

## Notes of a Regional Council Workshop

- Date:** 29 January 2025
- Time:** 12.15pm
- Venue:** Council Chamber  
Hawke's Bay Regional Council  
159 Dalton Street  
NAPIER
- Present:** Cr H Ormsby, Chair  
Cr W Foley, Deputy Chair (*online*)  
Cr X Harding  
Cr N Kirton  
Cr C Lambert  
Cr J Mackintosh  
Cr D Roadley  
Cr S Siers  
Cr J van Beek  
Cr M Williams
- In Attendance:** N Peet –Chief Executive  
T Munro – Te Pou Whakarae  
S Young – Group Manager Corporate Services  
K Brunton – Group Manager Policy & Regulation  
C Dolley – Group Manager Asset Management  
I Maxwell – Group Manager Integrated Catchment Management  
R Wakelin – Acting Group Manager Integrated Catchment Management  
V Fauth – Manager Finance  
D Cull – Strategy & Governance Manager  
M Sharpe – Senior Corporate Planner  
C Comber – Chief Financial Officer  
L Hooper – Team Leader Governance

### 3. 2025-2026 Annual Plan

Desiree Cull and Chris Comber introduced the item. Presentation (attached) and discussions covered:

- Need direction on loan repayments for Mangarau Streams, economic development/ REDA, and Biodiversity consultation topics.
- For the Mangarau Stream NIWE project the local share is \$2.485M which will be collected by HBRC through a targeted rate. Options are to rate over 3 years (project period) of the project's life or 20 years. HBRC is required to consult on the time period. Staff view that 3 or 20 years justified but no actual justification for a 10 year period – so propose to only consult on 2 options.
- 3 years has a higher short-term impact for only the 3 years of the project. Rating over 20 years the increase is less but over the 20 years 'intergenerational' ratepayers will pay much more overall.
- Commercial properties will bear the highest increases.
- Must state what the overall average targeted rates impacts are – and this will be deliberately separated and explained.
- Proposed and agreed that the preferred option for CD is 3 years.
- Options for REDA – preferred option is to cut the funding, of 2 options to keep or cut.
- Biodiversity – consult on retaining the funding (reversing the previous decision) or making cuts, and preferred option to retain the cuts.

#### Closure:

The workshop closed at 1.10pm on Wednesday, 29 January 2025.

## 2025-26 Annual Plan Development

Council workshop #7, 29 January 2025



## Objectives today are to:

- Recap and update on detailed budgeting and overall rate increase
- View draft waterfall graph of budget movements
- View new CD content
  - Agree options for term of loan repayments for Mangarau Stream
  - Our role in regional economic development
  - Biodiversity consultation topic
  - Regional Public Transport Plan 2025-2035 (concurrent consultation)



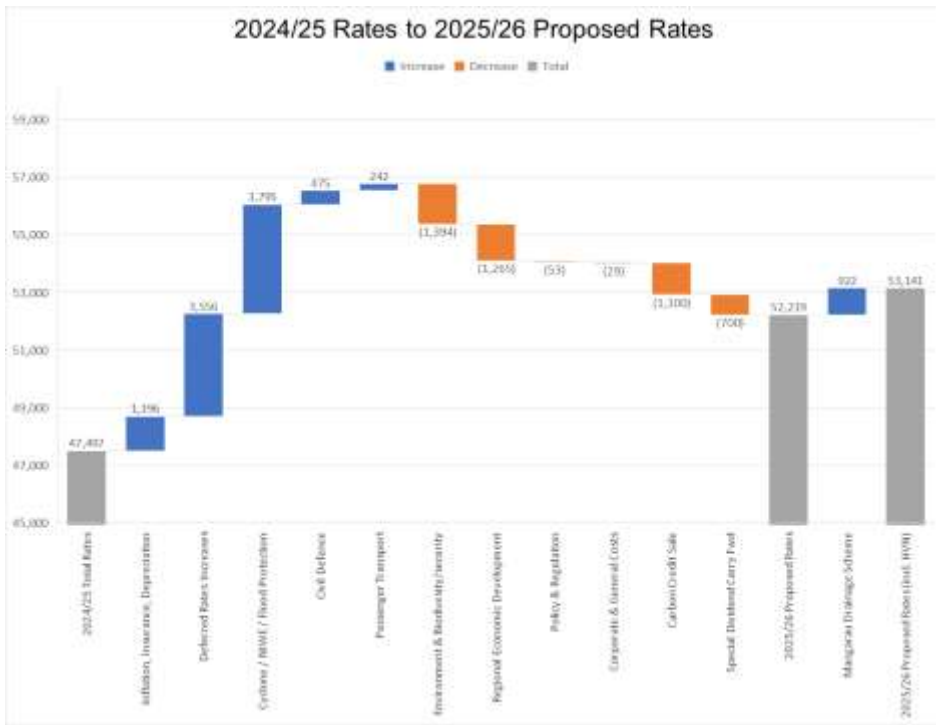
## Current proposed rate increase

	2025/26	2026/27
Rates increases as per Three Year Plan	18.3%	8.5%
<b>Average rates increases following detailed budgeting</b>	<b>9.9%</b>	<b>9.5%</b>
Mangarau stream (Hastings DC capital work)	2.0%*	-
Total average rates increases	11.9%	9.5%

- Mangarau Stream targeted rate impacts HDC District Rating Area 1
- 2026/27 budgets updated for major items only. Increase mainly a result of a lower starting point.

\* Based on 3-year repayment targeted rate option





Draft rating increase waterfall



## Detailed budgeting commentary

- No major unknown impacts were identified during detailed budgeting
- Overhead is included in all budget changes to properly calculate rate impact. This has had some small impacts on the value of changes.
- Insurance cost increase was less than originally estimated
- Reminder that Erosion Control Scheme loan reduction didn't reduce rates
- Additional rate penalty income added to reflect recent years' levels



Recap of rates impact of main changes	Detailed Budget (Current)	Top Down Analysis (Prior)
Mangarau Stream (Hastings District) improvements targeted rate	\$0.9m	\$1.2m
Implementation of Independent Flood Reviews	\$1.0m	\$1.0m
Reimagining flood resilience	\$0.7m	\$0.7m
Insurance & depreciation (from revaluation)	\$0.4m	\$0.4m
Elections (including binding poll and overhead changes)	\$0.3m	\$0.2m
Flood Schemes, Transport & CDEM (impacts from loans, overheads, detailed analysis)	\$0.5m	-
Uncommitted special dividend carry forward to 2025/26	\$(0.7)m	\$(0.7)m
Low risk carbon credit sales	\$(1.1)m	\$(1.1)m
Savings identified (see next slide)	\$(5.0)m	\$(4.5)m

	Savings identified (updated from detailed budget)	Opex savings	Rate impact	Prior rate Impact
G&P	<b>Regional economic development</b>	\$500k	\$500k	\$500k
	Environmental education	\$67k	\$66k	\$50k
P&R	Farm plans delay	\$100k	\$100k	\$85k
	Policy and compliance	\$260k	\$230k	\$138k
ICM	<b>Biodiversity</b>	<b>\$1,350k</b>	<b>\$1,348k</b>	\$1,308k
	Biosecurity	\$411k	\$411k	\$411k
	Environmental info & science	\$1,163k	\$656k	\$679k
	Erosion control scheme	\$439k	\$(80)k	\$75k
Sponsorships		\$197k	\$197k	\$180k
Transport	Public transport	\$991k	\$479k	\$431k
	Road safety	\$323k	\$58k	\$52k
Corporate Services	Fleet	\$138k	\$152k	\$152k
	Corporate and other	n/a	\$908k	\$427k
<b>Key consultation topic in CD</b>		<b>TOTAL</b>	<b>\$5.0m</b>	<b>\$4.5m</b>

Row Labels	Sum of 2024/25 AP Inflated	Sum of Year 1 Changes Uninflated	Sum of Year 1 2025/26 Inflation	Sum of Year 1 2025/26 Inflated
☐ Governance and Partnerships				
☒ Community Representation & Leadership	(1,772,204)	(183,364)	(26,485)	(1,982,053)
☒ Community Sustainability	(1,328,959)	7,890	(14,189)	(1,335,258)
☒ Regional Economic Development	(1,431,415)	1,431,415	-	-
☒ Tangata Whenua Partnerships	(971,723)	105,403	(12,014)	(878,334)
<b>Governance and Partnerships Total</b>	<b>(5,504,301)</b>	<b>1,361,344</b>	<b>(52,688)</b>	<b>(4,195,645)</b>
☐ Policy & Regulation				
☒ Compliance and Pollution Response	(2,940,585)	134,340	(67,948)	(2,874,193)
☒ Consents	(1,517,205)	(10,047)	(39,394)	(1,566,647)
☒ Maritime Safety	(198,049)	(13,983)	(4,166)	(216,197)
☒ Policy & Planning	(2,453,563)	89,816	(69,352)	(2,433,099)
☒ Regulatory Implementation	(957,655)	(74,699)	(24,127)	(1,056,480)
<b>Policy &amp; Regulation Total</b>	<b>(8,067,057)</b>	<b>125,427</b>	<b>(204,987)</b>	<b>(8,146,617)</b>
☐ Integrated Catchment Management				
☒ Biodiversity and Biosecurity	(6,470,928)	1,487,083	(97,234)	(5,081,079)
☒ Environmental Information	(3,525,364)	(126,380)	(74,740)	(3,726,485)
☒ Environmental Science	(5,013,912)	545,262	(96,776)	(4,565,425)
☒ Rural Partnerships	(834,874)	(559,396)	(33,363)	(1,427,633)
☒ Sustainable land management	(5,251,827)	(341,976)	(92,033)	(5,685,837)
<b>Integrated Catchment Management Total</b>	<b>(21,096,906)</b>	<b>1,004,593</b>	<b>(394,147)</b>	<b>(20,486,459)</b>

Change in rates year on year



Row Labels	Sum of 2024/25 AP Inflated	Sum of Year 1 Changes Uninflated	Sum of Year 1 2025/26 Inflation	Sum of Year 1 2025/26 Inflated
☐ Asset Management				
☒ Coastal Hazards	(655,822)	(2,807)	(10,255)	(668,884)
☒ Flood Protection & Control Works	(13,356,113)	(2,144,316)	(235,369)	(15,735,797)
☒ Flood Risk Assessment and Warning	(1,300,073)	(472,824)	(22,526)	(1,795,423)
☒ Open Spaces	(2,754,360)	(6,413)	(48,859)	(2,809,632)
☒ Regional Water Security	(218,693)	(28,184)	-	(246,877)
☒ Works Group	220,278	2,122	2,091	224,491
<b>Asset Management Total</b>	<b>(18,064,783)</b>	<b>(2,652,422)</b>	<b>(314,918)</b>	<b>(21,032,123)</b>
☐ Emergency Management				
☒ Hawke's Bay CDEM Group	(3,495,803)	(106,259)	(81,582)	(3,683,644)
☒ HBRC Emergency Management	(2,159,801)	332,968	(10,571)	(1,837,403)
<b>Emergency Management Total</b>	<b>(5,655,604)</b>	<b>226,709</b>	<b>(92,153)</b>	<b>(5,521,048)</b>
☐ Transport				
☒ Public Transport	(4,576,057)	(299,777)	(57,060)	(4,932,894)
☒ Transport planning and road safety	(167,355)	57,978	(2,156)	(111,533)
<b>Transport Total</b>	<b>(4,743,412)</b>	<b>(241,799)</b>	<b>(59,216)</b>	<b>(5,044,427)</b>
☐ Corporate/Other				
☒ Funding	15,634,571	(4,351,659)	2,850	11,285,762
<b>Corporate/Other Total</b>	<b>15,634,571</b>	<b>(4,351,659)</b>	<b>2,850</b>	<b>11,285,762</b>
<b>Grand Total</b>	<b>(47,497,491)</b>	<b>(4,527,807)</b>	<b>(1,115,258)</b>	<b>(53,140,557)</b>

Change in rates year on year



## Mangarau targeted rate

- Local share is \$2.485m of the total project cost collected by HBRC
- Council agreed to mirror HDC's way of rating (modelling yet to come using HDC's DRA1 rating. See next slide for differentials)
- **Need direction from Council on consultation options for term of loan repayments for Mangarau Stream. This will determine the length of time we collect a targeted rate.**

### Option 1:

- HBRC grant this to HDC over **3 years** as project is completed (due to be completed around June 2026)
- Principle + \$280k interest = \$922k annual rate requirement over **3 years**

### Option 2:

- Middle ground option TBC

### Option 3:

- HDC methodology would be to loan fund costs over **20 years**
- Principle + \$1.23m interest = \$186k annual rate requirement over **20 years**



## Targeted rate for Mangarau Stream flood resilience work

### Proposed new targeted rate

- that mirrors (as close as possible) HDC's rating method, properties within DRA1 (see map right) will pay the rate based on land value and differentials



## Key consultation topics - updates

- Targeted rate for **Mangarau Stream** flood resilience work  
(Covered in previous slide)
- Our role in **regional economic development**
- Reprioritising funding planned for **biodiversity** work
- **Regional Public Transport Plan** 2025-35 – consulting concurrently with the Annual Plan for efficiencies

*Note – early drafts of these three sections are in Stellar.*

*Please feel free to provide feedback directly to Mandy Sharpe.*



## Regional economic development

- Need direction to confirm options for REDA





## Biodiversity

- Messaging is we are reducing biodiversity work budget to prioritise funding for flood resilience work
- Encourage people to let us know if they think we have it right
- If people want to see biodiversity prioritised & we put money back in the budget, it will mean a rate increase (every \$475k funded equals a 1% increase in rates)

Planned changes:

- 1) Priority Ecosystem Programme
- 2) Environmental Protection & Enhancement Programme (Targeted Catchment Fund)



## HB Regional Public Transport Plan 2025-2035

- Regional Transport Committee has reviewed the plan
  - proposing minor changes
  - re-confirming intent to implement new bus network

***Not asking a specific question - encouraging people to give feedback on the revised plan + proposed changes to Total Mobility Scheme***

- Regional Transport committee will:
  - read submissions, undertake hearings + deliberations
  - make a recommendation to Council re adopting the plan



# HB Regional Public Transport Plan 2025-2035

## *Key changes outlined in the CD*

### **1) Later than planned changes to public bus service**

- Due to funding pressures pushing back roll-out date of new network to 2026 (at reduced frequency than initially hoped for)
- Further planned changes dependent on additional funding (e.g. increasing frequency, more connections + extended operating hours)

### **2) Changes to Total Mobility Scheme**

- Limiting our concession to driving time only
- Ensuring fees charged by taxi & companion services are largely in-line with each other



## **Next steps**

- 26 February Council workshop to review:
  - Full draft consultation document (with design elements)
  - Submission form (with design elements)
  - Comms and engagement one-page plan
- 26 February Council meeting
  - Confirmation of need to consult for Annual Plan
- 26 March Council meeting
  - Adoption of Consultation Document & supporting information for public consultation

