutrality requirements in the Proposed District Plan. Councils are also developing adaptation strategies to ensure that there are plans in place to minimise the impacts of climate change. Council and the community will need to agree a range of approaches for addressing limitations and areas that are becoming increasingly vulnerable.

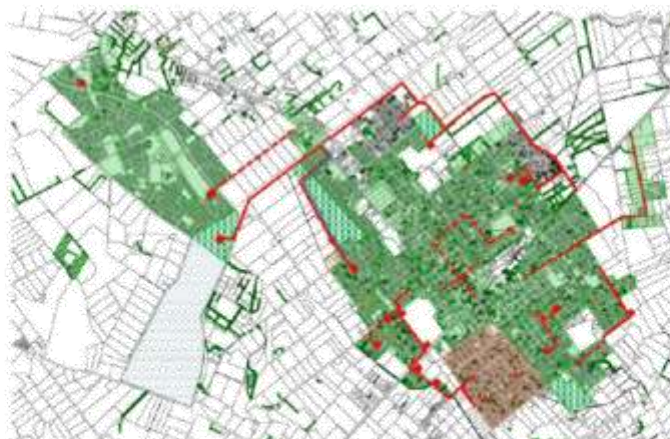
#### 10.4 Wastewater

The current Hastings urban wastewater network is reaching full capacity. Predicted growth and intensification requires additional capacity beyond the capabilities of the existing system.

As a consequence of this additional wastewater demand can cause surcharging of pipes and increases the risk of overflows in wet weather events.

To respond to these events Hastings District Council is planning to build new infrastructure to provide growth capacity and improve existing network issues. The 10-year wastewater programme will see an investment of \$85M in the next 3 years as part of a "growth ready" initiative with a further \$129M to be spent across the urban network to ensure that long term growth and levels of service can be maintained. Council is also progressing with investigations, strategies and upgrades to minimise stormwater impacts to the wastewater system.

The figure below shows where new and upgraded infrastructure is to occur. With the exception of the Akina area (shown as orange) the wider Hastings urban area will no longer be constrained.



Napier City Council has identified a number of upgrades required to wastewater infrastructure to accommodate growth over the next ten years. These wastewater network upgrades are location dependant and are linked to specific geographic development triggers. These upgrades are identified on figure 14 below:

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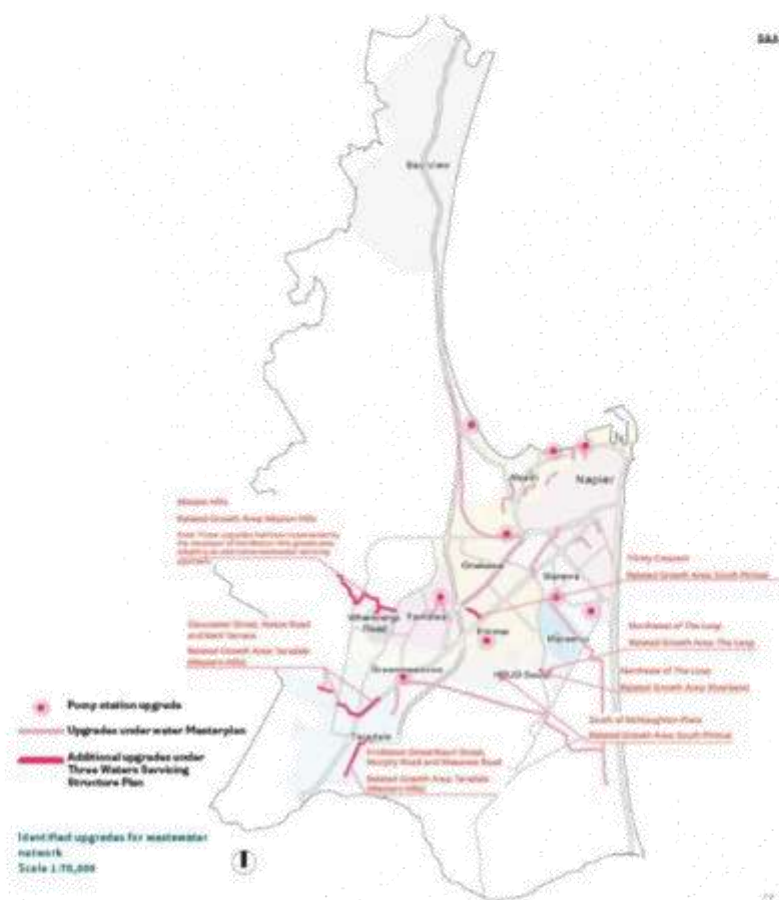


Figure 14 - Identified wastewater upgrades required for Napier.

## 10.5 Transport

The Hawke's Bay Regional Land Transport Plan 2021–2031 (RLTP) sets out a picture of the Hawke's Bay community and the current state of the transport network, the context for developing the Plan, the key issues it addresses, and the priorities for future investment.

The State Highway network provides connections within the Hawke's Bay and to the rest of the North Island. The region is serviced by State Highways 2, 5, 50 and 51, as shown on figure 15 below.

Local bus passenger services operate in and between Napier, Hastings and their dormitory towns; Flaxmere, Taradale, Havelock North and Bay View, with approximately 650,000 passengers carried annually, for a distance of approximately 6.9 million kilometres. The mode share of journeys to work by public transport is currently small, with only 0.5% of the working population travelling by

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bus according to the 2018 Census. However, 14.5% of children travel to school by either school or public bus.

Increasing accessibility to jobs, homes, services and facilities through active and public transport will be a key issue for the FDS, as well as ensuring resilience in connectivity particularly between Napier and Hastings.

#### 10.6 Utilities and Energy

Further work is required to understand the utilities and energy requirements to accommodate long term growth. This is a significant issue following Cyclone Gabrielle and the widespread power and telecommunications outages that resulted.

Ensuring long term resilience of power and communications infrastructure for Napier and Hastings is a key issue for the FDS especially given how vulnerable Napier and other areas were after the cyclone with no power and telecommunications outages.

#### 10.7 Other Infrastructure

The Napier Port and the Hawke's Bay Airport are key strategic infrastructure for Hawke's Bay.

The Napier Port is currently reviewing its master plan, which guides investment in infrastructure, equipment and capability. The key objectives of the master plan are to:

- Drive supply chain and port efficiency
- Facilitate growing cargo volumes
- Help our region thrive
- Identify and secure important supply channels – road, rail and sea
- Enhance and protect our environment through sustainable practices
- Engage all our stakeholders in Napier Port's future vision.

The Napier Port is also investigating an inland port to provide the capacity and capability to meet the future regional growth that is expected within Hawke's Bay and across the wider North Island. Whakatū is the preferred site for the inland port.

The Hawke's Bay Airport Masterplan sets out a long-term vision for the airport to 2040, and projects significant growth in passenger services and aircraft movements. As the both the airport and Napier City grow it be important to address potential conflicts between the airport and other land uses. As noted above, the Napier Airport may be reviewing their Masterplan in the future.

Figure 15 sets out the regionally significant infrastructure within the study area including the state highways, rail lines, transmission lines and substations, and the airport and port noise boundaries.

Parks, open space, and schools are vital for the wellbeing of the community and to support urban development. Identifying how long-term growth can occur with sufficient access to this social infrastructure will be an issue for the FDS to address. Hastings District Council has identified that the availability of parks and open spaces in existing urban areas is below the current level of service, with many local reserves and playgrounds outside of walking distance for residents. To address this Council has prepared a District Wide Reserve Management Plan with objectives and policies to provide consistency, transparency and community awareness

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of Council's intentions for managing reserves and open spaces. Identifying how long-term growth can occur with sufficient access to this social infrastructure will be an issue for the FDS to address.

Napier generally has a good existing level of access to parks and reserves across the city. The Regional Park in Napier will become a key asset for improving resilience, improving water quality by filtering wetlands, and providing recreational opportunities amongst other objectives.

Identifying how long-term growth can occur with sufficient access to social infrastructure will be an issue for the FDS to address.

### 10.8 Key Issues

Key infrastructure issues for the FDS include:

- Significant investment is needed in three waters infrastructure to accommodate long term growth in both Napier and Hastings. How can growth be provided for in a way that ensures efficient provision of three waters infrastructure while operating within constraints of sustainable environmental limits?
- How can the long-term growth of the airport and port be managed in a way that avoids conflict and reverse sensitivity effects from urban growth?
- How can urban growth and transport provision be integrated to ensure high levels of accessibility by active and public transport, and to reduce vehicle kilometres travelled (VKT) and carbon emissions?
- Is access to and availability of social infrastructure suitable to accommodate for additional growth particularly intensification?
- Resilience via suitable access should be a key consideration for the growth options.

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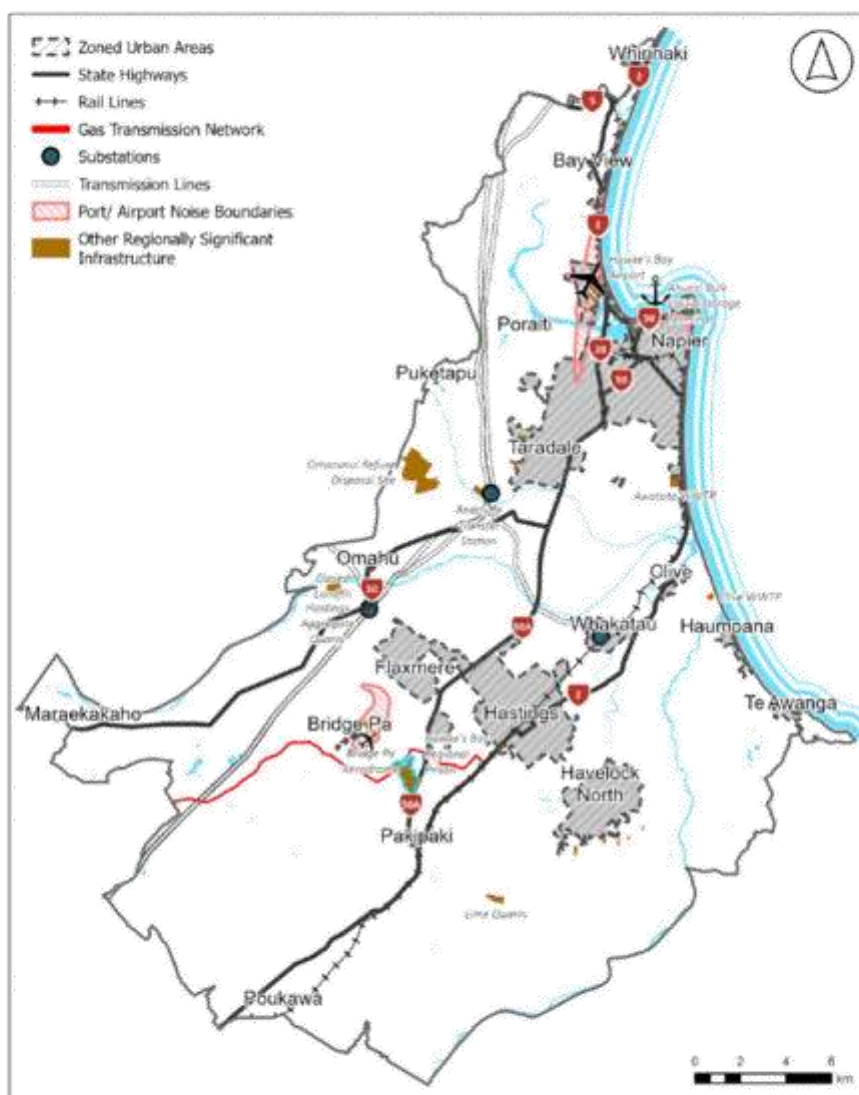


Figure 15 - Regionally Significant Strategic Infrastructure within the Study Area

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### 11.0 Accessibility and Demand

#### 11.1 Overview

The FDS must spatially show how Napier and Hastings achieves a “well-functioning urban environment”. Part of this includes showing how communities have good accessibility for all people between housing, jobs, community services, natural spaces, and open spaces, including by way of public or active transport.

An accessibility analysis has been undertaken to help inform assessment of potential growth areas and ensure the FDS is consistent with the NPSUD’s policy framework of establishing well-functioning urban environments.

Accessibility can most easily be defined as your ability to go places so that you can do things. The assessment of this is strongly driven by data (e.g. census, GIS) and is based on two key components:

- (1) the transport network serving any urban area (the how we travel); and
- (2) the spatial distribution and location of destinations or ‘points of interest’ (the why we travel).

Based on this, determination of the ‘level of accessibility’ within any given area of the Napier Hastings urban environment relative to another area needs to be informed by how many points of interest can be accessed within a given time frame. Once points of interest had been identified, values were attributed to each of these based on their importance in supporting day-to-day needs of residents with a greater weighting given to access via walking. The output of these calculations were then spatially displayed to demonstrate overall accessibility on a 5-point scale between most accessible (red), moderately accessible (yellow) and least accessible (dark green). This is shown in Figure 16 below.

#### 11.2 Key Issues

Key issues for the FDS in relation to accessibility include:

- What potential is there to provide for additional growth through intensification in existing urban areas with high existing levels of accessibility?
- What other interventions are needed to improve accessibility, including by active and public transport, in existing urban areas with low accessibility?
- How and where can potential greenfield growth be provided in a way that provides high levels of accessibility?

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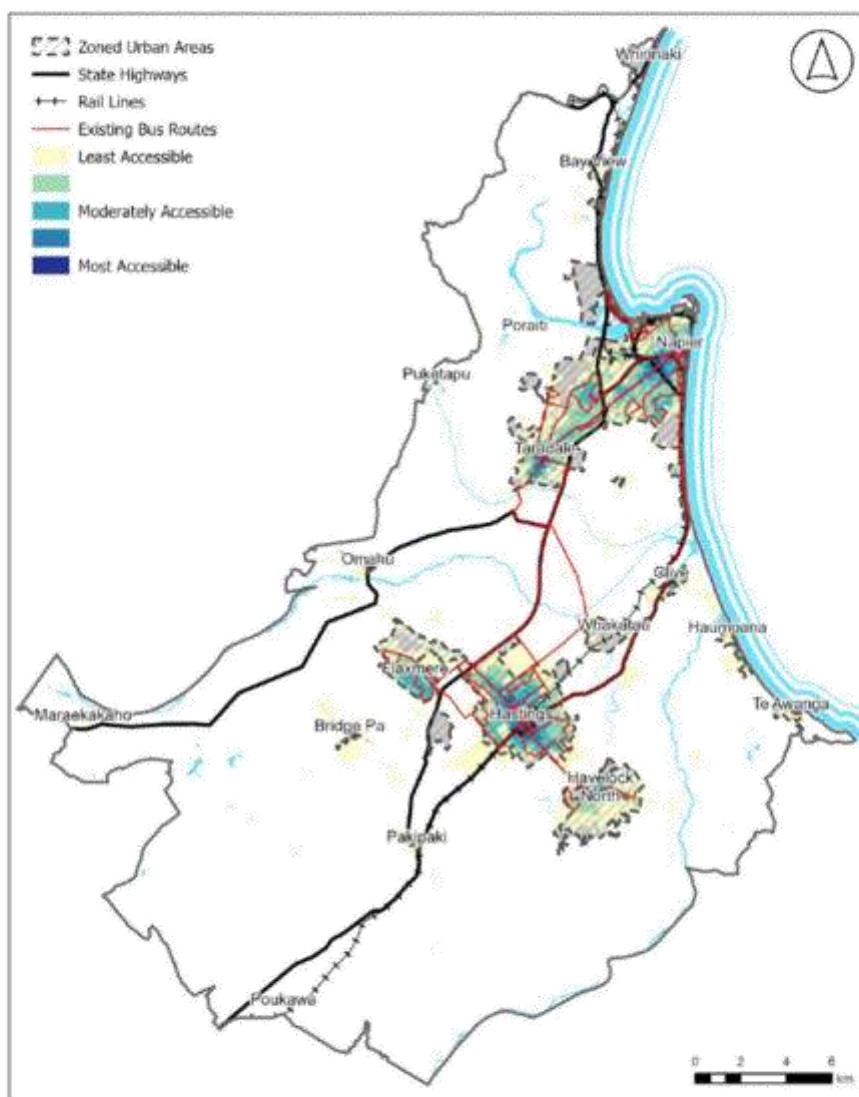


Figure 16 - Existing Accessibility Levels

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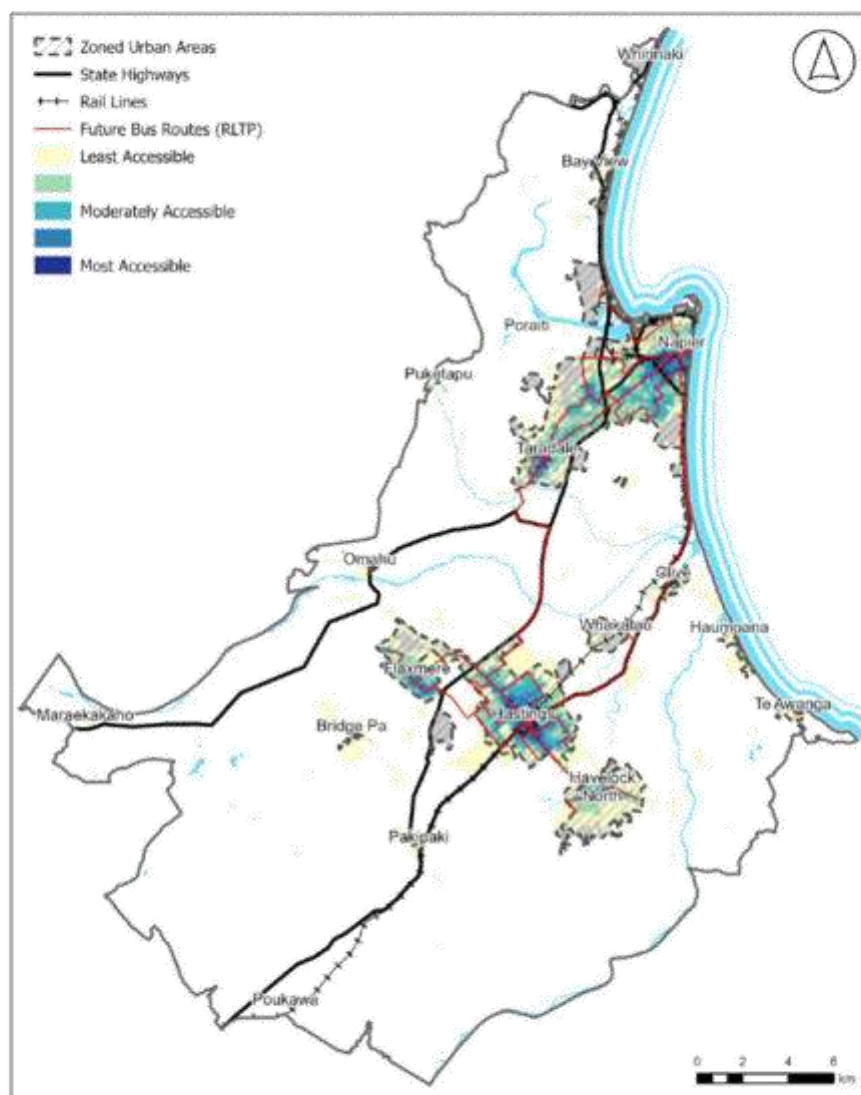


Figure 17 - Future Accessibility Levels

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Figure 18 - Future Accessibility Levels (Urban Areas)

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### 12.0 Social Facilities and Equity

The Napier Hastings FDS Joint Committee<sup>8</sup> have identified health and social equity outcomes as a priority area for the FDS to address. Further work is underway on this issue in relation to the FDS including potentially producing an assessment of health outcomes of the spatial scenarios at a strategic level.

Figure 19 below shows social deprivation levels based on information from the 2018 Census. This is based on the New Zealand Index of Deprivation which is an area-based measure of socioeconomic deprivation based on nine census variables including:

- People with no access to the Internet at home,
- People aged 18-64 receiving a means tested benefit,
- People living in equivalised\* households with income below an income threshold,
- People aged 18-64 who are unemployed,
- People aged 18-64 without any qualifications,
- People not living in their own home,
- People aged under 65 living in a single parent family,
- People living in equivalised\* households below a bedroom occupancy threshold,
- People living in dwellings that are always damp and/or always have mould greater than A4 size.

This illustrates that there are concentrated areas of deprivation in Napier and Hastings, particularly in and around Maraenui, Flaxmere and outer areas of Hastings.

The FDS is focussed on identifying optimal areas of future growth and detailing supporting infrastructure, so is reasonably limited in its ability to address social issues in a holistic way. However, at a strategic level, providing sufficient land supply to meet demand in locations in or close to the community people associate with, can support improved housing affordability and access to greater employment opportunities. This in turn may help to lift incomes, and reduce household costs, both of which benefit lowest income households the most. At a more specific level, the information shown on Figure 19, will assist with implementation of the FDS, in terms of determining priorities for infrastructure investment.

<sup>8</sup> The FDS Joint Committee provides governance of the FDS and is made up of representatives from Hawke's Bay Regional Council, Napier City Council and Hastings District Council, Heretaunga Tamatea Settlement Trust, Mana Ahuriri Trust, and Maungaharuru Tangitū Trust.

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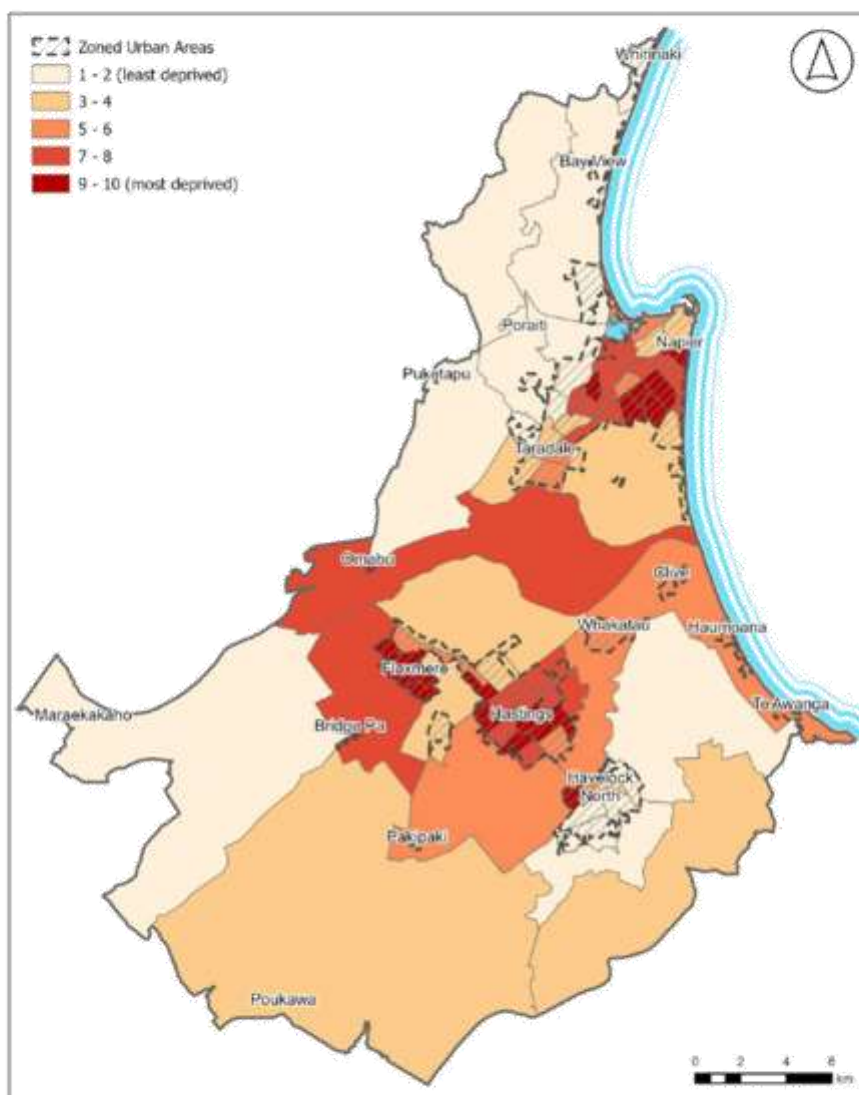


Figure 19 - Social Deprivation Levels (2018 Census)

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### 13.0 What Does this Mean for Growth?

Over the 30-year timeframe there is now projected to be demand for an **additional 9,620 households in the Hastings District** and **additional 6,700 households in Napier** under a medium-high scenario. Further information is to come on the development capacity provided by The Napier PDP and Hastings PCS. This will be key to informing the quantity of development required to be provided over the next 30 years.

Both Napier and Hastings have significant infrastructure constraints that will need to be addressed to accommodate long term growth.

The analysis of constraints that will need to be managed or avoided when identifying spatial scenarios, provides a picture of where development is least to most constrained. Figure 20 below shows a high-level summary of constraints from least constrained to most constrained, based on a combination of natural hazard, cultural, environmental, and highly productive land constraints. This provides an emerging picture of possible areas for growth in the places least constrained.

However, what this shows is that all parts of Napier and Hastings in the study area are constrained in some way. This highlights that trade-offs will be required to evaluate the spatial scenarios and determine a preferred growth strategy. Below are some of these key spatial issues that are emerging from the information reviewed so far:

- Given the constraints and the need to safeguard natural resources that underpin our communities' social cultural and economic wellbeing, how far can the FDS push intensification in our existing urban areas to provide for growth, while making sure housing is affordable and there are choices for people and businesses?
- Napier's urban area is highly affected by a number of natural hazards, which interact together. What level of risk is the community willing to tolerate and can those risks be mitigated (and at what cost), or do we need to prioritise growth elsewhere?
- Given the natural hazards present in Napier and other low-lying areas such as Te Awanga, is it feasible and desirable to develop in the hills?
- How can the FDS support iwi and hapū aspirations for urban development? Where are the opportunities and are there any challenges that need to be overcome?
- The majority of demand for business land is in Hastings and that demand needs to be met locally, but some demand also exists in Napier where there is constrained supply currently. Industrial activities take up a lot of land. Where and how are these uses best located in Hastings to avoid or minimise impacts on the Heretaunga Plains? How can this be located to meet businesses locational needs, maximise accessibility for people, and ensure infrastructure can be provided efficiently?
- There are a wide variety of potential or actual development constraints which are present within the study area. Some of these constraints may impact on the feasibility or intensity of development that could be supported (e.g. ground conditions and topography). Further, other constraints may present significant risks to existing or future areas of development (e.g. coastal inundation) and/or represent areas that need to be protected from future development (e.g. Outstanding Natural Feature). These later constraints are summarised and shown in Figure 21. Note that while Figure 21 does not take

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topographical constraints into consideration, these will be considered as part of more detailed assessments.

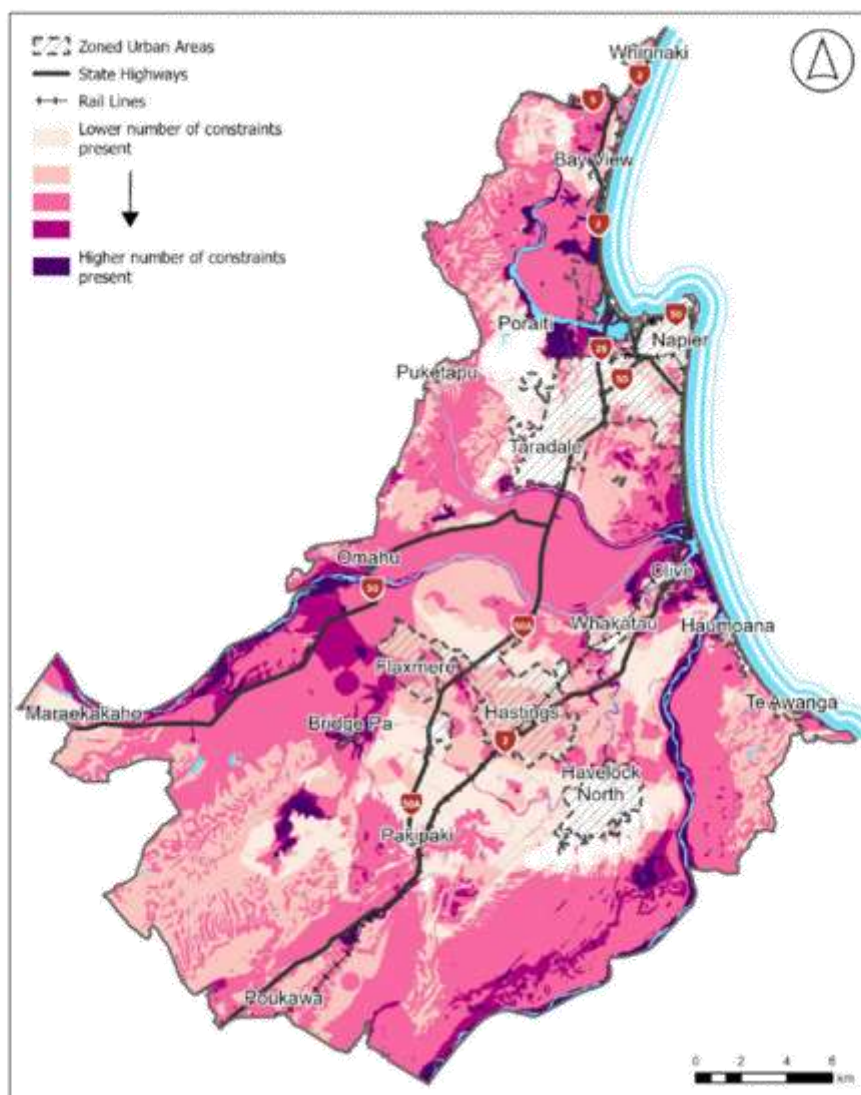


Figure 20 - Constraints Analysis Summary

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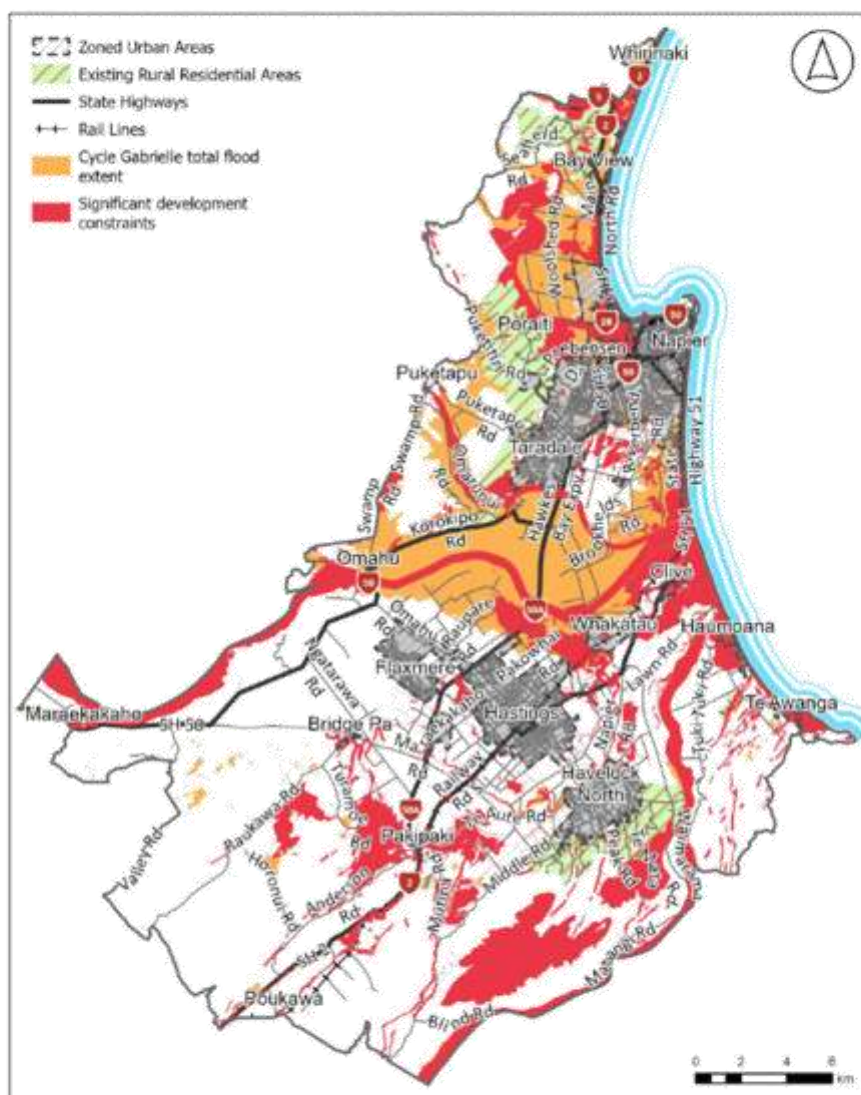


Figure 21 – Significant Development Constraints (Note: this Figure uses preliminary Cycle Gabrielle data - subject to further refinement/ change)

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## 14.0 Initial Thinking on Spatial Scenarios

Figures 22, 23, and 24 below identify some potential opportunity areas for further investigation for growth at the FDS study area level, and for Napier and Hastings respectively. These potential opportunity areas for growth are grouped into spatial themes including intensification areas, greenfield expansion, growth on higher ground, and potential satellite towns. All of these areas will be subject to varying constraints and are presented as high-level potential options for accommodating growth. Some of these areas will have constraints that may make them unsuitable for growth. The point of identifying them at this stage is to provide a broad range of options for consideration, not to necessarily signal their suitability for development. Further detailed assessment of these areas as well as consideration of the trade-offs involved between different constraints and opportunities will form the basis of a preferred scenario for accommodating growth.

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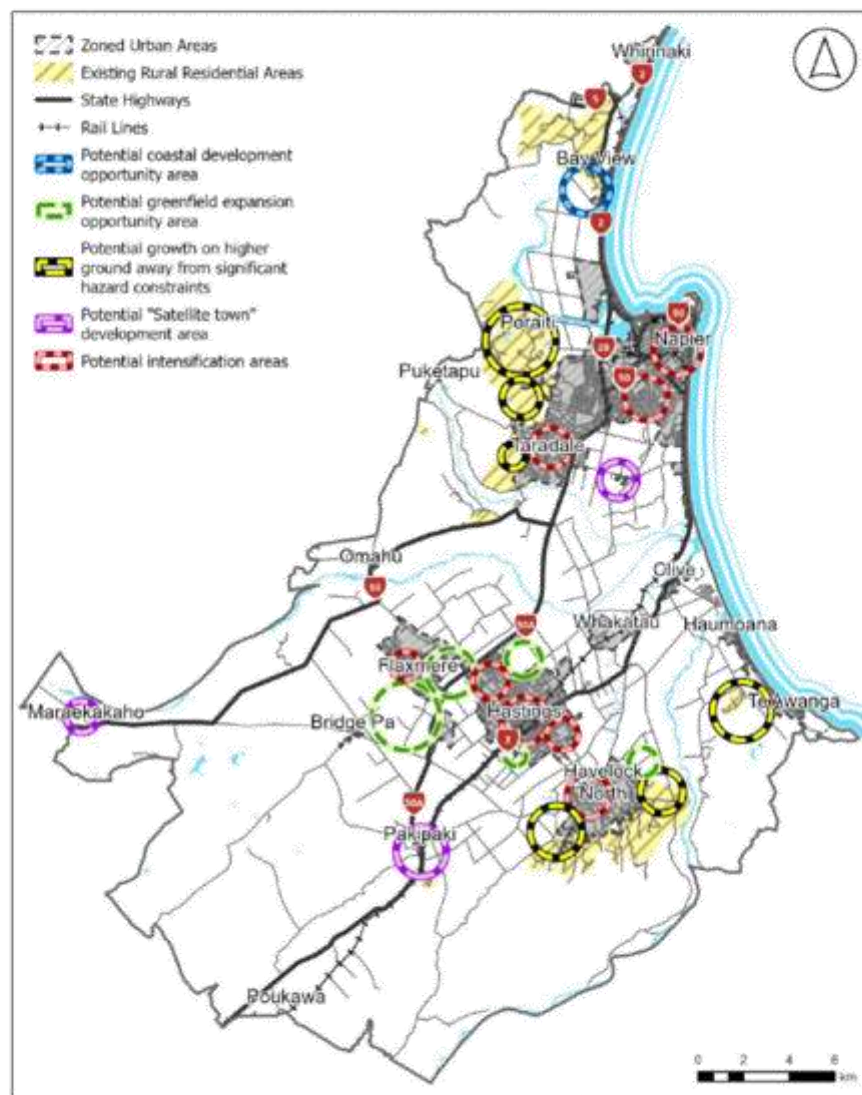


Figure 22 – Potential Opportunity Areas

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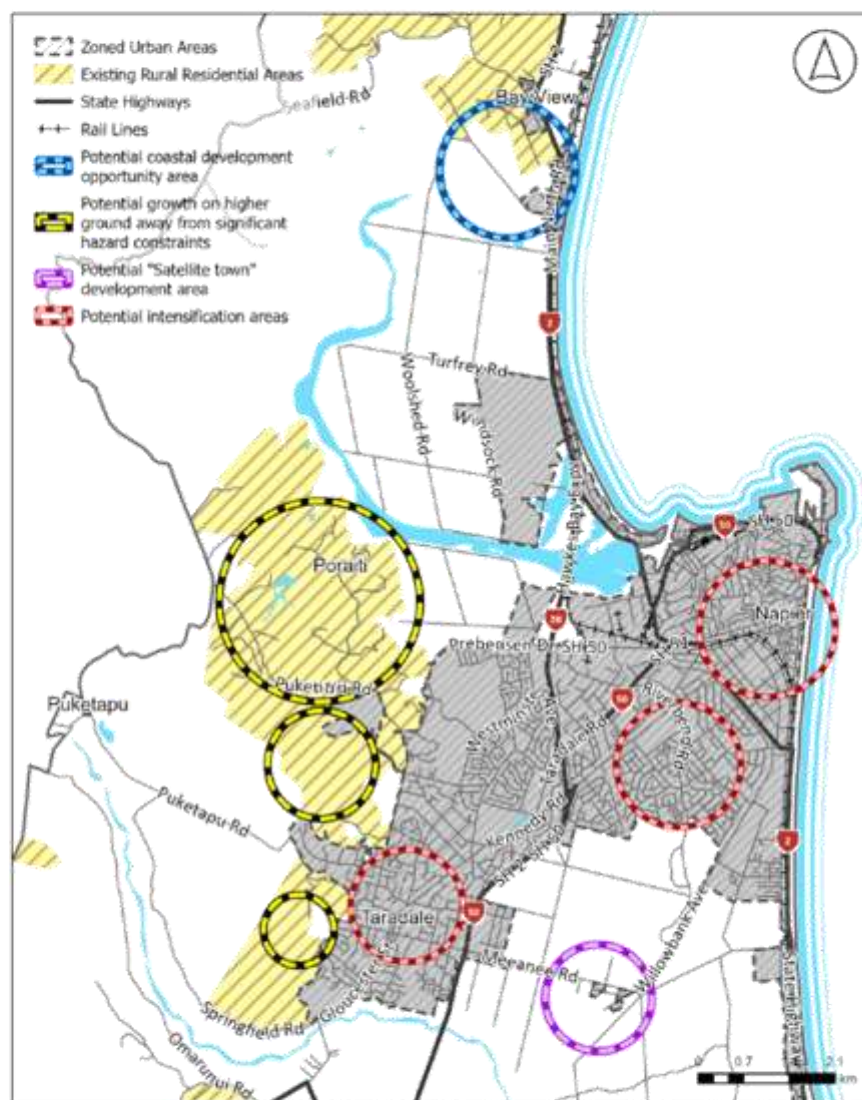


Figure 23 – Potential opportunity areas Napier.

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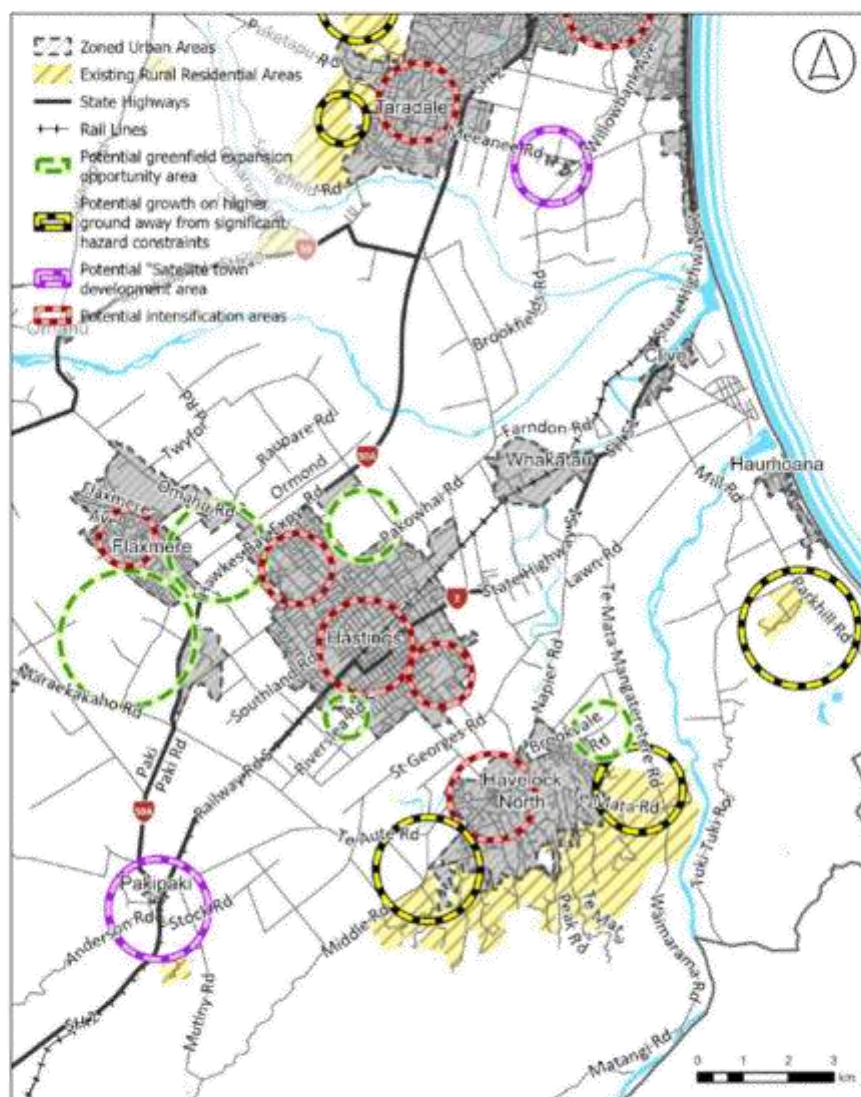


Figure 24 Potential opportunity areas Hastings.

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## 15.0 Next Steps

The next step will be to refine this initial thinking and develop the spatial scenarios based on the opportunities and constraints analysis undertaken so far. The purpose of this is to set out a range of options that cover the full spectrum of growth management approaches in Napier and Hastings. They are not intended to be site specific, rather they are intended to form the basis of the potential growth areas identified in the step below that will be assessed in more detail.

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## Napier Hasting FDS Engagement - Purpose

The purposes of the workshops / pop-ups are to:

- inform people of the objectives and issues that have informed the initial scenarios (scenario maps will be used to support conversation)
- seek any feedback on objectives / issues
- seek feedback on how people think the scenarios have responded to the issues and the strength of the scenarios in achieving the objectives

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## Napier Hasting FDS Engagement – Key Messages

- The FDS will guide development across Napier and Hastings over the next 30 years.
- Have your say – your chance to shape future development of Napier and Hastings
- Learn more about the objectives our planning intends to achieve
- Learn more about the issues and opportunities that are shaping our future development options
- Let us know what you think about our initial options to respond to make sure we achieve our development objectives
- We are working on our future - taking into account the lessons we have learnt post Gabrielle, we need to be more resilient and more prepared for climate change

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Public Engagement Proposals

Attachment 3

## Napier Hasting FDS Planned approach

Event	Collateral						Location	Timing
	What is an FDS	Process	Objectives	Challenges (constraints)	Opportunities	Growth maps		
Pop-up - Hastings	A1	A1	A1	A1	A1	A1	Hastings - 223 Heretaunga St	TBC August
Pop-ups - Napier	A1	A1	A1	A1	A1	A1	tbc	TBC August
Workshop - Napier	Handout	Handout	A1 and Handout	A1	A1	A1	Chambers	Wednesday 2 August
Workshop - Hastings	Handout	Handout	A1 and Handout	A1	A1	A1	Chambers	Thursday 3 August
Save our Soils meeting	Handout	Handout	A1	A1	A1	A1	tbc	tbc
Schools Workshop - Geography	A1	A1	A1	A1	A1	A1	tbc	3 or 4 August
Others								

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## Napier Hasting FDS Workshop information

1. What is an FDS
2. Process
3. Objectives – as adopted
4. Challenges – sourced from Issues and Options report, includes maps of hazards, natural environment, soils.
5. Potential opportunities for growth maps – sourced from Issues and Options report, includes:  
Regional Map / Napier Map / Hastings Map.

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## Napier Hasting FDS Workshop format

### High level approach

- Opening karakia
- Welcome, introductions and why we need to do this
- Share story of Māori settlement and development (if appropriate)
- Session on objectives  
discuss
- Map based discussions on options for growth  
work through pros and cons of options

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