Thursday, 18 March 2021

Te Hui o Te Kaunihera ā-Rohe o Heretaunga
Hastings District Council
Council Meeting

Kaupapataka

Open Agenda

Te Rā Hui: Meeting date:	**Thursday, 18 March 2021**
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
Te Āpiha Matua: Responsible Officer:	**Chief Executive - Nigel Bickle**

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HASTINGS DISTRICT COUNCIL
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TE KAUNIHERA Ā-ROHE O HERETAUNGA

Thursday, 18 March 2021

Te Hui o Te Kaunihera ā-Rohe o Heretaunga
Hastings District Council
Council Meeting

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Open Agenda

Mematanga: Membership:	*Tiamana* **Chair:** Mayor Sandra Hazlehurst *Ngā KaiKaunihera* **Councillors:** Bayden Barber, Alwyn Corban, Malcolm Dixon, Damon Harvey, Tania Kerr (Deputy Chair), Eileen Lawson, Simon Nixon, Henare O'Keefe, Peleti Oli, Ann Redstone, Wendy Schollum, Sophie Siers, Geraldine Travers and Kevin Watkins
Tokamatua: Quorum:	8 members
Apiha Matua Officer Responsible:	Chief Executive – Nigel Bickle
Te Rōpū Manapori me te Kāwanatanga Democracy and Governance Services:	Jackie Evans (Extn 5018)

Te Rārangi Take

Order of Business

9.	Attachments for Agenda Item 9 - Adoption of Long Term Plan 2021/2031 for Community Consultation	7

Thursday, 18 March 2021

Te Hui o Te Kaunihera ā-Rohe o Heretaunga
Hastings District Council: Council Meeting

Te Rārangi Take

Report to Council

Nā: From:	**Lex Verhoeven, Strategy Manager**
Te Take: Subject:	**Attachments for Agenda Item 9 - Adoption of Long Term Plan 2021/2031 for Community Consultation**

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

1.1 The Draft Long Term Plan 2021/2031 Consultation Documents and Supporting Information referred to in Agenda Item 9 is attached.

Attachments:

1	Agenda Item 9 - LTP 2021-2031 Consultation Document	CG-16-2-00541
2	Agenda Item 9 - LTP 2021-2031 Consultation Document Tear-off	CG-16-2-00542
3	Agenda Item 9 - LTP 2021-2031 Supporting Information Document	CG-16-2-00543

HASTINGS DISTRICT COUNCIL
Te Kaunihera ā-Rohe o Heretaunga

HASTINGS DISTRICT
2021-2031 LONG TERM PLAN

PLANNING FOR OUR FUTURE



CONSULTATION DOCUMENT

HASTINGS
HEART OF HAWKE'S BAY



Your voice is important

Once you've read through this document, let us know what is important to you.

There are three main areas to look at where we have set out choices – you might want to tick boxes to indicate your preference for some or all of these topics, or you might want to give us more detailed feedback. Both options are fantastic, we want to hear your voice!

Have your say

Head online to **www.myvoicemychoice.co.nz** and give us your feedback

OR

Complete the freepost card inside this document – fill it in and pop it in any NZ Post letterbox.

Submissions close on Friday 7 May 2021.

More information

This document is a brief summary of the full Draft Long Term Plan – you can download the full Draft Plan at **www.myvoicemychoice.co.nz** or view a printed copy at any of the following locations:

- **Hastings District Council Customer Service Centre**
  207 Lyndon Road East, Hastings
- **Hastings, Havelock North or Flaxmere Library**
  Hastings: cnr Eastbourne and Warren Streets
  Havelock North: 30 Te Mata Road
  Flaxmere: Swansea Road

Got questions? Feel free to phone our friendly customer service call centre on **06 871 5000**.

Attend an information event

Visit our website myvoicemychoice.co.nz for more details.





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FROM THE MAYOR AND CHIEF EXECUTIVE



As the Mayor and Chief Executive of Hastings District Council we are proud to present this Long Term Plan for your feedback. It comes as we continue to face uncertainty from COVID-19 and significant wider issues such as our housing challenges, which Council is committed to supporting our district through.

We have worked hard to present a plan that strikes the right balance between keeping rates as affordable as possible while investing in our critical assets so we can continue to deliver core services to meet our community's high expectations.

This plan has two strong themes running through it: maintain and grow. We need to maintain our essential assets, while growing our district in a manageable way.

Maintain

As more and more people are choosing Hastings to live and work in, managing this growth is challenging, and a key consideration within this plan. We have a regional growth strategy that outlines how we can overcome certain growth-related issues, such as our housing shortage. More recently a Hastings Housing Strategy is in the implementation phase which delivers more houses in partnership with central government and other entities. More details can be found on page 28. Council wants to continue our district's exciting momentum by continuing to invest in new infrastructure and projects to support the local economy and jobs. There are choices around how fast we invest and how we can pay for these investments, particularly for our inner city and public spaces.

Read about the some of the exciting investment opportunities in The Choices (page 10).

Council's work programme and investment detailed in this plan is focused on getting the basics right: delivering safe drinking water; clean and efficient wastewater, refuse and stormwater disposal; safe roads, and well-maintained public spaces. Due to age and increasing environmental standards, the cost of maintaining our core assets is rising. We have a solid plan that allows us to make necessary investment in these essential services.

Read more about how we are maintaining our assets and getting on with our core business in The Basics (page 24).

We welcome your feedback on this plan – see the inside cover for how you can have your say.

Your Rates

Overall rates increases proposed

- Year 1 - 6.8%, Year 2 - 6.6%, Year 3 - 5.5% (Years 4-10 average 3.7%).
- For our rural areas 7% for the next 6 years.

See inside section "impact on Council finances and your rates" for more details. Also see inside for additional proposals that will impact some properties in the CBD and in Havelock North.

and grow

POINTS TO CONSIDER

There are two key matters we've considered when preparing this plan:

Water Reform

The Government has signalled its intention to reform the delivery of Three Waters services. While the details are still to come, Council has signed a memorandum of understanding to take part in the exploration of future service delivery options. A regional review also explored future service delivery options locally. Our community will need three waters services, whether the Council delivers them or not. This Consultation Document and the underlying information supporting it has been prepared on the basis that Three Water services will continue to be provided by the Council, but future decisions may result in this changing.

It is likely that we will talk to you in late 2021 about the options.

For more information visit:

- Government reforms: www.dia.govt.nz/Three-Waters-Reform-Programme
- Regional water review: www.hb3waters.nz

NZTA Funding

Your rates pay for our roads, but we also get co-funding from Waka Kotahi (New Zealand Transport Agency) for some work. We currently receive funding of about 53 cents of every dollar we spend for eligible work so it is important that we work with Waka Kotahi on the agreed work programme.

We have taken the approach of escalating both our investment (and commitment from Waka Kotahi for their share) over a six year period – this applies to both urban and rural areas. This six year approach which balances affordability and getting the work done, has the highest likelihood of approval from the transport agency.



BECAUSE THIS WILL MEAN A SIGNIFICANT SUSTAINED INCREASE OF 7% PER ANNUM FOR OUR RURAL AREA OVER THE NEXT 6 YEARS WE HAVE HIGHLIGHTED THIS ISSUE IN THE "CHOICES SECTION" ON PAGE 11.



SO WHAT'S THIS ALL ABOUT?

The 10-Year Plan is not just about 'us' as a Council deciding what's going to happen. We work for the benefit of our community and want to hear what you think. Which is why this consultation document is in your hands.

The Long Term Plan is one of our main planning tools – a 10-year look ahead that we review and talk about with our community every three years.

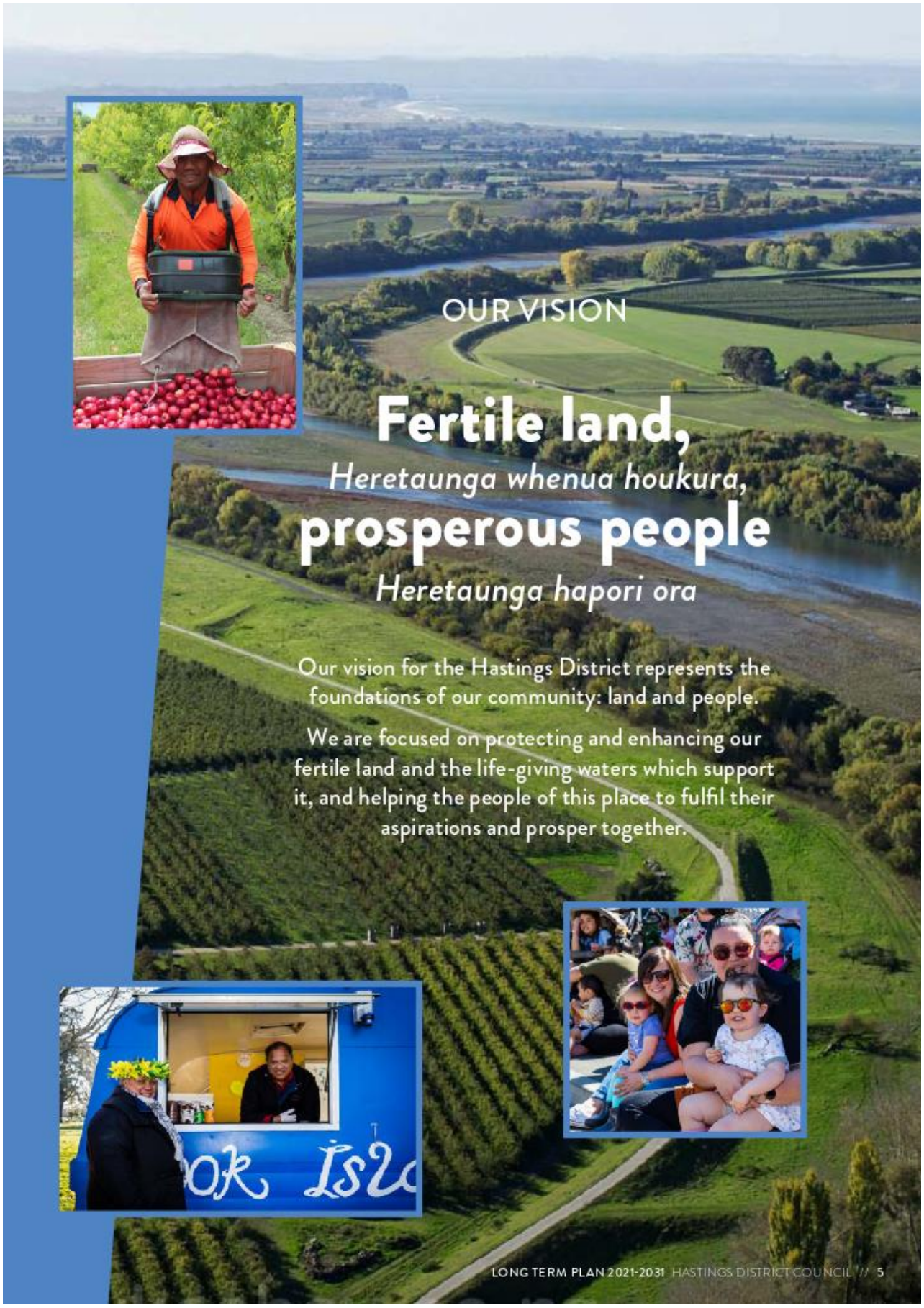


The 10-Year Plan sets out the activities, services and projects we intend to deliver (including the when, where, and how) and how we're planning to fund it. Ultimately, it tells you what your rates may look like over the next decade.

In the following pages we've outlined the key issues and projects that, based on a number of factors including community feedback, we think should be prioritised over the next 10 years. We've also given you some options for how we manage the funding of that work. This is not everything we're going to tackle, instead it's what we see as the significant issues: the things that are likely to have the biggest costs, highest community interest, or are different from what we said we would do in our last 10-Year Plan.

By telling us what you think, which can be as easy as ticking a few boxes, you will help give direction to the Mayor and Councillors so they can make decisions about the next 10-Year Plan based on what our community wants to see.

LET US KNOW WHAT YOU THINK IS THE BEST WAY FORWARD, OR MAYBE YOU'VE GOT OTHER IDEAS?


OUR VISION
Fertile land,
Heretaunga whenua houkura,
prosperous people
Heretaunga hapori ora
Our vision for the Hastings District represents the foundations of our community: land and people.
We are focused on protecting and enhancing our fertile land and the life-giving waters which support it, and helping the people of this place to fulfil their aspirations and prosper together.
LONG TERM PLAN 2021-2031 HASTINGS DISTRICT COUNCIL // 5



The story so far

It's our time. Things in Hastings are moving forward and moving fast. We've known for a long time how great it is to live here... and now the secret is out! Hastings is growing in popularity and in size.



We've been busy over the last three years. Some of our key achievements include:

- Working with partners and securing Government funding in multiple areas including: water, roading, housing, and employment initiatives.
- Facilitating and enabling the provision of homes for our people.
- Multiple big milestones across our water infrastructure as we continue to invest into the District's drinking, waste and storm water infrastructure.
- Roll out of new kerbside recycling and rubbish service to help our whole community reduce the volume of waste going to landfill.
- Reopening of Toitoi – Hawke's Bay Arts & Events Centre and Functions on Hastings after being closed for five years for earthquake strengthening.
- Progress on earthquake strengthening and interior development of Municipal Building.
- Implementation of a rural bridge strengthening programme and renewing and resealing of roads.

- Award winners!
  - Hastings took out the Most Beautiful Large Town and was named the Supreme Winner of the Keep New Zealand Beautiful Awards 2020.
  - Recreation Aoteaora named Flaxmere Park New Zealand's Active Park of the Year.
  - Three HDC parks were recognised under the Green Flag Awards – Cornwall Park, Flaxmere Park and the Havelock North Village Green.
  - Toitoi was recognised for the Resene's Total Colour Heritage Commercial Award and the Resene Total Colour - Colour Master Nightingale Colour Maestro Award.





- Establishment of the first Eco District Subcommittee and development of an adaptation programme in response to a changing world environment. Working with partners such as Biodiversity HB.
- Transformation of the eastern side of Hastings city including car parking, paving and planting, and new outdoor dining areas.
- Community Plans developed by and for our communities, with work rolling out as a direct result of the plans.
- New and upgraded reserves, parks and playgrounds.
- Final design work is underway for Foodeast – the Hastings-based food innovation facility that will take agri-tech to the next level.
- Drought support to our farming sector to assist with the costs of sourcing stock feed from other parts of New Zealand.

This list is just an overview - for more detail about what we have done check out our Annual Reports at www.hastingsdc.govt.nz/annualreports

We need to ride this momentum while also being careful to move forward together as a community, recognising that the past year brought significant challenges in the shape of Covid-19 and the drought crisis.

LOOKING FORWARD WE ALSO NEED TO WORK IN PARTNERSHIP WITH OTHERS TO MANAGE HOUSING PRESSURE POINTS, AND THIS PLAN BEGINS TO BUILD A FUND TO MEET FUTURE CLIMATE CHANGE IMPACTS ON INFRASTRUCTURE AND OUR COMMUNITY.

CAPITAL EXPENDITURE

AN OVERVIEW OF THE 10 BIG FEATURES IN THE 2021-2031 10-YEAR PLAN.

Looking

WATER SUPPLY

$65m SAFE DRINKING WATER

WASTEWATER

$108m CLEAN AND HEALTHY WASTEWATER DISPOSAL

STORMWATER

$36m CLEAN AND EFFICIENT STORMWATER DISPOSAL

GROWTH AND HOMES

6,180 MORE RESIDENTS

2,330 MORE HOMES

$39m NEW GROWTH INFRASTRUCTURE

REFUSE **$31m**

OMARUNUI LANDFILL EXPANSION (HASTINGS SHARE)

Note: Jointly owned with Napier City Council.

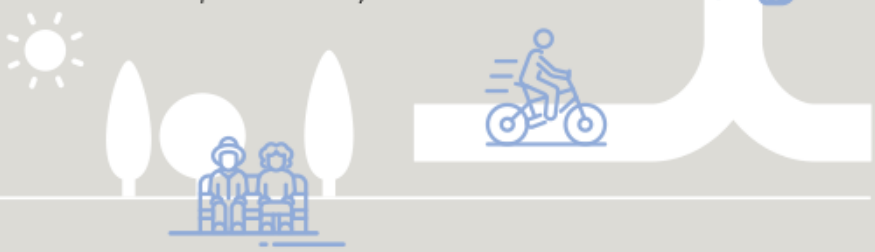
Ahead

TRANSPORTATION

$183m TOTAL* BETTER URBAN ROADS

$125m TOTAL* BETTER RURAL ROADS

*Note: *Total before NZTA Subsidy.*



PARKS AND RESERVES

$17m NEW AND UPGRADED RESERVES

$39m

$22m PARKS RENEWALS

CITY SPACES



$9.6m

$4.5m CIVIC SQUARE

$3.5m VARIOUS CBD REVITALISATION

$1.6m CENTRAL MALL



RATES

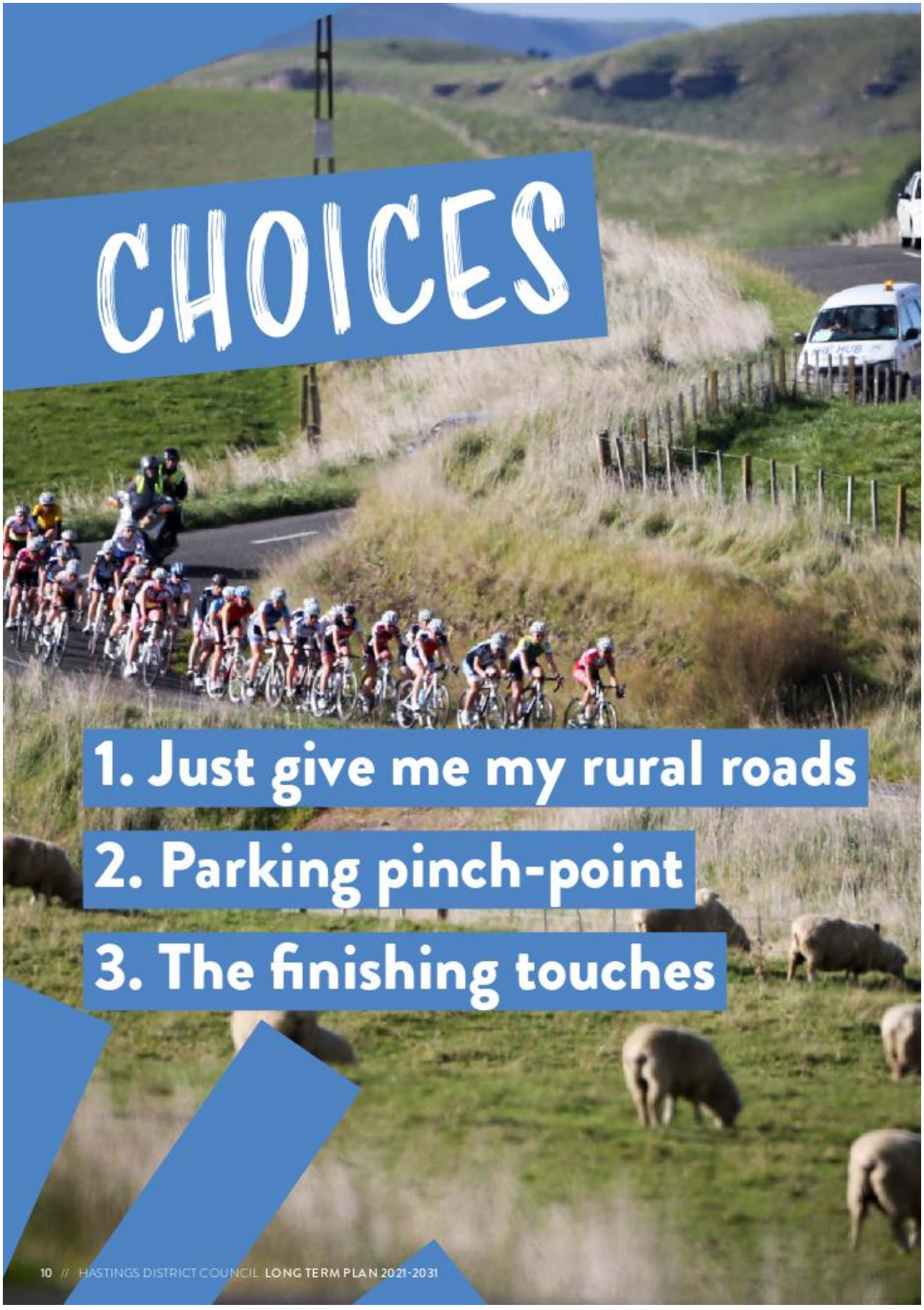
6.2% AVERAGE INCREASE 2021-2023

3.7% AVERAGE INCREASE 2024-2031

DEBT

HIGHEST AT **$294m** IN 2028

FALLS TO **$286m** IN 2031


CHOICES
1. Just give me my rural roads
2. Parking pinch-point
3. The finishing touches
10 // HASTINGS DISTRICT COUNCIL LONG TERM PLAN 2021-2031



1. Just give me my rural roads

RURAL RATEPAYERS HAVE YOUR SAY ON THIS PROPOSAL: This issue relates to properties living outside our main urban settlements in our predominantly rural areas.

Good roads are the backbone of rural activity. We don't need to rush out and replace all our roads right now, but we know we do need a period of ongoing and increased investment to stop our roads deteriorating. Preventing road deterioration is a long-term job. Our rural roads that were sealed in the late 1950's now need to be renewed (those road finishes typically last about 75 years).

This will involve improving drainage, maintenance and pavement renewals to provide safe roads of an acceptable standard including:

- Increase road pavement renewals (the road base) from 4.5km to 7.5km and then further to 9.5km.
- Increase resealing of roads to 80km per annum (over six years).
- A focus on drainage – renewal programme over six plus years to replace stormwater assets (pipes, water tables and kerb and channel in poor condition).
- Increased investment in unsealed road metalling which aligns with periods of intense forestry harvesting.
- Environmental maintenance – ongoing programme of removal of unsafe trees impacting on the roading network.
- Escalating investment in road safety projects to meet new national standards.
- Continuing the seven-year programme of bridge strengthening works commenced in the 2018 Long Term Plan.

WHAT DO YOU THINK?

The Council's strategy outlined in the preferred option is to fund this necessary investment largely over the next six years to get funding to a sustainable level.



$125M

IN RATES TO LOOK AFTER RURAL ROADS OVER 10 YEARS

THE OPTIONS

The standard of our roads is dependent on the amount of money we invest in them. We also need to partner with Waka Kotahi NZ Transport Agency who co-fund about half of our roads.

HOW DO WE KNOW?



That investment is at the right time, at the right place and is the right amount.

We review the condition and performance of assets by:

- Undertaking a range of road inspections
- Monitor usage (i.e. traffic)
- Tracking faults and customer calls
- Planning for future requirements

We use this information to work out the:

- Level of investment required over time
- Changes we need to adapt to
- The order and coordination of Council projects

PREFERRED OPTION

Balanced investment

LIFT THE RATES REQUIRED TO FUND ROADS IN A MANAGED WAY FROM **$6m** CURRENTLY TO **$11m** BY YEAR 6

THIS FORMS PART OF THE PROPOSED **7%** PER ANNUM RATES INCREASE IN THE RURAL AREA

- If we receive less subsidy than forecast from Waka Kotahi then some projects would not proceed in the year they are scheduled. We would place the ratepayer share of funding for these projects in a reserve until such time they can proceed.

Note: There is no impact on debt.

THE ALTERNATIVES

Speed up

THIS WILL COST **3%** MORE THAN THE BALANCED INVESTMENT

This buys:

- More road reseals – 2km pa ($100k)
- Extra road pavement renewal (the road base) – 0.5km pa ($200k)

BUT if we don't get the annual subsidy (currently 53%) then we would get a lot less work done for the same amount of rates money.

Note: There is no impact on debt.

A slower approach

THIS WILL COST ABOUT **1%** LESS PER ANNUM IN RATES THAN THE BALANCED INVESTMENT OPTION IN THE FIRST 6 YEARS.

A further slowdown would mean less unsealed road metalling, less road seals and safety works and less drainage renewals.

This option is not preferred because much of the initial saving in road renewals will be replaced by additional costs in road maintenance, some roads will deteriorate quicker, and the overall age of the road network will increase. Essentially we would be delaying what needs to be done now to sometime in the future when it will cost more. Our modelling shows that now is the best and most cost effective time to invest in road renewals.

Note: There is no impact on debt.



2. Parking pinch-point

We want to make our city centres great places to work and visit – that takes investment which needs to be funded. Parking charges are part of that funding solution for Hastings.

There is a challenge to provide parking in our growing and vibrant city centres. Recent government legislation means Council's District Plan can no longer set minimum car parking numbers for development within city centres. The responsibility to manage supply and demand falls clearly with Council.

The Hastings City Centre Strategy looks to provide pedestrian connections linking retail and entertainment to public parking off the main streets, improving accessibility and making our city centres more desirable destinations. The same can be said for Havelock North with the added challenge of keeping up with demand from recent and planned residential development.

The reality is that in the short to medium term the community needs better access to carparks. These areas also need to provide for transition to hybrid and electric vehicle options. In the medium to long term we are striving for better uptake of more active forms of transport such as cycling and walking. Areas currently used for parking could then be transitioned to other uses.

Proposals

We have outlined two proposals (with options to manage the costs) meeting the challenges outlined.



PROPOSAL 1

Future laneway, parking and inner city improvement

The redevelopment of inner city blocks such as Queen Street West 200 block will meet a number of City Centre vitality objectives such as inner city housing, public parking facilities and linkage to the core retail and hospitality precincts on Heretaunga Street. These developments, and future advances, need a clear method of funding – in the Hastings City Centre this is through metered parking charges. Parking charges have remained relatively modest compared to other provincial areas for some time and are considered the most efficient and fair way of funding future level of service needs.



The Laneway Development Plan

The Laneway Development Plan contains 6 future laneway developments (after the Queen Street proposal outlined below).

Each laneway typically costs about $1.5m for property purchase and development.

WHAT DO YOU THINK?

Should Council keep developing laneway linkages to improve our inner city and fund it as outlined?

THE OPTIONS FOR HASTINGS

Parking charges are part of the funding solution in Hastings.

PREFERRED OPTION

$1 increase in parking charges

Increase parking charges to unlock and fund future pedestrian linkages and carpark provision.

- The first initiative funded from this proposal would be in Queen Street West 200 Block at an estimated cost of $2m. Parking revenue would fund the loan costs associated with this development.
- This option will enable further new laneway development every three years.
- The proposed charges would change by $1 as follows:

CHARGE TYPE	EXISTING	NEW CHARGE
On Street	$1.00	$2.00
Off Street	$0.50	$1.50

Proposed Hastings city parking charges.

THE ALTERNATIVES

$0.50 increase in parking charges

Raise parking charges by $0.50 instead of $1.00.

- The lower user charge would mean less funds to create the network of pedestrian and parking linkages within our city centre. This option will enable further new laneway development about every 6 years.

No increase in parking charges

This would mean that Council would stop developing the infrastructure that is needed to make the city centre more accessible and vibrant.



PROPOSAL 2

Proposed purchase of Porter Drive land in Havelock North

The Havelock North community have previously signalled their strong preference for paying for parking through a charge on their rates as opposed to parking meters – as per the current system that funds parking provision in Havelock North.

An opportunity has arisen to address some of the parking demand pressure through the purchase of land at the existing New World Supermarket site on Porter Drive. New World will be moving to a new location in Havelock North.

The location could provide approximately 65 carparks with potential for future development as appropriate.

HAVELOCK NORTH RESIDENTS AND RATEPAYERS HAVE YOUR SAY ON THIS PROPOSAL

The purchase of the New World site is contingent on the supermarket obtaining resource consent approval to relocate to another site within the Havelock North commercial area. Should consent not be obtained then the proposed purchase of this site will not proceed and alternative sites would be investigated.

WHAT DO YOU THINK?

Should Council purchase the site and fund it as outlined?

THE OPTIONS FOR HAVELOCK NORTH

A targeted rate is part of the funding solution in Havelock North. The Council will borrow to fund the land purchase with the Havelock North parking targeted rate funding the loan costs.

PREFERRED OPTION

Targeted rate increase: extra $38 for a residential property (from $23 to $61)

Increase the Havelock North parking targeted rate to unlock future carpark provision for the village.

- Cost for purchase has been based on valuation of land area in Havelock North Town Centre for 65 car spaces and circulation areas. The additional revenue from the targeted rate would fund the loan costs for this development.
- The table below shows that the current targeted rates need to increase to keep pace with the current costs associated with parking enforcement. Additional increases to make the proposed purchase of additional land and development possible is also shown.

CHARGE TYPE	CURRENT TARGETED RATE	TARGETED RATE (WITHOUT LAND PURCHASE)	TOTAL PROPOSED TARGETED RATE (INCLUDING LAND PURCHASE)
Residential	$23	$30	$61
Commercial	$69	$90	$183

Proposed Havelock North targeted parking rate.

THE ALTERNATIVES

Phase-in increase: $39 increase split over two years for a residential property

Phase in the targeted rate increase over two years to smooth the impact on ratepayers, with a small additional cost to cover loan servicing costs.

- That would have the following impact:

CHARGE TYPE	CURRENT TARGETED RATE	TARGETED RATE (WITHOUT LAND PURCHASE)	TOTAL PROPOSED TARGETED RATE (INCLUDING LAND PURCHASE)	
			2021/22	2022/23
Residential	$23	$30	$45	$62
Commercial	$69	$90	$135	$186

Proposed Havelock North targeted parking rate (phased approach).

Do not purchase the site: no increase in rates for this proposal

Do not purchase the site avoiding the targeted rate increases required to accommodate land purchase and development.

- We could wait to see if another site becomes available for purchase, however an appropriate opportunity located in the heart of the village is highly unlikely. This option is assessed as not addressing the Council responsibility to manage the supply and demand of parking.



3. The finishing touches



This is about balancing our investment in the nice things, with investment in the critical infrastructure we need to function. This section is presented in three parts:

- City Centre (including potential future transformation changes)
- Events
- Parks and Reserves

BEAUTIFUL HASTINGS

BEAUTIFUL HASTINGS CAPTURES THE ATTRACTIVENESS OF OUR PUBLIC SPACES WHICH HAVE BEEN RECOGNISED NATIONALLY THROUGH THE RECENT KEEP NEW ZEALAND BEAUTIFUL SUPREME AWARD AND VARIOUS NATIONAL AND INTERNATIONAL AWARDS FOR OUR PARKS. THESE COME ON THE BACK OF A LONG PERIOD OF INVESTMENT IN OUR CITY CENTRES AND PARKS AND OPEN SPACES. WHILE WE WANT TO CONTINUE TO BUILD ON THE GREAT WORK SO FAR, WE DO NEED TO BALANCE OUR ASPIRATIONS WITH WHAT IS REALISTICALLY AFFORDABLE FOR OUR COMMUNITY.

City centre

City centres are part of the heart of a community. They need to keep evolving to attract people and function at their best. We want our city centre to be vibrant, attractive and full of people and businesses.

Council is working with businesses and investors to enable investment, new business activity and inner-city living. We are also focused on continuing the rollout of investment in amenity projects to make the city centre a spectacular place to live, work, do business and visit. We've just finished Heretaunga St East (200 Block), Landmarks Square, Warren Street multi-use carpark, and upgrades of Karamū Road, Eastbourne Street and Queen Street – with more planned in the coming years.



WHAT DO YOU THINK?

Do you support the continued improvement of inner city blocks in Hastings

Finishing what we've started

We will continue to work towards completion of the city centre actions in the 2019 Plan including:

- Heretaunga St East 100 and 300 blocks for outdoor dining and amenity.
- Heretaunga St West amenity enhancements.
- Southern carpark amenity and entrance upgrades.

Streetscape upgrade programme

The ongoing beautification of key streetscapes in the city centre with improved footpaths, lighting and rata trees will focus on Karamū Road, King Street, Market Street and Queen Street.

MOST OF THE STREETSCAPE UPGRADE PROGRAMME IS FUNDED BY PROPERTY OWNERS IN THE HASTING CITY CENTRE WHO CURRENTLY PAY A TARGETED RATE. WE WILL DIRECTLY CONSULT WITH THESE OWNERS FOR THEIR VIEWS ON A PROPOSED INCREASE TO THE TARGETED RATE.

Key Projects: Civic Square and Central Mall proposals

We will consult with our community later in 2021 about two exciting proposals for our city centre which will offer higher amenity spaces with limited change in form or function.

- **Civic Square.** Upgrade of Civic Square including linkages between the Library and Art Gallery to improve functionality, usability and amenity, and creation of multi-use spaces that recognise and celebrate our cultural heritage.
- **Central Mall.** Enhancement of the mall to make it more inviting and a functional heart of our city. This could include additional seating areas, play provision for young and old, improved linkages to Civic Square and enhanced stage area and lighting to facilitate social interaction, entertainment and evening use.







WHAT DO YOU THINK?

Do you want upgrades to the Civic Square and Central Mall areas of Hastings?

Looking forward: transformational change

Looking beyond the preferred proposal put forward (Key projects, above) the Council has also considered bolder plans to position our city centre for the future. They focus on two transformational initiatives known as 'Civic Gateway' and 'Community Plaza'.

- **Civic Gateway** takes the modest Civic Square upgrade to new heights, including a multi-modal transportation gateway focussing on sustainable transport facilities (such as solar charging ebike stations), and relocation of the bus shelter from Russell Street to create a regional and intercity transport hub. This will create an authentic locally designed gateway to Hastings at the heart of our civic centre.
- **Community Plaza** elevates the modest Central Mall project to introduce a central park in the plaza project – reimagining water to be more functional and re-energising activity and events. It will be a true celebration of what makes the heart of our city unique; a place where we can gather, celebrate and play.



Events

Events are a key contributor to our social, economic and cultural fabric – helping communities feel connected and proud about where they live, work and play. Events also bring significant economic returns to the district, particularly through tourism.

With our district looking beautiful, we see an opportunity for additional community and economic benefits by increasing our support of community events, and through investment in regionally significant events that will generate tourism and deliver economic returns for our businesses.

Community events

Council currently supports community events at a variety of levels, ranging from in-kind support and marketing, through to fully funding and delivering events. An increase in the funds available will allow more events to receive event grants and to further enhance existing community events.

Significant events

Events of a large scale offer a range of benefits to our local economy. Significant events with an enticing point of difference encourage higher numbers of visitors into the district who stay longer and want to return. Large scale events also stimulate interest in Hastings' businesses, who have the opportunity to be involved as suppliers or sponsors.

While there is a cost to competing for and securing nationally significant events, the economic returns are greater than the money invested through increased spending, while also allowing the local community to enjoy a major event at home.

Council currently funds events to the level of $725k each year. Providing extra focus to community events would cost an additional $100,000 and enabling stronger positioning and bidding for significant tourism-focused events would require additional budget of about $400,000 per year.

WHAT DO YOU THINK?

Should Council increase its level of support for events?



THE OPTIONS

$9.6M DEBT TOTAL OVER 10 YEARS FOR CITY CENTRE INVESTMENT

PLUS $400K PA IN RATES TO FUND EVENTS

PREFERRED OPTION

Balanced investment: costs about 1.5% in rates or $45 for an average residential property

Plan for projects outlined above including:

- Ongoing implementation of the City Centre Revitalisation Plan
- Enhanced funding of the Streetscape Targeted Rate
- Upgrade of Civic Square and the Central Mall
- Enhanced investment in events focusing on significant tourism focused events.

Due to this Long Term Plan focus on getting the basics right the two transformational projects of Civic Gateway and Community Plaza have not been included in this option.

THE ALTERNATIVES

Light touch: about $30 less than the preferred option for an average residential property

Slow the programme down to reduce the financial impact.

- This option would also reduce the level of service in our city centre and slow down the momentum which has been created.
- The financial impact depends on the scale of slowdown. For example, only doing the landscaping component of the Civic Square project and removing the Central Mall projects and any additional events funding would reduce debt by $5m and save about $800,000 (1%) or ($30 for an average residential household).

Looking forward: about $30 more than the preferred option for an average residential property

This option would consist of an escalated investment package to include the preferred option plus addition of the two bolder transformational projects creating a Civic Gateway and Community Plaza.

- While this would increase the level of service further within our city centre the impact would see debt increasing by about $10 million and rates increasing by about $800,000 (1.0%) or ($30 for an average residential household).



Parks and reserves

We manage over 180 reserves covering over 650 hectares and 40 playgrounds located throughout the district. We know that people love relaxing in our reserves which are looking great. We do however need to manage our expectations, because as aspirations increase so does the cost – not only the cost of developing new facilities, but also the ongoing costs of looking after them.

Hastings has received national awards for our more significant park makeovers, including Flaxmere Park, Cornwall Park and Havelock North Village Green. These three parks also hold international Green Flag accreditations.

Ideally we would like to see completion of our premier parks and continued enhancement of our parks and reserves.

Premier parks

- Completion of programmed enhancements in Cornwall Park, including accessible playground and toilet; and enhancements of the kiosk; pathways and the stream and pond.

Reserve enhancements

- Continued completion of programmed actions contained within the Reserve Management Plans for Havelock North Village Green (including more shade provision), Havelock Hills, Waimārama, Cape Coast and Raureka Reserves.
- New upgraded playground, toilet and off-street carpark at St Leonards Park.
- New playground, carpark, landscaping and enhanced pathways at Keirunga Gardens.
- Revamping some of our outdated and tired neighbourhood playgrounds to provide fun, high quality places for play.

The priorities for the first five years are:

- Chatham Park
- Essex Cres Reserve
- Bridge Pā
- Ron Giorgi 3
- Ron Giorgi 1
- Te Awanga Domain
- Kingsley Park
- Eskdale Park
- St Leonards Park
- Akina Park
- Grant Street Reserve

WHAT DO YOU THINK?

Do you agree with these reserve and playground upgrade priorities? How much should we spend on them?



THE OPTIONS

PREFERRED OPTION

Balanced investment: about $45 to upgrade our parks and look after those upgrades for an average residential property

Finish our premier parks and stage investment in our neighbourhood parks ($17m plus ongoing renewal $22m)

$39M

($17M DEBT FOR UPGRADES AND $22M FOR RATE FUNDED RENEWALS) OVER 10 YEARS. TO UPGRADE AND LOOK AFTER PARKS AND RESERVES

THE ALTERNATIVES

Slow down: about $7.50 less than the preferred option for an average residential property

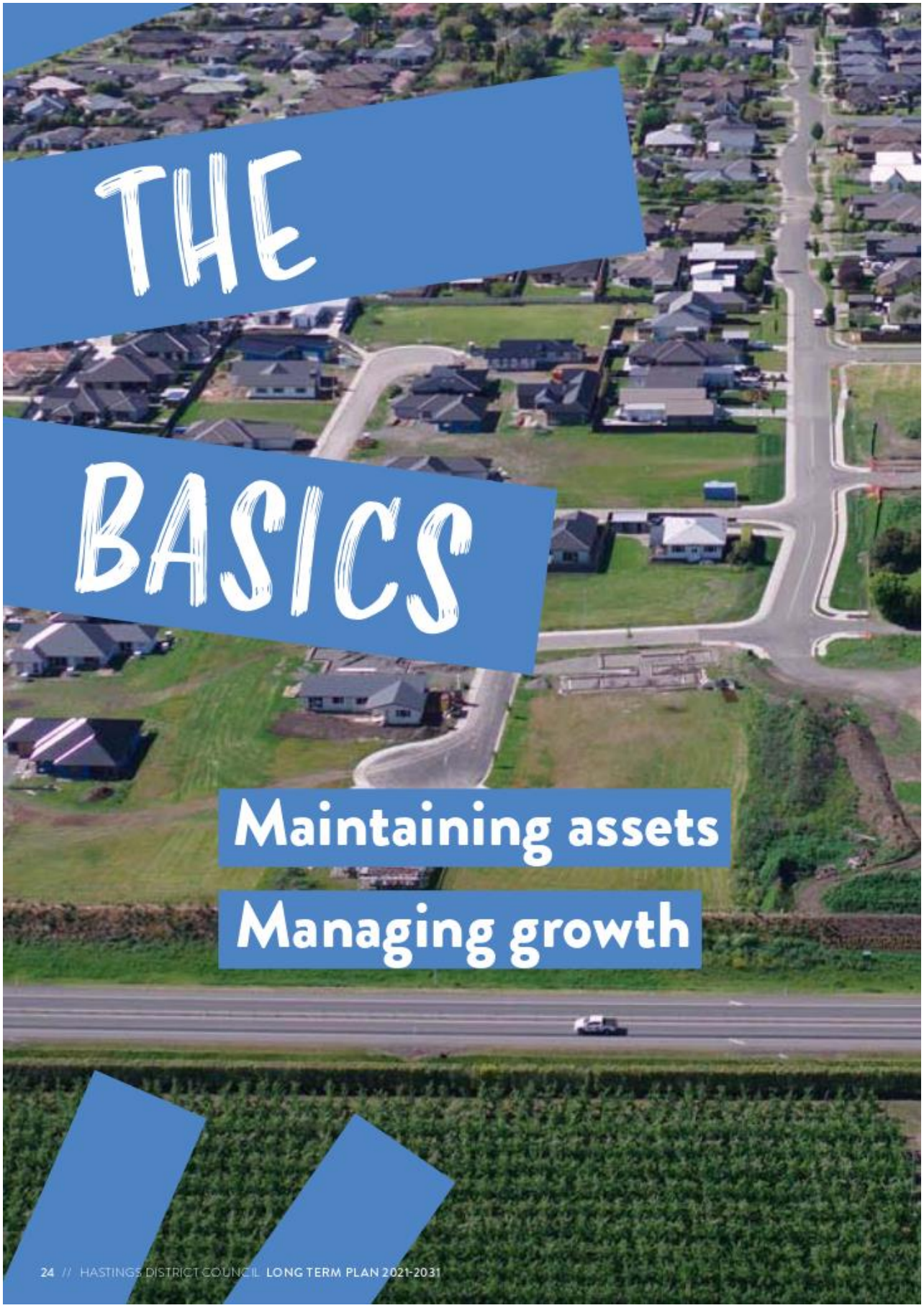
Slow the programme to reduce the financial impact on rates.

- This would also reduce the level of service in our reserves which have already been discussed with some communities. For example only completing half the programme in the first 3 years would reduce our debt by about $1.5 million, and about $200,000 (0.25%) to rates (or $7.50 for an average residential household).

Speed up: about $15 more than the preferred option for an average residential property

Speed up the delivery of the neighbourhood investment programme.

- This would deliver increased levels of service to communities however Council does not currently have the capacity to deliver this without additional resource and cost. For example doubling the speed of the programme from 6 years to 3 years would add about $2.5 million to our debt, and about $400,000 (0.5%) to rates (or $15 for an average residential household).


THE
BASICS
Maintaining assets
Managing growth
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Maintaining assets

This is about getting the basics right in our urban areas. Quality local infrastructure is vital to the survival of any region. Aged assets across the District require commitment to ongoing maintenance and renewal. Collectively these issues can best be addressed by catching them early and scaling up our investment in a staged way. This investment needs to build a sustainable future and to adapt to a changing world.

Roading

Like much of New Zealand many of our roads were constructed in the late 1950's and now require ongoing renewal.

Wastewater

We have three key trunk mains leading from Hastings to the wastewater treatment plant that need renewal (we are about 20% through this programme). Our treatment plant also requires a range of renewal work.

Refuse

Whilst we are trying to reduce waste, our landfill at Ōmarunui is filling up and needs further development to create capacity for the future.

Drinking water

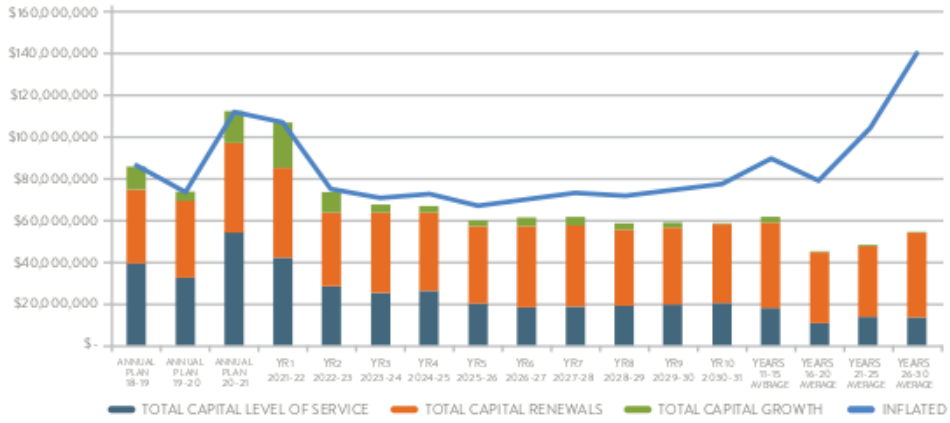
We are in the final year of significant investment into safe drinking water (circa $60m) however there are further future renewal needs, particularly in asbestos cement pipes that need to be replaced.

Stormwater

Our stormwater assets have not reached the end of their useful lives but we should be preparing for the renewal programme which will commence in about 10 years. Future environmental standards are likely to require more investment in this area which is another key consideration.

$445M TOTAL CAPITAL EXPENDITURE OVER 10 YEARS

30 YEAR CAPITAL EXPENDITURE FORECAST



INFRASTRUCTURE STRATEGY HIGHLIGHTS

The graph above shows the increasing trend in spending on our core infrastructure in areas such as our three waters, roads, and parks. The first 10 years in detail and five year averages for years 11-30. The effect of inflation is shown separately for the 30 years of the plan

KEY ASPECTS OF THAT INVESTMENT INCLUDE:

Roads

In our urban areas there are some specific areas of focus on our roads in the coming years to maintain levels of service. This will involve improving road surfaces and pavements, road drainage, footpath renewal, street lights and traffic signals and walking and cycling infrastructure including:

- Increase in asphalt renewals by 2km per annum (those smooth road surface areas) in our high amenity areas (i.e. CBD) and high stress areas (i.e. intersections, roundabouts and key routes).
- Increase pavement renewals (the road base) from 2km per annum to 4.5km per annum.
- Improvement to drainage (such as kerb and channel).
- An additional 2km per annum of footpath renewal over 6 years to stay on track with our footpath standards.
- Continued investment in the LED streetlight conversion – we are about 90% through this programme.
- Increased frequency of street marking and more proactive renewal of traffic lights (which have about a 12 year design life).
- Continuing to address gaps in the walking and cycling network and looking after the infrastructure that has been put in place over the last 10 years.
- Increases to road safety investment in later years of the plan to meet new national standards.

The Council's strategy is to fund this escalated investment predominantly over 6 years, in partnership with Waka Kotahi NZ Transport Agency. This will get the funding base to a sustainable level.

Parks

We have invested heavily in upgraded and new parks and reserves over the last 10 years and they are looking great. However, the more you have, the more you need to look after. Ongoing maintenance in our parks and reserves has grown.

Water Services

Across our three waters (drinking water, wastewater and stormwater) continued investment is required to meet service levels residents expect. The key aspects are:

- The Wastewater Treatment Plant at East Clive has a number of elements which are now due for renewal ($27m over 10 years) – this is a critical piece of our infrastructure.
- Leading to the treatment plant are three trunk mains which are also being progressively renewed at a cost of $20m over 10 years along with a further $50m for renewal of the urban sewer network.
- This plan makes some provision for stormwater quality improvements to meet increasing environmental standards, and renewals on the stormwater network begin to commence in the first 10 years, then escalating after that.
- The Council has made good progress implementing the circa $60m investment in safe drinking water with completion expected in the 2021/22 year. Ongoing investment is required to meet drinking water standards.

Ōmarunui Landfill

The Council is currently undertaking the necessary planning, design and consenting work to enable landfill expansion to proceed before it fills up in about 5-6 years.

Funding Approach

The Council's standard approach to funding the renewal of assets is to fund this annually from rates. However in limited instances (particularly in the wastewater area) there are large, expensive assets that need renewal such as our wastewater mains, which are funded by loans. This ensures the cost is spread equitably and all ratepayers contribute fairly to these costs.

Capital expenditure related to servicing new growth areas is loan funded and repaid via development contributions.

HOW DO WE KNOW?



That investment is at the right time, at the right place and is the right amount?

We review the condition and performance of assets by:

- Undertaking a range of road inspections
- Putting cameras down pipes;
- Monitor usage (i.e. traffic)
- Tracking faults and customer calls
- Planning for future requirements

We use this information to work out the:

- Level of investment required over time
- Changes we need to adapt to
- The order and coordination of Council projects

Managing growth



$39M
IN GROWTH RELATED DEBT OVER 10 YEARS PAID BY DEVELOPMENT CONTRIBUTIONS

Hasting District is experiencing high demand for housing. With 6,180 new residents predicted in our district by 2031, Council needs to ensure enough 'serviced' land is available to meet varying housing needs. It is also important to manage existing housing pressure points including housing affordability, seasonal worker accommodation and various social housing needs.



Council's approach balances a number of factors including avoiding urban development over our valuable productive soils and ensuring investment in infrastructure (such as water, waste and roads) is able to be funded through the levies charged on new developments. Council must also ensure growth is not held back by under-investing in housing development.

Recent changes to rules in our city centres also present exciting opportunities to enable inner-city living options, particularly the upper floors of buildings in the existing Hastings central commercial zone.



MANAGING GROWTH

PROVIDING HOMES TO MATCH THE NEEDS OF OUR GROWING POPULATION IS A KEY CONTRIBUTOR TO COMMUNITY WELLBEING. THE COUNCIL PLAYS A KEY ROLE IN PLANNING AND PROVIDING SERVICED LAND FOR FUTURE GROWTH.

WHAT DO YOU THINK?

How fast should we invest in preparing land for residential development?

In the pipeline

We have been working with Government on a Hastings Housing Plan, including partnership with iwi and employing local people to bring quality, warm, safe homes to our community. These initiatives have seen Kāinga Ora delivering new public housing developments in Mahora and Raureka.

A partnership approach with iwi includes the Waingākau Village development in Flaxmere West, Papakāinga housing in conjunction with Te Puni Kōkiri alongside whānau and land trusts in areas including Waipatu, Waimārama, Te Haukē, Waiohiki and Bridge Pā.

Development opportunities on Council land are being advanced in the Flaxmere Town Centre and in Tarbet Street.

The speed of growth

Council relies on development contributions (targeted fees charged directly to a land developer) to fund the cost of necessary critical infrastructure. Council's proposal aims to provide enough land ready for development via a spread-out programme without exposing ratepayers to an unreasonable level of financial risk if the housing market slows down. If the market was to slow, we might not receive the income forecast, potentially leaving general ratepayers to fund some of the committed investment into infrastructure should the land remain undeveloped.

Spreading the growth over 30 years

The table below provides an indication of how residential growth is likely to be spread over the next 30 years. Funding to provide the necessary planning and infrastructure is provided for in this Long Term Plan. The Council Development Contributions Policy (how we fund growth from those benefitting from the infrastructure) is also aligned with this approach. This means there is no impact on rates.

Direction of growth

The programme below sees the opening up of the Howard Street development in Hastings in Year 1 with the Lyndhurst Extension in Year 8 followed by Kaiapo/Murdoch in Year 14 and Copeland Road being triggered around Year 22.

In Havelock North the Iona/Middle Road area is the first priority in Year 1 with further development in the Havelock North Hills and Brookvale areas from Year 6 with further stages of Brookvale in Years 13 and 22. Some initial developer-driven development in Brookvale is also anticipated along with new housing in Te Awanga.

Partnerships with other housing entities will also see new public housing development in our district. Uptake of inner city living options in the Hastings central commercial area is also forecast.

Note: Industrial growth is planned to occur along Ōmahu Road, in the Irongate area, and in the Whakatū/Tōmoana Corridor.

WHAT DO YOU THINK?

What do you think about the housing approach?



RESIDENTIAL DEVELOPMENT - 30 YEAR PROGRAMME

■ INDICATES START YEAR ■ INDICATES PERIOD OF HOUSING AVAILABILITY

	YEAR																												
PRIVATE SECTOR	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
Arataki																															
Northwood																															
Lyndhurst 2																															
Howard Street																															
Lyndhurst Extension																															
Kaiapo Road/Murdoch/Wall																															
Copeland																															
Iona																															
Brookvale/Romanes																															
Havelock Hills																															
Coastal Misc																															
Retirement Village																															


BALANCING PROGRESS
WITH AFFORDABILITY
IMPACT ON
COUNCIL FINANCES
AND YOUR RATES
LONG TERM PLAN 2021-2031 HASTINGS DISTRICT COUNCIL // 31

Financial strategy

The Council's financial strategy is largely shaped by the necessary increase in investment in essential infrastructure (water and roading). The funding of that investment is mostly spread over the first three years of the plan with a lesser second step over years 4 to 6.

In our rural area, that sustained period of investment spans six years.

The Council's short to medium debt position reaches the maximum of the existing debt to income ratio. This is a key Treasury Policy metric so a change to that existing limit is being proposed.

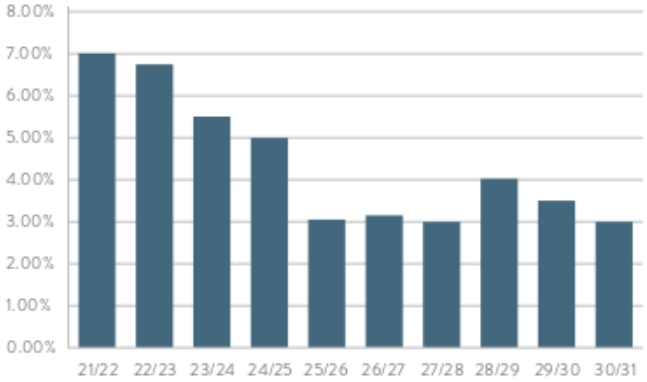
A debt repayment strategy has been built into the budget forecast from Years 5 to 10 to keep debt levels sustainable.

Overall, this plan aims to move our community through a period of sustained investment in our infrastructure assets, while also providing for some level of service improvement in our city centres and parks.

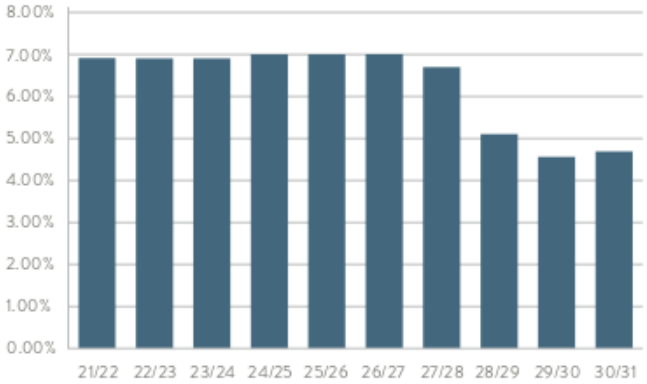
Funding provision has also been made from year 7 to build a fund for climate action.

The graph below show the rates forecast both for our greater urban area (Rating Area One) and our rural area (Rating Area Two).

RATING AREA ONE (GREATER URBAN AREA) ANNUAL RATING REVENUE MOVEMENT



RATING AREA TWO (RURAL AREA) ANNUAL RATING REVENUE MOVEMENT



Limits on rates and rate increases

The Council's maximum policy limit on rate increases is set at Local Government Cost Index (LCGI) + 4%. This is an upper limit to allow for unforeseen circumstances e.g. a natural disaster.

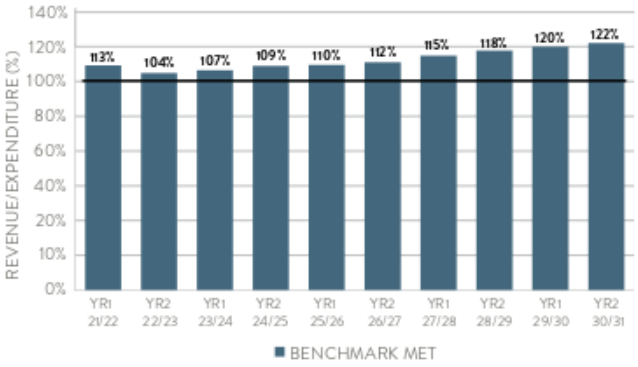
The LGCI is an inflation index specifically put together for local government to reflect that the range of goods and services relevant to a Council are different to those of a household which is typically measured by the Consumers Price Index (CPI).

See the Long Term Plan supporting information for more detail.

Council budgets have been set well within the Treasury Policy limits as shown in the table 'Financial Strategy Limit' – with the exception of year 1 which just meets the financial threshold.

FINANCIAL STRATEGY LIMIT	2020/21 BUDGET
Rates increase less than (LGCI 3.0%+4%)	6.8%
Net debt as a % of income less than 175%	124.31%
Net interest as a % of income less than 15%	4.50%
Net interest as a % of annual rates income less than 20%	8.18%
Liquidity range 110%-170%	119%

BALANCED BUDGET BENCHMARK

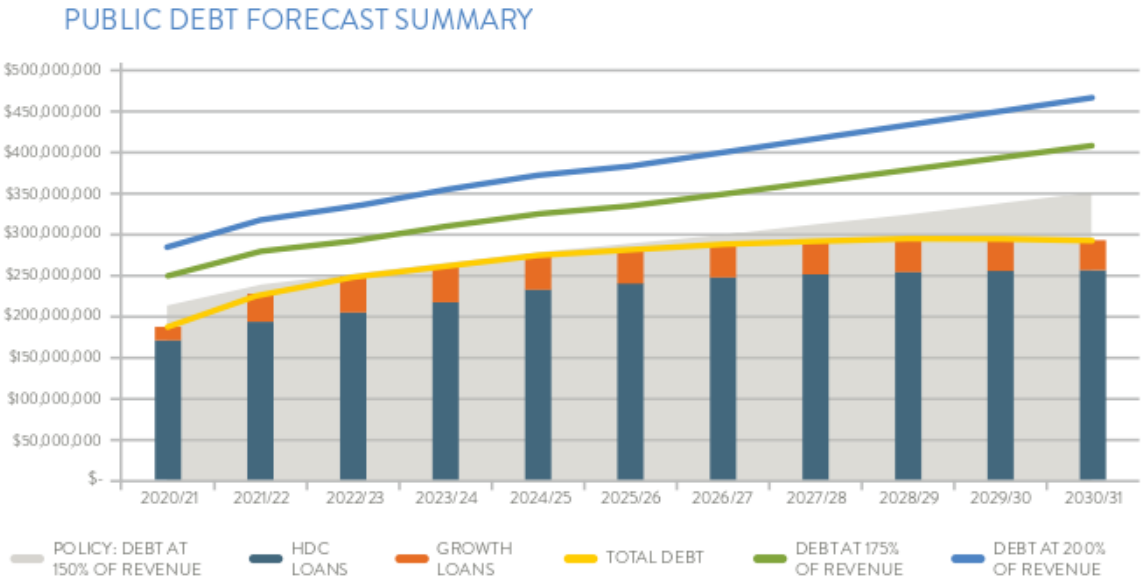


Balancing the budget

One of the key financial targets for a council is to ensure that annual operating revenue is set at a level to fund annual operating expenses. The graph 'Balanced Budget Benchmark' shows we are on track with this legislative benchmark, and that our budgets are fiscally prudent.

Our debt forecast

In circumstances where expenditure benefits ratepayers over an extended time period, the use of loan funding is an important tool to ensure costs are spread across ratepayers over time. Total debt is forecast to peak at $294 million in year 7, reducing to $286 million by year 10.



Debt can be separated into two parts:

1. **Growth Debt** – for new development areas which is funded from developers via development contributions. This debt is only incurred if growth happens.
2. **Community Debt** – which has been created from projects undertaken for the benefit of the wider community.

These two components of the forecast debt position are outlined in the graph 'Public Debt Forecast Summary' along with how this compares to the Council's current policy for borrowing.

This shows that the current policy of limiting borrowing to 150% of income needs to change to allow some room to borrow for any future unplanned events. (Alternatively the Council will need to cut investment out of the plan).

Quantified limit on debt

The current policy position (150% of income) is considered reasonably conservative (and at the lower end when compared to many other councils), therefore it is being proposed to change the policy to set a borrowing limit at 175% of income (this is also depicted in the graph 'Public Debt Forecast Summary').

The Council could borrow to levels beyond 250% of income – but this is not considered a prudent or sustainable position.

The change in policy position will create debt capacity of about $50m in the early years of the plan.

Your rates

Not all rates bills are equal

Often you hear people talk about average rates increases being at a certain level. But simply taking that figure and applying the increase to your rates invoice will not necessarily give an accurate representation. Why? Well actually there are a number of reasons.

A property may be more valuable than another, or it may be connected to Council services whilst another may not. A property may be in an urban area and closer to facilities than a rural property. A property may be used for a commercial purpose rather than as a home. All of these factors can impact on the level of rates.

We have outlined opposite some examples of common types of property in our district and the average rates impact of the 2021/22 budget. These are examples only. For specific information on your property please use the rates database which can be found at www.hastingsdc.govt.nz

Note: The increase for Hastings and Havelock North CBD and Havelock North residential are subject to separate proposals being funded by targeted rates specifically on these properties

RATING AREA ONE	LAND VALUE ($)	RATES 2020/21 ($)	PROPOSED RATES 2021/22 ($)
Urban Residential			
Flaxmere	104,000	2,050	2,158
Hastings	265,000	2,697	2,882
Havelock North	340,000	3,022	3,279
Townships			
Whakatū	120,000	1,884	1,977
Clive	225,000	2,250	2,386
Haumoana	305,000	2,144	2,299
Commercial/Industrial			
Hastings CBD Retail	562,000	11,141	12,264
Havelock Nth CBD Retail	840,000	13,376	15,292
Suburban	780,000	10,185	11,259
Commercial Non-Urban	1,150,000	10,934	12,192
Horticulture/Farming			
Small	665,000	2,265	2,502
Medium	1,235,000	3,741	4,152

RATING AREA TWO	LAND VALUE ($)	RATES 2020/21 ($)	PROPOSED RATES 2021/22 ($)
Coastal Residential			
Whirinaki	310,000	1,744	1,830
Waimārama	360,000	1,720	1,821
Waipātiki	260,000	1,904	1,994
Commercial/Industrial			
Small	83,000	794	850
Medium	245,000	1,388	1,484
Farming			
Small	250,000	1,045	1,118
Medium	445,000	1,478	1,581
Large	1,130,000	2,999	3,207

Note: Excludes Capital Contribution Schemes (Water or Wastewater) and Swimming Pool Targeted Rates

Changes to fees and charges

In general the fees and charges across various Council facilities and services increase by inflation each year.

Outlined below are some larger proposed increases which reflect the actual costs of service delivery.

FEE OR CHARGE	FROM	TO
Trade Waste (Note: for industrial users)	$2,728 (per litre per second pa of peak flow)	$3,097
Senior Cricket Pitches	$2,223 (20 week season)	$2,901
Cemetery and Crematorium	The fee schedule for burial and cremation contains a range of proposed fee increases which fall broadly within the 15% to 25% range.	

The full schedule of fees and charges can be found in the Long Term Plan Supporting Information at www.myvoicemychoice.co.nz



OTHER MATTERS

Revenue and Financing Policy

The Revenue and Financing Policy outlines who benefits from Council's key activities and how they should be funded. No major changes are proposed to the policy. A change as outlined below is proposed with no material impact on ratepayers. Instead of defining an exact funding target for each activity it is now expressed as a range (with the ranges in 25% increments up to 100%). So while the intent of the policy is the same, it does now provide a little more flexibility to operate within to recognise that in any one year factors can influence achievement of the funding target.

Development Contributions Policy

Council has updated its schedule of charges to reflect actual costs incurred and updated its budgets for future growth capital expenditure. Increased investment to support growth has resulted in increases of 20% plus over the range of types of development. Further information on how that could impact each development can be found in the proposed 2021/22 Development Contributions Policy.

Rate Remission Review

The Council periodically reviews its rate remission policies. These policies help to make the rating system more fair and equitable in certain situations. That review has determined that all existing policies are operating largely as intended, with the exception being the proposed remission in respect of:

Returning your additional Refuse Bin/ Recycling crates

Properties containing additional dwellings which choose to receive a reduced level of service will receive a full refund for any additional refuse bins/crates charges if the bins/crates have been returned to council prior to the commencement of the rating year.

Using the Refuse Service less frequently

Where a property chooses to use the refuse service fewer than 26 times per year (measured by automated lift data) 25% remission will be applied to the rate account at the end of the following rating year.

For more details on the above policies please either view the policy in the Long Term Plan Supporting Information at www.myvoicemychoice.co.nz or phone 871 5000 for a copy.



Coastal strategy update

Global warming, sea level rise, predicted increases in the intensity of storms and the related waves generated are likely to impact our coastal areas more severely in the next 100 years.

The Clifton to Tāngoio Coastal Hazards Strategy 2120 is a collaborative project led by Hastings District Council, Maungaharuru-Tangitū Trust, Napier City Council, Mana Ahuriri Incorporated, Hawke's Bay Regional Council and Heretaunga Tamatea Settlement Trust. This Strategy has been in development since 2016. It seeks to ensure that coastal communities, businesses and critical infrastructure from Tāngoio to Clifton are resilient to the effects of coastal hazards.

So far the Strategy has mapped coastal hazards areas, identified risks, and through a collaborative process involving two community-based assessment panels and wider community engagement, developed preferred responses to coastal hazards for short, medium and long term horizons, up to 100 years.

Work is now being advanced to refine designs and costs for coastal defence options, investigate the costs and processes of retreating from hazards areas, review the existing regulatory framework and develop a funding model for Strategy implementation.

Due to the significant size, complexity and scale of the Coastal Hazards Strategy, the partner councils have agreed to engage and consult on the final proposed Strategy outside of the 2021 – 2031 Long Term Plan consultation process. This will ensure that all affected ratepayers have the opportunity to consider the proposal and have their views heard.

Targeted and specific consultation on the Strategy is being planned for October 2021. More information can be found on the project website at www.hbcoast.co.nz

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Independent auditor's report on Hastings District Council's Consultation Document for its proposed 2018 28 Long Term Plan

I am the Auditor General's appointed auditor for the Hastings District Council (the Council). Section 93C of the Local Government Act 2002 (the Act) requires an audit report on the Council's consultation document. We have done the work for this report using the staff and resources of Audit New Zealand. We completed our report on 22 March 2018.

OPINION

In my opinion:

- the consultation document provides an effective basis for public participation in the Council's decisions about the proposed content of its 2018-28 long term plan, because it:
  - fairly represents the matters proposed for inclusion in the long term plan; and
  - identifies and explains the main issues and choices facing the Council and district, and the consequences of those choices; and
- the informa re reasonable.

BASIS OF O

We carried ou ents (New Zealand) 300 l Financial Information. I ments of the Auditor Gene nts 3400: The Examinat ments.

We assessed t nsultation document. To the Council's systems and p

We did not ev nt.

RESPONSIE

The Council is

- meeting all and other actions associated v ther in printed or electronic f
- having syste Council needs to be able to p ut in the Act; and
- ensuring tha dance with generally accepted accounting practice in New Zealand.

I am responsible for reporting on the consultation document, as required by section 93C of the Act. I do not express an opinion on the merits of any policy content of the consultation document.

INDEPENDENCE

In carrying out our work, we complied with the Auditor General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 (Revised); and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended).

In addition to this report on the Council's consultation document and all legally required external audits, we have provided an assurance report on certain matters in respect of the Council's Debenture Trust Deed. These assignments are compatible with those independence requirements. Other than these assignments, we have no relationship with or interests in the Council or any of its subsidiaries.

Stephen Lucy
Audit New Zealand
On behalf of the Auditor General, Wellington, New Zealand

DONE LAST

YOUR COUNCILLORS
















Councillor Tania Kerr
(Deputy Mayor)


Councillor
Damon Harvey


Councillor
Alwyn Corban


Councillor
Peleti Oli
FLAXMERE


Councillor
Geraldine Travers


Councillor
Malcolm Dixon


Councillor
Kevin Watkins


Councillor
Wendy Schollum
LONG TERM PLAN 2021-2031 HASTINGS DISTRICT COUNCIL // 41


HASTINGS
DISTRICT COUNCIL
Te Kaunihera ā-Rohe o Heretaunga
YOUR VOICE IS IMPORTANT
Have your say on what matters to you.
See inside cover for more information.
www.myvoicemychoice.co.nz
Submissions close Friday 7 May 2021.
HASTINGS DISTRICT COUNCIL
207 Lyndon Road East, Hastings 4122
Private Bag 9002, Hastings 4156
www.hastingsdc.govt.nz
TE KAUNIHERA Ā-ROHE O HERETAUNGA
HASTINGS
HEART OF HAWKE'S BAY

CUT HERE

Hastings District Council
Private Bag 9002
Hastings 4156

Hastings District Council
Freepost Authority 226

Free

FOLD HERE

Your Feedback Form

Tell us how you feel about the Council's plan.

Submissions to the Long Term Plan close on **7 May 2021**

Make your submission by:

- Visiting **www.myvoicemychoice.co.nz**
- Returning this reply-paid feedback form

TAPE CLOSED HERE

We want to hear your voice

Once you've read through this document, let us know what you think of the plan. For those of you who are short on time you can use this form to let us know by filling it out and putting it into a New Zealand Post mailbox. You can provide more detailed feedback online at **www.myvoicemychoice.co.nz**

If you want to read the full Draft Long Term Plan, visit **www.hastingsdc.govt.nz** or you will find printed copies in the Hastings, Flaxmere and Havelock North libraries.

Our Customer Service team are ready to answer your questions on **06 871 5000**.

		PREFERRED OPTION	THE ALTERNATIVES	
1. Just give me my rural roads		☐ Balanced investment	☐ Speed up	☐ A slower approach
2. Parking pinch-point	**Hastings**	☐ $1 increase in parking charges	☐ $0.50 increase in parking charges	☐ No increase in parking charges
	Havelock North	☐ Targeted rate increase	☐ Phase in targeted rate increase	☐ Do not purchase site
3. The finishing touches	**City Centre and Events**	☐ Balanced investment	☐ Light touch	☐ Looking forward
	Parks and Reserves	☐ Balanced investment	☐ Slow down	☐ Speed up

Share your thoughts...


HASTINGS
HEART OF HAWKE'S BAY
HASTINGS DISTRICT
PLANNING FOR OUR FUTURE
LONG TERM PLAN
2021–2031
HASTINGS
DISTRICT COUNCIL
Te Kaunihera ā-Rohe o Heretaunga

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Part One:
LONG TERM
PLAN OVERVIEW
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SETTING THE SCENE



2020 threw more than a few curve balls at most of us – it was messy! The LTP story is no different, dealing with the fallout of COVID-19 (like everyone and it's not over yet), central government reviews and managing the ongoing impacts of climate change and growth.

COVID-19

As this plan is coming together, we're all still adapting to the world with COVID-19 as a major influence. As we started transitioning back to 'normal' after lockdown, our councillors chose to reduce rates increases for the 2020/21 year from the original 4.6%, to 1.9% to support our community impacted by lockdown. This meant an employment freeze and reduction in training and related expenses at council – we do need to be able to get back to our normal operating environment in the near future.

We are lucky that most of our activities have been able to adapt without significant disruption. That said, Splash Planet and Toitoi are our facilities most vulnerable to fluctuating alert levels. The reality is that any COVID-19 alert level beyond level one will have negative impacts on revenue and therefore rates for our community.

This is an uncertain environment which cannot be fully planned for but we do have a number of plans to find the best way to keep our facilities open while limiting rates exposure. Thankfully this recent summer season has gone without a hitch, with the Splash Planet facility providing endless fun for residents and visitors.



THREE WATERS REVIEW AND GOVERNMENT REFORM

The Government's Three Waters Reform (drinking, waste and storm water services) is coming – this will bring new regulation forcing change in how we deliver these services. Council has signed a memorandum of understanding with the Crown committing to work together to identify the best future approach to water service delivery, along with the other four local Councils.

If the reform determines that council assets and delivery of key services should be transferred to a separate entity (one potential outcome) we may need to develop an amended Long Term Plan as that would be significant impact to the way we budget for, and deliver services.

Regardless of the reform outcome, delivering safe, resilient drinking, waste and storm water services remains a key priority for council. This plan assumes no change and that these activities will stay in local authority ownership. The reason for this approach being that regardless of the reform outcome, communities will need robust water services that underpin community wellbeing.

GROWTH

Our district has experienced increased levels of population growth over recent years. This is expected to continue into the future, due both to our lifestyle attractions and the economic development opportunities that exist in our district. That growth along with existing housing pinch points makes the delivery of a range of housing types to fit the needs of our people a key issue.

The updated projections indicate the district's total population increasing by 1.2% over the year ended June 2021 (compared to an average annual 1.9% over the past two years) and then increasing overall by 6,180 residents or 6.9% over the next LTP period

Over the 10 year period, the total number of households in the district will need to increase by 2,330 homes or 7.4%.



CLIMATE CHANGE

We can't deny that the climate is changing: this is the most uncertain aspect we face in planning for the future. The timing and degree of impact on our community, services and infrastructure remains unclear.

To battle this uncertainty and ensure we are prepared, we are planning around a likely scenario which is based on a range of expert predictions. The biggest predicted issues in the Hastings District will be security of water supply, impacts on the agriculture and horticulture sectors, and impacts on our coastal communities and Council infrastructure.

Whilst we have started preparing in some ways, such as the work being undertaken via the Regional Coastal Strategy and some targeted seawall investment, investment in sustainable transport such as our walking and cycling initiatives, building capacity resilience where practicable into our built infrastructure, and District Plan provisions which identify hazards and anticipate increased flooding - there is still much to do.

The impacts are likely to be significant and a key way of making sure we are resilient and able to respond is to ensure that we maintain considerable capacity in our Financial Strategy to respond to this uncertainty. It will be important to balance the community's expectations for continued investment in amenity in our communities whilst maintaining financial capacity to respond to the challenges of the future.


OUR VISION
Fertile land,
Heretaunga whenua houkura,
prosperous people
Heretaunga hapori ora
LONG TERM PLAN 2021-2031 HASTINGS DISTRICT COUNCIL // 7


Our vision for the Hastings District represents the foundations of our community: land and people.
We are focused on protecting and enhancing our fertile land and the life-giving waters which support it, and helping the people of this place to fulfil their aspirations and prosper together.
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HOW WE WORK

STRATEGIC FRAMEWORK

Council's work sits under four pillars which collectively express our commitment to all aspects of community wellbeing: economic, environmental, social, and cultural.

The eight strategic priority work areas which fall under the pillars are detailed on the following pages.

VISION	**Heretaunga whenua houkura, Heretaunga hapori ora** - *Fertile land, prosperous people*			
COMMUNITY WELLBEING	**Economic**	**Environmental**	**Social**	**Cultural**
COMMUNITY OUTCOMES	Sufficient and supportive economy	Healthy environment and people	Safe and inclusive place	Vibrant place to live, play and visit
COUNCIL OBJECTIVES	We enable employment and growth * Housing supply matches need * The transport network links people, goods and opportunities	Water and land resources are used wisely * Sustainable development is encouraged and carbon emissions are reduced * The natural environment is enhanced and protected * Council services are green and healthy	Our communities are safe and resilient * Smart innovation connects citizens and services * Our youth have positive pathways	There are great spaces for all people * Civic pride, cultural diversity and relationships are strong
FOUNDATION STRATEGY	District Development Strategy	Eco District Strategy	Great Communities Strategy	

STRATEGIC PRIORITY AREAS

Underneath the four pillars of our strategic framework are eight priority areas which provide focus for direction and work programmes.

COMMUNITY WELLBEING	Economic	Environmental	Social	Cultural
The economic powerhouse	■			
Homes for our people	■		■	
Getting around	■			■
Rural living	■		■	
Our natural treasures		■		
Hastings alive	■			■
Pathways for people			■	
Enhancing where we live			■	■

STRATEGIC PRIORITY AREAS



The economic powerhouse

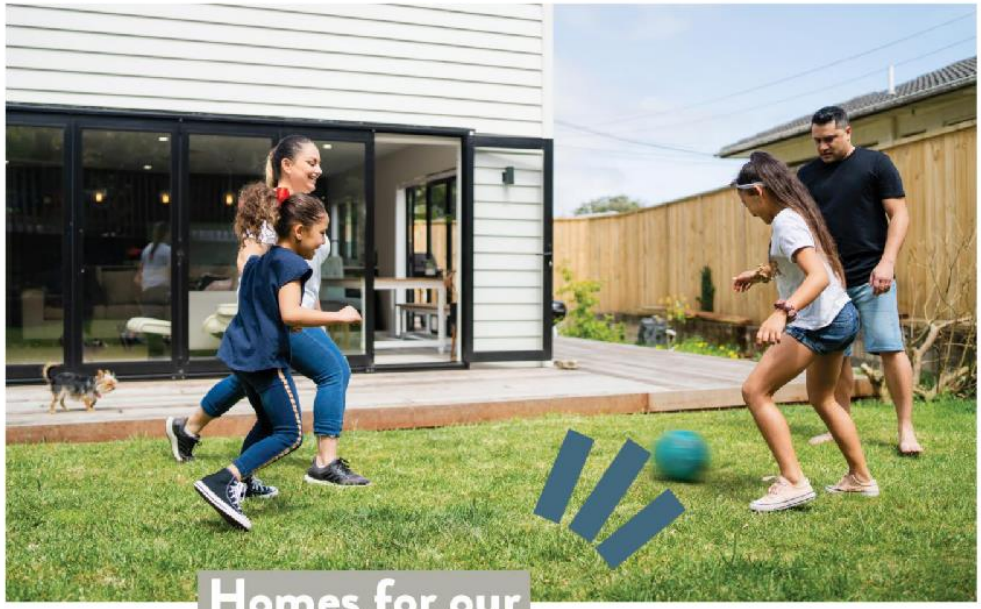




Hastings is the District's centre for employment and economic growth which is a position we will hold onto and develop in the future.

KEY FOCUS AREAS:

- Growing meaningful work and higher and valued jobs
- Becoming a leader in food and beverage innovation
- Diversifying to a knowledge-based economy
- Developing a Hastings Proud employers initiative
- Positioning as a centre for government relocations
- Enabling innovation in the primary sector



Homes for our people

The type of housing available in Hastings should match the diversity and needs of our people while also managing urban sprawl onto the productive Heretaunga Plains.

Moving forward this will require a more compact community connected by a range of effective transport choices.



KEY FOCUS AREAS:

- Protecting our good soils
- More compact housing choices, using available land
- Working with government and other partners on housing projects
- Rethinking and looking at future opportunities for Council housing

Getting around

It is important to connect our people, places, products and markets by providing a safe, effective road network that allows people and goods to travel where they need to go, however they choose.

KEY FOCUS AREAS:

- Investing in our ageing roading assets
- Progressing the use of freight hubs and road/rail/port integration
- Linking transport with future planned urban growth areas
- Advocating for improvement on our regional transport networks
- Developing our sustainable transport alternatives





Rural living

Our economic success is linked to the success of our rural areas and rural communities who we will support while adapting to the changing environment.



KEY FOCUS AREAS:

- Rural accessibility (roads, bridges)
- Adaptation to new land use and farming futures (including climate change, farm ownership, workforce challenges and water access)
- Enhancing rural connectivity (technology and communication)
- Planning for future settlement development (and population decline)



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Our natural treasures

Maximising output from the land by retaining versatile and productive soils for food production, managing land use, and managing human behaviour which impacts water quality (an essential resource) is one of the most important themes running through our strategic direction.

As a community we need to waste less and embrace a more sustainable way of living and look after our precious outstanding landscapes such as Te Mata Peak. We recognise that the environment cannot be traded for economic gain.

KEY FOCUS AREAS:

- Promoting water and energy efficiency
- Enhancing biodiversity
- Sustainable infrastructure and climate agility
- Nurturing iconic landscapes
- Managing healthy waterways



Hastings alive

For successful business investment and expansion, and talent attraction and retention, we need to be a place where people want to be.

Encouraging people into Hastings requires an attractive urban environment and a vibrant, multi-functional city centre which is safe and offers a variety of things to do.

KEY FOCUS AREAS:

- Getting more people into the city
- Enhanced CBD vibrancy through the CBD activation plan
- Growing the youth vibe
- Uplifting other town centres
- Telling our diverse stories to strengthen our identity





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Pathways for people

Our people ultimately hold the key to our collective success.

The people of Hastings are changing in ethnic makeup, age and lifestyle preferences. We need to balance aspirations while meeting our community's varied educational and skill development needs to allow everyone to contribute to our society. Our environment and economy also depend on positive human behaviour and interactions. We want to develop our entrepreneurs who will help create economic sufficiency and growth.

KEY FOCUS AREAS:

- Development of a Rangatahi Co-lab
- Connecting people, skills and jobs through our connector programme
- Encouraging youth to stay in school
- Connecting the educational/ professional sector link by looking at multiple career pathways
- Improving equity in jobs, income and health outcomes

Enhancing where we live



Neighbourhoods nurture family and community: the safety, health, vibrancy and attractiveness of all neighbourhoods is fundamental to wellbeing in our district. Our urban areas also need to be resilient to the challenges of the future.

Enhancing where we live will address targeted interventions required for some of our communities.



KEY FOCUS AREAS:

- Flaxmere Town Centre rejuvenation
- Masterplans for Flaxmere and Camberley
- Working with communities on focused initiatives in neighbourhood uplift areas
- Enhancing community safety
- Planning for coastal settlement futures
- Enabling marae-based settlement development

THE BIG ISSUES

Alongside the continued delivery of essential council services that our community should expect, we have identified the following key issue areas for discussion (these are outlined further within the supporting Long Term Plan Consultation Document).



Riding the infrastructure wave

This is about getting the basics right in our urban areas. Quality local infrastructure is vital to the survival of any region. Aged assets across the District require commitment to ongoing maintenance and renewal. Collectively these issues can best be addressed by catching them early and scaling up our investment in a staged way.

ROADING

Like much of New Zealand many of our roads were constructed in the late 1950's and now require ongoing renewal.

WASTEWATER

We have three key trunk mains leading from Hastings to the wastewater treatment plant that need renewal (we are about 20% through this programme). Our treatment plant also requires a range of renewal work.

DRINKING WATER

We are in the final year of significant investment into safe drinking water (circa $60m) however there are further future renewal needs, particularly in asbestos cement pipes that need to be replaced.

STORMWATER

Our stormwater assets have not reached the end of their useful lives but we should be preparing for the renewal programme which will commence in about 10 years. Future environmental standards are likely to require more investment in this area which is another key consideration.

REFUSE

Whilst we are trying to reduce waste, our landfill at Ōmarunui is filling up and needs further development to create capacity for the future.

CHOICES



Just give me my rural roads

Rural roading is a community life line, keeping our rural communities connected and ensuring goods can travel to market.

While the roading network is always a key priority for our rural communities we need to make further significant investment to keep on top of this ageing roading network including renewal of the road pavement, resealing of roads, and metalling of unsealed roads. We started on this work with the bridge strengthening programme in the 2018 Long Term Plan – this programme is on track and continues through the early years of this plan.

Parking pinch-point

Our CBD areas continue to grow and evolve. There's a lot of momentum and development potential, with people wanting to invest to make these centres even better. With this momentum does also come challenges. Getting people to efficiently access our city centres and able to enjoy their stay is an immediate area of focus.

Whilst our sustainable transport objectives look to move us away from car dependency over time, the reality is that in the short-medium term we need to accommodate more vehicles in our CBD areas which requires access to good parking. In the longer term these parking areas can be transitioned to other uses.

In Hastings, paid parking via meters is proposed to increase to fund ongoing provision and linkages to car park areas. In Havelock North the acquisition of a strategic piece of land on Porter Drive will help to future proof parking requirements for the village. This is proposed to be achieved by increasing the Havelock North parking targeted rate.

Finishing touches

We have already made significant investment into making our district a great place to live, work, and visit. Keeping in mind our need to invest in getting basic services right, now is the time to look at priorities and decide where we can add some finishing touches in an affordable way to continue to make Hastings beautiful.

There are a lot of projects we could take further and we hear community aspirations continue to grow, but we need to make choices to ensure we can all afford our future.

It's a balance, being able to look good but in an affordable way – prioritising and staging investment over time is key.

THE BASICS



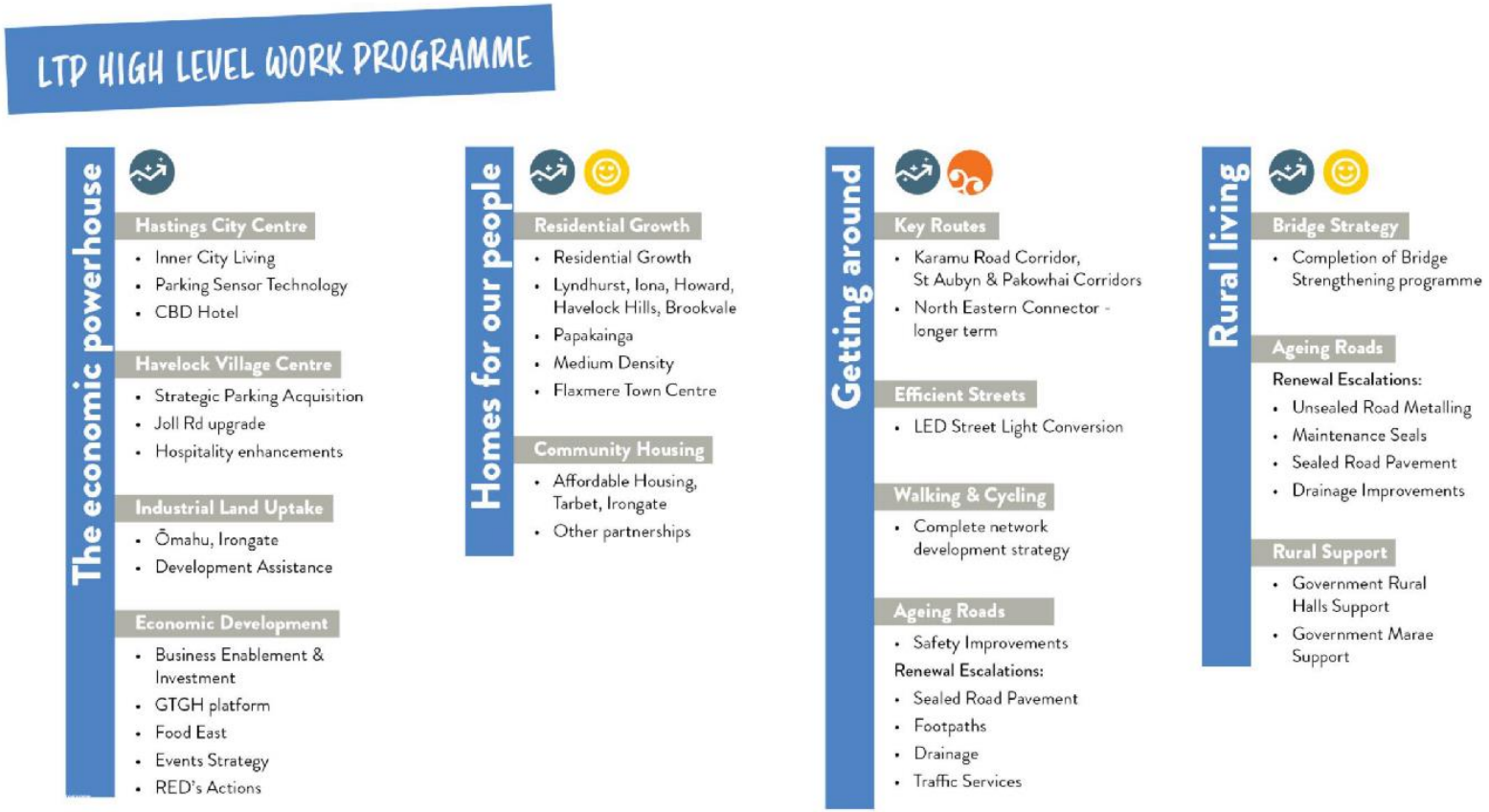
Maintaining assets

This is about getting the basics right in our urban areas. Quality local infrastructure is vital to the survival of any region. Aged assets across the District require commitment to ongoing maintenance and renewal. Collectively these issues can best be addressed by catching them early and scaling up our investment in a staged way. This investment needs to build a sustainable future and to adapt to a changing world.

Managing growth

Hasting District is experiencing high demand for housing. With 6,180 new residents predicted in our district by 2031, Council needs to ensure enough 'serviced' land is available to meet varying housing needs. It is also important to manage existing housing pressure points including housing affordability, seasonal worker accommodation and various social housing needs.


LONG TERM PLAN 2018-2028 HASTINGS DISTRICT COUNCIL // 22



Underpinned by a great Council with great staff, with a can do and customer focused attitude, maximising partnership opportunities, utilising new technology and working hard for our community – Working for our people and our place, today and tomorrow.

LTP HIGH LEVEL WORK PROGRAMME

Our natural treasures

Water Supply
- Drinking Water Strategy
- Demand Management Strategy
- Renewals and Consent Compliance

Wastewater
- Trunk Main Renewals
- Pump station upgrades
- Treatment Plant renewals
- Consent Compliance

Stormwater
- Stormwater quality improvement
- Caroline Rd stormwater extension
- Pakowhai Stormwater Catchment

Refuse
- WMMP Waste Minimisation
- Omaranui Landfill Development

Environmental Enhancement
- Biodiversity HB Support
- Pop-up irrigation
- Havelock North Stream Enhancement
- Care group support
- Sustaining HB support

Hastings alive

Hastings City Centre
- CBD Vibrancy & Activation Plan
- Events
- Civic Square and Central Mall projects
- Cultural Precinct

Pathways for our people

Youth Development
- Youth Potential
- Youth Employment
- Youth Council
- Rangatahi Hub

Working with Mana Whenua
- Māori Language Strategy
- Hapu-Council Engagement Policy
- Wahi Taonga Project
- Government Marae Support

Enhancing where we live

Recreation/Leisure
- Regional Sports Park
- A&P Showgrounds
- Waipatiki Campground

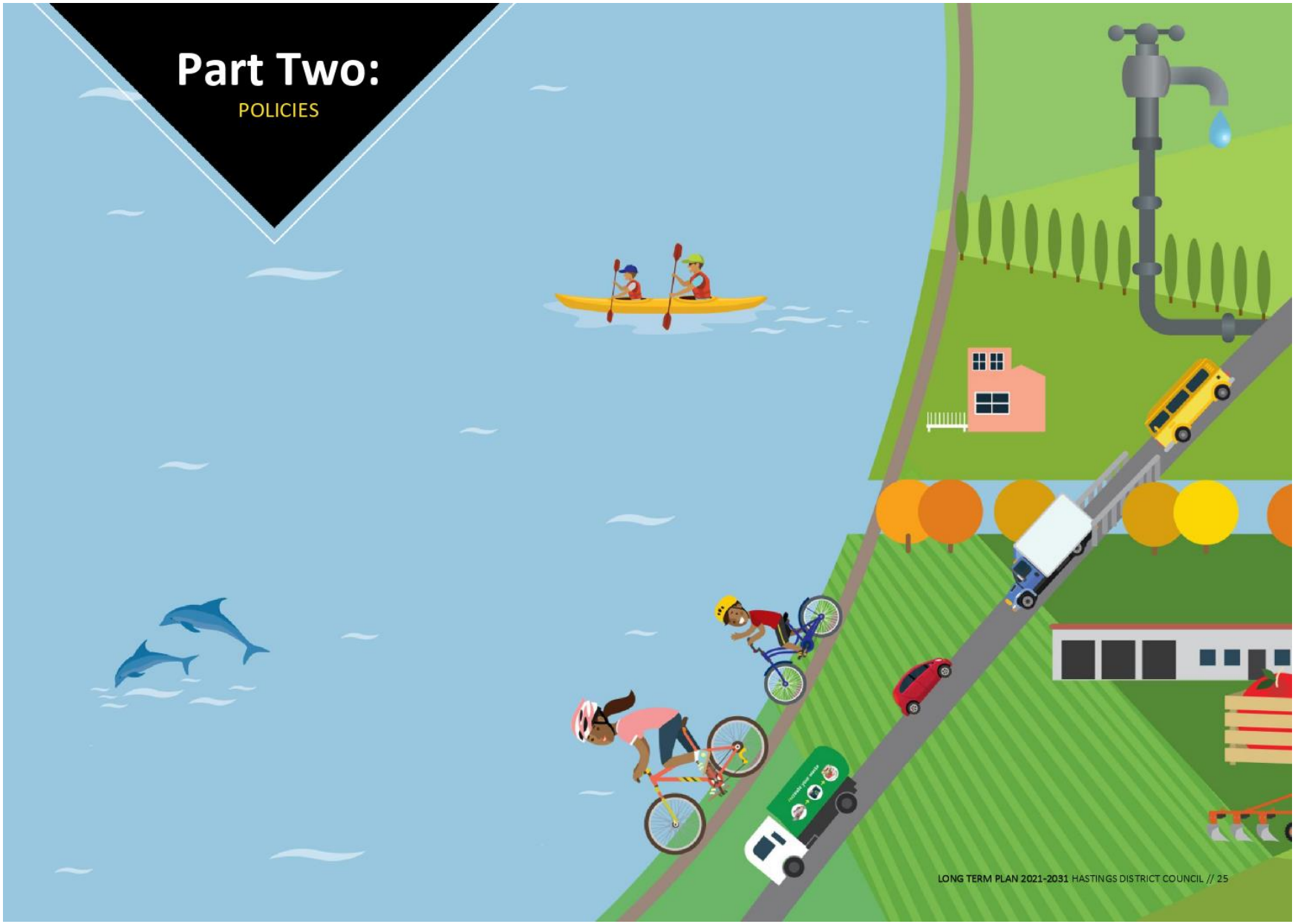
Aquatics
- Splash Planet Futures
- Pools Asset Management Plan

Play Facilities
- 12 playground upgrades and 3 new playgrounds ex Play Strategy

Reserve Upgrades
- Windsor Park, Cape Coast, Cornwall, Keirunga, Waimārama, Havelock North Domain, Raureka
- Sportsground changing rooms - Akina Park, Frimley, Ron Giorgi, Kirkpatrick, St Leonards

Community Planning
- Place Plans for Mahora, Raureka, Bridge Pa, Te Pōhue
- Flaxmere Town Centre Plan

Community Safety
- Earthquake Prone Buildings
- Emergency Response Plans
- Safe Communities Coalition
- Coastal Infrastructure & cell plans


Part Two:
POLICIES
LONG TERM PLAN 2021-2031 HASTINGS DISTRICT COUNCIL // 25

Policies

This part of the plan outlines the key policies which underpin the Long Term Plan.

These policies are unchanged from the 2018 plan, apart from some improvements for clarity and a minor update to Councils Revenue and Financing Policy, along with a change to the (rate to income ratio) within the Treasury Policy.



A completed part of the iWay Walking and Cycling network.

Significance & Engagement Policy

1.0 Purpose of Policy

The purpose of this policy is to set out the Council's approach to determining the significance of matters on which it makes decisions, and to broadly guide the engagement approach and decision making to be undertaken, proportionate to the significance of the issue.

2.0 Determining the Degree of Significance

Significance is a continuum ranging from very low degrees of significance **(not important)** to very high degrees of significance **(very important or critical)**.

Where a decision has a high degree of significance, it will be **'significant'**. The level of significance of a decision, including whether or not it is significant, will influence the approach the Council undertakes in engaging with the community and obtaining community views.

Certain types of decisions will be deemed to be significant. For all other decisions, the Council will determine significance based on a number of criteria. These deemed decisions and criteria are described in the following sections.

(A) Deemed significant decisions

A decision will be deemed significant if it exceeds either of the following thresholds:

- It incurs operational expenditure exceeding 5.0% of the Council's consolidated annual operating budget for that year.
- Incurs new capital expenditure on any one proposal in the first three years of the Council's plan, exceeding 10% of Council's consolidated annual capital budget for that year.

In addition, the following types of decisions will be deemed to be significant if they are not already explicitly provided for in the Council's long term plan and have been specifically consulted on as part of the long term plan consultation document:

- Any decision to transfer ownership or control, or dispose of or abandon a strategic asset;
- A decision to significantly alter the intended service level for any significant activity.

(B) Criteria for other decisions

In determining the level of significance for any other issue, proposal, decision or other matter under this policy, Council will be guided by the following criteria:

- The number of people affected;
- The extent of the consequence;
- The financial implications for the Council's overall resources;
- The level of public interest;
- Reversibility, how easily a decision can be undone; and
- The consistency of the matter with existing Council policy, plans and documents.

Each of these criteria will be assessed to form a general understanding of the degree of significance and importance of the decision. A single criterion in isolation is not necessarily determinative of significance.



3.0 Linking Decision Making and Engagement

The degree of significance of the decision will guide the Council as to the approach it takes in making the decision and obtaining views of interested and affected parties in respect to the decision.

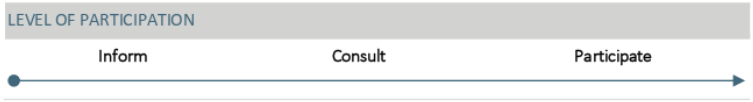
Proposals which are assessed at the higher end of the continuum of significance will require a more in-depth decision making process e.g. more in-depth analysis and if necessary a greater level of engagement and opportunity for the community to put forward their views.

The type of engagement undertaken will be proportionate to the significance of the matter and will be tailored to the number of affected residents. The spectrum ranges from at one end providing information and at the other full participation. The judgement as to what approach will be taken will be made on a case by case basis by the Council.

The Council will use the special consultative procedure, or consult in accordance with, or using a process or a manner that gives effect to, the requirements of section 82 of the Local Government Act 2002, when it is required to do so by legislation. These circumstances are listed in Appendix C.

In all other cases, the Council will have regard to the level of participation spectrum below to determine its engagement approach and will:

- Recognise that different levels of participation are appropriate for different issues and different members of the community;
- Consider which level(s) of participation to use, on a case-by-case basis;
- Make it clear which levels of participation will be used and why;
- Seek the appropriate degree of community input; and
- Use the level of 'inform' as a minimum standard in all our consultations.



Increasing involvement by affected and interested parties in and impact on decision-making.

See Appendix (A) for a broad list of the types of engagement methods, and the likely circumstances in which they will be used. See Appendix B for a list of recent engagement examples.

From time to time, Council may decide that it is not appropriate to carry out any form or engagement. For instance, a decision may have a low level of significance, or the Council may already be sufficiently informed about the views and preferences of interested and affected parties. Also, it may be inappropriate to undertake engagement where, in the opinion of the Council, failure to make a decision urgently would result in unreasonable or significant damage to property, or risk to people's health and safety, or the loss of a substantial opportunity to achieve the Council's Community Outcomes identified in the Long Term Plan.

4.0 Process for Significant Decisions

For significant matters (which do not require the use of the Special Consultative Procedure under legislation) the Council will broadly undertake the following steps:

- Obtain where practicable preliminary community views prior to formulating a proposal for formal feedback;
- Undertake targeted engagement where directly affected parties are identified;
- Put in appropriate processes to hear community views; and
- Inform the affected community of the decision.

5.0 Engagement with Māori

For significant matters relevant to Māori, Council will actively consider early engagement with Māori in the development of appropriate plans and policies. For matters that are not significant, Council will maintain decision-making processes to provide opportunities for Māori to contribute.

Significant decisions in relation to land or a body of water must take into account the relationship of Māori and their culture and traditions with their ancestral land, water, sites, waahi tapu, valued flora and fauna, and other taonga.

6.0 Procedures to Ensure Compliance

All reports by officers to Council seeking a decision will include a statement addressing the issue of significance. **If the proposal is considered to be significant**:

1) The report is to include a statement about how the relevant sections of the Local Government Act 2002 and the Significance and Engagement policy will be observed.

2) The proposal will generally be subject to peer review, in a manner determined by the Council.

For decisions that are to be made under delegated authority, and for which there is no officer report to Council, the person acting under delegated authority will consider the significance of the matter, but will not necessarily document that consideration.

Note: decisions made under delegated authority are not significant by their very nature.

7.0 Guiding Principles for Consultation

The principles of consultation set out in section 82(1) of the Local Government Act 2002 will guide Council's approach when undertaking consultation.

When determining what a particular consultation process will involve, Council will have regard to the matters set out in section 82 (4), including the nature and significance of the matter.

Guidance on obligations and timing to respond to public correspondence is addressed in the Local Government Official Information and Meetings Act 1987 (LGOIMA or OIA), which sets a maximum of 20 working days.

8.0 Significance in Respect to Infrastructure Strategy

Council will have regard to the following matters in assessing the significance of an issue for inclusion in its Infrastructure Strategy:

- The degree of cost involved in addressing the issue;
- The degree of impact on levels of service;
- The degree of risk; and
- The degree of impact on meeting strategic priorities.

Note: Significance will generally be assessed at the district wide level, rather than addressing issues which may be significant for a small part of the district.

9.0 Strategic Assets

The Hastings District Council owns a number of assets and assets managed 'as a whole' that it considers to be strategic. However, not all trading decisions made regarding these assets are regarded as significant nor do they affect the assets' strategic nature.

The following assets (asset groups) are considered strategic:

- Infrastructural assets relating to roads, water, stormwater, and wastewater;
- The network of parks, sports parks, sports centres and other recreational facilities;
- The districts aquatic facilities, including Splash Planet;
- Solid waste facilities, including transfer stations and the Omarunui Landfill;
- Housing for the elderly;
- Hastings District Libraries;
- Cemeteries and Crematorium;
- Hawke's Bay Opera House and precinct; and
- Share Holding of Hawke's Bay Airport.

Each of the above asset groups will be strategic assets only where a decision affects the whole of the asset group, not just some of the assets within the asset group.

Note: Some individual decisions within asset groups may however be significant after having regard to other criteria in this policy.

Appendix A

Level	Inform	Consult	Participate
What it involves	One-way communication To provide public with balanced, objective information to assist in the understanding of problems, alternatives, opportunities and/or solutions.	Two-way communication To obtain public feedback on analysis, alternatives and/or decisions.	A participatory process To involve the community in various aspects of decision making, including the development of alternatives and identifying preferred solutions. Involvement could range from working together, to sharing resources, through to placing decisions in public hands.
Types of issues, proposals, decisions, or matters that we might use this for	• Annual Report • Project Updates	• Annual Plan • Long Term Plan • Bylaws • Policy Amendments	• Reserve Management Plans • Community Plans • Key Strategies • Major Projects
Tools Council might use	• Public Notices • Annual Report • Educational material • My Hastings publication • Website	• Special Consultative Procedure • Submissions (My Voice My Choice) • Feedback forms • Surveys • Other research • Focus Groups • Citizens Panel • Council Voicebox	• Public seminars and workshops • Working Parties • Collaborative Design Processes • Joint Committees • Trusts • Referendum • Transfer of Powers • Discussion and Negotiation
When the community can expect to be involved	Council will generally advise the community when a decision is made.	Council will advise the community when a draft decision is made and generally provides the community with a minimum of (4) weeks to participate and respond, unless there is good reason to have a shorter period.	Council will generally provide the community with a greater lead-in-time to allow time for them to be involved in the process, scope issues, collect information and consider options.

Note: The table above represents examples of the types of engagement tools the Council may apply depending on the level of community participation sought. This list is not definitive and not intended as a mandatory requirement for Council to implement.

Appendix B – Recent Engagement Examples

Inform	Consult	Participate
• Annual Report Summary • Project Updates via My Hastings	• 2020 Class 4 Gambling Venue Policy • 2019/20 Annual Plan • 2020 Speed Bylaw	• Various Community Plans • Various Reserve Management Plans • Fluoride Referendum • Te Ara Kahikitea Road (Enquiry by design Process)

Appendix C – Legislative Circumstances Requiring Adherence to (Section 82) Principles of Consultation

Local Government Act 2002	Matter
Section 17	Transfer of Responsibilities
Section 56	Establishment of a Council Controlled Organisation
Section 95	Preparation and Adoption of an Annual Plan
Section 102	Adopting and Amending Funding and Financial Policies
Section 106	Adopting and Reviewing a Development Contributions Policy
Sections 108 – 110	Adopting and Reviewing Rates Remission and Postponement Policies
Sections 150, 156, 160	Bylaws (Setting Fees, Making/Amending/Revoking Bylaws and Bylaw Review Processes)

Treasury Policy

(Incorporates Liability Management and Investment Policy)

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1.0 Introduction and Objectives

1.1 Purpose of the Policy

The purpose of the Treasury Policy is to outline approved policies and procedures in respect of all treasury activity to be undertaken by the Council. The formalisation of such policies and procedures will enable treasury risks within the Council to be prudently managed.

1.2 Objectives

The objective of this Treasury Policy is to control and manage costs that can influence operational budgets and public equity. Specifically:

1.2.1 Statutory Objectives

- All external borrowing, investments and incidental financial arrangements (e.g. use of interest rate hedging financial instruments) will meet requirements of the Local Government Act 2002 and incorporate the Liability Management Policy and Investment Policy.
- Hastings District Council is governed by the following relevant legislation:
    - Local Government Act 2002, in particular Part 6 including sections 101,102, 104 and 105.
    - Local Government (Financial Reporting and Prudence) Regulations 2014, in particular Schedule 4.
    - Trustee Act 1956. When acting as a trustee or investing money on behalf of others, the Trustee Act highlights that trustees have a duty to invest prudently and that they shall exercise care, diligence and skill that a prudent person of business would exercise in managing the affairs of others. Details of relevant sectins can be found in the Trustee Act 1956 Part II Investments.
    - All projected external borrowings are to be approved by Council as part of the Annual Plan or the Long Term Planning (LTP) process, or resolution of Council before the borrowing is affected.

1.2.2 General Objectives

- Minimise the Council's costs and risks in the management of its borrowings and maximise its return on investments.
- Minimise the Council's exposure to adverse interest rate movements.
- Monitor, evaluate and report on treasury performance.
- Borrow funds and transact risk management instruments within an environment of control and compliance under the Council approved Treasury Policy so as to protect the Council's financial assets and costs.
- Arrange and structure external long term funding for the Council at a favourable margin and cost from debt lenders.
- Optimise flexibility and spread of debt maturity within the funding risk limits established by this policy statement.
- Monitor and report on financing/borrowing covenants and ratios under the obligations of the Council's lending/security arrangements.
- Monitor the Council's return on investments in Council Controlled Organisations (CCO's), Council Controlled Trading Organisations (CCTO's), property and other shareholdings.
- Maintain liquidity levels and manage cash flows within the Council to meet known and reasonable unforeseen funding requirements.
- Comply with financial ratios and limits stated within this Policy.
- Ensure that financial planning will not impose an unequitable spread of costs/benefits over current and future ratepayers.
- To minimise exposure to credit risk by dealing with and investing in creditworthy counterparties.
- Develop and maintain relationships with financial institutions, credit agencies, LGFA, investors and investment counterparties.
- Ensure the Council, management and relevant staff are kept abreast of the latest treasury products, methodologies, and accounting treatments through training and in-house presentations.

2.0 Management Responsibilities

2.1 Delegations of Authorities

Pursuant to clause 32 (2), schedule 7, of the Local Government Act 2002, the Council may make delegations to officers of the Council in order to allow for the efficient conduct of Council business. Clause 32 (3), schedule 7 of this Act allows officers to delegate those powers to other officers.

Not withstanding clause 32 (1) ©, schedule 7 the power to borrow money,or purchase or dispose of assets, other than in accordance with the Long Term Plan remains the sole responsibility of the Council. This responsibility cannot be delegated.

The limits of approved delegation to Officers are contained within the Council's Delegations Register.

Please see details of Treasury organisational structure, responsibilities and delegation of authority limits in the full policy.

3.0 Liability Management Policy

Council's liabilities comprise borrowings and various other liabilities. Council's Liability management policy focuses on borrowings as this is the most significant component and exposes the Council to the most significant risks. Other liabilities are generally non-interest bearing. Cash flows associated with other liabilities are incorporated in cash flow forecasts for liquidity management purposes and determining future borrowing requirements.

3.1 External Debt Ratios and Limits

External debt will be managed within the following macro limits.

Ratio	HDC Policy limits
Net external debt as a percentage of income	<175%
Net Interest on external debt as a percentage of income	<15%
Net Interest on external debt as a percentage of annual rates income	<20%
Liquidity range (liquid funds and committed bank facilities as a proportion of external debt)	110% – 170%

*As Council have obtained an S&P credit rating of an AA , the LGFA net external debt as a percentage of income threshold covenant has increased from 175% to 250%.

Income is defined as earnings from rates, government grants and subsidies, user charges, interest and other revenue and excludes non-government capital contributions (e.g. developer contributions and vested assets).

Net external debt is defined as total external debt less liquid financial assets/investments.

Liquidity funds are defined as:

- Overnight bank cash deposits at 100% of value;
- Wholesale/retail bank term deposits no greater than 30 days at 100% of value;
- New Zealand Government bonds, Kauri bonds and LGFA bonds at 100% of market value;
- Bank Deposits less than 181 days at 100% market value; and
- Bank term deposits linked to pre-funding of term debt maturing in the next 365 days.The liquidity ratio excludes encumbered cash investments, such as cash held within special/reserve funds.

Annual Rates Income is defined as the amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002 (including volumetric water charges levied) together with any revenue received from other local authorities for services provided (and for which the other local authorities rate). 'Rates' exclude regional levies.

External debt will be repaid as it falls due in accordance with the applicable loan agreement. Subject to the debt limits, a loan may be rolled over or re-negotiated as and when appropriate.

Disaster recovery requirements are met through the liquidity ratio.

3.2 Borrowing Mechanisms

The Council is able to externally borrow through a variety of market mechanisms including direct bank borrowing or accessing the short and long-term New Zealand capital markets directly or through the Local Government Funding Agency (LGFA). In evaluating strategies for new borrowing (in relation to source, term, size and pricing) the General Manager Corporate (GMCS) takes into account the following:

- Available terms from banks, The LGFA and the wider capital markets.
- The Council's overall debt maturity profile, to ensure concentration of debt is avoided at reissue/rollover time.

- Prevailing interest rates and margins of the available funding alternaltives. The market's outlook on future credit margin and interest rate movements as well as its own.
- Ensuring that the implied finance terms within the specific debt (e.g. project finance) are at least as favourable as the Council could achieve in its own right.
- Legal documentation and financial covenants together with security and credit rating considerations.

The Council's ability to readily attract cost effective borrowing is largely driven by its ability to rate, maintain a strong financial standing and manage its relationships with its investors, the LGFA and financial institutions and S&P. To this end it is the Council's intention to seek and maintain a strong balance sheet position.

The Council may use a mixture of short-term facilities (which generally have lower credit margins) as well as longer term facilities to achieve an effective borrowing mix, balancing the requirements of liquidity and cost.

3.3 Security

All the Council's external borrowings and interest-rate risk management instruments will generally be secured by way of a charge over the Council's rates and rates revenue offered through a Debenture Trust Deed. Under a Debenture Trust Deed, Council's borrowing is secured by a floating charge over all Council rates levied under the Rating Act. The security offered by Council ranks equally or pari passu with other lenders.

The Council offers deemed rates as security for general borrowing programs. From time to time, with prior Council approval, security may be offered by providing a charge over one or more of the Council's assets.

Physical assets will be charged only where:

- There is a direct relationship between the debt and the purchase or construction of the asset, which it funds (e.g. an operating lease, or project finance);
- The Council considers a charge over physical assets to be appropriate; and
- The GMCS ensures that the required register of charges and any associated documents are provided, filed and kept in accordance with the provisions of the Local Government Act 2002 and any other relevant legislation.

3.4 Debt Repayment

The funds from all asset sales, operating surpluses, grants and subsidies will be applied to specific projects or the reduction of debt and/or a reduction in borrowing requirements, unless the Council specifically directs that the funds will be put to another use.

Debt will be repaid as it falls due in accordance with the applicable loan agreement. Subject to the debt limits, a loan may be rolled over or re-negotiated as and when appropriate.

The Council will manage debt on a net portfolio basis at all times.

3.5 Guarantees/contingent liablilties and other financial arrangements

Council may act as quarantor to financial institutions on loands or enter into incidental arrangements of organisations, clusbs, Trust, or BGusiness Units, when the purposes of the loan are in line with Council's strategic objectives.

Council will ensure that sufficient funds or lines of credit exist to meet amount agreed by Council or an appropriate Council Committee in aggregate or attached to a property.

3.6 NZ Local Government Funding Agency Limited Investment

Despite anything earlier in this Liability Management Policy, the Council may borrow from the New Zealand Local Government Funding Agency Limited (LGFA) and, in connection with that borrowing, may enter into the following related transactions to the extent it considers necessary or desirable:

a. Contribute a portion of its borrowing back to the LGFA as an equity contribution to the LGFA;
b. Provide guarantees of the indebtedness of other local authorities to the LGFA and of the indebtedness of the LGFA itself;
c. Commit to contributing additional equity (or subordinated debt) to the LGFA if required;
d. Subscribe for shares and uncalled capital in the LGFA; and
e. Secure its borrowing from the LGFA and the performance of other obligations to the LGFA or its creditors with a charge over the Council's rates and rates revenue.

4.0 Investment Policy and Limits

4.1 General Policy

As Council is a net borrower of funds and applies surplus funds to debt repayment. Investments are only maintained to meet specified business reasons. Such reasons can be:

- For strategic purposes consistent with the Council's long term strategic plan;
- The retention of vested land;
- Holding short term investments for working capital and liquidity requirements;
- Holding investments that are necessary to carry out the Council's operations consistent with annual long term plans, to implement strategic initiatives, or to support inter-generational allocations;
- Pre-funding forecast capital expenditure;
- To reduce the current ratepayer burden;
- Holding assets (such as property) for commercial returns; and
- Provide ready cash in the event of a natural disaster. The use of which is intended to bridge the gap between the disaster and the reinstatement of normal income streams and assets (including insurance recoveries).

The Council recognises that as a responsible public authority any investments that it does hold should be low risk. It also recognises that lower risk generally means lower returns.

The Council does not hold financial investments other than those involving special funds, sinking funds and cash management balances. In its financial investment activity, the Council's primary objective when investing is the protection of its investment. Accordingly, only credit worthy counterparties are acceptable.

4.2 Investment Mix

The Council maintains investments in the following assets from time to time:

- Equity investments and advances;
- Property investments including vendor financing through deferred payment licences;
- Financial investments incorporating longer term and liquidity investments; and
- Forestry investments.

Council needs to take into consideration its obligations and duties to the community when making investment decisions. Council's investment decisions are guided by the goals and objectives of the Council as expressed in the Long Term Plan (LTP) and Annual Plan and are not made purely on commercial considerations.

4.2.1 Acquisition of New Investments

New investments will be acquired to meet the Council's long term objectives including the diversification of Council income streams. This may include the purchase of land or equity investments that the Council considers appropriate to meet an identified current or future need. Subject to the limits in the Council's significance policy the Council may invest in a new investment that is identified and is not in the Long Term Plan (LTP). When purchasing an investment that is not provided for in the LTP the Council will identify the risks and benefits associated with the purchase.

4.2.2 Use of Sale Proceeds

Any proceeds from the sale of investments (except for forestry assets) are used firstly to repay any debt related to the investment and then the use of any remaining funds will be determined by Council at the time of sale. Preference is to be given to either further debt reduction, the purchase of investments or the funding of capital expenditure.

4.2.3 Equity Investments and Loan Advances

Investments include shareholdings in CCTOs and trading and service enterprises. Advances are made to CCTOs and community organisations, such as Trusts managing Council facilities for financing purposes.

The GCMS, reviews performance of these investments and advances on a regular basis to ensure strategic and economic objectives are being achieved. Council ensures that interest and principal repayments are being made in accordance with the loan agreement.

All dividend and interest income is included in the consolidated revenue account.

Any disposition of these investments, other than the repayment of loans and advances requires Council approval.

4.2.4 Property Investments

Council's overall objective is to only own property that is necessary to achieve its strategic objectives. This includes property investment not essential to the delivery of relevant services, acquired to achieve commercial returns and to diversify Council income streams. Council reviews property ownership through assessing the benefits of continued ownership in

comparison to other arrangements which could deliver the same results. This assessment is based on the most financially viable method of achieving the delivery of Council services. Council generally follows similar assessment criteria in relation to new property investments.

The GCMS reviews the performance of property investments on a regular basis and reports to the Chief Executive on any underperforming assets. Council periodically undertakes a strategic review of its property investments.

All income, including rentals and ground rent from property investments is included in the consolidated revenue account.

Council approves the sale of property.

4.2.5 Other Property Investments – Quarries

Council also maintains quarries for the extraction of metal for roading. These are held for their strategic importance in relation to the roading asset and they are leased to the roading maintenance contractor who must pay the Council royalties based on the quantity of metal extracted.

All royalties are included in the consolidated revenue account.

Any disposition of these assets requires Council approval.

4.2.6 Forestry Investments

Council is not in the business of investing in forestry assets to be held as a long term investment. Council will only invest in forestry assets where the Forest also serves another purpose such as plantings associated with the joint Landfill. A specific fund is allocated to meet annual maintenance and cutting costs of the Landfill forestry block.

Council approves the sale of forestry. Sale proceeds of the Landfill forestry block are to be used for future landfill development and the Waste Futures project unless otherwise authorised by Council.

4.2.7 Financial Investments

For the foreseeable future, the Council will have a permanent net debt/borrowing position and will use flexible short-term working capital money market funding lines. Accordingly, it does not have any requirement to be in surplus cash. Circumstances where Council may have surplus funds other than for cash management purposes are listed below.

- Specfic Bequests & Donations

  Any liquid investments must be restricted to a term that meets future cash flow projections.

  Interest income from financial investments is crediited to genral funds, except for income from investments for special funds and sinking funds where interest is creditied to the particular fund.

  The Council's primary objective when investing is the protection of its investment and maximise returns. Accordingly, only creditworthy counterparties are acceptable. Credit worthy counterparties are covered in section 5.3.

Council Created and Other Reserves

Liquid assets will not be required to be held against Council reserves (sometimes referred to as 'special funds'). Instead Council should internally utilise these funds.

Through adopting this Treasury Policy, Council supersedes any previous Council resolutions pertaining to the funding of specific Council reserves.

Unless the Council specifically determines, by resolution, that interest should be credited to a specific reserve for a specified purpose, no interest shall be credited to reserves.

Where the Council has determined that interest shall be credited to specific reserves accounting entries representing monthly interest accrual allocations will be made using the rate prescribed by the Council. If no interest rate is prescribed the calculation shall be based on the average of the 90 day bank bill bid rate and the 3 year Government Stock rate.

4.2.8 NZ Local Government Funding Agency Limited

Despite anything earlier in this Investment Policy, the Council may invest in shares and other financial instruments of the New Zealand Local Government Funding Agency Limited (LGFA), and may borrow to fund that investment.

The Council's objective in making any such investment will be to:

a. Obtain a return on the investment; and

b. Ensure that the LGFA has sufficient capital to become and remain viable, meaning that it continues as a source of debt funding for the Council.

Because of this dual objective, the Council may invest in LGFA shares in circumstances in which the return on that investment is potentially lower than the return it could achieve with alternative investments.

Council may invest in financial instrument issues by the LGFA up to a maximum of $50m.

If required in connection with the investment, the Council may also subscribe for uncalled capital in the LGFA.

5.0 Risk Recognition/Identification/Management

The definition and recognition of interest rate, liquidity, funding, counterparty credit, market, operational and legal risk of the Council will be as detailed below and applies to both the Liability management policy and Investment policy.

5.1 Interest Rate Risk

5.1.1 Risk Recognition

Interest rate risk is the risk that funding costs (due to adverse movements in market interest rates) will materially exceed adopted annual plans and LTP interest cost projections, so as to adversely impact cost control, capital investment decisions/returns/and feasibilities.

The primary objective of interest rate risk management is to reduce uncertainty to interest rate movements through fixing of funding costs. However, a secondary objective is to minimise the net funding costs for the Council within acceptable risk parameters. Both objectives are to be achieved through the active management of underlying interest rate exposures.

5.1.2 Approved Financial Instruments

Dealing in interest rate products must be limited to financial instruments approved by the Council.

5.1.3 Interest Rate Risk Control Limits

External Core Debt/Borrowings

The Council external core debt/borrowings must be within the fixed/floating interest rate risk control limit outlined within the full policy.

Liquid Investments

For the foreseeable future, the Council will have a permanent net debt/borrowing position and will use flexible short-term working capital money market funding lines. Accordingly, it would not have any requirement to be in a term surplus cash situation.

Therefore, outside of the above mentioned exceptions, any liquid investments must be restricted to a term that meets future cash flow projections.

5.1.4 Council Reserves

Liquid assets will not be required to be held against special funds, instead Council will manage these funds using internal borrowing facilities.

Foreign Currency

The Council has minor foreign exchange exposure through the occasional purchase of foreign exchange denominated services, plant and equipment and the on-going purchase of library books.

Generally, all significant commitments for foreign exchange are hedged by the Council. Significant foreign exchange commitments are defined as individual currency amounts exceeding NZD$50,000.

The following foreign exchange reisk management insturmnets may be used for foreign exchange risk management activity.

- Spot and Forward Exchange Contracts
- Purchase of foreighn exchange options, and collar- type instrucments (1:1 only).

Independent external advice would be sought before the use of such instruments.

- The Council shall not borrow or endter into incidental arrangements, within or outside New Zealand, in currency other than New Zealand currency.
- Contingent Liabilities
- Unless the possibility of an outflow isremote, continigent leabilities must be indetified and reported with the Council's financial statements. Such liabilities will be valued based on an acceptable basis, and such a valuation will be provided for within the financial statements.
- Contingent liabilities incude but are not limited to the following:
  - Staff Gratuities
  - Guarantees

5.1.5 Disaster Recovery

Council recognises that events of an unforeseen or un-forecasted nature may result in financial loss to the Council. Such events are provided for through undrawn committed bank facilities.

5.2 Liquidity Risk/Funding Risk

5.2.1 Risk Recognition

Cash flow deficits in various future periods based on long term financial forecasts are reliant on the maturity structure of loans and facilities. Liquidity risk management focuses on the ability to borrow at that future time to fund the gaps. Funding risk management centres on the ability to re-finance or raise new debt at a future time at the same or more favourable pricing (fees and borrowing margins) and maturity terms of existing facilities.

A key factor of funding risk management is to spread and control the risk to reduce the concentration of risk at one point in time.

A key factor of funding risk management is to spread and control the risk to reduce the concentration of risk at one point in time. Liquidity/Funding Risk Control Limits

- The Council must approve all new loans and borrowing facilities;
- Alternative funding mechanisms such as leasing should be evaluated with financial analysis in conjunction with traditional on-balance sheet funding. The evaluation should take into consideration, ownership, redemption value and effective cost of funds;
- Liquid funds, committed bank and capital markets must be maintained at a minimum of 110% over forecastexternal debt levels over the next 12 months.
- Treasury provides daily and weekly cash management reporting, together with monthly (rolling 12 month forecast) and annual cash/debt forecasting and that long-term debt forecasts out to ten years are made available;
- The GMCS has the discretionary authority to re-finance existing debt on more favourable terms. Such action is to be ratified and approved by the Council at the earliest opportunity; and
- Council has the ability to pre-fund up to 18 months forecast debt requirements including re-financings providing there is a high level of confidence in the forecast debt levels.

The maturity profile of the total committed funding in respect to all loans and committed facilities is to be controlled by the following system:

To minimise concentration risk the LGFA require that no more than the greater of NZD 100m or 33% of a council's borrowings from the LGFA will mature in any 12-month period.

5.3 Counterparty Credit Risk

Counterparty credit risk is the risk of losses (realised or unrealised) arising from a counterparty defaulting on a financial instrument where the Council is a party. The credit risk to the Council in a default event will be weighted differently depending on the type of instrument entered into.

Credit risk will be regularly reviewed by the Council. Treasury related transactions would only be entered into with organisations specifically approved by the Council.

Counterparties and limits can only be approved on the basis of long-term credit ratings (Standard & Poor's or equivalent Fitch or Moody's) being A- and above.

Limits should be spread amongst a number of counterparties to avoid concentrations of credit exposureas outlined in the full policy.

In the event of a material credit downgrade, below the minimum long term credit rating, the investment will cease. Counter parties exceeding limits should be reported to Council.

5.4 Risk Management

To avoid undue concentration of exposures, a range of financial instruments must be used with as wide a range of counterparties as practical. The approval process to allow the use of individual financial instruments must take into account the liquidity of the market the instrument is traded in and repriced from.

5.5 Operational Risk

Operational risk is the risk of loss as a result of human errir (or fraud), system failures and inadequate procedures and controls.

5.6 Dealing Authorities and Limits

Transactions will only be excuted by those persons and within limits approved by the Council. Thoese limits are detail in section 2.4 in the full policy.

Please refer the full policy for treasury operational processes detailed in section 5.5.

5.7 Legal Risk

Legal and regulatory risks relate to the unenforceability of a transaction due to an organisation not having the legal capacity or power to enter into the transaction usually because of prohibitions contained in legislation. While legal risks are more relevant for banks, the Council may be exposed to such risks. In the event that the Council is unable to enforce its rights due to deficient or inaccurate documentation.

The Council will seek to minimise this risk by adopting policy regarding:

- The use of standing dealing and settlement instructions (including bank accounts, authorised persons, standard deal confirmations, contacts for disputed transactions) to be sent to counterparties;
- The matching of third party confirmations and the immediate follow-up of anomalies; and
- The use of expert advice for any non-standardised transactions.

5.8 Agreements

Financial instruments can only be entered into with bacnks that have in place an executed international swaps and derivative master agreement (ISDA) with Council.

5.9 Financial Covenants and Other Obligations

The Council must not enter into any transactions where it would cause a breach of financial covenants under existing contractual arrangements.

6.0 Measuring Treasury Performance

In order to determine the success of the Council's treasury management function, the following benchmarks and performance measures have been prescribed, and will be applied at a point where council's core net debt actually exceeds $30m.

Those performance measures that provide a direct measure of the performance of treasury staff (operational performance and management of debt and interest rate risk) are to be reported to the committee on a monthly basis.

6.1 Operational Performance

All treasury limits must be complied with including (but not limited to) counterparty credit limits, dealing limits and exposure limits.

All treasury deadlines are to be met, including reporting deadlines.

6.2 Management of Debt and Interest Rate Risk

The actual funding cost for the Council (taking into consideration costs of entering into interest rate risk management transactions) should be below the budgeted interest cost. When budgeting forecast interest costs, the actual physical position of existing loans and swaps/ swaptions/FRAs must be incorporated together with all fees.

Since senior management is granted discretion by the Council to manage debt and interest rate risk within specified limits, the actual funding rate achieved must be compared against an appropriate external benchmark interest rate that assumes a risk neutral position within existing policy. Note: in this respect, a risk neutral position is one that is always precisely at the mid-point of the minimum and maximum percentage limits specified within the policy.

Revenue & Financing Policy

Introduction

The Local Government Act 2002 requires the adoption of Revenue and Financing policy, which outlines Council policy in regard to the funding of operating and capital expenditure from various revenue sources as detailed in the Act **(Section 103)**. The purpose of this policy is to provide predictability and certainty about sources and levels of funding.

(Section 101) of the Act requires more specific analysis in deciding the most appropriate funding source for each activity. The Council must consider the following:

The community outcomes to which the activity primarily contributes;

The distribution of benefits between the community as a whole, any identifiable part of the community, and individuals;

The period in or over which those benefits are expected to occur;

The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and

The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.

The last step in the process is to consolidate the results of the individual activity analyses in accordance with section 101(3)(b) of the Act.

Council's Process for Applying These Legal Requirements

This policy supersedes the Council's Funding Policy first adopted in 1998/99 as required by the Local Government Amendment Act (No 3) 1996. A comprehensive review has not been undertaken and this policy incorporates the substance of the former policy.

Table One outlines the Council's policies in relation to the funding sources detailed in Section 103 of the Act.

Table Two summarises the Council assessment of the matters that need to be considered as part of section 101(3) of the Act.

Overall Funding Considerations

Once the matters referred to in section 101(3) (a) have been completed, a picture emerges of how different parts of the community benefit from Councils services and an overall indicative allocation of costs is compiled. The indicative allocation of costs is then examined in the light of the overall considerations set out in section 101(3)(b).

This section of the Act requires Council to consider the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental and cultural wellbeing of the community. Elected member judgement is important at this point, because many of the benefit distribution assessments and resulting adjustments are subjective, and benefit from final assessment by community representatives.

The Council have undertaken a number of rating reviews since local government reform in 1989. Due to the rural/urban mix of the district a system of rating within distinct rating areas, capturing general benefit patterns from Council activities has been accepted by the community and commended for its simple transparency (refer to the section on rating policy for more detail).

Ranges are used to show who benefits and are in 25% increments up to 100%.

Table three summarises the funding philosophy for each distinct rating area after elected member consideration of the overall impact of funding decisions on community wellbeing.

Period in Which Benefits are Expected to Occur

When considering the period over which benefits are expected to occur, the Council treats operating costs as directly related to providing benefits in the year of expenditure. As such, they are appropriately funded on an annual basis from annual revenue. Assets purchased from capital expenditure are treated as providing benefits for the duration of their useful lives.

These principles of funding operating and capital expenditure are as stated in the policy statement section of this policy below. They are assumed to apply to each activity, unless otherwise stated in Table 2.

Costs and Benefits of Distinct Funding

Where direct beneficiaries are identified and targeted for a specific service a separate funding mechanism is generally used and considered appropriate for transparency.

For activities assessed as having more uniform patterns of benefit, aggregation into the general rate, uniform targeted rate and the uniform annual general charge is considered appropriate and efficient.

General Policy Statement

(a) Funding of Operating Expenditure

Council funds operating expenditure from the following sources:

General Rates;

Uniform Targeted Rate (35% Community Services and Resource Management Rate);

Uniform Annual General Charge;

Targeted Rates;

Fees and Charges;

Interest and Dividends from Investments;

Grants and Subsidies; and

Other Operating Revenue.

Council may choose to not fully fund operating expenditure in any particular year, if the deficit can be funded from operating surpluses in the immediately preceding or subsequent years. An operating deficit will only be budgeted when beneficial to avoid significant fluctuations in rates or, fees and charges. In practice the Council will usually budget for an overall operating surplus while the operating expenditure of some individual functions may be under/over funded in any particular year, depending on requirements specific to that function.

Council may choose to fund from the above sources more than is necessary to meet the operating expenditure in any particular year. Council will only budget for such an operating surplus if necessary to fund an operating deficit in the immediately preceding or following years, repay debt or meet a future specified funding requirement. Council will have regard to forecast future debt levels when ascertaining whether it is prudent to budget for an operating surplus for debt repayment.

(b) Funding of Capital Expenditure

Council funds capital expenditure from revenue, reserves or borrowing. The repayment of borrowing is spread over several years. This enables Council to best match charges placed on the community against the period of benefits from capital expenditure. Borrowing is managed within the framework specified in the Treasury Policy. While seeking to minimise interest costs and financial risks associated with borrowing is of primary importance, Council seeks to match the term of borrowings with the average life of assets, up to a maximum of 30 years, when practical.

Capital renewals are programmed and funded as physically needed. Any difference in the overall renewal expenditure and the overall calculated depreciation is covered by the depreciation reserve. Council also continuously reviews with a view to improve the inputs used in both the physical and financial planning of works to ensure the long term needs are catered for.

Council's overall borrowing requirement is reduced to the extent that other funds are available to finance capital expenditure. Such other funds include:

Council reserves;

Development contributions;

Land transport subsidies; and

Proceeds from asset sales.

(Table 1) Hastings District Council policies in relation to various sources to fund operating and capital expenditure
(Section 103 Local Government Act 2002)

Funding Source	Application to Operating Expenditure	Application to Capital Expenditure
General Rates Valuation System Allocation Between Rating Groups (Rating Area One and Rating Area Two) Use of Differentials Uniform Targeted Rate Uniform Annual General Charge (UAGC)	Charged Based on Land Value HDC operates 2 broad rating groups to cover the two main communities of interest. Rating Area One (Main Urban Areas & Heretaunga Plains) Rating Area Two (Rural areas further from Hastings incl. Waimarama, Whirinaki & Waipatiki) All costs of Council activities are allocated between the two rating groups based on a series of formulas that reflect the perceived benefit derived by each broad group of ratepayers. For further explanation on these rating groups refer to the section on Rating Policy. Differentials used to allocate costs between groups of properties within each rating group based on assessment of benefit. 35% Community Services and Resource Management Rate (CRM). The net cost of the following activities is charged to ratepayers through a UAGC (a fixed amount per separately used or inhabited part of a rating unit):- Leadership Valuation Services and Rate Collection 65% of Economic and Social Development 50% of cost of Civil Defence 20% of cost for upgraded Wastewater Treatment facilities for Hastings and Waipatiki 10% of cost towards the renewal of Waimarama Seawall and Coastal Erosion resource consent.	Based on Land Value Same approach as outlined for operational expenditure for any rate requirement for Capital Expenditure.
Targeted Rates	Where a service is provided to a clearly defined group of properties or where the Council wishes to separately identify a group of costs a targeted rate may be used. Targeted rates may be charged as a fixed amount per property or based on land value, or any other mechanism allowed under the Local Government Rating Act 2002. Examples where targeted rates are appropriate include separate water and wastewater schemes, promotional rates, security patrols and CBD upgrades.	Targeted rates will be used to fund capital works within a defined area of benefit. The targeted rates may be based on any of the criteria allowed under the Local Government Rating Act such as land value, capital value, land area or a fixed amount per property.
Lump Sum Contributions		Where targeted rates have been set to fund capital works within a defined area of benefit the option to pay by way of lump sum may be offered.
Fees & Charges	Where possible the Council will seek to recover direct user fees for services and facilities. In setting fees Council will take into account the nature of the facilities and services and their contribution to community outcomes.	Where possible the Council will seek to recover contributions from any direct beneficiaries from capital works. This may be achieved through direct user charges, development contributions or targeted rates on those persons or properties directly benefiting.

Funding Source	Application to Operating Expenditure	Application to Capital Expenditure
Interest and Dividends from Investments	Any funds received from interest or dividends on investments will be used to reduce the amount to be collected from general rates.	
Borrowing	Borrowing is only appropriate if Council is required to fund a major one-off event (such as storm damage) or where something with long term benefit to the community is being created. An example where borrowing is appropriate is a grant to a regional entity that is constructing facilities for the community.	Borrowing will be used to fund the cost of long term assets. Any funds available from depreciation funds and development contributions and subsidies for the particular project will be used with the balance funded from borrowing.
Proceeds from Asset Sales	Proceeds from the sale of assets should not be used to fund operating expenditure.	Preference is to be given to the repayment of debt unless the Council specifically directs that the funds will be put to another use.
Development Contributions & Contributions under the Resource Management Act 1991	Interest costs on borrowing for growth related assets is to be funded from Development Contributions or through targeted rates on those properties directly benefiting from the supply of infrastructure for growth.	The cost of growth related projects is to be funded from a combination of Development Contributions and borrowing. As infrastructure is usually required to enable development to occur some of the cost will be borrowed initially and recovered from future development contributions.
Grants & Subsidies	Grants and subsidies will be applied towards the funding of the projects to which they relate.	Grants and subsidies will be applied towards the funding of the projects to which they relate.
Other funding sources		
Donations	Donations are to be applied towards the purpose for which they have been given to Council.	Donations for any capital project will be used to fund the particular project prior to the use of borrowing or rates.
Petrol Tax	The receipt of funds from petroleum tax is used to reduce general rates.	
Other	Any other funding sources will be used to reduce general rates unless they are received for a specific purpose.	

(Table 2) Hastings District Council assessment of benefits for activities
(Section 101 Local Government Act 2002)
Low 0 – 25%, Low – Med 26 – 50%, Med – High 51 – 75%, High 76 – 100%

WATER & ROADS

Outcome Group	Who Benefits		Funding Sources	Conclusion (who creates a need and funding choices)
Activity Description	Community (Public)	Individuals (Private)		
Stormwater	Yes High	Yes Low	Fees & Charges	Connection fees are charged to individual beneficiaries for new connections to the stormwater supply.
			Development Contributions	Development contributions are applied to new developments to recognise increased capacity requirements.
			Targeted Rates	Targeted rates are applied to specific areas of benefit to recover the cost of new infrastructure where this is considered to be a more effective mechanism than development contributions.
			General Rate	Identifying specific beneficiaries of the activity is difficult, however broad groups of beneficiaries can be identified and therefore council apportions the cost between its two rating areas and uses a differential rating system to apportion cost relative to a property's land use and perceived impact. I.e. Commercial areas generally have a greater site coverage and greater run off.
Waimarama Sea Wall	Yes Low	Yes High	Targeted Rate	Private Benefit (Private property protection) is funded by a uniform targeted rate within defined zones which are set differentially based on their locality to the threat of coastal erosion.
			UAGC	The Community Benefit component (recreational reserve access) is recovered through the UAGC equally from each rating unit in the district.
Wastewater (Effluent Disposal)	Yes Low	Yes High	Fees & Charges	Direct beneficiaries (measurable users) are charged trade waste fees from the effluent disposal account. This covers the cost of the main trunk sewers, Milliscreen Plant and Ocean Outfall.
			Internal Recovery	The balance of direct beneficiaries (the ordinary user group) are charged effluent disposal costs through an internal charge to the wastewater collection activity based on flow rates.
Wastewater (Collection)	Yes Low	Yes High	Fees & Charges	Connection fees are charged to individual beneficiaries for new connections to the wastewater supply.
			Development Contributions	Development Contributions are applied to new developments to recognise increased capacity requirements.
			Targeted Rate	A set amount is fixed on all properties connected or able to be connected to the wastewater system. A scaled pan charge is applied to non-residential properties to reflect the greater use (benefit) derived from the wastewater system.
Wastewater (Treatment – Domestic Waste)	Yes Low	Yes High	Industry Contributions	Part of the separation costs of the wastewater treatment project are recovered from those separable industries based on peak flow rates.
			UAGC	The Community Benefit component (environmental and cultural considerations) is recovered through the UAGC equally from each rating unit in the district.
			Targeted Rate	A set amount is fixed on all properties connected or able to be connected to the wastewater system. A scaled pan charge is applied to non-residential properties to reflect the greater use (benefit) derived from the wastewater treatment project.

WATER & ROADS

Outcome Group	Who Benefits		Funding Sources	Conclusion (who creates a need and funding choices)
Activity Description	Community (Public)	Individuals (Private)		
Water Supply	Yes Low	Yes High	Fees & Charges	Connection fees are charged to individual beneficiaries for water supply connections.
			Development Contributions	Development contributions are applied to new developments to recognise increased capacity requirements.
			Targeted Rate	A fixed amount is proposed to be set district wide across all the districts water supplies to recover actual costs from individual beneficiaries. Extraordinary usage is charged via a targeted rate per unit of water consumed (Water Billing).
Transportation	Yes High	Yes Low	Subsidy	The New Zealand Transport Agency subsidy recovers the general user component of this activity.
			Fees & Charges	The excerbator component which relates to the damage caused to the roading network is recovered via Fees and Charges.
			General Rate	For the purpose of this policy, this activity is assessed as 100% public benefit. Whilst private beneficiaries can be identified, it is considered impractical to charge on this basis. Community use component funded by general rate and differentiated based on location and use.
			Development Contributions	Development Contributions are applied to new developments to recognise increased capacity requirements.
Parking	Yes Low	Yes High	Fees & Charges	Hastings CBD-Fees and charges are recovered from motorists pay for parking in metered spaces. Fines are imposed on motorists for overstaying time restrictions/dangerous parking and for stationary vehicle offences.
			Targeted Rate	Havelock North CBD-Through consultation with the Havelock community, the consensus was to recover those costs associated with the Parking activity in this area by way of a targeted rate. The targeted is set on a differential basis to reflect the higher benefit accruing to commercial/industrial properties. In conjunction with this approach, fines are imposed on motorists for overstaying time restrictions/dangerous parking and for stationary vehicle offences.
CBD Upgrades (Targeted Rate)	Yes Low	Yes High	Targeted Rate	The direct benefit of CBD enhancement works is recovered from properties within each perceived area of benefit.
			General Rate	The public benefit portion is recovered by way of the general rates.

SAFE, HEALTHY & LIVEABLE COMMUNITIES

Outcome Group	Who Benefits		Funding sources	Conclusion (who creates a need and funding choices)
Activity Description	Community (Public)	Individuals (Private)		
Aquatic Facilities; Swimming Pools	Yes Med - High	Yes Low - Med	Fees & Charges	Individual benefits to pool users are recovered from fees & charges which are currently set by Council as the operator of the facilities. These are in line with market realities and take into account the outcomes of affordable access and maximum patronage of aquatic facilities.
			General Rate CRM Targeted Rate	The balance of funds required comes from a combination of general rates and targeted rates which are generally set on a differential basis by location. Differentiating by location reflects the properties relative location to urban based facilities and ability to use those facilities.
Aquatic Facilities: Splash Planet	Yes Low	Yes High	Fees & Charges	Individual benefits to splash planet patrons are recovered from fees & charges which are currently set by Council as the operator of the facility. These are in line with market realities and take into account the outcomes of affordable access and maximum patronage of aquatic facilities.
			General Rate CRM Targeted Rate	The balance of funds required comes from a combination of general rates and targeted rates which are generally set on a differential basis by location. Differentiating by location reflects the properties relative location to urban based facilities and ability to use those facilities.
Arts and Culture	Yes High	Yes Low	Fees & Charges	Individual benefits to facility users are recovered from fees & charges which are currently set at each of the facilities to recover individual benefits in line with the market realities, and after having regard to the outcomes of affordable access and maximum patronage of arts and cultural facilities. Facilities included are Toitoi and the Art Gallery.
			General Rate CRM Targeted Rate	The balance of funds required comes from general rates. A uniform targeted rate differentiated by location reflects the service provision element of the activity with the balance funded through the general rate, and differentiated based on a properties relative location to urban based facilities.
Animal Welfare Service	Yes Low - Med	Yes Med - High	Fees & Charges	Costs relating to dog registrations and associated activities are funded from Fees and Charges through annual registration fees. Fees/Fines are also charged to those who should bear the cost for unregistered dogs and impounded dogs.
			General Rate CRM Targeted Rate	The balance of funds required comes from general rates. A uniform targeted rate differentiated by location reflects the service provision element of the activity with the balance funded through the general rate, and differentiated based on a properties relative location to urban based facilities.
Building & Property Management	Yes	Yes	Fees & Charges	Council activities are charged rentals through an internal allocation system to reflect the true cost of the activity.
			General Rate	Any net balance after other Council activities have been charged an internal rental is included in the general rate charged on land value.
Building Control	Yes Low	Yes High	Fees & Charges	Fees & charges are recovered from direct beneficiaries (Building applicants), predominantly from buildings consents, LIMs and building reports.
			General Rates CRM Targeted Rate	The general community safety benefits that accrue from this function are recovered from a combination of general rates and targeted rates. The differentiation by location reflects the higher level of benefit experienced in the higher urban density areas.

Outcome Group	Who Benefits		Funding sources	Conclusion (who creates a need and funding choices)
Activity Description	Community (Public)	Individuals (Private)		
Building Compliance	Yes Med - High	Yes Low - Med	Fees & Charges	Fees & charges are recovered from direct beneficiaries (Building applicants) predominately from Building Warrant of Fitness IQP Registration and Infringement Notices.
			General Rates CRM Targeted Rate	The general community safety benefits that accrue from this function are recovered from a combination of general rates and targeted rates. The differentiation by location reflects the higher level of benefit experienced in the higher urban density areas.
Cemeteries	Yes Low - Med	Yes Med - High	Fees & Charges	Council policy is to recover most of operational costs excluding depreciation from direct beneficiaries (those benefiting from the provision of burial and ash plots).
			General Rate CRM Targeted Rate	The balance of funds reflects the wider community benefits from the passive park like environment. Differentiating by location reflects the properties relative location to urban based facilities and ability to use those facilities.
			Subsidies & Grants	A maintenance grant for RSA plots is received annually.
Crematorium	No Low	Yes High	Fees & Charges	Full recovery is made for the crematorium from direct beneficiaries of the service from fees & charges. The wider community benefits are considered to be minimal.
Community Safety: Swimming Pool Safety Service	Yes Low	Yes High	Targeted Rate	A targeted rate recovers most of the cost of the swimming pool activity and is set on each rating unit on which is located a swimming pool, to reflect the individual benefit to pool owners from this activity. A pool inspection fee is charged for any inspection over the inspection cycle as an exacerbator cost to the pool owner.
			General Rate CRM Targeted Rate	The balance of funds required comes from a combination of general rates and targeted rates to fund general community benefits relating to public water safety. A uniform targeted rate differentiated by location reflects the service provision element of the activity with the balance funded through the general rate, and differentiated based on relative location and use.
Community Safety: Skate Park Guardians	Yes High	No Low	General Rate	Council's objective of the facility is for open access use for all residents. General rates are considered the most appropriate funding mechanism considering the main objection of this facility.
			CRM Targeted Rate	The funds required comes from a combination of general rates and targeted rates which are generally set on a differential basis by location. Differentiating by location reflects the properties relative location to urban based facilities and ability to use those facilities.
Community Safety: City Assist	Yes High	No Low	General Rate CRM Targeted Rate	This activity is funded from a combination of general rates and targeted rates to fund the wider community benefits arising from city assist service. A uniform targeted rate differentiated by location reflects the service provision element of the activity with the balance funded through the general rate, and differentiated based on relative location and use.
Community Safety: Security Patrol	Yes Low	Yes High	Targeted Rate	A targeted rate on property owners in the Hastings, Flaxmere and Havelock North CBD's recovers the individual benefits from security patrol services from those property owners.
			General Rates CRM Targeted Rate	The balance of funds required comes from a combination of general rates and targeted rates to fund the wider community benefits arising from security patrols. A uniform targeted rate differentiated by location reflects the service provision element of the activity with the balance funded through the general rate, and differentiated based on relative location and use.

Outcome Group	Who Benefits		Funding sources	Conclusion (who creates a need and funding choices)
Activity Description	Community (Public)	Individuals (Private)		
Environmental Health	Yes Med - High	Yes Low - Med	Fees & Charges	Fees & Charges are set to recover actual and reasonable costs from individual beneficiaries (consent or license applicants) in line with government allowance from various licences and noise control fines
			General Rate CRM Targeted Rate	The balance of funds required comes from a combination of general rates and uniform targeted rates to fund general community benefits relating to public health and safety. A uniform targeted rate differentiated by location reflects the service provision element of the activity with the balance funded through the general rate, and differentiated based on relative location and use.
Emergency Management (Civil Defence)	Yes High	Yes Low	Fees & Charges	Users (individual beneficiaries) pay for any courses run at their request with the balance funded from rates. For the purposes of this policy, benefit is set at 100% public with any fees and charges revenue recovered as opportunity arises.
			UAGC	Council recovers 50% of the civil defence activity rating requirement on each rating unit equally to fund the benefit received from the lifesaving function within this activity.
			General Rate CRM Targeted Rate	The balance of this activity (property protection benefits) are funded through a uniform targeted rate differentiated by location reflecting the service provision element of the activity with the balance funded through the general rate, and differentiated based on location and use.
Emergency Management (Fire Control)	Yes High	Yes Low	Fees & Charges	Where individuals responsible for causing fires are identified, 100% cost recovery is normally sought for fire suppression.
			General Rate CRM Targeted Rate	The balance of this activity (property protection benefits and where fire suppression costs cannot be allocate back to the exacerbator) are considered wider community benefits and are funded through a uniform targeted rate differentiated by location reflecting the service provision element of the activity with the balance funded through the general rate, and differentiated based on location and use.
			Loans & Reserves	Major capital works are funded by way of loan, and the plant replacement reserve funds the replacement of vehicles.
			Subsidy	The National Rural Fire Authority provides subsidies for equipment purchases and unidentifiable suppression costs.
Environmental Policy	Yes High	Yes Low	Fees & Charges	Recovery of costs by way of Fees and Charges is limited, however individual beneficiaries are charged via cost recovery for private plan changes where submitted.
			General Rate CRM Targeted Rate	The balance of funds required comes from general rates. A uniform targeted rate differentiated by location reflects the service provision element of the activity with the balance funded through the general rate, and differentiated based on relative location and use.
Environmental Compliance & Monitoring	Yes High	Yes Low	Fees & Charges	Individual beneficiaries are charged via cost recovery for monitoring costs and infringement fees.
			General Rate CRM Targeted Rate	The majority of this activity is dedicated to a wider monitoring and compliance function which benefits the community as a whole. The balance of funds required comes from general rates. A uniform targeted rate differentiated by location reflects the service provision element of the activity with the balance funded through the general rate, and differentiated based on relative location and use.
	Yes	Yes	Fees & Charges	Individual beneficiaries are charged actual and reasonable cost recoveries for resource consents and other miscellaneous fees and charges.

Outcome Group	Who Benefits		Funding sources	Conclusion (who creates a need and funding choices)
Activity Description	Community (Public)	Individuals (Private)		
Environmental Consents	Low- Med	Med - High	General Rate CRM Targeted Rate	A portion of the activity is dedicated to serving the public's democratic right to make submissions and general enquiries which are unable to be charged for. The balance of funds required comes from general rates. A uniform targeted rate differentiated by location reflects the service provision element of the activity with the balance funded through the general rate, and differentiated based on relative location and use.
Housing for the Elderly	Yes Low	Yes High	Fees & Charges	100% cost recovery of operational expenditure and all debt servicing costs is made from rental of tenants (excluding depreciation), to reflect the individual tenant benefits. The community good component is reflected in that depreciation and the opportunity cost of the equity are excluded from the cost recovery ratio.
Libraries	Yes High	Yes Low	Fees & Charges	Council policy is to recover some operational expenditure from fees & charges on direct library beneficiaries (library users), having regard to the outcome of affordable library access and maximum patronage of the library facilities.
			General Rate CRM Targeted Rate	The balance of funds required comes from general rates. A uniform targeted rate differentiated by location reflects the service provision element of the activity with the balance funded through the general rate, and differentiated based on a properties relative location to urban based facilities.
Parks & Reserves	Yes High	Yes Low	General Rate CRM Targeted Rate	The funds required (excluding capital expenditure relating to growth) comes from a combination of general rates and targeted rates which are generally set on a differential basis by location. Differentiating by location reflects the properties relative location to urban based facilities and ability to use those facilities.
			Subsidies & Grants & Donations	Minor revenue accrues periodically from donations.
			Development Contributions	Development contributions are applied to new developments to recognise increased capacity requirements.
Sportsgrounds	Yes High	Yes Low	Fees & Charges	Council policy is to recover some of the operational expenditure excluding depreciation and renewals from sportsground expenditure, having regard to the outcomes of affordable access and maximum patronage of sportsgrounds .Note: Capital expenditure relating to growth is funded separately.
			General Rate CRM Targeted Rate	The balance of funds required comes from a combination of general rates and targeted rates which are generally set on a differential basis by location. Differentiating by location reflects the properties relative location to urban based facilities and ability to use those facilities.
			Development Contributions	Development contributions are applied to new developments to recognise increased capacity requirements.
Venues: Flaxmere Community Centre	Yes High	Yes Low	Fees & Charges	Fees & Charges are currently set at each of the facilities to recover individual benefits (from facility users) in line with the market realities and having regard to the outcomes of affordable access and maximum patronage of facilities.
			General Rate CRM Targeted Rate	The balance of funds required comes from a combination of general rates and targeted rates which are generally set on a differential basis by location. Differentiating by location reflects the properties relative location to urban based facilities and ability to use those facilities.
Venues:	Yes	Yes	Fees & Charges	Fees & Charges are currently set at each of the facilities to recover individual benefits (from facility users) in line with the market realities and having regard to the outcomes of affordable access and maximum patronage of facilities.

Outcome Group	Who Benefits		Funding sources	Conclusion (who creates a need and funding choices)
Activity Description	Community (Public)	Individuals (Private)		
Hastings Sports Centre	Med - High	Low - Med	General Rate CRM Targeted Rate	The balance of funds required comes from general rates. A uniform targeted rate differentiated by location reflects the service provision element of the activity with the balance funded through the general rate, and differentiated based on a properties relative location to urban based facilities.
Solid Waste	Yes Low	Yes High	Fees & Charges	Costs of collection and disposal of refuse are funded by exacerbators (those producing waste) through recoveries on the purchase of refuse bags. Charging at the Transfers Stations Landfill is based on a per tonne charge. Minimum charges apply for all loads.
			Targeted Rate	A fixed targeted rate amount is charged for collections and recycling and allows Council to charge every property who receives the service equally. A set rate on the Waimarama refuse service recovers additional costs of providing the service to the Waimarama community.
			General Rate	The community benefit component relates to a small waste minimisation activity presence and is funded through the general rate and differentiated to properties based on location and use. For the purposes of this policy, benefit is set at 100% private.

ECONOMIC & COMMUNITY DEVELOPMENT

Outcome Group	Who Benefits		Funding Sources	Conclusion (who creates a need and funding choices)
Activity Description	Community (Public)	Individuals (Private)		
Economic and Social Development	Yes High	Yes Low	Subsidies & Grants	Central Government fund a number of programmes in the economic and social development area.
			UAGC	65% of the costs are funded through the UAGC to recognise that an investment in people benefits the community as a whole through the creation of jobs and improved well-being.
			General Rate	35% of the costs are funded through the General Rate and differentiated based on location and use. This recognises the private benefit to commercial properties who could utilise the economic development services available. Whilst there are obvious direct beneficiaries from Council services the social service element of this activity means that Fees & Charges cannot realistically be used.
I-Site (Hastings & Havelock North)	Yes Med - High	Yes Low - Med	Fees & Charges	Fees & charges are recovered from direct beneficiaries (Commission Fees for services and sale of materials).
			General Rate CRM Targeted Rate	Tourism activity has a wider economic benefit to the community in the form of jobs and visitor spend and as a service to local residents. The balance of this activity is therefore funded through a combination of general rates and uniform targeted rate differentiated by location reflecting the service provision element of the activity with the balance funded through the general rate, and differentiated based on location and use.
Strategic Planning & Relationships	Yes High	No Low	General Rate CRM Targeted Rate	Strategic Development is viewed as a pure community good. A uniform targeted rate differentiated by location reflects the service provision element of the activity with the balance funded through the general rate, and differentiated based on location and use.
Hastings City Marketing Rate	No Low	Yes High	Targeted Rate	Set on a land value basis on those commercial properties located within the Hastings Central Business Area, identified as the beneficiaries of the activities undertaken by the Hastings Business Association. Private benefits are accrued to those commercial properties within the CBD area, through increased vibrancy, attractiveness and economic vitality.
Havelock North Promotion Rate	No Low	Yes High	Targeted Rate	Set on a land value basis on those commercial properties located within the Havelock North Central Business Area, identified as the beneficiaries of the activities undertaken by the Havelock North Business Association. Private benefits are accrued to those commercial properties within the CBD area, through increased vibrancy, attractiveness and economic vitality.

(Table 3) Rating Allocation Formulae

	Rating Area One	Rating Area Two
Water & Roads		
Stormwater Disposal	Actual Location	Actual Location
Wastewater (Effluent Disposal)	Actual Location	Actual Location
Wastewater (Collection)	Actual Location	Actual Location
Wastewater (Treatment Domestic Waste)	Actual Location	Actual Location
Water Supply	Actual Location	Actual Location
Transportation	Actual Location	Actual Location
CBD Upgrades (Targeted Rate)	Actual Location	Actual Location
Safe, Healthy & Liveable Communities		
Aquatic Facilities	93.28%	6.72%
Arts and Culture	87.41%	12.59%
Animal Welfare Service	93.28%	6.72%
Building & Property Management	80%	20%
Building Control	80%	20%
Building Compliance	80%	20%
Cemeteries	87.41%	12.59%
Community Safety* (Note: Swimming Pool Safety Services is allocated on a 87.41%/12.59% Basis)	93.28%	6.72%
Environmental Health	80%	20%
Emergency Management	Property Protection – 87.41% Life Protection – UAGC 86.20%	Property Protection – 12.59% Life Protection – UAGC 13.80%
Environmental Planning **	80%	20%
Libraries	93.28%	6.72%
Parks & Reserves & Sportsgrounds	93.28%	6.72%
Venues	93.28%	6.72%
Solid Waste	Landfill – 93.28%% Waste Minimisation – 87.41% Refuse Collection – Actual Location	Landfill – 6.72% Waste Minimisation – 12.59% Refuse Collection – Actual Location
Economic and Community Development		

	Rating Area One	Rating Area Two
Economic and Social Development	UAGC – 86.20% Other – 93.28%	UAGC 13.80% Other – 6.72%
I-Site	87.41%	12.59%
Strategic Planning & Relationships	80%	20%
Hastings and Havelock North CBD Promotion Rates	100%	0%
Governance and Corporate Support		
G & C Support	UAGC 86.20%	UAGC 13.80%

*Community Safety consists of Swimming Pool Safety Service, Security, CCTV, City Assist and Skate Park Guardians activities.

**Environmental Planning consists of Environmental Policy, Environmental Compliance & Monitoring, and Environmental Consents.

	Area One	Area Two
Base Population	87.41%	12.59%
Weighted Discounted Population	93.28%	6.72%

Note: This table only reflects those council activities with a substantial rating cost, outlining how those costs fall between council's two rating areas.

The base population for Rating Area Two has been discounted by 50% (to reflect proximity to urban based facilities) and this produces a new base for the calculation. The revised figures are then grossed up to produce the weighted discounted population for each rating group.

Rating Policy

The rating system is the mechanism by which the net funding requirement of the Council's programmed works and services detailed in the LTP are charged to the District's ratepayers. Rates are levied as a tax on property in compliance with the Local Government (Rating) Act 2002.

The general and targeted rates are charged based on values supplied by Quotable Value New Zealand. Rates for the 2021/22 financial year will be based upon the district revaluation dated October 2019.

Targeted rates are levied in the areas where the works and services are being provided. In 2021/22 targeted rates such as CBD Upgrades (Targeted Rate) Security Patrol, and City Marketing/Promotion will be levied in each of the respective central business areas of Hastings and Havelock North set on a land value basis.

The Council also levies a targeted rate (set as a fixed amount) where the receiver of a benefit from a specific service can clearly be identified. In 2021/22 targeted rates will be levied to recover the full costs of water supply, wastewater disposal, kerbside recycling, refuse collection, Waimarama refuse collection, Havelock North parking, swimming pool safety, and a Whakatu stormwater rate (set as a fixed amount per hectare). In addition a targeted rate (water by meter) for water supply is based on the volume of water supplied to meet the cost of the extraordinary supply of water. Targeted rates are also levied to recover capital contributions from residents connecting to new supply extensions in some areas. In addition, the 2021/22 plan proposes to continue funding 80% of the cost of wastewater treatment through a targeted rate.

The Council also levies a uniform annual general charge across all rating units in the district. This is a uniform charge levied across all separately used or inhabited parts of a rating unit irrespective of land value. Those activities included in the charge are: Leadership, Valuation Services & Rate Collection, Economic & Social Development (65%), Civil Defence (50%), Wastewater Treatment (20%), Waipatiki Sewage (20%) and Waimarama Sea Wall (10%).

A Community Services and Resource Management Rate sets a targeted rate as a fixed amount per separately used and inhabited part of a rating unit to fund 35% of the Councils community facilities and planning and regulatory budgets. This rate will be set on a differential basis and based on the location of the land within the district.

Rating Structure

After identification of the public benefit component of Council's activities, two methods are used to determine the allocation of cost to an individual property as follows:

Rating Areas

The district is divided into two distinct rating areas based upon the following factors:

- A broad Department of Statistics definition of an urban area with a boundary based on effective daily links to the city;
- Relative opportunity to use urban based facilities within an approximate 10-15 minute radius of the city;
- The Hastings District Council planning zones which influence the opportunity to use land; and
- The types of land use within the district.

The costs of Council's various activities are apportioned into the two rating groups using agreed formulae which reflect, as near as possible, the costs of providing services to each of these areas.

A weighted discounted population formula is used to apportion a range of costs within the Community Services Group. A discounting factor of 50% is applied to Rating Area Two, to account for remoteness from facilities.

Differential Rating

Within each rating area the Council recovers the majority of the general rate requirement on a differential basis on the land value of a property.

A change to the system of differential rating is being implemented and is covered in the next section 'Changes to the Rating System'.

Changes to Rate Remission Policies

The Local Government Act 2002 requires Councils to review their rate remission policies every 6 years. The Council have undertaken this review and assessed that the current range of policies are fit for purpose and are meeting their objectives, other than an addition to recognise the extent of use of the kerbside refuse and recycling service – these can be found in this document.

Payment

Rating by Instalments

The Council provides for rates to be paid in four three-monthly instalments. The due dates for payment falling in August, November, February and May.

Water by Meter

For those properties that have Water levied by meter, invoices will be issued either three-monthly or six-monthly.

Additional Charges for Late Payment

An additional charge of 10% is added to each instalment, which remains unpaid after the due date. Previous years' rates which are unpaid will have a further 10% added, firstly, in July 2021 and, if still unpaid, again in January 2022.

An additional charge of 10% is added to water by meter invoices if not paid within 30 working days of due date. Previous years' water rates which are unpaid will have a further 10% added, firstly, in July 2021 and, if still unpaid, again in January 2022.

Rate Remission & Postponement Policies

Community, Sporting and Other Organisations

Objectives of the Policy

The objective of this policy is to facilitate the on-going provision of non-commercial community services and non-commercial recreational opportunities for Hastings District residents.

Application

All applications should be put in writing to the Group Manager-Corporate.

As far as practicable, applications for rates remission are to be made prior to the commencement of the rating year. The Council reserves the right for applications received during a rating year to be applicable from the commencement of that rating year. In the normal course, applications will not be backdated.

Conditions and Criteria

1) The policy will apply to land owned and occupied by a charitable organisation, which is used exclusively or principally for sporting, recreation, or community purposes. Land occupied but not owned by organisations meeting the policy criteria, may be granted relief under this policy at the discretion of Council. The Council may require proof of the applicant's registration with the Inland Revenue Department as a charitable organisation. The policy does not apply to organisations operated for private pecuniary profit, or which charge commercial tuition fees.

2) The policy will also not apply to groups or organisations whose primary purpose is to address the needs of adult members (over 18 years) for entertainment or social interaction, or who engage in recreational, sporting or community services as a secondary purpose only.

3) When considering an application the Council will take into account the accessibility of membership to the general public and its objectives in encouraging the development and quality of life aimed at meeting community needs and expectations.

4) Organisations making application should include the following documents in support of their application:

   Statement of objectives;

   Latest financial statements;

   Information on activities and programmes; and

   Details of membership or clients

5) Council Officers may review the eligibility of organisations prior to each year and may request further information from organisations as required.

6) Decisions on remission will be delegated to officers as set out in the Council's delegation resolution.

Financial Threshold

Remission on rating units with a liquor licence will be fixed at a maximum of twenty five per-cent of the general rate.

Remission on rating units not having a liquor licence will be fixed at a maximum of fifty per-cent of the general rate.

Note: A rating division may be required for remission purposes where only part of the land is used for sporting, recreation or community purposes.

New Developments

Objectives of the Policy

The objective of this policy is to support private business sector growth to increase employment and incomes; leading to improved social and well-being across the district.

The objectives are to have a policy that:

- Provides a clear policy framework against which Council can consider the provision of financial incentives to support business growth; and
- Supports specific employment creation.

Applications

All applications should be put in writing to the Group Manager-Strategy & Development. Each application will be assessed on its own individual merit and taking into consideration the aforementioned criteria and priorities, a recommendation will be made to the Council for any approval.

Criteria

The Council will consider applications from businesses for financial incentives to support business growth based on a direct financial support system.

The policy will be open to:

- Existing businesses in the District;
- Local business persons seeking to establish a new business; and
- Businesses or investors from outside the District considering establishing a new business in the District.

In respect of existing businesses it is not intended that the policy will be applied to the detriment of Napier City, or of Wairoa or Central Hawke's Bay Districts unless there is a real risk that the business concerned would leave the Region.

Priority will be given to:

- New businesses creating a minimum of 50 new jobs;
- Existing businesses whose expansion plans are to create a significant number of new jobs e.g. to double the number of employees. The number of new jobs created will be considered case-by-case; and
- Knowledge economy businesses creating less than 50 new jobs but who have a proportionately high number of skilled jobs[1].

Applications that will not be prioritized are:

- New businesses in direct competition to existing businesses (knowledge economy businesses may be exempted);
- Businesses whose plans involve only minor expansion and creational of a minimal number of new jobs; and
- Proposals where jobs are transplanted from one employer to another (e.g. one business takes over a contract formerly held by a competitor).

Duration

Direct financial support will be available annually, based on 1 July to 30 June financial year.

The maximum period direct financial support will be available is three financial years.

Conditions

In approving direct financial support the Council will impose such conditions as it thinks fit with regards to the establishment or growth of the business.

These conditions will include:

- Evaluation and performance measurements designed specifically for each application;
- Performance management reporting to Council; and
- Claw back mechanisms if conditions are not met.

The Council may at any time reduce, recover or cancel the direct financial support if the Council considers that the approval conditions have not been fulfilled either in part or full.

The circumstances of each application will be treated on its own merit.

The provision of direct financial support in any particular case will not be regarded as a precedent for any other case.

[1] Knowledge economy jobs refers to production and services based on knowledge intensive activities where there is a greater reliance on intellectual capabilities than on physical inputs or natural resources.

Financial Threshold

- Council will have regard to the total budget provided for in the Annual Plan;
- Council will not set a specific financial threshold for consideration of individual applications; and
- Council will not set a limit on the number of applications that can be approved in any financial year.

Reporting to Council

As at 30 June each year a review of the previous 12 months' activity under the policy will be reported to the Council.

Remission for Water Rates (by Meter)

Objective of the Policy

To provide ratepayers with a measure of relief by way of partial rates remission where, as a result of the existence of a water leak on the property which they occupy the payment of full water rates is inequitable, or where officers are convinced that there are errors in the data relating to water usage.

Application

All applications should be put in writing to the Group Manager-Corporate.

Conditions and Criteria

1) The existence of a significant leak on the occupied property has been established and there is evidence that steps have been taken to repair the leak as soon as possible after the detection, or officers have reviewed usage data and are convinced that the usage readings are so abnormal as to require adjustment.

2) The Council or its delegated officer(s) as set out in the Council's delegation resolution shall determine the extent of any remission based on the merits of each situation.

Voluntarily Protected Land

Objectives of the Policy

The objective of this policy is to encourage the voluntary protection of land for natural, historic, heritage and cultural conservation purposes.

Application

All applications should be put in writing to the Group Manager-Corporate.

Conditions and Criteria

1) In considering the suitability of a site for rates relief, the Council will have regard to the legal mechanism undertaken by the owner to ensure that the land is both legally and physically protected and classified in perpetuity. In most instances this will require the protection of a formal conservation covenant.
2) The following criteria shall also be used to assist Council in determining whether a site qualifies for rates relief:

Native Bush – Where the native bush:

- Consists of a coherent canopy of native species,
- Contains a significant percentage (at least 25%) of mature native trees,
- Consists of a range of native species appropriate to that forest type,
- Represents a significant or prominent landscape feature,
- May contain indigenous species threatened in the Hastings District,
- Has wildlife habitat values, or provides or contributes to a habitat corridor facilitating the movement of wildlife in the local area, or
- Is of a sufficient size and shape to maintain intrinsic qualities.

All Land

- The extent to which the preservation of particular natural, historic, heritage or cultural features are likely to be encouraged by granting rate relief or prejudicially affected if rate relief is not granted,
- The extent to which economic utilisation of the land is restricted, or
- Whether the owner of the land provides access to school groups, conservation groups and interested individuals or families.

Approval of the application will be considered after consultation with the Department of Conservation wherever necessary. Decisions on remission will be delegated to officers as set out in the Council's delegation resolution.

The granting of rate relief is conditional on the land continuing to be voluntarily protected.

Financial Threshold

Land taken out of production and vested in a formal conservation covenant may be granted 100% remission of rates, with the exception of targeted rates for wastewater disposal, water supply and refuse collection.

Land not vested in a formal covenant shall have the remission or postponement level set in accordance with the merit of the application.

Remission of Penalty Charges

Objectives of the Policy

To enable the Council to act fairly and reasonably in its consideration of rates, which the Council has not received by the penalty date due to circumstances outside the ratepayer's control;

To encourage ratepayers who are in arrears due to financial difficulty or other genuine unusual circumstances to make arrangements to clear arrears and keep their payments up to date; and

In certain circumstances, penalty remissions may be used as part of a comprehensive negotiated settlement where previous liability for rates had been ambiguous – i.e. the settlement can provide certainty for future rates liability.

Application

All applications should be put in writing to the Group Manager-Corporate.

Conditions and Criteria

1) Remission of one penalty will be considered in any one rating year where payment has been late due to significant family disruption. Remission will be considered in the case of death, illness or accident of a family member, as at due date.
2) Remission of the penalty may be granted if the ratepayer is able to provide evidence that their payment has gone astray in the post or the late payment has otherwise resulted from matters outside their control.
3) Remission of the penalty will be considered where payment is made by regular bank transaction and where minor penalties occur due to timing variances.
4) Remission of penalties may be considered where there is an offer for immediate settlement of all rates outstanding, which can be facilitated by the remission of penalties. This would apply where there are substantial arrears. The calculation will be based on the recovery of interest lost by non-payment of rates, with the remaining amount (or part thereof) available for remission.
5) Remission of penalties may be considered to facilitate a repayment programme for ratepayers experiencing proven financial hardship.
6) Each application will be considered on its merits and remission will be granted where it is considered just and equitable to do so. Remission will not be granted in cases of deliberate non-payment or where there is repetitive omission.
7) Decisions on remission of penalties will be delegated to officers as set out in the Council's delegation resolution.

Application of Penalties

Officers may agree not to impose any penalties where a ratepayer is operating under a "formalised direct debit financial arrangement" and payments continue to be made as agreed.

Non Contiguous Rating Units

Objectives of the Policy

- To provide relief to ratepayers in respect of the Uniform Annual General Charge and the Community Services and Resource Management Rate who occupy several near-adjacent rating units, but which do not meet the criteria for contiguity under section 20 of the Local Government (Rating) Act 2002; and
- To encourage subdivision development in urban areas.

Application

All applications should be put in writing to the Group Manager-Corporate.

Conditions and Criteria

The general policy guideline is:

1) Where an occupier holds more than one rating unit in the urban areas of Rating Area One or Rating Area Two full charges may be paid in respect of each rating unit capable of separate occupation. (Note: Urban areas defined as Flaxmere, Hastings, Havelock North, Whakatu, Clive, Haumoana, and Te Awanga in Rating Area One. Waimarama, Waipatiki and Whirinaki in Rating Area Two.
2) Where farming or horticultural operations conducted on separate blocks of land are so far apart as to indicate that there is no possible continuity between them, full charges may be levied on each. Factors such as distance, stock rotation, stock driving, property size and the number of properties affected will be taken into account.

Factors to be considered for exemption to the general policy:

1) Where non-contiguous rating units do not contain a residential dwelling

   Where a single operation is operated over a number of separate rating units, or blocks of separate rating units within close proximity the 'flagship' (major rating unit) may be levied a full charge and the associated rating units may receive a 100% reduction.

2) Where non-contiguous rating units do contain a residential dwelling

   Where a single operation is operated over a number of separate rating units, or blocks of separate rating units within close proximity, a charge may be levied against each rating unit with a habitable dwelling and the associated rating units may receive a 100% reduction.

   Where a single operation is operated over a number of separate blocks of contiguous rating units that contain dwellings, one full charge may apply to each block of such rating units.

3) Miscellaneous

   If a rating unit is of a size which would not enable a dwelling to be erected and where no dwelling exists, a 100% reduction of the charge may apply.

   Remission of the charge may apply to a subdivision for the period that the individual lots continue to be in the ownership of the developer.

The Council or its delegated officer(s) as set out in the Council's delegation resolution shall determine the extent of any remission based on the merits of each situation.

Note: Motels and transient accommodation providers are not currently treated as separately used or inhabited parts of a rating unit for the purposes of these charges.

Rates Postponement – Natural Calamity

Objectives of the Policy

- To assist ratepayers experiencing extreme financial circumstances as a result of a natural event detrimentally affecting the use of the land or the income derived from the land, and which directly affects their ability to pay rates.

Application

All applications should be put in writing to the Group Manager-Corporate.

Conditions and Criteria

1) The Council or its delegated officer(s) as set out in the Council's delegation resolution may postpone wholly or in part, any rate or charge in respect of the land, where it considers it to be fair and reasonable to do so.
2) The term and nature of the postponement, the proof of financial hardship and any other criteria considered necessary will be determined by the Council in each case.

Swimming Pool Safety Rate

Objectives of the Policy

- The objective of the remission policy is to enable the Council to act fairly and reasonably in its application of the rate on new pool owners. It is considered unfair for new swimming pools for which a Code Compliance Certificate has been recently issued and for which building consent fees have been paid, to pay the rate immediately. The effect of the policy is to exempt new pools, which will not require an inspection until the fourth financial year from the time of the Code Compliance Certificate being issued.

Application

All applications should be put in writing to the Group Manager-Corporate.

Conditions and Criteria

The Council may remit the rate where the following criteria are met:

1) Where a Code Compliance Certificate has been issued on completion of the work consented no more than four years prior to 1 July of the financial year that the rate is set. (For example, a rate set for the 2021/22 financial year will be exempt to new pools issued a Code Compliance Certificate after 30 June 2017).
2) Where a building consent is granted under the Building Act 1991 for the erection of a swimming pool within the previous financial year to that for which the rate is being set. (For example, a rate set for the 2021/22 financial year will be exempt to new pools issued a Building Consent for the erection of a swimming pool after 30 June 2020).

Decisions on remission will be delegated to officers as set out in the Council's delegation resolution.

Remission of Uniform and Targeted Rates on Additional Residential Dwellings

Objectives of the Policy

To remit fixed charges on any additional dwelling, unit, flat or cottage that is being occupied by a dependant person (i.e. dependant on the ratepayer for medical, financial and other purposes);

To remit fixed charges on any additional dwelling, flat, cottage, workers accommodation or visitor accommodation unit that is unable or incapable of being inhabited; and

To remit fixed charges on any additional dwelling, flat, cottage, workers accommodation or visitor accommodation unit that is provided to an employee because it's essential in the opinion of Council they must reside on the rating unit for the on-going running of the business.

Application

An application form can be downloaded from the Council website and submitted to the Group Manager-Corporate for consideration.

Conditions and Criteria

1) Each application must be made in writing and will be considered on its merits.
2) Consideration will be given as to whether any rent is paid and the degree of dependency of the occupier to the ratepayer, the condition of the inhabitable dwelling, and how the employee is deemed essential they must reside on the property for the ongoing running of the business.

Decisions on remission will be delegated to officers as set out in the Council's delegation resolution.

Sundry Remissions

Objectives of the Policy

To remit rates and charges that are the result of fundamental errors; or where the balance owing is considered uneconomic to recover; or where the amount levied is unable to be recovered pursuant to sections 67-76 of the Local Government (Rating) Act, or where Council or its delegated Officer(s) consider the levy impractical to recover or where Council considers it equitable in the particular circumstances to remit rates;

Application

All applications should be put in writing to the Group Manager-Corporate.

Conditions and Criteria

1) Each application must be made in writing and will be considered on its merits.
2) The Council or its delegated officer(s) as set out in the Council's delegation resolution shall determine the extent of any remission based on the merits of each situation.

Remission of Additional Refuse Collection and /or Kerbside Recycling Targeted Rates

Objectives of the Policy

To enable Council to provide a rates remission on any additional rating unit where a ratepayer chooses to receive a reduced level of service for refuse collection or kerbside recycling.

Application

Any request for a reduced level of service must be made to the Waste Minimisation Team prior to the commencement of the rating year.

Conditions and Criteria

Refuse Collection and Kerbside Recycling targeted rates are applied 'per separately used or inhabited part of a rating unit (SUIP)' I.e per dwelling, flat, unit, shop or tenant. By way of example, a property with two residential dwellings will be provided with two Refuse Bins and two sets of Kerbside Recycling crates, and be charged two sets of targeted rates.

Where a ratepayer chooses to return any additional Refuse Bins / set of Kerbside Recycling crates, a remission in respect of those targeted rates will be applied.

Arrangements will be made to collect any additional Refuse bins / set of Kerbside Recycling crates, with any remission commencing from the following 01 July.

A minimum of one Refuse Collection and Kerbside targeted rate will apply to any property within the service catchment area that is able to receive the service.

Remissions will only apply in respect of any targeted rates applied to the property.

Remission of Refuse Collection Targeted Rates

Aim

The objective of the policy is to encourage the minimisation of waste going to landfill, by providing a remission to those property's that receive a lesser level of service.

Application

No application is required as every property has been provided with a Refuse Bin that has been fitted with an electronic chip which records collection data associated with that Refuse bin.

Conditions and Criteria

A remission will be automatically applied by council around July each year, based on collection data recorded from 01 June to 31 May prior.

A remission of 25% of the Refuse Collection targeted rate will be applied to the rate account where the property's refuse bin has been collected fewer than 26 times during the above period.

No remission will be applied where the property's refuse bin has been used more than 26 times during the above period.

The remission is specific to the Refuse Bin located on any given property not necessarily the ratepayer. For example: If a ratepayer uses the service less than fortnightly but has moved to a new property during the year, they may not receive a remission on their new property if the refuse bin at that new property has exceeded 26 collections during the above period.

Rates Postponement (Residential) – Extreme Financial Hardship

Objectives of the Policy

To assist ratepayers experiencing extreme financial circumstances which directly affect their ability to pay rates (including natural events affecting the use of land, or the income derived from the land – which are not subject to all of the following conditions & criteria).

Conditions and Criteria

1) When considering whether extreme financial circumstances exist, all of the ratepayer's personal circumstances will be relevant including the following factors:
   - Age;
   - Physical or mental disability;
   - Injury;
   - Illness; and
   - Family circumstances.
2) The ratepayer must be the current owner of the rating unit which is the subject of the application.
3) The rating unit must be used solely for residential purposes.
4) The ratepayer must not own any other rating units or investment properties or other realisable assets.
5) The Council must be satisfied that the ratepayer is unlikely to have sufficient funds left over, after the payment of rates, for normal healthcare, proper provision for maintenance of his/her home and chattels at an adequate standard as well as making provision for normal day to day living expenses.
6) As a general rule the ratepayer will be required to pay the first $500 of the rate account.
7) The ratepayer must make acceptable arrangements for payment of future rates, e.g. by setting up a system of regular payments.

8) Any postponed rates will be postponed until:

- A date specified by the Council;
- The death of the ratepayer(s);
- The ratepayer(s) ceases to be the owner of the rating unit; or
- The ratepayer(s) cease to use the property as his/her residence.

Postponed rates will be registered as a statutory land charge, by registering a Notice of Land Charges, on the rating unit title. Any costs in registering and subsequently dealing with the charge are to be met by the ratepayer.

Interest may be added to postponed rates at the annual interest rate of Council borrowings.

Before making written application, the ratepayer must have received budget advice from the Budget Advisory Service, and must make the budget adviser's findings available to Council staff.

Decisions on postponement will be delegated to officers as set out in the Council's delegation resolution.

Rates Postponement – (Non-Residential) Extreme Financial Hardship

Conditions and Criteria – Other Properties

1) The Council may consider applications from the owners of non-residential and other property that do not fit the criteria for postponement of residential rates.
2) For all other properties applying on the grounds of extreme financial hardship, applications will be considered on a case by case basis. Decisions on postponement will be delegated to officers as set out in the Council's delegation resolution.
3) As a general rule the ratepayer will be required to pay the first $500 of the rate account.
4) The ratepayer must make acceptable arrangements for payment of future rates, e.g. by setting up a system of regular payments.
5) Any postponed rates will be postponed until:

- A date specified by the Council;
- The death of the ratepayer(s);
- The ratepayer(s) ceases to be the owner of the rating unit; or
- The ratepayer(s) ceases to use the property as his/her residence.

6) Postponed rates will be registered as a statutory land charge, by registering a Notice of Land Charges, on the rating unit title. Any costs in registering and subsequently dealing with the charge are to be met by the ratepayer.
7) Interest may be added to postponed rates at the annual interest rate of Council's borrowings.
8) The total value of rates postponed is not to exceed 50% of the current rateable value of the property.

Policy on Rate Remission for Residential Land in Commercial or Industrial Areas

Background

Historically the Rating Powers Act 1988 and other valuation legislation had provisions allowing special rateable values (SRV's) to be applied to properties. These were a separate set of valuations maintained on certain properties and had the effect of decreasing the rateable value of the property, thereby providing a form of rate relief for properties in certain circumstances.

The Local Government Rating Act repealed these provisions effective from 1 July 2005. The Council took the opportunity to include a similar mechanism into Council policy so that the historical rating arrangements can be maintained. The following policy was adopted by Council to meet that objective.

Objective

To ensure that owners of rating units situated in commercial or industrial areas are not unduly penalised by the zoning decisions of this Council and previous local authorities.

Conditions and Criteria

To qualify for remission under this policy the rating unit must:

1) Be situated within an area of land that has been zoned commercial or industrial use.

2) Be listed as a 'residential' property for differential rating purposes on the Council's Rating Information database.

Application

Rates will be automatically remitted annually for those properties which had Special Rateable Values applied under Section 24 of the Rating Valuations Act up to 30 June 2004, and for which evidence from Council's Valuation Service Provider indicates that, with effect from the 2004 revaluation of Hastings District, the land value has been penalised by its zoning. The amount remitted will be the difference between the rates calculated on the equivalent special rateable value provided by the Valuation Service Provider and the rates payable on the Rateable Value.

Other ratepayers wishing to claim remission under this policy must make an application to the Group Manager- Corporate. The extent of any remission will be determined by the Council's delegated officers. Ratepayers should note that the valuation service provider's decision is final as there are no statutory rights of objection or appeal, for valuations of this nature.

The application for rates remission must be made prior to the commencement of the rating year. Applications received during the rating year will be applicable from the commencement of the following rating year.

Remission of Fixed Charges

For all land zoned rural under the district plan, remission of the following fixed charges shall apply on land less than 2500sqm and upon which no habitable dwelling exists:

- Uniform Annual General Charge; and
- Community Services and Resource Management Rate.

For other land less than 2500sqm where no habitable dwelling exists, remission will be on a case by case basis equitable to how land in the rural zone is treated.



Policy on Remission and Postponement of Rates on Māori Freehold Land

As a general principle, rates will be required on Māori Freehold Land where the land either, contains a habitable dwelling, the land is leased to an external party, or the land is utilised for productive purposes.

However, rates may be remitted in accordance with the conditions and criteria set out in the following policy.

Section A

1. Policy Framework and Objectives

Pursuant to the Local Government Act, Schedule 11, the policy applied by Council takes the following into account:

- Various Categories of Exempt Land;
- Extension to Definition of Exempt Land;
- Incentives for Economic Development;
- Process for Assessing and Clearing Arrears;
- Legal Title and Landowners; and
- General Land Owned by Māori that is ancestral.

The objectives of the policy, in accordance with Section (108)4 of the Local Government Act are:

a. Supporting the use of the land by the owners for traditional purposes;

b. Recognising and supporting the relationship of Māori and their culture and traditions with their ancestral lands;

c. Avoiding further alienation of Māori freehold land;

d. Facilitating any wish of the owners to develop the land for economic use;

e. Recognising and taking account of the presence of wahi tapu that may affect the use of the land for other purposes;

f. Recognising and taking account of the importance of the land in providing economic and infrastructure support for marae and associated papakainga housing (whether on the land or elsewhere);

g. Recognising and taking account of the importance of the land for community goals relating to:

   i. the preservation of the natural character of the coastal environment;

   ii. the protection of outstanding natural features; and

   iii. the protection of significant indigenous vegetation and significant habitats of indigenous fauna.

h. Recognising the level of community services provided to the land and its occupiers; and

i. Recognising matters related to the physical accessibility of the land. Te Ture Whenua Act 1993, also applies.

2. Conditions and Criteria

(a) Various Categories of Exempt Land

Some provisions exist within the Local Government (Rating) Act 2002 exempting land from rates; these are as follows and apply automatically to land of this nature:

- Land that does not exceed 2 hectares and that is used as a Māori burial ground;
- Māori customary land that is held in accordance with tikanga Māori[2];
- Land that is set apart under section 338 of Te Ture Whenua Māori Act 1993 or any corresponding former provision of that Act and:
  a. that is used for the purposes of a marae or meeting place and that does not exceed 2 hectares; or
  b. that is a Māori reservation under section 340 of that Act.
- Māori freehold land that does not exceed 2 hectares and on which a Māori meeting house is erected;
- Land used for the purposes of a Kohanga Reo educational establishment; and
- Māori freehold land that is, for the time being, non-rateable by virtue of an Order in Council made under section 116 of this Act, to the extent specified in the order.

(b) Extension to Definition of Exempt Land

The Council policy extends the definition of exempt land (however technically it will be a remission of rates) to include:

- Land used as a Māori burial ground, Māori freehold land on which a Māori meeting house is erected, or land set apart under Section 338 of the Te Ture Whenua Māori Act 1993 or any corresponding former provision of that Act and that is used for the purposes of a marae or meeting place; irrespective of land area. (Includes land adjoining Marae used for this purpose.);
- Māori Freehold land to which the following circumstances may apply:
  - The land is land locked where it does not have legal access, or physical access through a paper road to Council or the national roading network; and
  - Where an application for remission does not meet the above criteria Council has the discretion to consider the application the policy on a case by case basis.

Where a new lessee/occupier takes over a block with existing rate arrears that would not be recoverable based on previous use, the arrears of rates may be remitted where the new lessee assumes payment of current and future rates from the commencement of use and or occupation.

Notes:

1. The exemption applies to all rates with the exception of targeted rates levied for specific services provided to the rating unit.
2. Remissions approved will be granted for a period of up to 3 years. A reapplication will be required at the end of the term.
3. If the status of the land changes, so that it no longer complies with the criteria, rates will commence from the following rating year.

(c) Incentives for Economic Development

Owners who plan for development on Māori Freehold land, that have been granted consents under the Resource Management Act 1991, and the Building Act 2004 may apply for a remission of rates for the period of the consents' process and the development for a maximum of two years. An undertaking will also be required from the owners that the necessary resources are in hand for the building to be complete within a year after the consents are granted. Any development on Māori land, and general land that is ancestral land owned by Māori, may include papakainga. The District Plan: Papakainga Section refers.

(d) Process for Assessing and Clearing Arrears

The Council may consult with the Māori Land Court and the legal owner (that may include trustees or administrators appointed under the Te Ture Whenua Act) and may investigate all rate arrears, when required, on Māori Freehold land.

Final determination of remission of arrears will be made by Council when the means and ability of the owners to pay the rates is taken into account.

(e) Legal Title and Land Owners

The Council will refer, where appropriate, to Land Information New Zealand, the Māori Land Court, relevant officers within Council, in order to access full information of legal title and land owners.

2 The Local Government (Rating) Act 2002 provides no interpretation of Māori customary land; the Te Ture Whenua Act Section 4 states Māori customary land means land in terms of Part 6, has the status of Māori customary land; Part 6 Section 129(2)(a) states "land that is held in accordance with tikanga Māori shall have the status of Māori customary land". The cultural reference points to this are the source of rights [ancestry and occupation, or conquest] and the maintenance of rights [where kaitiakitanga and tikanga are exercised] – according to the doctrine of aboriginal title in international common law.

(f) General Land owned by Māori that is ancestral land

General land owned by Māori that is ancestral land may be eligible for determination with respect to the provisions for papakainga under the District Plan.

Section B

1. e Reo Māori – Glossary

Kaitiakitanga	The responsibilities of guardianship
Marae	The gathering place for the community, whaikorero, rites of passage
Papakainga	Residential buildings for owners to occupy customary land
Tikanga	The regulations within the practice of kaitiakitanga
Urupa	Burial ground
Wahi tapu	A place of spiritual, physical and cultural significance[3]
Whanaungatanga	The kinship based relationships that are active and maintain customary rights
Whare karakia	A church, where many marae complexes include a church

2. Land Definitions

Māori Customary Land	Land that is vested in the crown and held by Māori in accordance with tikanga Māori. This land is non-rateable
Māori Freehold Land	Land whose beneficial ownership has been determined by the Māori Land Court by freehold order, with multiple owned land being classified as land beneficially owned by more than two persons. This land is rateable but may also be subject to this policy
Crown Land Reserved for Māori	Land that has not been alienated from the Crown and is set aside or reserved for the use or benefit of Māori. This land is non-rateable
General Land	Land other than the above which has been alienated from the Crown for a subsisting estate in fee simple. This land is rateable



[3] Wahi tapu may be registered under the District Plan, with the NZ Historic Places Trust, or the New Zealand Archaeological Association. Council takes all these records into account, where appropriate.

Statement of Accounting Policies

Reporting Entity

Hastings District Council ("the Council") is a territorial authority within the definition of the Local Government Act 2002 and domiciled in New Zealand.

The operations of the Council are divided into the following activity groups:

Water & Roads;

Safe, Healthy and liveable communities;

Economic and Community development; and

Governance and support services.

The Hastings District Council Group consists of the Council and the following subsidiaries (the Group):

Te Mata Park Trust Board	Hastings District Holdings Limited
100%	100%
HB Regional Sports Park Trust	
100%	

The Council also has the following investments in associates:

- A 23.88% shareholding in Hawke's Bay Airport Limited, a Council Controlled Organisation and is an equity accounted associate;
- Horse of the Year (Hawke's Bay) Limited is an associate that the Council hold a 33% shareholding; and
- Hastings District Holdings Limited provides the Council with an extra layer of governance and a monitoring structure for Council's other CCOs which include the Hawke's Bay Opera House Limited and the Hastings District Properties Limited.

The Council has a 1.7% interest in the Local Government Funding Agency.

The Omarunui Refuse Landfill is a jointly controlled asset. The Council includes only its 63.68% share of all revenue, expenditure, assets and liabilities of the Landfill facility.

The prospective financial statements include the activities of the Council only.

The primary objective of the Council is to provide goods and services for the community or social benefit rather than making a financial return. Accordingly the Council is a public benefit entity (PBE) for the purposes of financial reporting.

Basis of Preparation

The Council, who are authorised to do so and believe that the assumptions underlying these forecast financial statements are appropriate, adopted the Draft Long Term Plan on 18 March 2021. The Council of the Hastings District Council accept responsibility for the preparation of their forecast financial statements, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures.The Council reserves the right to update this plan in the future.

No actual financial results have been incorporated within the prospective financial statements.

Statement of Compliance

The prospective financial statements are for the council as a separate legal entity and have been prepared in accordance with Section 93 of the Act, which requires local authorities to prepare and adopt a long-term plan before the commencement of the first year to which it relates, and continues in force until the close of the third consecutive year to which it relates.

The prospective financial statements comply with PBE Standards and have been prepared in accordance with Tier 1 PBE Standards.

The accounting policies set out below have been applied consistently to all periods presented in these prospective financial statements.

Measurement Base

The measurement base adopted is that of historical cost, modified by the revaluation of certain classes of property, plant and equipment, and financial instruments (including derivative instruments).

Functional and Presentation Currency

The prospective financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars ($'000). The functional currency of the Council is New Zealand dollars.

Changes in Accounting Policies

Standards issued and not yet effective and not early adopted, and which are relevant to the Council and group are:

Interest in Other Entities

In January 2017, the XRB issued new standards for interest in other entities (PBEIPSAS 34-38). These new standards replace the existing standards for interest in other entities (PBE IPSAS 6-8). The new standards are effective for annual periods beginning on or after 1 January 2019, with early application permitted.

The Council applied the new standards in preparing the 30 June 2020 financial statements.

PBE IPSAS 35 CONSOLIDATED FINANCIAL STATEMENTS

PBE IPSAS 35 supersedes PBE IPSAS 6 (NFP) Consolidated and Separate Financial Statements and introduces a single 'control model' for all entities whereby control exists when all of the following conditions are present:

- Power over investee
- Exposure, or rights, to variable returns from investee
- Ability to use power over investee to affect the entity's returns from investee

The adoption of PBE IPSAS 35 has meant a change where Hawkes Bay Regional Sports Park Trust is concerned. Following an assessment, the Trust is identified as an associate. Given the Council's level of influence and financial support the Trust has been consolidated into the Groups financial statements.

PBE IPSAS 36 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

PBE IPSAS 36 supersedes PBE IPSAS 7 Investments in Associates and combines the accounting for both associates and joint ventures as a result of requiring the use of the equity method to account for investments in joint ventures as well as for investments in associates.

The scope of PBE IPSAS 36 has been expanded to include all 'quantifiable ownership interests' – while an ownership interest in an associate to be 'in the form of a shareholding or other formal equity structure' was required under PBE IPSAS 7.

In instances where an entity is precluded by PBE IPSAS 29 from measuring the retained interest in a former associate or joint venture at fair value, the carrying amount may be used as cost on initial recognition of the financial asset, were previously not allowed under PBE IPSAS 7.

PBE IPSAS 36 also contemplates the accounting for interests in investment entities and requires the investor to retain the fair value measurement applied by the investment entity associate or joint venture.

The adoption of PBE IPSAS 36 had no effect on the Council as:

- The Council has interest in an associate accounted for under equity method under PBE IPSAS 7 and the mechanics of equity method has not changed under IPSAS 36.
- There are no interests classified as joint venture as a result of the changes in PBE IPSAS 37 mentioned which would have otherwise been accounted for under IPSAS 36.

PBE IPSAS 37JOINT ARRANGEMENTS

PBE IPSAS 37 supersedes PBE IPSAS 8 Interests in Joint Ventures and requires joint arrangements to be classified as either:

- Joint operations - where parties with joint control have rights to assets and obligations for liabilities, or
- Joint ventures - where parties with joint control have rights to the net assets of the investee.

Joint arrangements that are structured through a separate vehicle will generally be treated as joint ventures, unless the terms of the contractual arrangement, or other facts and circumstances indicate that the parties have rights to assets and obligations for liabilities of the arrangement, rather than rights to net assets.

The adoption of PBE IPSAS 37 had no effect on the Council's joint arrangements as:

- The new definition of joint control has not resulted in a change in the recognition and non-recognition of the Council's arrangements with other parties.
- The Council's joint arrangement pertains to a jointly controlled asset and arrangements that were classified under PBE IPSAS 8 as jointly controlled assets and

jointly controlled operations are classified as joint operation under PBE IPSAS 37 with similar accounting requirements.

- The council do not have interest in jointly controlled entities which would have otherwise been classified as joint venture under PBE IPSAS 37.

PBE IPSAS 38 DISCLOSURE OF INTERESTS IN OTHER ENTITIES

PBE IPSAS 38 sets out the disclosure requirements relating to an entity's interests in controlled entities, joint arrangements, associates and structured entities. The standard requires a reporting entity to disclose information that helps users to assess the nature and financial effects of the reporting entity's relationship with other entities.

As the new standard affects only disclosure, there is no effect on the Council's financial position or performance.

All other accounting policies and disclosures have been applied consistent with those applied in the previous financial year.

FINANCIAL INSTRUMENTS

A Financial instrument is a contract that give rise to both a financial asset in one entity and a financial liablilty or an equity instrument in another.

- A financial asset is cash, an equity instrument or a contract to receive cash at a future date.
- A financial Liablity is a contractual obligation to deliver cash or another financial asset to another entity.
- An equity instrument reporesents an interest in the net assesw of another entity.

A financial asset or liability such as cash, loans, recievables and payables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. These instruments are valued at amortised cost after initial recognition.

After initial recognition, they are measured at amortised cost using the effective interest method less impairment. Impairment results from expected credit loss modelling based on expected future cash flows.

Gains and losses when the asset is impaired or derecognised are recognised insurplus or deficit in the Statement of Comprehensive

For a financial instrument such as a derivative, is measured at fair value in accordance with IPSAS- 41

IPSAS-41 has been assessed as having little impact on the way financial instruments are treated and valued.

Prospective Financial Information

These are prospective financial statements and have been prepared in accordance with the requirements of the Local Government Act 2002 and may not be appropriate for other purposes. The main purpose of the prospective financial statements in the LTP to provide users with information about Council's plans for the next 10 years and the rates that will be required to fund these plans.

As a forecast, the LTP has been prepared on the basis of assumptions as to future events that the Council reasonably expects to occur associated with the actions Council reasonably expects to take, as at the date the information was prepared. The Significant Forecasting Assumptions are included in the LTP and outline assessed potential risks that may impact future results. Actual results achieved for the LTP periods covered are likely to vary from the information presented and the variations may be material.

The LTP is based on the actual results reported in the financial statements for the year ended 30 June 2020. The prospective financial statements have been prepared by using the best information available at the time for the 10 years of the LTP.

The prospective financial statements contained in this LTP are in full compliance with Public Benefit Entity Financial Reporting Standards (PBE FRS) 42 Prospective Financial Statements.

Significant Accounting Policies

Basis of Consolidation

The Council has not consolidated the prospective financial statements. The Council believes consolidation for the purpose of the Long Term Plan would place a significant reporting burden on relatively small subsidiaries, the financial impact would be immaterial and consequently, this practice would not be cost beneficial.

Joint Arrangements

The Council is a party to a joint arrangement when there is a contractual arrangement that confers joint control over the relevant activities of the arrangement to the Council and at least one other party. Joint control is assessed under the same principles as control over subsidiaries

Joint Operation

The Council has an interest in a joint arrangement that is jointly controlled asset. The Council recognises its share of the asset, classified as plant and equipment. In addition, the Council recognises its share of liabilities, expenses and income from the use and output of the jointly controlled asset.

The Omarunui Refuse Landfill is a jointly controlled asset and the Council's proportionate interests (63.68%) in the assets, liabilities, revenue and expenses have been incorporated in Council's prospective financial statements under the appropriate headings.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to the Council and the revenue can be reliably measured, regardless of when payment is made. Revenue is measured at the fair value of consideration received or receivable.

The specific recognition criteria described below must also be met before revenue is recognised.

Revenue from Non-exchange Transactions

General and Targeted Rates (excluding user charge water rates)

Rates are set annually by a resolution from Council and relate to a financial year.

All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised at the start of the year.

Fees and Charges

Revenue from the provision of services in a non-exchange transaction is recognised when the Council obtains control of the transferred asset and when the transfer is free from conditions that require the asset to be refunded or returned if the conditions are not met. To the extent there is a condition attached that gives rise to a liability to return the asset, a deferred revenue liability is recognised. Revenue is then recognised when the Council has satisfied the conditions. Fees and charges that are non-exchange transactions include parking fines and infringements and dog licenses.

Government and Other Grants

Government grants are received from the New Zealand Transport Agency, which subsidises part of the costs of maintaining the local Roading infrastructure. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.Other Government grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if contdiations of the grant are not met. If there is such an obligation, the grants are initially recorded as grants recived in advance and recognised as revenue when conditions of the grant are satisfied.

Vested Assets

Assets vested in the Council are recognised when control over the asset is obtained and as revenue when the transferred asset is free from conditions that require the asset to be returned if the conditions are not met. Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised.

Revenue from Exchange Transactions

Development Contributions

Development and financial contributions are recognised as revenue when the Council provides, or is able to provide, the service for which the contribution was charged. Otherwise development and financial contributions are recognised as liabilities until such time the Council provides, or is able to provide, the service.

User Pays Water Rates

Revenue from water rates by meter is recognised on an accrual basis. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.

Fees and Charges

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided. Fees and charges that are exchange transactions include consent fees and permits.

Revenue from the sale of goods is recognised when the risks and rewards of ownership pass to the buyer.

Other Revenue

Investment revenue in the form of interest is recognised using the effective interest method.

Dividend revenue is recognised when the right to receive payment has been established.

Cost Allocation

The cost of service for each significant activity of Council has been derived using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers and floor area.

Goods and Services Tax (GST)

All items in the prospective financial statements are stated exclusive of goods and services tax (GST), except for debtors and other receivables and creditors and other payables, which are presented on a GST-inclusive basis. GST not recoverable as input tax is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Income Tax

The Council is exempt from income tax except on income received from Council Controlled Trading Organisations.

Income tax expense includes current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable surplus for the current year, plus any adjustments to income tax in respect of prior years. Current tax is calculated using rates that have been enacted or substantially enacted by balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the prospective financial statements and the corresponding tax bases used in the computation of taxable surplus.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that any taxable surplus will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary differences arise from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting surplus nor taxable surplus.

Deferred tax is neither recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the company can control the reversal of the temporary difference and the temporary difference will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance day. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Council expects to recover or settle the current amount of its assets and liabilities.

Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive revenue and expenses and Statement of Comprehensive revenue and expenses.

Future tax benefits attributable to tax losses or timing differences are only recognised when there is virtual certainty of realisation.

Leases

Operating Leases

An operating lease is a lease that does not transfer substantially all the risks and reward incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Finance Leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The finance charge is charged to the surplus or deficit over the lease period so as to procure a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether the Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Grant Expenditure

Non-discretionary grants criteria are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where the Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of Council's decision.

Borrowing Costs

All borrowing costs are recognised as an expense in the period in which they are incurred.

Statement of Cash Flows

The year-end cash balance in the Statement of Cash Flows consists of cash on hand; bank account balances plus call deposits that form part of the day to day cash management of the Council.

The cash flows are classified into three sources:

Operating activities: Includes cash received from all revenue sources of Council and cash paid for the supply of goods and services, including interest on debt;

Investing activities: Includes the purchase and sale of long term assets and investments such as land and buildings, term investments, infrastructural and other operational assets; and

Financing activities: Includes movements in the Council's public debt from loans raised and loans repaid.

Financial Assets

PBE Standards classify financial assets into four categories: financial assets at fair value through surplus or deficit, held to maturity investments, loans and receivables and financial assets at fair value through other comprehensive revenue. The Council does not have held to maturity investments.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Financial assets and liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the statement of comprehensive revenue.

The four categories of financial assets are:

(a) Financial Assets at Fair Value through Surplus of Deficit

This category has two sub categories: financial assets held for trading, and those designated at fair value through surplus or deficit at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management.

Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

After initial recognition they are measured at their fair values with gains or losses on re-measurement recognised in the statement of comprehensive revenue. Financial Assets in this category include Interest Rate Swaps.

(b) Loans and Receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial recognition they are measured at amortised cost using the effective interest method less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit. Loans and receivables are classified as "Debtors and other receivables" in the statement of financial position.

(c) Financial Assets at Fair Value through Other Comprehensive Revenue

Financial assets at fair value through other comprehensive revenue are those that are designated into the category at initial recognition or are not classified in any of the other categories above. After initial recognition these investments are measured at their fair value.

Gains and losses are recognised in other comprehensive revenue except for impairment losses, which are recognised in the statement of comprehensive revenue. On derecognition the cumulative gain or loss previously recognised in other comprehensive revenue is re-classified from equity to the Statement of comprehensive revenue.

Accounting for Derivative Financial Instruments and Hedging Activities

Council uses derivative financial instruments to economically hedge exposure to interest rate risk arising from financing activities. Council's derivative financial instruments are not designated as hedging instruments for accounting purposes. Accordingly, derivative financial instruments are reported as financial instruments at fair value through surplus or deficit.

Impairment of Financial Assets

Financial assets are assessed for objective evidence of impairment at each balance date. Impairment losses are recognised in the surplus or deficit.

Loans and Other Receivables

Impairment is established when there is objective evidence that the Council will not be able to collect amount due according to the original terms of the debt. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written-off against the allowance account. Overdue receivable that have been renegotiated are reclassified as current (that is, not past due), Impairment is term deposits, local authority stock, government stock, and community loans are recognised directly again the instrument's carrying amount.

Financial Assets at Fair Value through Other Comprehensive Revenue

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment.

For debt investments, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered objective indicators that the asset is impaired.

If impairment evidence exists for investments at fair value through other comprehensive revenue the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) recognised in other comprehensive revenue is reclassified from equity to the surplus or deficit.

Equity instrument impairment losses recognised in the surplus or deficit are not reversed through the surplus or deficit. If in a subsequent period the fair value of a debt instrument increase and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed in the surplus or deficit.

Property, Plant & Equipment

Property, plant and equipment consist of:

Operational assets: These include land, buildings, landfill post closure, library books, plant and equipment, and motor vehicles;

Restricted assets: Restricted assets are parks and reserves owned by the Council that provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions;

Infrastructural assets: Infrastructure assets are the fixed utility systems owned by the Council. Each asset class includes all items that are required for the network to function. For example, sewer reticulation includes reticulation piping and sewer pump stations; and

Property, plant and equipment are shown at cost or valuation, less accumulated depreciation and impairment losses.

(a) Revaluation

Land and buildings (operational and restricted), library books, and infrastructural assets (except land under roads) are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years with the exception of heritage assets which are valued every five years. All other asset classes are carried at depreciated historical cost.

The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

Revaluations of property, plant, and equipment are accounted for on a class-of-asset basis.

The net revaluation results are credited or debited to other comprehensive revenue and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expressed, and then recognised in other comprehensive revenue.

Land and Buildings were revalued in June 2018 by Mr John Reid (M Property Studies, B Com, ANZIV, SNZPI) of Added Valuation Ltd. Wherever possible, land and buildings are valued at net current value. Those buildings which cannot be easily sold are valued at depreciated replacement cost. Future revaluations will take place at three yearly intervals. The Te Mata Trust Board Asset is recorded at cost less accumulated depreciation to date.

Library Collections are valued at depreciated replacement cost in accordance with guidelines established by the New Zealand Libraries Association. Library valuations are performed by an independent valuer, Dr Robin Watt MA (Hons.) PhD of R.J. Watt & Associates. The last valuation was performed as at June 2020.

Plant, Machinery and Vehicles are recorded at cost less accumulated depreciation to date.

Landfill. The Council's 63.68% share of all assets of the Omarunui Refuse Landfill has been included at cost less accumulated depreciation.

Kate Srzich of Webbs valued the heritage assets in June 2018, with the valuation being based on images and descriptions provided. The assets were valued on the basis of net current replacement costs. Future revaluations will take place at five yearly intervals.

Infrastructure assets for water were valued at June 2020 at depreciated replacement cost by the Council's engineers and independently reviewed by Ms Jennifer Fox of Waugh Infrastructure Management. These values were determined by calculation of the current cost of replacement adjusted by the estimated remaining useful life of the asset. Future revaluations will take place at two yearly intervals. Land in this infrastructure class (water) were revalued by Mr John Reid (M Property Studies, B Com, ANZIV, SNZPI) of Added Valuation Ltd at June 2018.

Infrastructure assets for roads were valued at May 2019 by Kevin Dunn of Beca, using the depreciated replacement cost method. Future revaluations will take place at two yearly intervals.

Parks assets were valued at May 2019 at depreciated replacement cost by the Council's parks asset manager and independently reviewed by Pauline True (BE Civil) of MHW Ltd (now part of Stantec). The values were determined by calculation at the current cost of replacement adjusted by the estimated remaining useful life of the asset. Future revaluations will take place at two yearly intervals.

(b) Additions

The cost of an item of property, plant, and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably.

Infrastructural asset additions between valuations are recorded at cost, except for assets which are vested in the Council as part of the sub-divisional consent process. Vested infrastructure assets are valued based on the Council's standard unit cost rate and independently reviewed by Mr Ross Waugh of Waugh Infrastructure Management Ltd.

Work in-progress is recognised at cost less impairment and is not depreciated.

Property, plant, and equipment are recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

(c) Disposals

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluations reserves in respect of those assets are transferred to accumulated funds.

(d) Depreciation

Land is not depreciated.

All other assets with the exception of Plant, Machinery and Vehicles are depreciated on a straight-line basis at rates estimated to write off their cost over the expected useful economic

life. Plant, Machinery and Vehicles are depreciated using a combination of straight line and diminishing value. The expected lives of major classes of assets are as follows:

	Expected life (Years)		Expected life (Years)
Buildings		Furniture and Fittings	4 – 14
Structure/Envelope	20 – 65	Computer and Office Equipment	2 – 5
Building Services	15 – 35	Library Collections	5 – 10
Building Fit Out	30 – 50	Landfill	
Heavy Plant and Machinery	7 – 10	Permanent Facilities	42
Other Plant and Machinery	2 – 15	Valley A & D Development	12 – 15
Motor Vehicles	4 – 15	Other	5
Structure/Envelope	20 – 65		
WATER SUPPLY		WASTEWATER	
Pipes	27 – 120	Pipes	25 – 100
Valves, hydrants	50 – 80	Manholes	80
Pump Stations	15 – 80	Pump Stations	15 – 80
Bores	50	Treatment Plant	20
Reservoirs	100	Submarine Outfall	50
Treatment Plant	5 – 20		
STORMWATER DISPOSAL		ROADING NETWORK	
Pipes	100	Top Surface (seal)	13
Manholes	100	Pavement (including kerbs)	30 – 85
Detention Dams	100	Formation	Not depreciated
Open Channels	50	Footpaths	20 – 75
Service Laterals	80	Street Lights (poles)	50
PARKS		Traffic Signals	15
Soft Landscaping	38 – 75	Signs	10 – 15
Hard Landscaping	6 – 100	Unsealed Roads	Not depreciated
Playgrounds	7 – 50		
Services	30 – 80	Roading Land	Not Depreciated
Structures	6 – 100		
Buildings	6 – 100	Bridges & Culverts	85

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

(e) Subsequent Costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant, and equipment are recognised in the surplus or deficit as they are incurred.

Intangible Assets

Software Acquisition and Development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs; include the software development employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised in the surplus or deficit when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit. The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Computer software	3 years	33.3%

Impairment of Property Plant and Equipment and Intangible Assets Measured at Depreciated Cost

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The indicators of impairment depend on whether the asset is cash-generating or non-cash-generating. The majority of Council's assets that are not revalued are non-cash-generating.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the assets ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

The value in use for cash generating assets is the present value of expected future cash flows.

If the asset's carrying amount exceeds its recoverable amount the asset is impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss (other than goodwill where impairment cannot be reversed) is also recognised in the surplus or deficit.

Inventories

Inventory held for use in the production of goods and services on a commercial basis is valued at the lower of cost and net realisable value. The cost of purchased inventory is determined using the first in first out basis.

Cash and Cash Equivalents

Cash and Cash Equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments original maturities of three months or less, and bank overdrafts.

Debtors and Other Receivables

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost using face value, less any provision for impairment.

A provision for impairment of receivables is established when there is objective evidence that the Council will not be able to collect all amounts due according to the original terms of receivables. The amount of provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.

Employee Entitlements

Short-Term Employee Entitlements

Employee benefits expected to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date.

Long-Term Employee Entitlements

Employee benefits which are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave, have been calculated on an actuarial basis. The calculation is based on:

Like future entitlements accruing to staff, based on years of service, years of entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and

The present value of the estimated future cash flows.

Expected future payments are discounted using market yields on government bonds at balance date with terms of maturity that match, as closely as possible, the estimated future cash outflows for entitlements. The inflation factor is based on the expected long term increase in remuneration for employees.

Superannuation Schemes

Defined Contribution Schemes

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the surplus or deficit as incurred.

Defined Benefit Schemes

The Council belongs to the Defined Benefit Plan Contributors Scheme, which is managed by the National Provident Fund. The scheme is a multi-employer defined benefit scheme. Insufficient information is available to use defined benefit accounting, as it is not possible to determine from the terms of the scheme, the extent to which the surplus/deficit will affect future contributions by individual employers, as there is no prescribed basis for allocation. The scheme is therefore accounted for as a defined contribution scheme.

Landfill Post-Closure Costs

The Council, as operator and 63.68% owner of the Omarunui landfill, has a legal obligation under the resource consent to provide ongoing maintenance and monitoring services at the landfill site after closure. The Council's 63.68% share of a provision for post-closure costs is recognised as a liability when the obligation for post-closure arises.

The provision is measured based on the present value of future cash flows expected to be incurred, taking into account future events including new legal requirements and known improvements in technology. The provision includes all costs associated with landfill post-closure.

Amounts provided for landfill post-closure are capitalised to the landfill asset where they give rise to future economic benefits to be obtained. Components of the capitalised landfill asset are depreciated over their useful lives.

The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the Council.

Investment Properties

Investment Properties are valued at fair value which is measured annually. Revaluation increments and decrements are recognised in the surplus or deficit. Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation. Council currently has no properties classified as investment properties. Properties owned to provide housing for pensioners are held as part of the Council's social housing policy and are accounted for as property, plant and equipment.

Borrowings

Borrowings are initially recognised at their fair value net of transaction costs incurred. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Non-Current Assets Held for Sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write downs of non-current assets held for sale are recognised in the surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Provisions

Council recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in 'finance costs'.

Equity

Equity is the community's interest in Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

The components of equity are: Retained earnings, restricted reserves and asset revaluation reserves.

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by Council. Restricted reserves are those subjected to specific conditions accepted as binding by the Council and which may not be revised by Council without reference to the Courts or a third party. Transfers from these reserves may only be made for certain specified purposes or when certain specified conditions are met.

Council-created reserves are reserves established by Council decision. The Council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of Council.

Property revaluation reserves relates to the revaluation of property, plant and equipment to fair value.

Budget Figures

The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Council for the preparation of the prospective financial statements.

Comparative Figures

The 2020/21 Annual Plan comparative figures have been used.

Critical Accounting Estimates and Assumptions

In preparing these prospective financial statements Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Landfill Aftercare Provision

The Omarunui Landfill is owned jointly by the Hastings District Council (63.68%) and Napier City Council (36.32%). The landfill is operated by the Hastings District Council on behalf of a joint committee (comprising elected representatives from the two councils). The joint Landfill Committee gained a Resource Consent in 1985 to operate the Omarunui Landfill. The Councils have responsibility under the Resource Consent to provide ongoing maintenance and monitoring of the landfill after the site is closed. The cash outflows for landfill post-closure are expected to occur in 2024 for Valley D and began in 2007 for Valley A. The long term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and is discounted using a discount rate of 7.5%.

The following major assumptions have been made in the calculation of the provision:

Aftercare will be required for 30 years after the closure of each stage; and

For the purposes of this plan, the provision reported for the Council's share only (63.68%).

Infrastructural Assets

There are a number of assumptions and estimates used when performing depreciated replacement cost valuations over infrastructural assets. These include:

The physical deterioration and condition of an asset, for example the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets, which are not visible, for example storm water, wastewater and water supply pipes which are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets;

Estimating any obsolescence or surplus capacity of an asset; and

Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then Council could be over or under estimating the annual depreciation charge recognised as an expense in the statement of comprehensive revenue. To minimise this risk Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of the Council's asset management planning activities, which gives Council further assurance over its useful life estimates.

Experienced independent valuers peer review the Council's infrastructural asset valuations.

Creditors and Other Payables

Short term creditors and other payables are recorded at their face value.

Critical Judgements in Applying Council's Accounting Policies

Management has exercised the following critical judgements in applying accounting policies in the Long Term Plan.

Classification of Property

The Council owns a number of properties held to provide housing to pensioners. The receipt of market based rental from these properties is incidental to holding them. The properties are held for service delivery objectives as part of the Council's social housing policy. The properties are therefore accounted for as property, plant and equipment.

Foreign Currency Transactions

Foreign currency transactions (including those for which forward foreign exchange contracts are held) are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

Other Investments

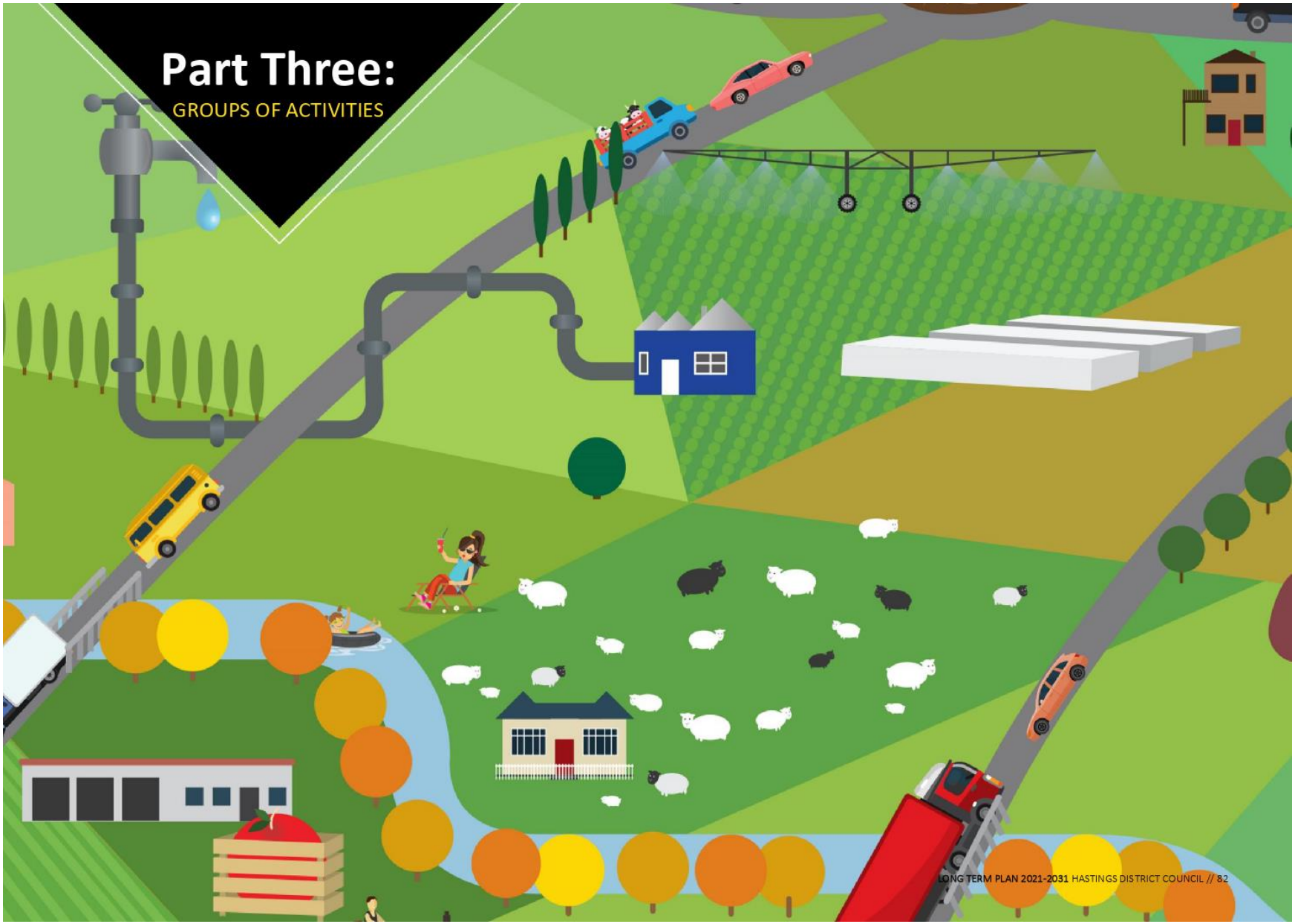
The carrying amount of term deposits approximates their fair value.

COVID-19

Council has considered the potential impact of COVID-19, and it is acknowledged that there is still uncertainty as to the likelihood of further widespread outbreaks within New Zealand and the impact that would have on the wider and economy and Council.

Rounding

There will be rounding of numbers in the plan as the model used calculates to the dollar but the Plan is rounded to the nearest thousand.


Part Three:
GROUPS OF ACTIVITIES
LONG TERM PLAN 2021-2031 HASTINGS DISTRICT COUNCIL // 82

Groups of Activities

The Council groups its 26 key activities into five consolidated groups for reporting purposes. This section (for each group of activities) provides an overview of the community outcomes we aim to achieve, levels of service and performance measures, and any key actions to be undertaken.



Heretaunga Street West

The Things Council Provides

Local Infrastructure	Local Public Services	Regulatory Functions
THE THINGS WE DO INCLUDE: **Network Infrastructure** • Water supply services. • Urban stormwater drainage. • Sewage collection, treatment and disposal. • Development and maintenance of roads, footpaths and pathways. • Provision of regional landfill, transfer stations and related services. • Provision of services for land development. **Community Infrastructure** • Provision of cemeteries, parks, libraries and recreational assets. • Provision of cultural and visitor facilities. • Property development/Business Investment – on a business case basis.	THE THINGS WE DO INCLUDE: • Housing for elderly in need. • Refuse collection / disposal and related services. • Library services. • Community safety initiatives. • Services aligned to recreation, cultural and visitor infrastructural investment. • Project based work on economic and social priorities. • Governance and support services. • Emergency incident response.	THE THINGS WE DO INCLUDE: • Food hygiene inspections. • Dog and animal control. • Noise and liquor control • Building regulation. • Review monitor and enforce land use regulations. • Public health and public nuisance inspections. • Parking control. • Any function provided for under legislation.

AND THE PROVISION OF SUCH OTHER SERVICES AND FACILITIES THAT HAVE COMMUNITY SUPPORT

Above is a high level outline of the types of activities the Council provides categorised by each of our three broad functions. The Council contribution to community wellbeing is outline in the following pages.

Groups of Activities

What the Council is planning to do over the next three years.

Introduction

The Council provides a wide range of services and facilities for people living in the Hastings District. These services – called Activities – help to make Hastings District a safer, healthier, easier and more enjoyable place to live. They include things like roads, underground services, libraries, parks, swimming pools, regulatory (bylaws) to name a few. They collectively form the Council contribution to community wellbeing which has 4 aspects (Environmental, Economic, Social and Cultural)

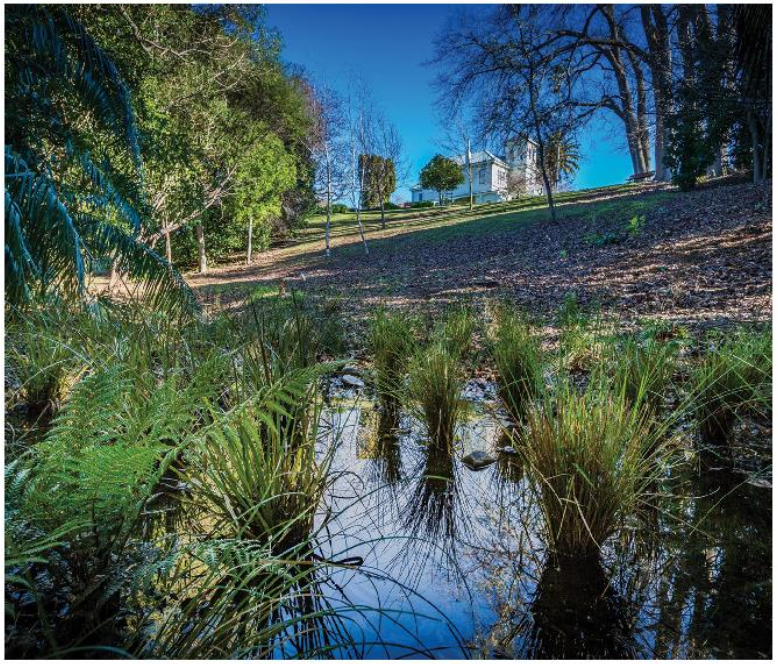
We have 26 activities which have been consolidated into five broad groups of activities:

Water

- Water Supply
- Stormwater Drainage
- Sewerage and the treatment and disposal of sewage

- Roads and Footpaths
- Safe, Healthy and Liveable Communities
- Economic and Community Development
- Governance and Support Services

In this section (for each group of activities) is an outline of the community outcomes we aim to achieve, levels of service and performance measures and any key actions to be undertaken, along with a capital expenditure summary and Funding Impact Statement.



HASTINGS DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 2021-31 (WHOLE OF COUNCIL)

	Annual Plan 20/21 $'000	Year 1 21/22 $'000	Year 2 22/23 $'000	Year 3 23/24 $'000	Year 4 24/25 $'000	Year 5 25/26 $'000	Year 6 26/27 $'000	Year 7 27/28 $'000	Year 8 28/29 $'000	Year 9 29/30 $'000	Year 10 30/31 $'000
SOURCES OF OPERATING FUNDING											
General Rates, uniform annual general charge, rates penalties	63,976	70,619	75,590	80,083	84,602	87,870	91,442	95,225	99,979	104,620	109,222
Targeted Rates	23,943	24,719	26,776	28,730	30,616	32,366	34,012	35,544	37,140	38,404	39,447
Subsidies and grants for operating purposes	6,362	9,604	7,422	7,814	8,331	8,522	8,742	8,994	9,203	9,444	9,719
Fees and charges	28,229	34,046	36,351	39,145	41,382	42,392	43,464	44,606	45,821	47,069	48,305
Interest and dividends from investments	17	17	17	18	18	74	133	136	140	144	148
Local authorities fuel tax, fines , infringement fees and other receipts	911	911	938	961	985	1,010	1,035	1,062	1,091	1,120	1,149
TOTAL OPERATING FUNDING (A)	123,439	139,916	147,094	156,751	165,934	172,234	178,827	185,568	193,373	200,802	207,990
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	87,710	94,982	99,427	103,988	107,349	110,106	112,763	115,336	118,579	121,866	125,071
Finance costs	6,703	7,795	8,453	8,763	9,877	10,273	10,524	10,730	10,878	11,011	11,105
Other operating funding applications	5,982	6,852	7,322	7,442	7,647	8,049	8,067	8,239	8,633	8,613	8,800
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	100,396	109,629	115,202	120,193	124,872	128,427	131,354	134,306	138,090	141,490	144,976
Surplus (deficit) of operating funding (A-B)	23,043	30,287	31,892	36,558	41,062	43,807	47,473	51,263	55,283	59,312	63,014
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	21,343	26,420	13,750	14,027	13,770	13,461	14,802	16,600	17,987	19,464	20,220
Development and financial contributions	5,138	5,515	5,547	5,571	5,592	5,614	5,638	5,661	4,852	4,880	4,908
Increase (decrease) in debt	60,387	42,742	23,471	13,959	9,619	3,179	1,287	(1,529)	(6,096)	(9,396)	(11,951)
Gross proceeds from sale of assets	2,055	467	315	786	505	452	806	551	405	846	726
Lump sum contributions	270	270	280	287	295	303	312	322	332	343	354
Other dedicated capital funding											
TOTAL SOURCES OF CAPITAL FUNDING (C)	89,193	75,415	43,363	34,630	29,781	23,010	22,844	21,604	17,480	16,137	14,256
APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
To meet additional demand	11,876	21,709	10,041	3,803	2,902	3,052	4,783	4,876	3,801	2,857	621
To improve the level of service	55,689	39,939	26,579	24,271	23,410	19,105	17,499	18,980	20,898	22,553	24,267
To replace existing assets	44,288	43,826	38,400	42,710	44,118	44,236	47,601	48,565	47,607	49,570	51,900
Increase (decrease) in reserves											
Increase (decrease) of investments	383	228	235	404	414	424	435	446	458	470	483
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	112,236	105,702	75,255	71,188	70,843	66,817	70,318	72,867	72,763	75,449	77,270
Surplus (deficit) of Capital funding (C-D)	(23,043)	(30,287)	(31,892)	(36,558)	(41,062)	(43,807)	(47,473)	(51,263)	(55,283)	(59,312)	(63,014)
FUNDING BALANCE ((A-B)+(C-D))	()	()		-	-	()	()	-	()		()

Water Services

This group of Council activities covers our core assets within the three waters and has a predominant focus on ensuring the safety and health of our people and the environment.

OUR JOB IS TO

- Maintain and enhance public health and safety

WHAT WE DO

- Water supply services
- Urban stormwater drainage
- Sewage collection, treatment and disposal

KEY ACTIONS

- Implement water security and optimization programme
- Enhancements to Havelock North streams
- Rollout stormwater quality improvement programme
- Rollout of wastewater rising main and trunk main renewal programme
- Implement critical Wastewater Treatment Plant renewals

COMMUNITY OUTCOMES WE AIM TO ACHIEVE

HEALTHY ENVIRONMENT AND PEOPLE (ENVIRONMENTAL WELLBEING)

- The natural environment is enhanced and protected
- Council services are green and healthy
- Water and land resources are used wisely

How do we control potential negative effects on community wellbeing?

Significant negative effects on environmental wellbeing from the Water Services group of activities are controlled through a program of environmental monitoring and compliance with consent conditions as follows:

Discharge of stormwater to waterways – monitoring shows the environmental effects are minimal in comparison to other sources of surface runoff – additional stormwater monitoring and mitigation is required under consent conditions and is funded in this plan.

Sewage outfall discharge to sea – monitoring shows the effects are minimal, and improved standards of effluent quality are being achieved under new consent conditions.

Depletion of underground aquifer – the water take is controlled by the Hawke's Bay Regional Council. The Council promotes efficient water use through demand management strategies and appropriate levels of maintenance and renewal minimising pipeline failures that often result in water loss and property damage.

ABOUT THE PERFORMANCE TARGETS

The targets in this group of activities are mandatory measures as set out in legislation.

The performance targets have been set in line with 2019/20 targets, which were achieved or substantially achieved and reported in the Annual Report. In instances where targets were not previously achieved these were a result of the introduction of new national water standards. The Council's substantial investment in drinking water infrastructure will ensure these targets are met in the future.

DETAILED MANDATORY NON-FINANCIAL PERFORMANCE MEASURES (Department of Internal Affairs (DIA) Non-Financial Performance Measures)

The performance measures in the tables below are required to be reported in accordance with section 261B of the Local Government Act 2002.

STORMWATER

Community Outcomes	Level of Service Statement	Performance Measure	Year 1 Target	Year 2 Target	Year 3 Target	Year 4-10 Target
HEALTHY ENVIRONMENT AND PEOPLE ▪ The natural environment is enhanced and protected. ▪ Council services are green and healthy.	Council will provide a safe a reliable stormwater service and ensure that service interruptions are kept to a minimum.	DIA Non-Financial Performance Measure 1: System Adequacy The number of flooding events that occur in the Councils district. For each flooding event, the number of habitable floors affected (expressed per 1000 properties connected to the Council network).	0 (zero) floors affected per 1000 connections up to a 1 in 50 year ARI storm event.	0 (zero)	0 (zero)	0 (zero)
		DIA Non-Financial Performance Measure 2: Discharge Compliance Compliance with Council's resource consents for discharge from its stormwater system measured by the number of: a) abatement notices b) infringement notices c) enforcement orders d) convictions in relation to resource consents	 a) 0 (Zero) Abatement notices b) 0 (Zero) Infringement notices c) 0 (Zero) Enforcement orders d) 0 (Zero) convictions	0 (zero)	0 (zero)	0 (zero)
		DIA Non-Financial Performance Measure 3: Response Times The median response time to attend a flooding event, measured from the time that the Council receives notification to the time that service personnel reach the site.	1 Hour	1 Hour	1 Hour	1 Hour
		DIA Non-Financial Performance Measure 4: Customer Satisfaction The number of complaints received by Council about the performance of its stormwater system, expressed per 1000 properties connected to the Councils stormwater system.	15 complaints per 1000 connections. NB: This is a baseline figure for stormwater related complaints received in the past eight years.	15	15	15

SEWERAGE AND THE TREATMENT AND DISPOSAL OF SEWAGE

Community Outcomes	Level of Service Statement	Performance Measure	Year 1 Target	Year 2 Target	Year 3 Target	Year 4-10 Target
HEALTHY ENVIRONMENT AND PEOPLE ▪ The natural environment is enhanced and protected. ▪ Council services are green and healthy.	Council will provide a safe a reliable wastewater service and ensure that service interruptions are kept to a minimum.	DIA Non-Financial Performance Measure 1: (system and adequacy) Number of dry weather sewerage overflows from the Council's wastewater system, expressed per 1000 sewerage connections to that sewerage system.	5 per 1000 connections per annum	5	5	5
		DIA Non-Financial Performance Measure 2: (management of environmental impacts) Discharge Compliance Compliance with Council's resource consents for discharge from its sewerage system measured by the number of: a) abatement notices b) infringement notices c) enforcement orders d) convictions	a) 0 (Zero) Abatement notices b) 0 (Zero) Infringement notices c) 0 (Zero) Enforcement orders d) 0 (Zero) convictions	0 (zero)	0 (zero)	0 (zero)
		DIA Non-Financial Performance Measure 3: (response to sewerage system faults) Fault Response Times Where the Council attends to sewerage overflows resulting from a blockage or fault in the Council's sewerage system, the following median response times are measured: a) Attendance time: From the time the Council receives notification to the time that service personnel reach the site, and	a) 1 hour response time to site (attendance time)	1 hour	1 hour	1 hour
		b) Resolution time: From the time that the Council receives notification to the time that service personnel confirm resolution of the blockage or other fault reach the site.	b) 1 day Permanent Repair Completed (resolution time)	1 day	1 day	1 day
		DIA Non-Financial Performance Measure 4: (customer satisfaction) Total Number of complaints received by the Council about any of the flowing: a) Sewage odour b) Sewerage system faults c) Sewerage system blockages d) The Council's response to issues with its sewerage system Expressed per 1000 connections	30 complaints /per 1,000 Count expressed per 1000 connections per annum to the Council's sewerage system	30	30	30

WATER SUPPLY

Community Outcomes	Level of Service Statement	Performance Measure	Year 1 Target	Year 2 Target	Year 3 Target	Year 4-10 Target
HEALTHY ENVIRONMENT AND PEOPLE ▪ Water and land resources are used wisely ▪ The natural environment is enhanced and protected. ▪ Council services are green and healthy.	Water Supply – Ensuring Healthy drinking water through the provision and effective management of water services.	DIA Non-financial performance Measure 1: (safety of drinking water) The extent to which the local authority's drinking water supply complies with: a) Part 4 of the drinking-water standards (bacteria compliance criteria), and b) Part 5 of the drinking-water standards (protozoal compliance criteria).	Percentage Compliance Target 100%.	100%	100%	100%
		DIA Non-Financial performance Measure 2: (maintenance of the reticulation network) The percentage of real water loss from the local authority's networked reticulation system. (Including a description of the methodology used to calculate this).	20% Percentage Real Loss's or other recognised industry standard as specified in the HDC's 'Water Conservation and Demand Management Strategy'.	20%	20%	18%
		DIA Non-Financial performance Measure 3: (fault response times) Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured:	Overall 95% Achievement Rate.			
		a) Attendance for urgent call-outs: from the time the local authority receives notification to the time that service personnel reach the site, and	Urgent – 1 Hour response time to site.	1 hour	1 hour	1 hour
		b) Resolution of urgent call-outs: from the time the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption.	Urgent – 2 Hour restoration of service.	2 hour	2 hour	2 hour
		c) Attendance for non-urgent call-outs: from the time the local authority receives notification to the time that service personnel reach the site, and	Non-urgent – 3 days response time to site.	3 days	3 days	3 days
		d) Resolution of non-urgent call-outs: from the time the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption.	Non-urgent – 7 days call resolution	7 days	7 days	7 days

WATER SUPPLY

Community Outcomes	Level of Service Statement	Performance Measure	Year 1 Target	Year 2 Target	Year 3 Target	Year 4-10 Target
		DIA Non-Financial performance Measure 4: (customer satisfaction) The total number of complaints received by the local authority about any of the following: a) Drinking water clarity b) Drinking water taste c) Drinking water odour d) Drinking water pressure or flow e) Continuity of supply, and f) The local authorities response to any of these issues. Expressed per 1000 connections to the local authority's networked reticulation system.	Count expressed per 1000 connections per annum (Current Baseline = 1 complaint per 1,000 connections)	3	3	3
		DIA Non-performance Measure 5: (demand management) The average consumption of drinking water per day per resident within the territorial authority district.	410 Ltr per day per resident	410	410	410

HASTINGS DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 2021-31 FOR WATER SUPPLY

	Annual Plan 20/21 $'000	Year 1 21/22 $'000	Year 2 22/23 $'000	Year 3 23/24 $'000	Year 4 24/25 $'000	Year 5 25/26 $'000	Year 6 26/27 $'000	Year 7 27/28 $'000	Year 8 28/29 $'000	Year 9 29/30 $'000	Year 10 30/31 $'000
SOURCES OF OPERATING FUNDING											
General Rates, uniform annual general charge, rates penalties	161	155	161	166	170	175	179	184	189	194	199
Targeted Rates	11,448	12,540	13,310	13,875	14,056	14,325	14,662	14,744	15,057	15,404	15,733
Subsidies and grants for operating purposes											
Fees and charges	317	317	328	336	345	355	365	377	389	403	415
Internal charges and overheads recovered	4,828	5,026	5,244	5,349	5,454	5,566	5,692	5,824	5,966	6,122	6,284
Local authorities fuel tax, fines , infringement fees and other receipts											
TOTAL OPERATING FUNDING (A)	**16,753**	**18,038**	**19,043**	**19,726**	**20,025**	**20,421**	**20,898**	**21,128**	**21,601**	**22,123**	**22,631**
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	8,312	8,581	9,157	9,492	9,436	9,673	9,918	9,955	10,241	10,546	10,848
Finance costs	1,964	2,395	2,440	2,452	2,708	2,761	2,867	2,944	3,000	3,063	3,135
Internal charges and overheads applied	3,481	3,873	4,095	4,202	4,283	4,370	4,476	4,570	4,683	4,816	4,932
Other operating funding applications	3	3	3	3	3	4	4	4	4	4	4
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	**13,761**	**14,852**	**15,696**	**16,149**	**16,431**	**16,808**	**17,265**	**17,474**	**17,927**	**18,429**	**18,918**
Surplus (deficit) of operating funding (A-B)	**2,992**	**3,186**	**3,347**	**3,577**	**3,595**	**3,614**	**3,633**	**3,654**	**3,674**	**3,693**	**3,713**
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure		8,500									
Development and financial contributions	1,324	1,021	1,027	1,032	1,036	1,040	1,045	1,050	925	930	936
Increase (decrease) in debt	22,582	4,074	(173)	782	674	4,406	2,981	506	945	842	1,139
Gross proceeds from sale of assets	64	104	68	177	95	52	158	121	114	151	107
Lump sum contributions											
Other dedicated capital funding											
TOTAL SOURCES OF CAPITAL FUNDING (C)	**23,970**	**13,698**	**922**	**1,991**	**1,806**	**5,498**	**4,184**	**1,677**	**1,984**	**1,923**	**2,182**
APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
To meet additional demand	3,137	3,330	311	281	474	1,852	1,269		246		
To improve the level of service	21,199	9,689	1,118	1,322	679	3,031	2,098	734	755	778	932
To replace existing assets	2,626	3,865	2,841	3,964	4,246	4,230	4,449	4,597	4,657	4,838	4,962
Increase (decrease) in reserves											
Increase (decrease) of investments											
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	**26,962**	**16,884**	**4,269**	**5,568**	**5,400**	**9,112**	**7,817**	**5,331**	**5,658**	**5,617**	**5,894**
Surplus (deficit) of Capital funding (C-D)	**(2,992)**	**(3,186)**	**(3,347)**	**(3,577)**	**(3,595)**	**(3,614)**	**(3,633)**	**(3,654)**	**(3,674)**	**(3,693)**	**(3,713)**
FUNDING BALANCE ((A-B)+(C-D))	**-**			**-**	**-**	**-**	**-**			**-**	**()**

HASTINGS DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 2021-31 FOR SEWERAGE AND THE TREATMENT AND DISPOSAL OF SEWAGE

	Annual Plan 20/21 $'000	Year 1 21/22 $'000	Year 2 22/23 $'000	Year 3 23/24 $'000	Year 4 24/25 $'000	Year 5 25/26 $'000	Year 6 26/27 $'000	Year 7 27/28 $'000	Year 8 28/29 $'000	Year 9 29/30 $'000	Year 10 30/31 $'000
SOURCES OF OPERATING FUNDING											
General Rates, uniform annual general charge, rates penalties	399	379	388	396	441	479	520	561	585	610	635
Targeted Rates	7,404	7,601	8,005	8,461	9,164	9,702	10,420	10,919	11,582	12,257	12,790
Subsidies and grants for operating purposes											
Fees and charges	1,865	2,115	2,366	2,504	2,576	2,651	2,727	2,807	2,890	2,975	3,062
Internal charges and overheads recovered	2,631	2,631	2,723	2,793	2,869	2,952	3,035	3,132	3,235	3,345	3,449
Local authorities fuel tax, fines , infringement fees and other receipts											
TOTAL OPERATING FUNDING (A)	**12,298**	**12,726**	**13,482**	**14,154**	**15,049**	**15,784**	**16,701**	**17,418**	**18,291**	**19,188**	**19,935**
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	2,660	3,144	3,330	3,548	3,644	3,776	3,799	3,919	4,045	4,180	4,307
Finance costs	1,318	1,467	1,592	1,678	1,916	2,089	2,223	2,360	2,437	2,481	2,518
Internal charges and overheads applied	5,147	4,955	5,143	5,273	5,387	5,520	5,668	5,815	5,985	6,179	6,345
Other operating funding applications	7	7	8	8	8	8	8	9	9	9	10
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	**9,132**	**9,573**	**10,072**	**10,507**	**10,955**	**11,393**	**11,699**	**12,103**	**12,476**	**12,849**	**13,180**
Surplus (deficit) of operating funding (A-B)	**3,165**	**3,153**	**3,410**	**3,647**	**4,094**	**4,392**	**5,002**	**5,316**	**5,815**	**6,338**	**6,756**
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure											
Development and financial contributions	1,281	1,343	1,349	1,353	1,357	1,361	1,366	1,370	1,245	1,250	1,256
Increase (decrease) in debt	4,486	5,607	5,058	5,581	5,939	3,577	4,995	2,897	908	651	713
Gross proceeds from sale of assets											
Lump sum contributions	244	244	252	259	266	274	281	290	300	310	320
Other dedicated capital funding											
TOTAL SOURCES OF CAPITAL FUNDING (C)	**6,011**	**7,194**	**6,660**	**7,193**	**7,562**	**5,212**	**6,642**	**4,558**	**2,453**	**2,211**	**2,288**
APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
To meet additional demand	1,612	2,200	2,613	2,681	27	28	692	714			
To improve the level of service	410	199	(134)	770	2,263	1,431	779	208	252	769	269
To replace existing assets	7,154	7,948	7,590	7,389	9,366	8,145	10,173	8,951	8,016	7,780	8,775
Increase (decrease) in reserves											
Increase (decrease) of investments											
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	**9,176**	**10,347**	**10,070**	**10,840**	**11,656**	**9,604**	**11,644**	**9,873**	**8,268**	**8,549**	**9,044**
Surplus (deficit) of Capital funding (C-D)	**(3,165)**	**(3,153)**	**(3,410)**	**(3,647)**	**(4,094)**	**(4,392)**	**(5,002)**	**(5,316)**	**(5,815)**	**(6,338)**	**(6,756)**
FUNDING BALANCE ((A-B)+(C-D))	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

HASTINGS DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 2021-31 FOR STORMWATER DRAINAGE

	Annual Plan 20/21 $'000	Year 1 21/22 $'000	Year 2 22/23 $'000	Year 3 23/24 $'000	Year 4 24/25 $'000	Year 5 25/26 $'000	Year 6 26/27 $'000	Year 7 27/28 $'000	Year 8 28/29 $'000	Year 9 29/30 $'000	Year 10 30/31 $'000
SOURCES OF OPERATING FUNDING											
General Rates, uniform annual general charge, rates penalties	2,640	3,157	3,501	3,848	4,563	4,849	5,062	6,305	7,532	8,792	10,063
Targeted Rates	23	23	23	23	23	23	23	23	23	23	23
Subsidies and grants for operating purposes											
Fees and charges	43	43	44	45	47	48	49	51	53	54	56
Internal charges and overheads recovered	14	14	14	15	15	16	16	17	17	18	18
Local authorities fuel tax, fines , infringement fees and other receipts											
TOTAL OPERATING FUNDING (A)	**2,719**	**3,237**	**3,583**	**3,931**	**4,648**	**4,936**	**5,150**	**6,396**	**7,625**	**8,888**	**10,160**
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	667	875	1,000	1,124	1,237	1,348	1,376	1,452	1,502	1,555	1,631
Finance costs	418	666	717	750	857	909	961	1,002	1,053	1,121	1,181
Internal charges and overheads applied	1,076	1,093	1,138	1,166	1,185	1,208	1,239	1,263	1,294	1,333	1,363
Other operating funding applications	5	5	5	5	5	6	6	6	6	6	7
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	**2,166**	**2,638**	**2,861**	**3,044**	**3,285**	**3,471**	**3,582**	**3,723**	**3,855**	**4,015**	**4,182**
Surplus (deficit) of operating funding (A-B)	**554**	**598**	**722**	**887**	**1,363**	**1,465**	**1,569**	**2,673**	**3,770**	**4,873**	**5,978**
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure											
Development and financial contributions	694	710	713	715	717	719	721	724	571	573	576
Increase (decrease) in debt	7,761	3,097	1,806	2,012	3,870	1,514	1,599	1,484	2,293	1,947	1,480
Gross proceeds from sale of assets											
Lump sum contributions											
Other dedicated capital funding											
TOTAL SOURCES OF CAPITAL FUNDING (C)	**8,455**	**3,807**	**2,519**	**2,727**	**4,587**	**2,233**	**2,320**	**2,208**	**2,864**	**2,521**	**2,056**
APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
To meet additional demand	5,239	2,955	1,129		2,105	108	737	595	567	636	
To improve the level of service	3,130	561	1,180	2,437	2,851	2,485	1,847	3,000	4,508	5,136	6,216
To replace existing assets	640	889	932	1,177	994	1,106	1,305	1,286	1,559	1,621	1,818
Increase (decrease) in reserves											
Increase (decrease) of investments											
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	**9,009**	**4,405**	**3,241**	**3,614**	**5,950**	**3,699**	**3,889**	**4,881**	**6,634**	**7,394**	**8,034**
Surplus (deficit) of Capital funding (C-D)	**(554)**	**(598)**	**(722)**	**(887)**	**(1,363)**	**(1,465)**	**(1,569)**	**(2,673)**	**(3,770)**	**(4,873)**	**(5,978)**
FUNDING BALANCE ((A-B)+(C-D))	**()**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

CAPITAL EXPENDITURE SUMMARY WATER SUPPLY

	LTP (Yr1) 21/22 $'000	LTP (Yr2) 22/23 $'000	LTP (Yr3) 23/24 $'000	LTP (Yr4) 24/25 $'000	LTP (Yr5) 25/26 $'000	LTP (Yr6) 26/27 $'000	LTP (Yr7) 27/28 $'000	LTP (Yr8) 28/29 $'000	LTP (Yr9) 29/30 $'000	LTP (Yr10) 30/31 $'000	Total
CAPITAL EXPENDITURE											
To meet additional demand	**3,330**	**311**	**281**	**474**	**1,852**	**1,269**		**246**			**7,763**
Water Supply New Works	3,330	311	281	474	1,852	1,269		246			7,763
To improve the level of service	**9,689**	**1,118**	**1,322**	**679**	**3,031**	**2,098**	**734**	**755**	**778**	**932**	**21,138**
Water Supply New Works	9,689	1,118	1,322	679	3,031	2,098	734	755	778	932	21,138
To replace existing assets	**3,865**	**2,841**	**3,964**	**4,246**	**4,230**	**4,449**	**4,597**	**4,657**	**4,838**	**4,962**	**42,650**
Plant Machinery & Vehicles Renewals	160	93	264	151	72	233	186	162	191	170	1,681
Water Supply Renewals	3,705	2,748	3,701	4,095	4,158	4,217	4,411	4,495	4,648	4,792	40,969
TOTAL CAPITAL EXPENDITURE	**16,884**	**4,269**	**5,568**	**5,400**	**9,112**	**7,817**	**5,331**	**5,658**	**5,617**	**5,894**	**71,551**

OVERVIEW OF MAJOR CAPITAL PROJECTS – WATER SUPPLY

	LTP (Yr1) 21/22 $'000	LTP (Yr2) 22/23 $'000	LTP (Yr3) 23/24 $'000	LTP (Yr4) 24/25 $'000	LTP (Yr5) 25/26 $'000	LTP (Yr6) 26/27 $'000	LTP (Yr7) 27/28 $'000	LTP (Yr8) 28/29 $'000	LTP (Yr9) 29/30 $'000	LTP (Yr10) 30/31 $'000	Total
Collection Network Planned Renewals	1,000	1,035	1,062	1,636	1,683	1,730	1,786	1,845	1,907	1,967	15,651
Toby Replacements	600	621	637	654	673	692	714	738	763	787	6,880
Stage 1B Eastbourne Treatment, Storage & BPS	5,000										5,000
Havelock Hills: New Reservoir and Pumpstation	915	52	122	474	1,852	1,269					4,684
Collection Network Reactive Renewals	400	414	425	436	449	461	476	492	509	524	4,587
Backflow Preventers & New Water Meter	3,500										3,500
Major Capital projects delivery	292	301	306	312	318	325	333	341	350	359	3,237
Iona-Middle Road	1,665										1,665
Ringmain Pakowhai - Nottingley to Tomoana						1,384					1,384
Reservoir Upgrades	700	414	106								1,220
Reticulate Unserviced Area - Clive					1,212						1,212
Treatment Plant Upgrades					1,122						1,122
Replace defective Valve	75	78	80	82	84	87	89	92	95	98	860
Replace defective Hydrant	75	78	80	82	84	87	89	92	95	98	860
Havelock Hills - Tauroa link to Burbury	450	52	159								661
Flow and Pressure monitoring equipment	50	52	53	55	56	58	60	61	64	66	573
Advanced Investigations	50	52	53	55	56	58	60	61	64	66	573
Backflow preventer replacements	20	21	53	55	56	58	60	61	64	66	512

CAPITAL EXPENDITURE SUMMARY STORMWATER DRAINAGE

	LTP (Yr1) 21/22 $'000	LTP (Yr2) 22/23 $'000	LTP (Yr3) 23/24 $'000	LTP (Yr4) 24/25 $'000	LTP (Yr5) 25/26 $'000	LTP (Yr6) 26/27 $'000	LTP (Yr7) 27/28 $'000	LTP (Yr8) 28/29 $'000	LTP (Yr9) 29/30 $'000	LTP (Yr10) 30/31 $'000	Total
CAPITAL EXPENDITURE											
To meet additional demand	**2,955**	**1,129**		**2,105**	**108**	**737**	**595**	**567**	**636**		**8,832**
Stormwater New Works	2,955	1,129		2,105	108	737	595	567	636		8,832
To improve the level of service	**561**	**1,180**	**2,437**	**2,851**	**2,485**	**1,847**	**3,000**	**4,508**	**5,136**	**6,216**	**30,221**
Stormwater New Works	561	1,180	2,437	2,851	2,485	1,847	3,000	4,508	5,136	6,216	30,221
To replace existing assets	**889**	**932**	**1,177**	**994**	**1,106**	**1,305**	**1,286**	**1,559**	**1,621**	**1,818**	**12,687**
Stormwater Renewals	889	932	1,177	994	1,106	1,305	1,286	1,559	1,621	1,818	12,687
TOTAL CAPITAL EXPENDITURE	**4,405**	**3,241**	**3,614**	**5,950**	**3,699**	**3,889**	**4,881**	**6,634**	**7,394**	**8,034**	**51,740**

OVERVIEW OF MAJOR CAPITAL PROJECTS – STORMWATER DRAINAGE

	LTP (Yr1) 21/22 $'000	LTP (Yr2) 22/23 $'000	LTP (Yr3) 23/24 $'000	LTP (Yr4) 24/25 $'000	LTP (Yr5) 25/26 $'000	LTP (Yr6) 26/27 $'000	LTP (Yr7) 27/28 $'000	LTP (Yr8) 28/29 $'000	LTP (Yr9) 29/30 $'000	LTP (Yr10) 30/31 $'000	Total
Collection Network Planned Renewals	300	414	531	654	786	923	1,071	1,230	1,399	1,573	8,881
Stormwater quality - Improvements	60	569	637	654	112	115	119	123	127	131	2,649
Flaxmere Urban Development				2,000							2,000
Collection Network Reactive Renewals	115	119	122	125	129	133	137	135	140	147	1,302
Whakatu West Industrial Development	1,200										1,200
Brookvale Road Development						577	595				1,172
Lyndhurst Extension								492	636		1,128
Network Modelling and Analysis	190	104	106	109	67	69	48	49	51	52	845
Caroline Road Extension	800										800
Iona-Middle Road	697										697
Havelock North - Medium Density Housing strategy	325	342									667
Havelock North Streams	50	52	53	55	56	58	60	61	64	66	573
School Rd - Church to Clive River					539						539
Lyndhurst - Mahora Drain		533									533
Te Kahika Stream- Tainui to Detention Dam					477						477
Lyndhurst - Cooke Stormwater Detention Pond	437										437
Hastings - Medium Density Housing Strategy	160	166									326
Mahora - Medium Density housing Strategy				105	108	111					323
Charlton Rd - Te Awanga Detention dam an	300										300
Parkvale - Medium Density Housing Strategy	86	89				50		75			300
Te Kahika Stream- Greenwood to Tainui				273							273

CAPITAL EXPENDITURE SUMMARY SEWERAGE AND THE TREATMENT AND DISPOSAL OF SEWAGE

	LTP (Yr1) 21/22 *$'000*	LTP (Yr2) 22/23 *$'000*	LTP (Yr3) 23/24 *$'000*	LTP (Yr4) 24/25 *$'000*	LTP (Yr5) 25/26 *$'000*	LTP (Yr6) 26/27 *$'000*	LTP (Yr7) 27/28 *$'000*	LTP (Yr8) 28/29 *$'000*	LTP (Yr9) 29/30 *$'000*	LTP (Yr10) 30/31 *$'000*	Total
CAPITAL EXPENDITURE											
To meet additional demand	**2,200**	**2,613**	**2,681**	**27**	**28**	**692**	**714**				**8,957**
Wastewater New Works	2,200	2,613	2,681	27	28	692	714				8,957
To improve the level of service	**199**	**-134**	**770**	**2,263**	**1,431**	**779**	**208**	**252**	**769**	**269**	**6,806**
Wastewater New Works	199	-134	770	2,263	1,431	779	208	252	769	269	6,806
To replace existing assets	**7,948**	**7,590**	**7,389**	**9,366**	**8,145**	**10,173**	**8,951**	**8,016**	**7,780**	**8,775**	**84,132**
Wastewater Renewals	7,948	7,590	7,389	9,366	8,145	10,173	8,951	8,016	7,780	8,775	84,132
TOTAL CAPITAL EXPENDITURE	**10,347**	**10,070**	**10,840**	**11,656**	**9,604**	**11,644**	**9,873**	**8,268**	**8,549**	**9,044**	**99,895**

OVERVIEW OF MAJOR CAPITAL PROJECTS – SEWERAGE AND THE TREATMENT AND DISPOSAL OF SEWAGE

	LTP (Yr1) 21/22 *$'000*	LTP (Yr2) 22/23 *$'000*	LTP (Yr3) 23/24 *$'000*	LTP (Yr4) 24/25 *$'000*	LTP (Yr5) 25/26 *$'000*	LTP (Yr6) 26/27 *$'000*	LTP (Yr7) 27/28 *$'000*	LTP (Yr8) 28/29 *$'000*	LTP (Yr9) 29/30 *$'000*	LTP (Yr10) 30/31 *$'000*	Total
Inland Trunk Sewer Renewals	1,700	2,070	1,593	3,163	2,076	1,788	1,845	1,906	2,353	2,032	20,526
Collection Network Planned Renewals	300	414	531	654	786	923	1,131	1,353	1,717	1,967	9,775
Urban Trunk Sewer Renewals	200	518	584	1,091	449	1,211	1,191	738	636	557	7,174
Flaxmere Urban Development	500	2,588	2,655								5,742
Outfall PS Manifold	3,000	2,070									5,070
Eastern Interceptor Upper Section Upgrade	2,000	2,070									4,070
Collection Network Reactive Renewals	250	259	265	327	337	346	357	369	381	393	3,285
Pumpstation Renewal	200	207	212	218	224	231	238	246	254	262	2,293
Process Investigations				1,091	449	577					2,116
Outfall – Landbased Section	1,000	1,035									2,035
Rising Main Renewals	200	207	212	87	146	115	60	246	127	262	1,663
Brookvale Road Development						692	714				1,407
Iona-Middle Road	1,375										1,375
Omahu Industrial Renewals								1,230			1,230
Consent Review	300	311							191	197	998
Advanced Investigations	80	83	85	87	90	92	95	98	102	105	917
Frederick St West		52	404	414							870
Frimley Interceptor - Hapuka to Inland S	250	52	53	55	56	58	60	61	64	66	773
Various resulting from CCTV	60	62	64	65	67	69	71	74	76	79	688
Laterals, Manholes & Telemetry Renewals						115	119	123	127	131	616
Pipework/Chambers Renewals								123	254	197	574
Flow Monitoring Improvements	50	52	53	55	56	58	60	61	64	66	573
Outfall By-pass									509		509

Roads & Footpaths

This group of Council activities covers our core assets with a predominant focus on ensuring the safety and health of our people and the environment.

OUR JOB IS TO

- Move people and goods around safely and efficiently

WHAT WE DO

- Development and maintenance of roads, footpaths and pathways

KEY ACTIONS

- Strengthen key bridges to allow continued heavy vehicle access
- Completion of approved walking and cycling projects within the iWay network
- Implement safety treatments on high risk rural routes and urban intersections
- Road pavement renewals in both urban and rural areas

COMMUNITY OUTCOMES WE AIM TO ACHIEVE

SUFFICIENT AND SUPPORTIVE ECONOMY (ECONOMIC WELLBEING)

- The transport network links people and opportunities
- We enable employment and growth

How do we control potential negative effects on community wellbeing?

Significant negative effects on environmental wellbeing from roading activities include noise pollution, contaminants in road stormwater runoff and depletion of natural resources for road construction. Council controls the risk of negative effects by complying with resource consents, adhering to a maintenance program for its roading network and by investing in alternative modes of transport with less environmental impact such as walking and cycling. Road accidents are also a negative effect. In this plan Council is proposing additional funding on road safety enhancements.

ABOUT THE PERFORMANCE TARGETS

The targets in this group of activities are mandatory as set out in legislation.

The performance targets have been set in line with previous targets, which were achieved or substantially achieved and reported in previous Annual Reports, with the following key exceptions:

- **Measure 3 (Maintenance of sealed road network) –** This target has been refined to reflect the escalated investment in resealing within this LTP.

An additional set of measures focused on other aspects of the roading activity, and in some cases on longer term objectives has also been included.

DETAILED MANDATORY NON FINANCIAL PERFORMANCE MEASURES

Community Outcomes	Performance Measure	Year 1 Target	Year 2 Target	Year 3 Target	Year 4-10 Target
SUFFICIENT AND SUPPORTIVE ECONOMY ▪ The transport network links people, goods and opportunities.	DIA Non-Financial Performance Measure 1: **Road safety** The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number.	Reducing trend of fatality and serious injury from previous year. Baseline 40 DSI (2017-19 average) YR1 target 38.	36	34	24
	DIA Non-Financial Performance Measure 2: **Condition of the sealed road network** The average quality of ride on a sealed local road network, measured by smooth travel exposure.	90% Smooth travel exposure (average quality of ride).	90%	90%	90%
	DIA Non-Financial Performance Measure 3: **Maintenance of a sealed local road network** The percentage of the sealed local road network that is resurfaced.	6.0% of sealed local road network is resurfaced per annum.(Baseline 6% 2015-2019)	6.0%	7.0%	8.0%
	DIA Non-Financial Performance Measure 4: **Condition of footpaths within the local road network** The percentage of footpaths within a territorial authority district that fall within the level of service or service standard for the condition of footpaths that is set out in the territorial authority's relevant document (such as its annual plan, activity management plan, asset management plan, annual works programme or Long Term Plan).	No more than 1.5 % of footpaths classified poor or worse as measured by Council's condition rating system. Baseline 1.2% (2018)	1.5%	1.5%	1.5%
	DIA Non-Financial Performance Measure 5: **Response to Service Requests** The percentage of customer service requests relating to roads and footpaths to which the territorial authority responds within the timeframe specified in the long term plan.	95 % of customer service requests relating to roads and footpaths responded to within 28 days.	95%	95%	95%

WE MEASURE PROGRESS TOWARD FUTURE GOALS AS FOLLOWS

LTP Year	Baseline (Predicted for the end of 20/21)	LTP Year 1	LTP Year 2	LTP Year 3	LTP Year 4-10
% of network inaccessible to Class 1 and 50 Max vehicles	11.18%	3.21%	2.50%	2.50%	0.4%
% of network available to HPMV vehicles	17.5%	22.9%	25.9%	28.8%	30.9%
Journeys affected due to unplanned road closures not more than 500,000 per annum	Baseline to be determined	Less than 500,000	Less than 500,000	Less than 500,000	Less than 500,000
10% annual increase in walking and cycling trips	5,500 (2018 baseline)	More than 6,000	More than 7,000	More than 8,000	More than 15,000
7% annual increase in walking and cycling mode share	11%	More than 12%	More than 13%	More than 14%	More than 20%
Greenhouse gas emissions from transport (Note: This measure is not under direct Council control but acknowledges Councils contribution to this overall goal)	313,500 tonnes carbon dioxide equivalent	Less than 295,800	Less than 285,600	Less than 275,400	Less than 204,000

HASTINGS DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 2021-31 FOR ROADS AND FOOTPATHS

	Annual Plan 20/21 $'000	Year 1 21/22 $'000	Year 2 22/23 $'000	Year 3 23/24 $'000	Year 4 24/25 $'000	Year 5 25/26 $'000	Year 6 26/27 $'000	Year 7 27/28 $'000	Year 8 28/29 $'000	Year 9 29/30 $'000	Year 10 30/31 $'000
SOURCES OF OPERATING FUNDING											
General Rates, uniform annual general charge, rates penalties	16,681	18,431	20,118	22,010	24,189	25,883	27,777	29,444	31,130	32,849	34,646
Targeted Rates	442	710	726	743	757	771	790	802	823	839	859
Subsidies and grants for operating purposes	6,219	7,106	7,342	7,731	8,247	8,435	8,653	8,903	9,110	9,348	9,620
Fees and charges	1,628	2,382	2,420	2,482	2,545	2,609	2,675	2,746	2,820	2,897	2,973
Internal charges and overheads recovered	2,962	3,129	3,276	3,362	3,411	3,477	3,568	3,632	3,721	3,839	3,920
Local authorities fuel tax, fines , infringement fees and other receipts	302	302	311	319	327	335	343	352	362	371	381
TOTAL OPERATING FUNDING (A)	**28,234**	**32,060**	**34,193**	**36,647**	**39,475**	**41,510**	**43,807**	**45,880**	**47,966**	**50,143**	**52,398**
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	13,983	16,031	16,860	17,657	18,695	19,211	19,793	20,349	20,828	21,471	22,086
Finance costs	1,122	898	1,165	1,268	1,419	1,449	1,441	1,417	1,414	1,430	1,426
Internal charges and overheads applied	5,025	5,328	5,605	5,777	5,857	5,969	6,137	6,235	6,390	6,608	6,732
Other operating funding applications	13	13	13	14	14	15	15	15	16	16	17
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	**20,143**	**22,270**	**23,642**	**24,716**	**25,985**	**26,644**	**27,386**	**28,017**	**28,648**	**29,526**	**30,260**
Surplus (deficit) of operating funding (A-B)	**8,091**	**9,790**	**10,551**	**11,931**	**13,490**	**14,866**	**16,421**	**17,863**	**19,317**	**20,617**	**22,139**
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	18,053	14,030	13,452	13,721	13,457	13,140	14,472	16,262	17,640	19,108	19,854
Development and financial contributions	1,039	1,821	1,838	1,851	1,862	1,873	1,885	1,896	1,492	1,506	1,520
Increase (decrease) in debt	6,199	17,884	12,500	(68)	(2,349)	(3,274)	(3,793)	(1,173)	(659)	(4,263)	(4,777)
Gross proceeds from sale of assets	96	48		33	19	78	55	36		22	111
Lump sum contributions	27	27	27	28	29	30	31	32	32	33	34
Other dedicated capital funding											
TOTAL SOURCES OF CAPITAL FUNDING (C)	**25,414**	**33,810**	**27,817**	**15,565**	**13,018**	**11,847**	**12,649**	**17,053**	**18,504**	**16,406**	**16,742**
APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
To meet additional demand	4,025	11,534	5,885	803	246	1,026	858	3,322	2,952	95	369
To improve the level of service	15,050	15,893	14,859	7,393	7,098	5,432	6,242	8,873	11,172	12,236	12,498
To replace existing assets	14,431	16,173	17,623	19,300	19,164	20,255	21,971	22,721	23,698	24,693	26,013
Increase (decrease) in reserves											
Increase (decrease) of investments											
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	**33,505**	**43,600**	**38,368**	**27,496**	**26,508**	**26,713**	**29,071**	**34,916**	**37,822**	**37,023**	**38,880**
Surplus (deficit) of Capital funding (C-D)	**(8,091)**	**(9,790)**	**(10,551)**	**(11,931)**	**(13,490)**	**(14,866)**	**(16,421)**	**(17,863)**	**(19,317)**	**(20,617)**	**(22,139)**
FUNDING BALANCE ((A-B)+(C-D))	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

CAPITAL EXPENDITURE SUMMARY ROADS AND FOOTPATHS

	LTP (Yr1) 21/22 $'000	LTP (Yr2) 22/23 $'000	LTP (Yr3) 23/24 $'000	LTP (Yr4) 24/25 $'000	LTP (Yr5) 25/26 $'000	LTP (Yr6) 26/27 $'000	LTP (Yr7) 27/28 $'000	LTP (Yr8) 28/29 $'000	LTP (Yr9) 29/30 $'000	LTP (Yr10) 30/31 $'000	Total
CAPITAL EXPENDITURE											
To meet additional demand	**11,534**	**5,885**	**803**	**246**	**1,026**	**858**	**3,322**	**2,952**	**95**	**369**	**27,090**
Public Transport Infrastructure	12	12									23
New Footpath Construction				115	103	104					322
Subdivision Support	11,489	5,838	803	55	851	696	3,322	2,952	63	65	26,134
Minor Safety Improvements	23	26			2					3	53
Major Safety Improvements	10	10		5					32	302	359
Kerb & Channel Renewals				71	70	58					199
To improve the level of service	**15,893**	**14,859**	**7,393**	**7,098**	**5,432**	**6,242**	**8,873**	**11,172**	**12,236**	**12,498**	**101,695**
Land & Buildings New Works	4,770										4,770
Cycleways & Pathways	1,300	825	319	328	337	694	1,072	1,470	1,891	2,335	10,570
New Roads	4,579	3,489	2,655	4,081	2,067	1,678	2,679	3,516	3,089	1,913	29,745
New Road Infrastructure Traffic Manageme	50										50
Public Transport Infrastructure	22	23	23	79	81	83	86	27	28	29	481
Street Lighting - New	30	31	32	33	34	35	36	37	38	39	343
New Footpath Construction	120	124	127	22							393
Information & Directional Signs & Kiosks	32	32	97	34							196
Undergrounding Support	41										41
Subdivision Support	300	5,464									5,764
Minor Safety Improvements	2,150	2,294	2,546	2,521	2,913	3,752	5,001	6,122	7,190	8,182	42,672
Major Safety Improvements	2,500	2,578	1,593								6,670
To replace existing assets	**16,173**	**17,623**	**19,300**	**19,164**	**20,255**	**21,971**	**22,721**	**23,698**	**24,693**	**26,013**	**211,610**
Office Furniture & Fittings Renewals	8	8	8	9	9	9	9	10	10	10	90
Other Machinery & Equipment Renewals	10	27	11	11	11	21	20	12	12	23	158
Plant Machinery & Vehicles Renewals	70	10	57	49	105	85	69	12	37	177	671
Structures	1,885	1,794	1,593	1,038							6,310
Maintenance Seals (Sealed Road Surfacing	4,731	5,161	5,448	5,770	5,938	6,110	6,287	6,469	6,657	6,850	59,421
Footpath Renewals	829	1,060	1,177	1,211	1,246	1,283	620	638	656	675	9,395
Kerb & Channel Renewals	190	196	202	279	283	278	226	233	240	246	2,372
AWPT - Sealed (Pavement Rehabilitation)	3,703	4,127	5,100	4,447	5,701	6,560	7,644	8,294	8,913	9,625	64,113
Advance Fees - Investigation & Options R	373	409	430	492	562	579	595	613	630	649	5,332
Street Light Renewals	50	52	53								155
Unsealed Road Metalling	661	784	914	1,094	1,294	1,505	1,549	1,532	1,514	1,558	12,404
Drainage Renewals	1,129	1,346	1,567	1,828	2,050	2,399	2,468	2,540	2,582	2,657	20,565
Structural Component Replacement	584	636	667	686	706	727	748	770	792	815	7,132
Traffic Services Renewals	1,083	1,117	1,150	1,184	1,218	1,252	1,289	1,327	1,365	1,405	12,390
Associated Improvements	869	896	922	1,066	1,131	1,164	1,197	1,250	1,286	1,323	11,103
TOTAL CAPITAL EXPENDITURE	**43,600**	**38,368**	**27,496**	**26,508**	**26,713**	**29,071**	**34,916**	**37,822**	**37,023**	**38,880**	**340,396**

OVERVIEW OF MAJOR CAPITAL PROJECTS ROADS AND FOOTPATHS

	LTP (Yr1) 21/22 $'000	LTP (Yr2) 22/23 $'000	LTP (Yr3) 23/24 $'000	LTP (Yr4) 24/25 $'000	LTP (Yr5) 25/26 $'000	LTP (Yr6) 26/27 $'000	LTP (Yr7) 27/28 $'000	LTP (Yr8) 28/29 $'000	LTP (Yr9) 29/30 $'000	LTP (Yr10) 30/31 $'000	Total
Footpath Renewals - Maintenance	823	1,055	1,171	1,205	1,240	1,276	613	631	649	668	9,332
MC- Collector	300	309	319	328	337	694	1,072	1,470	1,891	2,335	9,055
Brookvale Road Development	140	2,062					3,155	1,776			7,133
Omahu Industrial Development	912	940	750		794						3,397
Havelock New World car park	3,070										3,070
Nottingley Roundabout (30% Subdivision Support)		2,784									2,784
Lyndhurst - Stage 2 Lyndhurst Rd Roundabout		2,784									2,784
Iona - Middle Road	2,745										2,745
Iona - Iona Intersection	2,330										2,330
Iona - Iona Road	2,325										2,325
206 Queen Street West	1,700										1,700
Lyndhurst Extension							107	1,115			1,222
Howard Street	982										982
Extension Percival Road - Stage 3		886									886
Lane Rd						638					638
Hanui Extension	605										605
Subdivision Support - Development Response	50	52	53	55	56	58	60	61	63	65	572
Mahora - Medium Density housing Strategy	5	5		186	146	162				58	562
Irongate Road	550										550
Irongate / York	550										550

Safe, Healthy & Liveable Communities

This group of Council activities represents the balance of Council's activities focused on ensuring the safety and health of our people and the environment, along with making our communities places where people want to live.

OUR JOB IS TO

- Maintain and enhance public health and safety
- Manage the use of land
- Reduce public nuisance and threats to public safety
- Provide a range of accessible social, cultural and recreational activity

WHAT WE DO

- Refuse collection and disposal
- Food hygiene inspections
- Public health nuisance services (dog and noise control)
- Safe and sanitary building services
- Public toilet facilities and cleaning
- Review, monitor and enforce land use regulations
- Planning and response services for hazards and emergencies
- Parks, reserves, swimming pool and library service provision
- Art exhibitions, national/international shows and local performance
- Housing services for elderly in need
- Indoor recreational venues

COMMUNITY OUTCOMES WE AIM TO ACHIEVE

HEALTHY ENVIRONMENT AND PEOPLE (ENVIRONMENTAL WELLBEING)

- Council services are green and healthy
- Sustainable development is encouraged and carbon emissions are reduced
- The natural environment is enhanced and protected
- Water and land resources are used wisely

SAFE AND INCLUSIVE PLACE (SOCIAL WELLBEING)

- Communities are safe and resilient

VIBRANT PLACE TO LIVE, PLAY AND VISIT (CULTURAL WELLBEING)

- There are great spaces for all people

How do we control potential negative effects on community wellbeing?

Significant negative effects on environmental wellbeing can result in respect of discharge of contaminants from the Landfill. The Council is accredited with the environmental standard ISO9000:2001, and adherence to that standard ensures that any potential adverse effects from the landfill operations are mitigated.

ABOUT THE PERFORMANCE TARGETS

The performance targets have been set in line with 2019/20 targets, which were achieved or substantially achieved and reported in the Annual Report.

Changes made since the 2018 Long Term Plan include:

- Removal of food premises measre (superceded by Food Act 2014);
- Change licensed premises measure to "after hours" from "night time";
- Change release rate of impounded dogs to those"suitable" for release;
- Change CCTV measure from numbers of cameras to network performance;
- Changed refuse collection targets to align with new contract.
- Changed CCTV measure from camera quantity to camera performance measures
- Changes to noise measures reflect Health & Safety considerations for the contractor

Monitoring Performance

LEVELS OF SERVICE COUNCIL PROVIDES

Community Outcomes	Performance Measure	Baseline Performance 2019/20	Year 1 Target	Year 2 Target	Year 3 Target	Year 4-10 Target
HEALTHY ENVIRONMENT AND PEOPLE ▪ Council services are green and healthy	Hours of operation at Refuse transfer station	7 days per week	7 days per week	7 days p/w	7 days p/w	7 days p/w
	Hours of operation at Recycling depots	7 days per week	7 days per week	7 days p/w	7 days p/w	7 days p/w
	Hours of operation at Landfill	1 landfill (limited weekend opening)	1 landfill (limited weekend opening)	1	1	1
	% of urban dwellings serviced by kerbside refuse and recycling services	Weekly collection to 98% of urban dwellings within the collection areas	Weekly collection to 98% of urban dwellings	98%	98%	98%
	% compliance with Landfill conditions	100%	100%	100%	100%	100%
HEALTHY ENVIRONMENT AND PEOPLE ▪ Sustainable development is encouraged and carbon emisions are reduced. ▪ The natural environment is enhanced and protected ▪ Water and land resources are used wisely	A District Plan current at all times within statutory timeframes	Achieved	Achieved	Achieved	Achieved	Achieved
SAFE AND INCLUSIVE PLACE ▪ Communities are safe and resilient	% compliance with swimming pool fencing regulations	99.7%	98%	98%	98%	98%
	Number of public cemeteries	4 cemeteries at Hastings, Havelock North, Puketapu, Mangaroa	4	4	4	4
	Compliance level with crematorium consent conditions	All conditions met	All conditions met	All conditions met	All conditions met	All conditions met
	% of public buildings with current warrant of fitness	100%	95%	95%	95%	95%

LEVELS OF SERVICE COUNCIL PROVIDES

Community Outcomes	Performance Measure	Baseline Performance 2019/20	Year 1 Target	Year 2 Target	Year 3 Target	Year 4-10 Target
	% of dog registrations of known dogs	97.9%	98%	98%	98%	98%
	% release rate of impounded dogs suitable for release	100%	100%	100%	100%	100%
	Number of after hour compliance operations on licensed premises per year	4	4	4	4	4
	CCTV camera downtime <5%	<5%	<5%	<5%	<5%	<5%
	CCTV live monitoring >70% of running time	>70%	>70%	>70%	>70%	>70%
	Time taken to process a building consent	99.97% within 20 working days	100% within 20 working days	100% within 20 working days	100% within 20 working days	100% within 20 working days
	Time taken to process code compliance certificate	99.45% within 10 days	100% within 20 days	100% within 20 days	100% within 20 days	100% within 20 days
	Time taken to process a resource consent	97% within statutory timeframe (20 working days)	97% within statutory timeframe (20 working days)	97% within statutory timeframe (20 working days)	97% within statutory timeframe (20 working days)	97% within statutory timeframe (20 working days)
	Time taken to respond to noise complaints	Zone 1 (20-30 minutes) – 97.0% Zone 2 (< 45 minutes) – 100%	Zone 1 (<30 minutes) 80%, (<40 minutes) 20% Zone 2 (< 1 hour) – 100%	Zone 1 (<30 minutes) – 80%, (<40 minutes) 20% Zone 2 (< 1 hour) – 100%	Zone 1 (<30 minutes) – 80%, (<40 minutes) 20% Zone 2 (<1 hour) – 100%	Zone 1 (<30 minutes) – 80%, (<40 minutes) 20% Zone 2 (< 1 hour) – 100%
VIBRANT PLACE TO LIVE, PLAY AND VISIT ▪ There are great spaces for all people	Number of public swimming pools that meet Pool Safe water quality standards	4	4	4	4	4
	Days of operation of public libraries	3 public libraries (6 day service Flaxmere / Havelock Nth, 7 days Hastings)	3 public libraries (6 day service Flaxmere / Havelock Nth, 7 days Hastings)	3 public libraries (6 day service Flaxmere / Havelock Nth, 7 days Hastings)	3 public libraries (6 day service Flaxmere / Havelock Nth, 7 days Hastings)	3 public libraries (6 day service Flaxmere / Havelock Nth, 7 days Hastings)
	% of urban properties within 500m radius (walking distance) of a park	86%	87%	88%	89%	90%
	% of urban properties within 500m radius (walking distance of a playground	60%	60%	60%	60%	60%
	Number of elderly housing units and average occupancy	220 units with occupancy of 97.3%	95% average occupancy	95% average occupancy	95% average occupancy	95% average occupancy

LEVELS OF SERVICE COUNCIL PROVIDES

Community Outcomes	Performance Measure	Baseline Performance 2019/20	Year 1 Target	Year 2 Target	Year 3 Target	Year 4-10 Target
	Number of Art Gallery exhibitions per annum	15	12	12	12	12
	Opera House Qualmark Rating	Facility is closed	No measure	No measure	Five star	Five star
	% of Indoor Sports Centre available booking hours booked	50%	50%	50%	50%	50%
	Days of operation of Splash Planet	Mid November to Waitangi Day (7 days a week)	Mid November to Waitangi Day (7 days a week)	Mid November to Waitangi Day (7 days a week)	Mid November to Waitangi Day (7 days a week)	Mid November to Waitangi Day (7 days a week)
	Parks user satisfaction	97.5%	97%	97%	97%	97%

We measure progress toward future goals by:

(A) Three Yearly Monitoring

State of the Environment Report
Great Communities Strategy success measures

(B) Key Targets

Indicator	Baseline Performance	Future Target
Public buildings meeting minimum earthquake standards (34% of new building standard)	62.04%	100% by 2033 meeting future legislative standards
Increased recyclables diverted from landfill	9,800 tonnes diverted	*≥ 11,760 tonnes per annum by 2024 (20%)*
Decreased organic waste going to landfill	28,580 tonnes	*≤ 19,150 to landfill by 2024 (30%)*

KEY ACTIONS

- Advance actions within Hastings city centre revitalisation plan
- Complete Civic Square and Central Mall flagship projects
- Rollout 10 year streetscape enhancement programme
- Advance future cemetery space capacity
- Complete earthquake strengthening on remaining identified public buildings
- Complete strategic assessment on future of Heretaunga House
- Enhancements on key reserves (Cornwall, Windsor, Havelock North Village Green and other various reserves)
- Complete strategic review into Elder Housing provision
- Advance remaining reserve management plans
- Complete planned toilet enhancements from Sanitary Services assessment
- Provision of community education programmes on waste minimisation
- Complete landfill valley development
- Implement remaining actions within the Waste Management and Minimisation Plan
- Complete Hastings and Havelock North strategic parking acquisition and development
- Complete strategic review into aquatics provision (including Splash Planet)
- Advance actions to meet National Policy statement on Indigenious Biodiversity

HASTINGS DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 2021-31 FOR SAFE, HEALTHY AND LIVEABLE COMMUNITIES

	Annual Plan 20/21 $'000	Year 1 21/22 $'000	Year 2 22/23 $'000	Year 3 23/24 $'000	Year 4 24/25 $'000	Year 5 25/26 $'000	Year 6 26/27 $'000	Year 7 27/28 $'000	Year 8 28/29 $'000	Year 9 29/30 $'000	Year 10 30/31 $'000
SOURCES OF OPERATING FUNDING											
General Rates, uniform annual general charge, rates penalties	33,359	36,926	39,065	40,863	42,176	43,097	44,164	44,688	46,170	47,428	48,576
Targeted Rates	5,003	5,471	5,886	6,393	6,811	6,977	7,152	7,332	7,528	7,734	7,932
Subsidies and grants for operating purposes	93	1,954	29	30	30	31	32	33	34	35	36
Fees and charges	23,556	28,340	30,318	32,881	34,950	35,787	36,681	37,635	38,651	39,695	40,727
Internal charges and overheads recovered	14,682	13,832	14,495	14,826	15,144	15,479	15,838	16,216	16,621	17,055	17,491
Local authorities fuel tax, fines , infringement fees and other receipts	89	89	92	94	96	99	101	104	107	110	112
TOTAL OPERATING FUNDING (A)	**76,782**	**86,612**	**89,885**	**95,087**	**99,208**	**101,469**	**103,968**	**106,008**	**109,111**	**112,056**	**114,874**
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	42,538	45,654	47,952	50,491	52,394	53,550	54,791	56,214	57,795	59,290	60,926
Finance costs	1,810	2,228	2,394	2,465	2,800	2,877	2,832	2,796	2,751	2,681	2,598
Internal charges and overheads applied	20,989	20,916	22,152	23,216	23,931	24,446	25,098	25,607	26,265	27,078	27,669
Other operating funding applications	2,969	4,459	4,581	4,690	4,801	4,915	5,032	5,157	5,290	5,426	5,561
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	**68,306**	**73,257**	**77,079**	**80,861**	**83,926**	**85,788**	**87,753**	**89,774**	**92,100**	**94,474**	**96,755**
Surplus (deficit) of operating funding (A-B)	**8,476**	**13,356**	**12,806**	**14,226**	**15,282**	**15,681**	**16,215**	**16,234**	**17,011**	**17,581**	**18,119**
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	3,290	3,890	298	306	314	321	329	338	347	356	366
Development and financial contributions	800	620	620	620	620	620	620	620	620	620	620
Increase (decrease) in debt	16,632	8,703	1,755	2,681	408	(3,992)	(3,794)	(4,005)	(7,903)	(6,690)	(9,213)
Gross proceeds from sale of assets	262	225	176	405	306	237	383	303	237	458	354
Lump sum contributions											
Other dedicated capital funding											
TOTAL SOURCES OF CAPITAL FUNDING (C)	**20,983**	**13,438**	**2,849**	**4,013**	**1,648**	**-2,813**	**-2,462**	**-2,743**	**-6,698**	**-5,255**	**-7,873**
APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
To meet additional demand	1,000	1,690	103	37	50	39	1,227	245	36	2,126	252
To improve the level of service	12,763	13,596	9,556	12,349	10,518	6,727	6,533	6,164	4,211	3,633	4,352
To replace existing assets	15,697	11,508	5,996	5,853	6,362	6,103	5,993	7,081	6,066	6,567	5,642
Increase (decrease) in reserves											
Increase (decrease) of investments											
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	**29,460**	**26,794**	**15,655**	**18,238**	**16,930**	**12,868**	**13,753**	**13,490**	**10,313**	**12,327**	**10,246**
Surplus (deficit) of Capital funding (C-D)	**(8,476)**	**(13,356)**	**(12,806)**	**(14,226)**	**(15,282)**	**(15,681)**	**(16,215)**	**(16,234)**	**(17,011)**	**(17,581)**	**(18,119)**
FUNDING BALANCE ((A-B)+(C-D))	**()**	**()**		**-**	**-**	**()**	**()**	**()**	**()**		**()**

CAPITAL EXPENDITURE SUMMARY SAFE, HEALTHY AND LIVEABLE COMMUNITIES

	LTP (Yr1) 21/22 $'000	LTP (Yr2) 22/23 $'000	LTP (Yr3) 23/24 $'000	LTP (Yr4) 24/25 $'000	LTP (Yr5) 25/26 $'000	LTP (Yr6) 26/27 $'000	LTP (Yr7) 27/28 $'000	LTP (Yr8) 28/29 $'000	LTP (Yr9) 29/30 $'000	LTP (Yr10) 30/31 $'000	Total
CAPITAL EXPENDITURE											
To meet additional demand	**1,690**	**103**	**37**		**39**	**1,227**	**245**	**36**	**2,126**	**252**	**5,755**
Land & Buildings New Works	1,690	103	37		39	1,227	35	36	1,905	252	5,324
Park Assets New Works							210		221		431
To improve the level of service	**13,596**	**9,556**	**12,349**	**10,568**	**6,727**	**6,533**	**6,164**	**4,211**	**3,633**	**4,352**	**77,689**
Landfill Development	3,301	4,000	4,100	4,078	3,136	3,214	3,001	1,558	1,600	1,642	29,631
Plant Machinery & Vehicles New Works	134	22	26	22	1	24	30	9	6	139	412
Land & Buildings New Works	8,282	1,643	5,353	3,002	2,131	1,477	1,058	1,208	1,105	1,254	26,512
Park Assets New Works	1,168	-638	1,768	1,449	1,004	921	1,154	1,137	627	1,003	9,591
Streetscape New Works	712	4,529	1,102	2,017	454	897	921	299	295	315	11,542
To replace existing assets	**11,508**	**5,996**	**5,853**	**6,362**	**6,103**	**5,993**	**7,081**	**6,066**	**6,567**	**5,642**	**67,171**
Library Books	403	430	441	452	463	475	487	500	514	527	4,692
Computer & Office Equipment Renewals	50										50
Office Furniture & Fittings Renewals	267	274	284	288	295	306	311	319	331	336	3,011
Other Machinery & Equipment Renewals	286	327	307	349	300	427	361	334	361	360	3,412
Plant Machinery & Vehicles Renewals	959	359	955	592	605	698	708	450	850	620	6,797
Land & Buildings Renewals	7,900	2,601	1,742	2,394	2,168	1,918	3,170	2,188	2,182	1,478	27,741
Soft Landscaping	430	412	475	422	560	557	460	473	486	498	4,771
Trees	338	374	488	638	576	534	530	545	559	599	5,181
Hard Landscaping	235	468	512	314	355	381	367	377	387	397	3,792
Playgrounds	485	612	506	769	632	545	530	730	744	668	6,221
Services	105	62	63	65	66	68	70	60	61	63	684
Structures	50	77	79	81	83	85	87	90	92	95	820
TOTAL CAPITAL EXPENDITURE	**26,794**	**15,655**	**18,238**	**16,930**	**12,868**	**13,753**	**13,490**	**10,313**	**12,327**	**10,246**	**150,614**

OVERVIEW OF MAJOR CAPITAL PROJECTS SAFE HEALTHY AND LIVEABLE COMMUNITIES

	LTP (Yr1) 21/22 $'000	LTP (Yr2) 22/23 $'000	LTP (Yr3) 23/24 $'000	LTP (Yr4) 24/25 $'000	LTP (Yr5) 25/26 $'000	LTP (Yr6) 26/27 $'000	LTP (Yr7) 27/28 $'000	LTP (Yr8) 28/29 $'000	LTP (Yr9) 29/30 $'000	LTP (Yr10) 30/31 $'000	Total
Other											
General	2,024	2,413	2,524	2,605	2,726	2,561	2,516	2,711	2,796	2,748	25,624
Landfill Valley Development B & C	2,131	2,848	2,920	2,993	2,362	2,421	2,484	1,027	1,054	1,082	21,321
Landfill Valley Development A & D	1,169	1,150	1,179	1,071	759	778	502	515	529	543	8,196
Splash Planet	94	1,131	113	145	50	140	147	233	289	12	2,355
Hastings Library		287	422	432			668				1,809
Blackbridge Transfer Station			1,582								1,582
Duart House	405	360		72			64		433		1,335
Swansea Flats	164	67	58	268	61	290	184	54	56	57	1,259
Splash Planet Attractions	100	103	105	108	111	114	117	120	123	126	1,126
All Parks Irrigation Upgrading	331	253	348	119							1,051
Martin Place Recycling	1,000										1,000
CBD											
Hawkes Bay Museum Storage development	7,200										7,200
Municipal Strengthen	5,500										5,500
CBD & Suburban Re-Development-Misc Parks	475	705	875	1,784	39	653	670	42	31	44	5,318
Civic Square Buildings		3,602			166						3,768
Civic Square Landscape		1,029									1,029
Reserve Acquisition											
Lyndhurst extension - Reserve aquisition									799	252	1,051
Brookvale Road Development						1,022	210		1,327		2,559
Iona-Middle Road - Reserve Purchase	560										560
Te Awanga Downs	720		37		39						796
New Toilets											
Various New Toilets	460	329	1,044	1,222	637	363	932	957	824	921	7,690
Playground Upgrade											
Playground Upgrades	55	123	64	119	7	98	128	191	135	126	1,047
Reserve Redevelopment											
Cape Coast RMP	20	31	21	32	161	176	70	78	104	101	794
Cornwall Park RMP Implementation	430	134	53	259							876
Havelock North Domain RMP Implementation	345						175				520
Keirunga Gardens RMP Implementation	85	98	127	335	443		12	42	43	44	1,228
Raureka local Parks RMP		340	359			85	87	24			895
Tainui RMP Implementation	160	180	185	59	61	11	12	60	61	13	802
Waimarama RMP implementation	60	21	243	216			17	120			677
Windsor Park RMP Implementation	50	51	105			250	385	359		441	1,642

Economic & Community Development

This group of Council activities is focussed on creating the conditions for community wellbeing, the economic and social prosperity of our people and the communities within which they live.

OUR JOB IS TO

- Make available land for industrial, commercial and residential growth
- Work with partners to grow business and jobs
- Support visitor attraction
- Develop long term plans for our communities

WHAT WE DO

- Planning for district development and ensuring availability of serviced land
- Planning urban centres and neighbourhoods (Place Based Plans)
- Planning together with mana whenua
- Working with young people and older people
- Community safety initiatives
- Provision of visitor facilities (i-site, Holiday Park)
- Economic and social development research and planning
- Empowering communities to do things for themselves
- Project based work focused on business investment and jobs
  - business attraction
  - connecting schools with industry and unemployed people with jobs
  - increasing migrant business investment
  - improving the value of land based horticulture and agriculture products
  - advancing E-commerce initiatives

COMMUNITY OUTCOMES WE AIM TO ACHIEVE

SUFFICIENT AND SUPPORIVE ECONOMY (ECONOMIC WELLBEING)

- We enable employment and growth
- Housing supply matches need

VIBRANT PLACE TO LIVE PLAY AND VISIT (CULTURAL WELLBEING)

- There are great spaces for all people

SAFE AND INCLUSIVE COMMUNITIES (SOCIAL WELLBEING)

- Communities are safe and resilient
- There are pathways for youth

How do we control potential negative effects on community wellbeing?

Significant negative effects on environmental wellbeing can result in the form of environmental issues associated with increased development. The Council mitigates these effects through a sustainable development approach to regulation and planning. Council's District Plan and Resource Management Act functions help ensure that new development meets the required environmental standards for sustainable development.

ABOUT THE PERFORMANCE TARGETS

The performance targets have been set in line with 2019/20 targets, which were achieved or substantially achieved and reported in the Annual Report.

Changes made since the 2018 Long Term Plan include:

- Removal of Business Hawkes Bay measure due to potential changes to economic development service delivery in Hawkes Bay;
- Update of Opera House measure due to its redevelopment and opening following a period of closure;
- Financial support for events updated to reflect 2021 LTP budget decisions.

Monitoring Performance

Levels of Service Council Provides

Community Outcomes	Performance Measure	Baseline Performance 2019/20	Year 1 Target	Year 2 Target	Year 3 Target	Year 4-10 Target
SUFFICIENT AND SUPPORTIVE ECONOMY ▪ We enable employment and growth. ▪ Housing supply matches need	% of vacant industrial land	30%	A minimum of 20% of industrial land is vacant	20%	20%	20%
	Number of hectares of vacant greenfield land	37.4 hectares	A minimum of 20% vacant greenfield land	20%	20%	20%
	Number of significant strategies completed per annum	1	1	1	1	1
	Number of structure plans completed per annum	1	1	1	1	1
VIBRANT PLACE TO LIVE, PLAY AND VISIT ▪ There are great spaces for all people.	Opera House Qualmark Rating	Facility is closed	Five Star	Five Star	Five Star	Five Star
	Number of visitors to I-Site visitor centres per annum	73,107	73,000	73,000	73,000	73,000
	Total financial support to events	$705,000 (forecast 20/21)	$832,000	$892,000	$950,000	$1,100,000
	Total visitors to Splash Planet	112,987 total 52,462 outside Hastings (46.5%)	100,000 total 45% outside Hastings	100,000 total 45% outside Hastings	100,000 total 45% outside Hastings	100,000 total 45% outside Hastings
SAFE AND INCLUSIVE COMMUNITIES ▪ Communities are safe and resilient. ▪ There are pathways for youth.	Number of completed Place Based Plans	3	1 Place Based plan completed per annum	1	1	1
	Number of social development reviews completed	1	1 social development review completed per annum	1	1	1

We measure progress toward future goals by:

- Matariki RED's progress reporting
- District Development Strategy success measures

KEY ACTIONS	
• Support industrial land uptake at Irongate, Omahu and Whakatu	• Undertake HPUD's review (explore spatial plan creation)
• Promote inner city living opportunities	• Development of various place based plans
• Advance various HDC housing initiatives and housing partnership agreements	• Explore Rangatahi co-lab initiative
• Progress of various youth futures programmes	• Advance business attraction and job creation initiatives
• Implementation of Heretaunga Plains Urban Development Strategy (HPUDS) sub strategies	• Economic Development delivery model review
	• Rollout the Heretaunga Ararau Action Plan



HASTINGS DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 2021-31 FOR ECONOMIC AND COMMUNITY DEVELOPMENT

	Annual Plan 20/21 $'000	Year 1 21/22 $'000	Year 2 22/23 $'000	Year 3 23/24 $'000	Year 4 24/25 $'000	Year 5 25/26 $'000	Year 6 26/27 $'000	Year 7 27/28 $'000	Year 8 28/29 $'000	Year 9 29/30 $'000	Year 10 30/31 $'000
SOURCES OF OPERATING FUNDING											
General Rates, uniform annual general charge, rates penalties	8,307	8,866	9,494	9,867	10,037	10,271	10,532	10,737	10,967	11,227	11,472
Targeted Rates	346	346	346	346	346	346	346	346	346	346	346
Subsidies and grants for operating purposes	50	544	51	53	54	55	57	58	60	61	63
Fees and charges	462	347	357	366	375	384	394	404	415	426	437
Internal charges and overheads recovered											
Local authorities fuel tax, fines , infringement fees and other rece											
TOTAL OPERATING FUNDING (A)	**9,165**	**10,103**	**10,248**	**10,631**	**10,812**	**11,057**	**11,329**	**11,545**	**11,788**	**12,061**	**12,318**
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	6,472	7,186	7,061	7,230	7,304	7,448	7,604	7,771	7,949	8,142	8,342
Finance costs	18	46	45	43	45	43	42	40	38	36	33
Internal charges and overheads applied	1,604	1,593	1,728	1,782	1,818	1,856	1,908	1,944	1,993	2,059	2,101
Other operating funding applications	1,841	1,196	1,328	1,489	1,551	1,612	1,674	1,687	1,700	1,714	1,727
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	**9,935**	**10,022**	**10,161**	**10,544**	**10,718**	**10,960**	**11,228**	**11,441**	**11,680**	**11,950**	**12,203**
Surplus (deficit) of operating funding (A-B)	**(770)**	**81**	**87**	**88**	**94**	**97**	**101**	**104**	**108**	**112**	**115**
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure											
Development and financial contributions											
Increase (decrease) in debt	788	(36)	(33)	(58)	(45)	(77)	(69)	(93)	(86)	(77)	(102)
Gross proceeds from sale of assets	17	20	46	34	22	50	36	23	54	39	25
Lump sum contributions											
Other dedicated capital funding											
TOTAL SOURCES OF CAPITAL FUNDING (C)	**805**	**-16**	**14**	**-24**	**-24**	**-27**	**-33**	**-69**	**-33**	**-38**	**-77**
APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
To meet additional demand											
To improve the level of service											
To replace existing assets	35	65	101	63	70	70	68	35	75	74	38
Increase (decrease) in reserves											
Increase (decrease) of investments											
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	**35**	**65**	**101**	**63**	**70**	**70**	**68**	**35**	**75**	**74**	**38**
Surplus (deficit) of Capital funding (C-D)	**770**	**(81)**	**(87)**	**(88)**	**(94)**	**(97)**	**(101)**	**(104)**	**(108)**	**(112)**	**(115)**
FUNDING BALANCE ((A-B)+(C-D))	**-**	**()**	**-**	**()**		**()**				**()**	

CAPITAL EXPENDITURE SUMMARY ECONOMIC & COMMUNITY DEVELOPMENT

	LTP (Yr1) 21/22 *$'000*	LTP (Yr2) 22/23 *$'000*	LTP (Yr3) 23/24 *$'000*	LTP (Yr4) 24/25 *$'000*	LTP (Yr5) 25/26 *$'000*	LTP (Yr6) 26/27 *$'000*	LTP (Yr7) 27/28 *$'000*	LTP (Yr8) 28/29 *$'000*	LTP (Yr9) 29/30 *$'000*	LTP (Yr10) 30/31 *$'000*	Total
CAPITAL EXPENDITURE											
To replace existing assets	**65**	**101**	**63**	**70**	**70**	**68**	**35**	**75**	**74**	**38**	**659**
Plant Machinery & Vehicles Renewals	65	101	63	70	70	68	35	75	74	38	659
TOTAL CAPITAL EXPENDITURE	**65**	**101**	**63**	**70**	**70**	**68**	**35**	**75**	**74**	**38**	**659**

Governance & Support Services

This group of Council activities is focused on the governance and support services which assist with the on ground service delivery, customer contact with Council and the general operations of the Council.

OUR JOB IS TO

- Make open, inclusive and effective decisions
- Ensure easy access to Council knowledge and services
- Ensure prudent financial management

WHAT WE DO

- Internal support services within Hastings District Council
- Face to face assistance via customer service centre
- Telephone and email enquiries via contact centre
- Electronic communication via Council website
- Support and advice to elected members and Chief Executive office
- Decision making via Council and Committee meetings

KEY ACTIONS

- Increase customer self-help options and online payment options via the Council website and other social networking tools
- Minimising customer wait times and implementing customer experience project.

COMMUNITY OUTCOMES WE AIM TO ACHIEVE

SAFE AND INCLUSIVE PLACE (SOCIAL WELLBEING)

- Smart innovation connects citizens and services



ABOUT THE PERFORMANCE TARGETS

The performance targets have been set in line with 2019/20 targets, which were achieved or substantially achieved and reported in the Annual Report.

Changes made since the 2018 Long Term Plan include:

- Removal of customer centre opening hours (not considered relevant)
- *Note: The mystery shopper measues are proposed to be replaced by other measures of customer experience during the term of this LTP. These will be updated once the customer experience project has been finalised.*

LEVELS OF SERVICE COUNCIL PROVIDES

Community Outcome	Performance Measure	Baseline Performance 2019/20	Year 1 Target	Year 2 Target	Year 3 Target	Year 4-10 Target
SAFE AND INCLUSIVE PLACE ▪ Smart innovation connects citizens and services.	% Compliance with statutory planning processes	100%	100%	100%	100%	100%
	Council and Committee agendas are available within statutory timeframes	100%	100%	100%	100%	100%
	Complete Annual Report and audit within statutory timeframes	Achieved	Achieved	Achieved	Achieved	Achieved
	Budgets are set within Financial Strategy limits	Achieved	Achieved	Achieved	Achieved	Achieved
	Calls to Council's main number are always answered by a person rather than an answer phone service	Achieved (90% of calls answered within 60 seconds)	90%	90%	90%	90%
	% of calls to Council's main number answered within 20 seconds	79.5%	80%	80%	80%	80%
	Usage of Council website	17,578 unique visitors per month	15,000 unique visitors per month	15,000 unique visitors per month	15,000 unique visitors per month	15,000 unique visitors per month
	Quality of customer service (contact centre)	Average score of 82% in mystery shopper phone calls	85%	85%	85%	85%
	Quality of customer service (customer service centre)	Average score of 94% in mystery shopper visits and phone calls	85%	85%	85%	85%

HASTINGS DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 2021-31 FOR GOVERNANCE AND SUPPORT

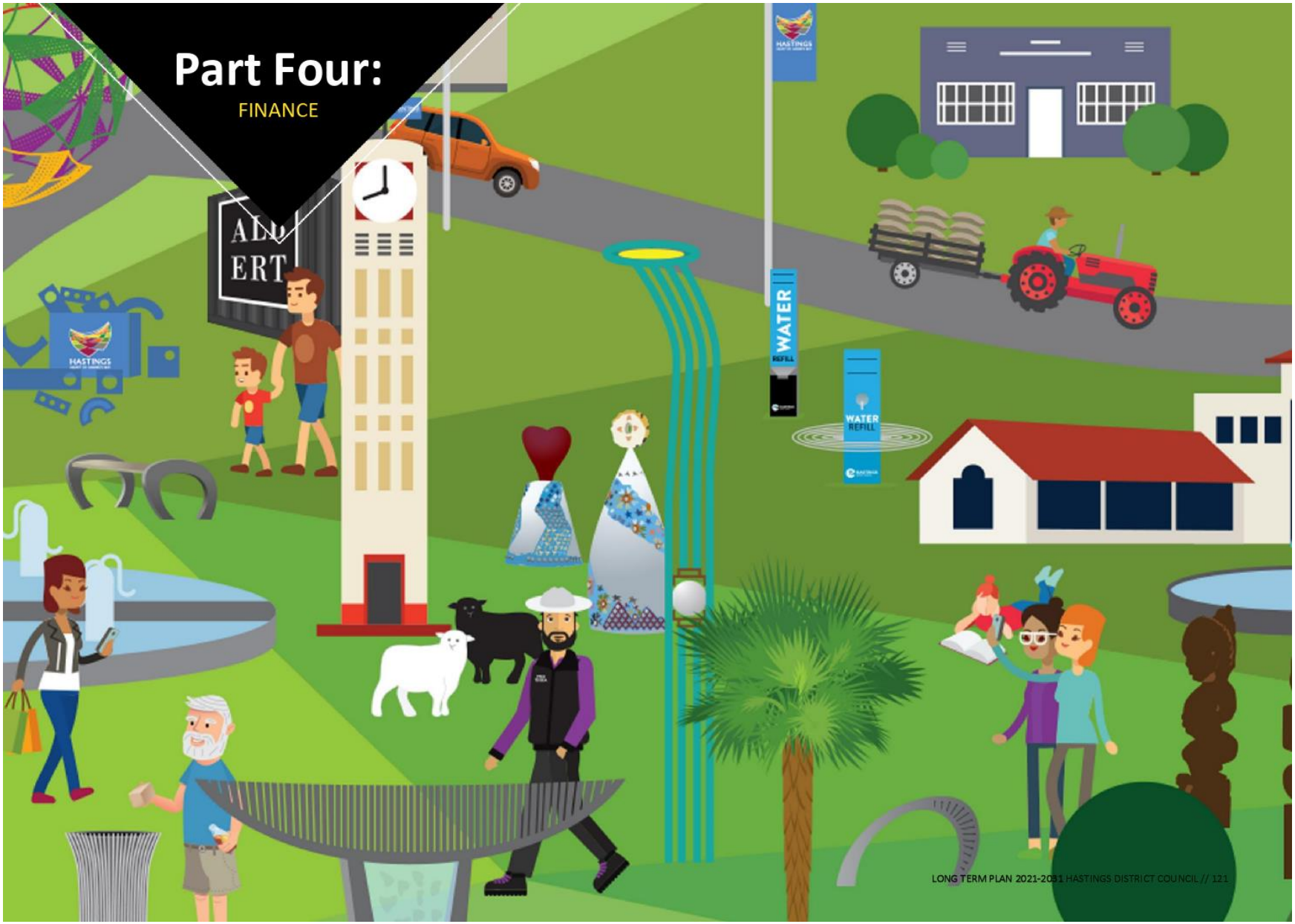
	Annual Plan 20/21 $'000	Year 1 21/22 $'000	Year 2 22/23 $'000	Year 3 23/24 $'000	Year 4 24/25 $'000	Year 5 25/26 $'000	Year 6 26/27 $'000	Year 7 27/28 $'000	Year 8 28/29 $'000	Year 9 29/30 $'000	Year 10 30/31 $'000
SOURCES OF OPERATING FUNDING											
General Rates, uniform annual general charge, rates penalties	2,431	2,706	2,862	2,935	3,027	3,116	3,208	3,306	3,406	3,520	3,631
Targeted Rates	(723)	(1,973)	(1,521)	(1,112)	(542)	222	619	1,377	1,780	1,800	1,765
Subsidies and grants for operating purposes											
Fees and charges	359	504	518	531	544	558	572	587	603	619	635
Internal charges and overheads recovered	15,088	16,780	17,669	18,271	18,564	18,924	19,485	19,778	20,279	21,006	21,368
Local authorities fuel tax, fines , infringement fees and other receipts	537	537	553	566	581	650	724	742	762	783	803
TOTAL OPERATING FUNDING (A)	**17,691**	**18,553**	**20,081**	**21,191**	**22,174**	**23,470**	**24,607**	**25,791**	**26,830**	**27,728**	**28,203**
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	13,078	13,512	14,067	14,447	14,638	15,099	15,482	15,675	16,218	16,683	16,932
Finance costs	54	94	101	109	132	145	158	172	186	200	215
Internal charges and overheads applied	3,880	4,938	5,187	5,310	5,437	5,560	5,694	5,830	5,980	6,143	6,301
Other operating funding applications	1,144	1,169	1,383	1,233	1,264	1,489	1,328	1,362	1,608	1,437	1,474
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	**18,155**	**19,713**	**20,738**	**21,099**	**21,470**	**22,292**	**22,662**	**23,039**	**23,992**	**24,463**	**24,922**
Surplus (deficit) of operating funding (A-B)	**(464)**	**(1,160)**	**(657)**	**92**	**704**	**1,177**	**1,945**	**2,752**	**2,838**	**3,265**	**3,281**
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure											
Development and financial contributions											
Increase (decrease) in debt	1,938	3,413	2,558	3,028	1,122	1,025	(631)	(1,146)	(1,594)	(1,806)	(1,189)
Gross proceeds from sale of assets	1,616	70	25	137	63	35	175	68		175	129
Lump sum contributions											
Other dedicated capital funding											
TOTAL SOURCES OF CAPITAL FUNDING (C)	**3,554**	**3,483**	**2,582**	**3,166**	**1,184**	**1,060**	**-457**	**-1,079**	**-1,594**	**-1,632**	**-1,060**
APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
To meet additional demand											
To improve the level of service											
To replace existing assets	2,708	2,095	1,690	2,854	1,475	1,813	1,054	1,227	786	1,163	1,738
Increase (decrease) in reserves											
Increase (decrease) of investments	383	228	235	404	414	424	435	446	458	470	483
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	**3,091**	**2,323**	**1,925**	**3,258**	**1,888**	**2,237**	**1,489**	**1,673**	**1,244**	**1,633**	**2,220**
Surplus (deficit) of Capital funding (C-D)	**464**	**1,160**	**657**	**(92)**	**(704)**	**(1,177)**	**(1,945)**	**(2,752)**	**(2,838)**	**(3,265)**	**(3,281)**
FUNDING BALANCE ((A-B)+(C-D))	**-**	**-**	**()**		**-**	**-**	**-**	**-**	**-**	**-**	**-**

CAPITAL EXPENDITURE SUMMARY GOVERNANCE AND SUPPORT SERVICES

	LTP (Yr1) 21/22 *$'000*	LTP (Yr2) 22/23 *$'000*	LTP (Yr3) 23/24 *$'000*	LTP (Yr4) 24/25 *$'000*	LTP (Yr5) 25/26 *$'000*	LTP (Yr6) 26/27 *$'000*	LTP (Yr7) 27/28 *$'000*	LTP (Yr8) 28/29 *$'000*	LTP (Yr9) 29/30 *$'000*	LTP (Yr10) 30/31 *$'000*	Total
CAPITAL EXPENDITURE											
To replace existing assets	**2,095**	**1,690**	**2,854**	**1,475**	**1,813**	**1,054**	**1,227**	**786**	**1,163**	**1,738**	**15,895**
Computer & Office Equipment Renewals	1,971	1,645	2,629	1,364	1,745	762	1,108	786	874	1,503	14,388
Plant Machinery & Vehicles Renewals	124	45	225	110	69	292	119		289	235	1,507
TOTAL CAPITAL EXPENDITURE	**2,095**	**1,690**	**2,854**	**1,475**	**1,813**	**1,054**	**1,227**	**786**	**1,163**	**1,738**	**15,895**

OVERVIEW OF MAJOR CAPITAL PROJECTS GOVERNANCE AND SUPPORT SERVICES

	LTP (Yr1) 21/22 *$'000*	LTP (Yr2) 22/23 *$'000*	LTP (Yr3) 23/24 *$'000*	LTP (Yr4) 24/25 *$'000*	LTP (Yr5) 25/26 *$'000*	LTP (Yr6) 26/27 *$'000*	LTP (Yr7) 27/28 *$'000*	LTP (Yr8) 28/29 *$'000*	LTP (Yr9) 29/30 *$'000*	LTP (Yr10) 30/31 *$'000*	Total
GIS Orthophotography			158			170			184		513
PC / Laptop Replacements	200	185	190	195	199	204	210	215	221	227	2,047
Server Infrastructure	1,200									757	1,957
Technology One systems	30	31	1,266	865	886	34	35	36	37	38	3,258
Process Automation (RPA)			527								527
BI / Data Warehouse		1,235					233				1,468


Part Four:
FINANCE
WATER
REFILL
WATER
REFILL
LONG TERM PLAN 2021-2031 HASTINGS DISTRICT COUNCIL // 121

Finance

This part of the plan outlines the statutory financial information required to support the Long Term Plan.

In this section you will find the following:

- Significant Forecasting Assumptions
- Financial Strategy
- Financial Statements
- Financial Disclosure Statement



Forecasting assumption and effect of uncertainty	Risk / Level of Uncertainty	Risk Mitigation
POPULATION GROWTH Over the next ten years (2021/22 – 2030/31) it is projected that the District's population will grow at a steady rate from approximately 89,020 to 95,200 (6,180 more residents). Māori and Pacific Island populations are expected to make up larger proportions of the population, due to their higher than average birth rates, and the district will become home to larger migrant communities. Council considers that this assumption carries with it a low to medium risk to the integrity of the LTP.	Low/Medium	The risk of either (higher or lower populations) can be effectively managed through Council monitoring and growth planning.
POPULATION AGEING The future changes to the demographic profile of the Hastings district generally reflect what is happening at a national level in terms of growth of the older population proportions. Hastings district will however have a greater share of older people than the national share. This may be due to older people choosing to live in the district for lifestyle reasons and opting for a warmer climate in the provinces rather than remaining in the big cities. Projections indicate that the Hastings district's older population (65 years and older) will grow from 19.7% of the population to 26.7% of the total district population by 2036. The aging population trend is well understood and integrated within standard Council planning processes. Activity areas where specific responses may be considered (i.e. aged housing responses) will be researched in more detail and any response the subject of a fully researched business case. A potential impact will be greater numbers of residents on fixed incomes and less community funding capacity.	Low/Medium	The Councils business attraction, skill development and job growth strategies are targeted at sustaining the rating base. The Council does have a number of investment pressures particularly in respect of renewal funding but the Financial Strategy shows that this can be managed and the Council's conservative debt limits within its Treasury Policy provides significant capacity as a funding mechanism to soften any spikes on the growing ageing community.
HOUSEHOLD NUMBERS It is projected that the District's household numbers will grow from approximately 31,670 to 34,000 (2,330 new homes) by 2031. These projections take into account planned new housing developments within the district and uptake rates. The risk is that demand for housing is either less or more than that projected placing Council at some risk of having provided additional infrastructure and services, with a slowdown in development contributions to pay for it, or growth will be stifled due to lack of availability.	Low/Medium	This risk can be effectively managed through Council monitoring and growth planning. Development areas are also managed by staging future planned developments, and via a threshold of uptake being reached before committing to infrastructure provision.
DIRECTION OF GROWTH This section looks at the likely location for growth of industrial and residential development as identified in Council's strategy documents. a) Industrial Industrial growth is planned to occur along Omahu Road, in the Irongate area, and in the Whakatu/Tomoana Corridor. b) Residential The programme sees the opening up of the Howard Street development in Hastings in Year 1 with the Lyndhurst Extension in Yr 8 followed by Kaiapo/Murdoch in Yr 14 and Copeland Road being triggered around Year 22. In Havelock North the Iona/Middle Road area is the first priority in Yr 1 with further development in the Havelock North Hills and Brookvale areas from Yr 6 with further stages of Brookvale in Years 13 and 22. Some initial developer driven development in Brookvale is also anticipated along with new housing in Te Awanga. Partnerships with other housing entities will also see new public housing development in Mahora, Raureka, and Flaxmere. Uptake of inner city living options in the Hastings central commercial area is also forecast. c) Commercial	Low	The direction of growth is managed by Council through a range of planning mechanisms, strategies and regulated via the Council's District Plan. A Growth Project Board also regularly monitors the external influences on the growth programme and adapts the programme if necessary. Staging developments and requiring uptake triggers to be reached before committing to infrastructure investment are other risk mitigation tools implemented by Council.

Forecasting assumption and effect of uncertainty	Risk / Level of Uncertainty	Risk Mitigation
The Heretaunga Plains Urban Development Strategy does not forecast the need for any further commercial land over the life of the strategy.		
RATING BASE Growth in the rating base is forecast to be relatively stable at approximately 0.95% per annum based on historical data and land available for subdivision and development. Council have used this figure in calculating the Summary of Rating Requirements in the financial statements for the 10 years of the plan.	Low	Rating base growth is a conservative and non-significant number in the context of the financial statements. It is reviewed every three years.
INFLATION The Local Government sector has commissioned BERL to undertake industry research to formulate a generic set of indices which can be used in the LTP production. This information has been analysed and reviewed in light of the economic climate. The inflation rates applied to Council budgets over the nine year period starting 2022/23 are as outlined below. These are considered prudent and in line with best practice. The risk or uncertainty which is considered low is that inflation levels will differ from those anticipated below.	Low/Medium	Forecasting financial assumptions are reviewed annually through the Annual Plan process
LIQUIDITY RATIO It is assumed that the current liquidity ratio which is within the Treasury Policy limits will be maintained through the life of this plan and that Council expects to be able to maintain the appropriate level of debt facilities required to achieve a liquidity ratio within the policy range of 110% – 170%.	Low	The appropriate level of liquidity cover will be reviewed on an annual basis.
INTEREST RATES The interest rate applicable on the Council's external borrowings will average 3.20% over the first 3 years of the plan and 3.5% thereafter. (Note: this is an average and there will be variation within individual years). As we do not charge interest on internal funds from various council reserves this has the impact of reducing the overall cost of funds on borrowing within this plan. The assumption of 3.2% - 3.5% is based on advice from Council's treasury advisors, with the base being the forecasted official cash rate (OCR) over the next 10 years plus the margin for borrowing and includes all committed hedging costs. This base equates to 2.5% - 2.8%, with an additional 0.7% to allow for unexpected price movements. (Council accounts for 25% of the total interest in the year in which the debt is raised, and the full amount in subsequent years to reflect the usual planning and implementation cycle for projects).	Low/Medium	Forecasting financial assumptions are reviewed annually through the Annual Plan process.
TREASURY POLICY DEBT ASSUMPTION (Current and non-current debt) The LTP assumes that debt will be managed in accordance with Council's Treasury Policy (maturing debt 1-3 years be in the range of 10% – 50%).	Low	Assumption in accordance with policy limits and part of annual review.

Year	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31
Road	3.1	3.0	2.9	2.9	2.9	2.9	2.9	2.9	2.9
Water	3.5	2.6	2.7	2.9	2.8	3.2	3.3	3.4	3.1
General Adjustor	2.9	2.5	2.5	2.5	2.5	2.6	2.7	2.7	2.6
Staff adjustor	2.4	1.5	1.7	2.0	2.2	2.3	2.4	2.6	2.7

Forecasting assumption and effect of uncertainty	Risk / Level of Uncertainty	Risk Mitigation
REVENUE STREAMS – NZTA The Council has been advised that the Financial Assistance rate will be reduced from 54% to 53% from Year 2 of this plan and this has been factored into the financial forecasts. Given that this is recent advice from NZTA it is considered a reasonable approach. The risk however is that these decisions can change over time.	Low/Medium	Any changes in NZTA subsidy will require the Council to adjust its roading programme accordingly to fit within the funding envelope.
REVENUE STREAMS – SPLASH PLANET AND OPERA HOUSE Assumptions have been made on forecast revenue streams for various tourism facilities such as Splash Planet and the HB Opera House (Toi Toi). There is some risk with these assumptions as they are dependent on a reasonably favourable summer at Splash Planet and anticipated attendance numbers in general. The Opera House (Toitoi) is back to full operation after a period of closure with strong forward bookings. (see also separate Covid-19 pandemic assumption)	Low/Medium	A transition strategy has been in place to take the Opera House back to full operating capacity and accumulated reserve funds have being used to achieve this. Splash Planet revenues have been set in line with actual results in recent years. This is considered a prudent approach. Splash Planet has met its targets for a number of years.
REVENUE STREAMS – REFUSE After several years of relatively static waste volumes (around the 78,000 tonne mark) a significant increase was recorded in the 2016/17 year. That increase was in the order of 9,500 tonnes and resulted in a total of 85,000 tonnes of waste being disposed of at the landfill. Increases have since been recorded annually and 98,700 tonnes of waste was received in the 2019/20 year. For the purposes of the LTP the waste volumes for the 21/22 year are assumed to be 93,000 tonnes and then continuing at that level for a period. This slightly conservative approach is due to the uncertainty in local economic activity brought about by the impact of Covid-19. Changes in waste volumes have impacted on both the revenue stream and life of the site. The amount of revenue generated needs to cover all operating and development costs of the facility. A Ministry for the Environment endorsed "Full Cost Accounting Model" is used to set the charge rate at the landfill. The current price per tonne is $119 and this will increase to $142 in the 2021/22 year. The increase is predominately due to Waste Levy and ETS compliance cost increases. Further increases have been anticipated for the following years. The volume of landfill waste received at the Council Refuse Transfer Station was 12,300 tonnes. This has now been set at 10,000 tonnes for the 21/22 year. This change has been made as a result of domestic kerbside waste now bypassing the Refuse Transfer Station and going directly to the landfill. This came about as a result of a change in collection methodology and a new collection contract. Charges at the Refuse Transfer Station will be set to reflect this change.	Low/Medium	Fluctuations in tonnages are constantly monitored and a full cost pricing model at the landfill ensures revenue matches tonnage volumes.
REVENUE STREAMS – ECONOMIC ACTIVITY This plan assumes a relatively constant period of activity based on activity levels being experienced and forecast within our consenting area and the forward growth programme in the early years of the plan. Revenue projections in the Regulatory area have been based on actual levels of activity in recent years. The risk is that either activity levels drop of or that they exceed the Council's capacity to respond.	Low/Medium	Short term deficits in actual revenue are being managed by regular reporting and control of expenditure. Using outsourcing of consents to manage peaks in workload is another mitigation measure being implemented. It is considered unlikely that further resourcing will be required, but this would

Forecasting assumption and effect of uncertainty	Risk / Level of Uncertainty	Risk Mitigation
		be addressed on a need basis through active monitoring of consenting levels.
LEVELS OF SERVICE Council is assuming that the general levels of service to which its activities are provided will not change, except as a consequence of planned expenditure programmes outlined in the Long Term Plan, which predominantly focus on reserve enhancement (from reserve management planning processes) and CBD vibrancy. Most communities are considered to have already defined the levels of service they expect, and what they are prepared to pay for that level of service through various Council planning processes, including community plans prepared for 16 individual communities within the district. Whilst community expectations are unlikely to remain constant over time they are limited by funding constraints and ability to pay considerations. The magnitude of the Council's water investment programme and earthquake strengthening projects has also constrained level of service choices.	Low/Medium	Known incremental level of service expectations (i.e. reserve development) have been accommodated in the plan. Any emerging issues would be tested via the Annual Planning process.
ENVIRONMENTAL It has been assumed that no abnormal events occur during the term of the plan over and above the standard tolerances such as weather no greater than a 1 in 5 year event and no damage causing earthquake. The stormwater network has been modelled to cater for a 1 in 5 year event. This in effect, allows for capture of a rainfall event within the piped stormwater network of approximately 100mm's in a 24 hour period. Any events greater than this level have not been planned for and are not budgeted for within the 10 year forecast. Ponding and surface flooding will occur during abnormal events. It has also been assumed that Council controlled flood protection schemes remain intact and operate as planned as do Hawke's Bay Regional flood plain protection schemes. These assumptions are considered reasonable; however the degree of uncertainty is unable to be quantified. Should an abnormal weather or earthquake event occur, the forecasted costs will be insufficient to cover predicted damage. No provision has been made to respond to any international threat which is likely to have serious consequences for the integrity of the Ten Year Plan. Risk management practices have been developed to ensure the continuity of basic services for the community. Recent environmental disasters (i.e. Christchurch earthquake) have put pressure on insurance cover for Council assets.	Unquantified	A significant abnormal environmental event would prompt Council to reassess its budget priorities. Financial headroom exists within the Financial Strategy to respond if required. The Council Business Continuity Plan ensures the continued delivery of basic services in the advent of a wide range of potential threats to Council business. Budget provisions are in place ($600,000) along with funds in a reserve to cover the likely damage from the normal level of flooding events that occur in the district on an annual basis. The Council budgets contain revised provisions for insurance cover to match insurance market levels.
RESOURCE CONSENTS This section assumes that the conditions of resource consents held by Council will not be altered significantly. Significant long term consents have recently been secured in the water services area considerably reducing the risk in this area.	Low	Whilst there are increasing community expectations regarding the environmental performance of Council infrastructure, significant changes would be signalled and planned for well in advance.
EMMISIONS TRADING SCHEME (ETS) The key impact from the ETS is in regard to the Landfill operation. Council, on behalf of the landfill has purchased suitable qualifying units to meet its obligations under ETS. Emissions obligations have been hedged by way of forward purchase agreements and the cost is recovered by inclusion in the gate rate at the Omarunui Landfill. As a result of Government changes to ETS compliance requirements, the cost per	Low	The BERL inflation indicators used by Council make allowance for this. $46 per tonne has been included in the Council 2021/22 budgets. In order to provide

Forecasting assumption and effect of uncertainty	Risk / Level of Uncertainty	Risk Mitigation
tonne of refuse disposed of at the landfill will increase from $36 to $46 per tonne in the 2021/22 year. Further increases have been anticipated for the following years.		certainty around ETS costs the Landfill will continue with its strategy to enter into forward purchase agreements as and when required.
EARTHQUAKE PRONE BUILDINGS The Council have undertaken a number of assessments on Council facilities, with a number of others in progress. The most significant of these is the HB Opera House Complex (Toi Toi), which has a strengthening project which is almost completed (Theatre complete and Municipal Building in progress). The most significant new issue relates to Heretaunga House with assessments showing the building to be earthquake prone. Council are still working through options analysis to respond to this matter.	Low/Medium	The Councils budget allows for some growth in its building reserve fund to respond to unknown future commitments, and Council budgets accommodate known need on key public buildings in the early years of the plan. Alternative operational arrangements have been made to address the Heretaunga House situtation with budgets reflecting the lease costs associated with housing staff at an alternative building.
LEAKY BUILDINGS In regard to leaky homes, the Council has a liability which it has assessed. The risk is that the liability has been miscalculated. The current provision of $767,619 has been reviewed and is considered sufficient to meet any future claims	Low/Medium	Council has joined the Leaky Homes Financial Assistance Package scheme administered by the Department of Building and Housing. Forecasts of Council's potential exposure for its 25% of claims from homeowners are based on actuarial assessments and actual claims received.
FUNDING OF GROWTH The Council's approach to funding growth is outlined in the Development Contributions Policy. FUNDING OF RENEWAL AND NEW ASSETS *Please refer to the Revenue and Financing policy for the funding approach taken.*	Low/Medium	Council takes a precautionary approach and stages growth projects in accordance with levels of uptake and the forward economic activity outlook. A major projects committee oversees the monitoring of economic activity and its impact on growth infrastructure & investment.
LANDFILL EXPANSION The recent Waste Management and Minimisation Policy process confirmed the status quo approach to waste disposal (continuing to landfill waste) and this has been assumed within the LTP. The costs of development are incorporated within the LTP and are factored into the cost accounting recovery model for the Landfill. The uncertainty relates to the ultimate life of the current landfill given new waste minimisation measures to extend its life and further taxation measures which may be imposed on the landfill by central government.	Low/Medium	Obtaining consents in advance and undertaking the detailed planning in advance means that landfill expansion will be able to be implemented in a timely many in advance of the need for the additional capacity.
WASTE MANAGEMENT AND MINIMISATION POLICY (WMMP)	Low/Medium	The Council monitors developments in the market and changes to legislative settings. Funding through a

Forecasting assumption and effect of uncertainty	Risk / Level of Uncertainty	Risk Mitigation
The significant changes to refuse and recycling services contained within the WMMP have now been implemented and funding regimes realigned. The key remaining areas of uncertainty relate to assumptions made on the extension of service areas, participation rates, waste/recycling volumes, landfill charges (re ETS and Waste Levy) and markets for recycling.		targeted rate enables uncertainties and funding spikes to be managed.
MUNICIPAL BUILDING REDEVELOPMENT The Municipal Building project is drawing to an end. External funding risks previously identified did come to fruition and in 2020 the Council approved the final tranch of debt funding to complete this project ($5.5m). This is incorporated within Council's debt forecasts. The risk would be if the final costings were higher than what has been budgeted.	Low	The project is in the detailed design phase so the assessed risk of the budget being exceeded is low.
LOCAL GOVERNMENT FUNDING AGENCY (LGFA) Each of the shareholders of the LGFA is a party to a deed of Guarantee, whereby the parties to the deed guarantee have obligations to the LGFA in the event of default. The risk would be in the event of default by a local authority borrower. Council has insufficient information to reliably forecast any potential impact of its shareholding.	Low	The Council believes the risk of the guarantee being called on and any financial loss arising from the guarantee is low. The likelihood of a local authority borrower defaulting is extremely low and all of the borrowings by a local authority from the LGFA are secured by a rates charge.
INSURANCE Insurance for 2021/31 was calculated using insurance forecast information provided by qualified insurance brokers. A general inflations adjustor has been applied to insurance from Years 2 – 10. The risk is that insurance costs could exceed the assumed cost.	Medium	Uncertainties in the insurance market are regularly monitored and able to be responded to through annual budget processes.
FUTURE LEGISLATIVE REFORM Whilst some reform of the RMA has been signalled, there is no certainty of this or of any impacts that could prudently be predicted. This plan does not account for any potential legislative reform. In terms of potential impacts on demand and availability of land for development, the Council has a comprehensive growth development plan, which is flexible enough to adapt to both legislative change and market demand forces.	Low	The Council keeps a close watching brief on any legislative developments and is active in working parties and submission processes.
DRINKING WATER The operating and regulatory environment has changed significantly in respect to the supply of drinking water – particularly for water supplies previously assessed with secure status such as Hastings. The Council has been working to implement a new Water Strategy targeted at meeting these new provisions with the completion of a Circa $60m capital investment programme. This investment is complimented by significant additional resourcing in the operational area. Remaining uncertainties have been assessed as low as they are either understood to some degree or the Council's new Water Services structure and resourcing compliment are well positioned to respond. This relates to matters such as future standards coming via the new water regulator and next steps in the governments water reform processes.	Low/Medium	The Council has largely mitigated this risk from the 2018 LTP and a 4 stage increase in the water targeted rate has now got the funding base to a sustainable level.

<table>
<tr><th>Forecasting assumption and effect of uncertainty</th><th>Risk / Level of Uncertainty</th><th>Risk Mitigation</th></tr>
<tr><td>THREE WATERS REFORM
Whilst this reform seems certain to change the face of three waters service delivery the approach taken within this Long Term Plan is to assume that these activities were to stay in local authority ownership. The reasoning for this approach being that regardless of the outcome of any reform process communities will need robust drinking water and wastewater services. This Long Term Plan outlines the full information and costs associated with the direct running costs of these activities and the forward infrastructural investment needs and choices.

The reform option with the most likelihood for change would be the move to a new asset owning water entity (Either as a 2 waters or 3 waters entity. This scenario has been assessed and in brief the high level impacts on Council would be:

<table><tr><td>Depreciated Assets Value</td><td>$751 million</td></tr><tr><td>Transfer of Debt</td><td>$184 million</td></tr><tr><td>Rates Revenue Loss</td><td>$27.3 million</td></tr><tr><td>Operational Costs</td><td>$16.6 million</td></tr><tr><td>Stranded Overheads</td><td>$1.8 million</td></tr><tr><td>Impact on key fiscal ratios:
▪ Debt to Revenue ratio</td><td>
Ratio reduces from 143% to 46%</td></tr></table></td><td>Low</td><td>The exact parameters of 3 water reform, whilst not exactly understood have a reasonable amount of certainty therefore the risk is assessed as low.

The impact on the Council balance sheet will be positive in terms of the income to debt ratio reducing from 143% to 46%.

There will be a portion of stranded overhead that will need to be reallocated across Council activities. That would likely be mitigated to some degree through natural attrition.

The portion of overhead to reallocate is likely to represent a circa 0.5% increase in rates, which is not material to the Council fiscal position or rate setting parameters.</td></tr>
<tr><td>CLIMATE CHANGE
Based on current information (Niwa report on climate change projections and impacts for Tairawhiti and Hawkes Bay, dated November 2020), the following climate change conditions are expected for the Hastings District:

▪ Annual average temperatures warm 0.5C – 1.0C by 2040 and 1.5C – 3.0C by 2090. The strongest warming is expected in autumn and the least is in winter;
▪ A decrease in the days of frost by upto 5 days (by the coast) and 20 days (inland) by 2040, and upto 30 to 50 days for inland areas by 2090;
▪ Heatwaves become more common with increases of between 10 and 20 days by 2040 and 20 to 60 days by 2090;
▪ A decrease in annual rainfall by 0-5% by 2040 and then by up to 10% and 15% in parts of Hawkes Bay by 2090;
▪ Short duration extreme rainfall totals increase between 5% and 14% per degree of warming.
▪ Drought potential increases;
▪ Changes in rainfall are expected to impact river flows with annual average discharge decreases by approximately 20% by 2090;</td><td>Medium</td><td><u>Climate Change Adaptation</u>
The Infrastructure Strategy outlines a number of mitigation responses including specific coastal works in high risk areas, infrastructure allowances for rainfall intensification and the TANK process and its focus on water security.
The Council's Financial strategy includes a $10m allowance by year 10 to address emerging climate change action plans and Council has considerable borrowing capacity to respond in the future.
<u>Coastal Communities</u>
This Plan makes continued provision for the required planning resources to advance the Coastal Strategy. The Council's Financial Strategy contains some headroom to enable the assessed public benefits from the option(s) chosen to be implemented. However, a</td></tr>
</table>

Forecasting assumption and effect of uncertainty	Risk / Level of Uncertainty	Risk Mitigation
▪ A rise in sea-level of 0.4m by 2060 (under the high emissions pathway) and by 2090 (by the mid-range emissions pathway); In summary the security of water supply, impacts on the agriculture and horticulture sectors and impacts on our coastal communities, along with resilience issues for Council infrastructure are likely to be the biggest issues in the Hastings District. The risk or uncertainty is that either the scale or timing of impact is different to that which is understood at this time. The Clifton to Tangoio Coastal Hazards Strategy 2120 is being developed to understand coastal hazards risks and the management options for this key part of the Hawke's Bay coastline. There are likely to be far reaching funding impacts for our community, however these have not been fully quantified or a funding strategy agreed at this time. Note: More information can be found within the Infrastructure Strategy.		regional discussion as to the most appropriate funding solution is still to be agreed.
COVID-19 PANDEMIC This plan has been developed on the basis of a COVID-19 alert level one environment, which is essentially our normal operating environment. The risk is that alert levels can change and impact on activity levels and revenue streams. The Council has two particular revenue streams which could be consequentially impacted by escalated alert levels, at Toi Toi and at Splash Planet. For the balance of Council activity effective working from home procedures and systems are in place to enable continuity of service delivery broadly across Council activities. Sensitivity and scenario development has been undertaken on the Splash Planet facility as part of the alert level changes experienced in 2020, so the financial risk has been able to be quantified, with the broad band of sensitivity as follows: ▪ Splash Planet January closure – revenue loss of circa $1m, February closure revenue loss of circa $250k Toi Toi - For the Toi Toi facility the risk is largely around revenue being able to service fixed costs for the facility. The impact will vary dependant on the nature of the alert level and its duration. Some staff redeployment opportunities can buffer the impact which could be in the order of $250k in a prolonged lock down scenario. The tourism visitor market for Hastings is dominated by domestic tourism therefore assumptions around the resumption of international travel and expected tourist numbers are not considered material to the integrity of this plan. There may be some impact on population growth numbers, however the desirability of Hawkes Bay to returning New Zealanders is considered to have a considerable offset affect. Population and household growth can impact on Council growth development nodes. The Council has been successful in securing central government funding for a number of stimulus projects, including State Highway 51 upgrade, three waters assistance and various housing projects. The risk is that these are not delivered on time. Disruption to supply chains and access to materials along with price increases could impact on programme delivery and cost.	Low	In the case of Splash Planet the Council has been able to make a business decision in September (prior to the season and confirmation of employment contracts) and to assess the risk of opening for the season, or part thereof. There are staff redeployment opportunities that would buffer some of the impact of a January or February closure of the facility. Council has used the BERL inflation index to account for price fluctuations and has spread the capital programme at a level considered able to be delivered. The Council has established contingency funds for unknown events and future shocks as a result of the Covid-19 Pandemic. Funds of circa $1m are set aside to provide financial resilience to alert level changes. See the section on growth in terms of mitigation actions which limit Council investment exposure in new growth development areas. The status of central government stimulus projects is that in the most part they are well into the implementation phase and ontrack to be completed therefore the assessed risk is low.
Regional Coastal Strategy The Clifton to Tangoio Coastal Hazards Strategy 2120 is being developed to understand coastal hazards risks and the management options for this key part of the Hawkes's Bay coastline. There are likely to be far reaching funding impacts for our community over time. The	Medium	This plan makes provision for the required planning resources to take the project forward but the more far reaching funding decisions are still subject to statutory

Forecasting assumption and effect of uncertainty	Risk / Level of Uncertainty	Risk Mitigation
Infrastructure Strategy sets out the process undertaken to date and future proposed steps. The full impacts have not been fully quantified or a funding strategy agreed at this time. This work is in progress with the partner Council's and as highlighted in the LTP consultation document is likely to form a separate consultation process after the 2021-2031 Long Term Plan.		planning processes and community engagement. A change to the Council's Treasury Policy provides the financial headroom to enable any assessed public benefits from the option(s) chosen to be advanced.
Capital Expenditure Do-Ability This assumption looks at the likelihood of the Council delivering its forecast capital expenditiure programme and the consequence of either under or over delivering on that forecast. An historical analysis of delivery of the Council's capital expenditure plan shows that from an overall value perspective that generally falls in the $65 million to $80 million band. The forecasts contained within the Long Term Plan fall within this band with the exception of year 1 which peaks at $110m. Another contextual consideration is that the Council has been successful in obtaining external funding for a number of projects which need to be delivered within agreed timeframes. The risk is that this elevated programme is not delivered and that either infrastructure is not delivered on time and that the borrowing to fund the programme is obtained from ratepayers earlier than necessary. The Council has assessed the risk as low/medium in terms of delivering the more optimistic capital programme in years 1-2 for the following reasons: ▪ The creation of the Major Capital Projects Delivery Group with two new personnel who can move focus from the rollout of the drinking water project to other projects; ▪ The historical delivery record of transportation team and the advanced status of the planning and design elements of that capital programme; ▪ The established working relationship with a key external contractor on delivery of the ongoing wastewater trunk main renewal programme; ▪ The work undertaken in rationalising the programme down from earlier forecasts, particularly where projects could not meet the test of being suitably advanced through the pre-planning and design phases. ▪ The delivery of high value capital works in the current year, such as the Municipal Building upgrade, via a proactive external contractor engagement process. Note: The Infrastructure Strategy contains more information in respect to this assumption.	Low/Medium	Despite best forecasts, externalities not always under Council control can impact on the overall delivery of the capital plan. To recognise this, Council has reduced the budgeted capital expenditure over the first two years by $12.5m each year. This brings the capital programme into line with what Council anticipates can be delivered when those externalities are considered. This represents a circa 10% adjustment on the total anticipated capital programme in the early years of the plan. The exact projects or programmes of work that could be affected by this deliverability assumption cannot be identified at this stage, however this adjustment over the first two years of the plan is not expected to affect infrastructure levels of service and is a reflection of what is achievable over this time. It is not targeted at the planned renewal of critical assets which has a developed work programme to support it. With some non-critical assets a more reactive approach is taken to optimise the assets and respond at that time – but without undue service disruption for customers. So whilst the funding is there as a response safeguard it is not necessarily called on.

Revaluation of Plant, Property and Equipment (PPE)

PPE assets will be revalued using the following cycles:

- Land and Buildings (3 yearly – 2023/24, 2026/27, 2029/30)
- Infrastructure – roading two yearly (Years 2,4,6,8,10), wastewater, stormwater, water – two yearly (Years 1,3,5,7 and 9), Parks (3 yearly – 2024/25, 2027/28, 2030/31)
- Library books (yearly)

The revaluation of infrastructure assets has been based on the Business & Economic Research LTD (BERL) forecast of price level change adjustors and revaluation movements will be shown in the statement of comprehensive income. The revaluation of land and buildings has been based on a 12.49% increase in every third year.

Useful lives of assets

All other assets with the exception of Plant, Machinery and Vehicles are depreciated on a straight-line basis at rates estimated to write off their cost over the expected useful economic life. Plant, Machinery and Vehicles are depreciated using a combination of straight line and diminishing value. The expected lives of major classes of assets are as follows:

	Expected Life (Years)		Expected Life (Years)
Buildings		Furniture and Fittings	4 – 14
Structure/Envelope	20 – 65	Computer and Office Equipment	2 – 5
Building Services	15 – 35	Library Collections	5 – 10
Building Fit Out	30 – 50	Landfill	
Heavy Plant and Machinery	7 – 10	Permanent Facilities	42
Other Plant and Machinery	2 – 15	Valley A & D Development	12 – 15
Motor Vehicles	4 – 15	Other	5
Water Supply		**Wastewater**	
Pipes	27 – 120	Pipes	25 – 100
Valves, hydrants	50 – 80	Manholes	80
Pump Stations	15 – 80	Pump Stations	15 – 80
Bores	50	Treatment Plant	20
Reservoirs	100	Submarine Outfall	50
Treatment Plant	5 – 20		

	Expected Life (Years)		Expected Life (Years)
Stormwater Disposal		**Roading Network**	
Pipes	100	Top Surface (seal)	13
Manholes	100	Pavement (including kerbs)	30 – 85
Detention Dams	100	Formation	Not depreciated
Open Channels	50	Footpaths	20 – 75
Service Laterals	80	Street Lights (poles)	50
Parks		Traffic Signals	15
Soft Landscaping	38 – 75	Signs	10 – 15
Hard Landscaping	6 – 100	Unsealed Roads	Not depreciated
Playgrounds	7 – 50	Roading Land	Not Depreciated
Services	30 – 80	Bridges & Culverts	85
Structures	6 – 100		
Buildings	6 – 100		

Financial Strategy

The Highlights

Set out below is a high level view of some of the key milestones within the financial strategy over the next 10 years.

2021	• Council completes $60m investment in safe drinking water – water targeted rate increases in 3 year step change to fund the work programme. The Water Reserve account will stay in deficit for some years. • Significant escalation in transporatation renewals commences to address ageing infrastructure. Rural rate increases set at circa 7% for a number of years to fund the renewal spike. • Critical renewals at the Wastewater Treatment Plant commence along with the ongoing renewal of the three trunk mains. • Some capacity for City Centre vibrancy and parks and public space improvements included in budget under the "Finishing Touches" package. • Iona/Middle, and Howard Street residential growth areas scheduled to commence. • Planning for additional landfill capacity underway. • Parking capacity investment in Hastings and Havelock North funded through increased metered parking charges and increase in Havelock North parking targeted rate. • Treasury Policy amended to create extra debt capacity • **TOTAL RATE REQUIREMENT INCREASE 6.8%**
2022	• Civic Square upgrade scheduled • Karamu and Omahu road corridor development • **Total rate increase forecast at 6.6%**
2023	• Completion of 7 year investment in rural bridge strengthening to accommodate longer and heavier vehicles • **Total rate increase forecast at 5.5%**
2024	• Central mall upgrade scheduled.
2025	• Further critical renewals at Wastewater Treatment Plant scheduled. • Rating Area One rate increases reduce to average of 3.0-3.5%
2026	• Brookvale/Havelock Hills residential growth areas commence • Forecast date of current landfill capacity – prior year's development of additional capacity at Valley B & C completed.
2027	• Lyndhurst extension residential growth area commences • Funding stream for climate change response commences • The Water Reserve account is back to a sustainable level • Rating Area Two rate increases reduce to 5% annually.
2028	• Debt peaks at $294m
2031	• Forecast debt falls to $286m

The Detail

2.1.1 Context and Challenges

Since the Hastings District Council was created in 1989 it has matured and simplified its rating system, but retained the underlying principle of transparency to reflect the differences in priority between its urban and rural communities.

A sustained period of investment in core infrastructure assets with debt used to pay for this infrastructure, and rates set at levels to service that debt has seen the districts infrastructure developed to a standard that meets community needs today.

The Council sits in the mid-range of Councils of similar size in terms of various measures related to the level of rates and debt. Council had previously acknowledged a weakness with its heavy reliance on rates to fund new initiatives, with few other revenue streams available. However the impact of the COVID-19 lockdown in 2020 has demonstrated the security of rates income during these uncertain times. Council will proactively look for opportunities for alternative funding on initiatives wherever possible.

A significant change in context occurred after the 2016 Havelock North water contamination event which needs a rapid and comprehensive response. In addition to this the Council's Infrastructure Strategy is signalling an escalation in renewal investment in some of our core asset areas. This is not all happening at once but needs to be managed over time.

The Council and community aspiration is for Hastings to be positioned as a progressive and competitive provincial area. This will require ongoing investment in amenity, things to do, functioning urban centres and residential and industrial growth.

Environmental change is already evident, with further change being forecast. These changes will impact on the delivery of Council services, and on communities in some cases, particularly in our coastal environments.

Lastly, all of these factors need to be considered in the context of a changing population. The ageing of the population will see 26.7% of people over 65 by 2036 meaning a larger proportion of our population is likely to be on fixed incomes. Affordability into the future is a key consideration.

The Council is entering a challenging period to find a balanced programme that addresses all of the above – this will require hard choices to be made and prudent adherence to a forward fiscal strategy.

2.1.2 An unadjusted budget not sustainable

This Long Term Planning process commenced with a substantial capital programme made up of a number of projects currently underway, new asset demands being forecast in the future and a set of enhancement projects aimed at taking the community forward. In addition more recent success in obtaining external funding for projects through both the Provincial Gowth Fund and Crown Infrastructure Partners has placed further demands on deliverability of the programme.

This programme was unsustainable fiscally and could not be physically delivered within the timeframes proposed. This has also been balanced with the fact that Council resources which have been primarily focused on the delivery of the substantive safe drinking water programme will now start to be freed up for focus on the delverability of other aspects of the programme.

The Council spent considerable time adjusting the work programme to lower both the debt profile and the forecast rate increases to fund that work programme. Another contextual consideration is the more recent advice Council has received in terms of the earthquake status of Councils second administration building "Heretaunga House". This is likely to require considerable strengthening investment or alternatively other accommodation solutions to be explored.

The balance of the Financial Strategy outlines Council's response to the challenges ahead.

Note:

Whilst water reform processes are signalling that the transfer of water assets to a new entity is highly likely, the Council's Infrastructure Strategy and capital plan assumes the status quo. Therefore the key issues and investment needs of these assets are incorporated. This has been reflected this way because despite future structures the community expect that levels of service will be maintained and that the assets will be prudently managed and looked after.

2.1.3 Statement of Significant Factors

The factors that are expected to have a significant impact on the Council during the consecutive financial years covered by this strategy are:

Expected changes in population and land use

WHAT WE NEED TO RESPOND TO	OUR RESPONSE
Changes in population and land use • A medium plus rate of population growth is expected (approx. 6,180 more residents by 2031), with 2,330 new homes. • Increase in the age of the population over time. • Housing changes – The Heretaunga Plains Urban Development Strategy, current demand and Council sequencing priorities forecasts the need for a number of new development areas and mixed housing types.	Key responses to changes in population and land use Capital Expenditure • Core infrastructure investment to make serviced land available predominantly in Howard Street, Iona/Middle, Havelock Hills and Brookvale. • Upgrading and extension of parks & reserves facilities. • Staging of infrastructure, monitoring of uptake rates and upfront payments in some cases to limit Council risk exposure. • A partnership with Crown Infrastructure Partners to deliver housing solutions predominantly in Flaxmere. Operating Expenditure Changes • Some increases in service level funding provision in community facilities, particularly parks and reserves.

Expected capital expenditure on network infrastructure

WHAT WE NEED TO RESPOND TO	OUR RESPONSE
Capital expenditure on network infrastructure • Changed water investment paradigm • Ageing roads (built 1960's) means a higher road renewal need. • Strengthening of bridges is required as assets age and are increasingly used by heavier trucks. • Escalated wastewater renewal need identified after a period of investigation – particularly trunk mains and Wastewater Treatment Plant. • Renewal cycle for stormwater starts in about 10 years	Key responses to network infrastructure needs • A capital investment package in safe drinking water across the water supply network of circa $60.6m is approaching the last stages of completion The water targeted rate has been escalated in 3 stages to fund this programme. • A significant period of road renewal escalations is provided for in the first 6 years. • The remaining 3 years of the $9.9m investment package in bridge strengthening • A gradual escalation in depreciation funding in the wastewater activity. • Critical renewals at the wastewater Treatment Plant. • Financial provision for stormwater sump renewals in years 1-10 with escalated period of renewals in the 11-30 year period

The increasing proportion of our population over the age of 65 and therefore on fixed incomes will coincide with infrastructure renewal escalations. Creating the capacity to respond to this escalation of infrastructure renewals, mindful of our ageing population and their ability to afford rates increases will become critical.

Other significant factors

WHAT WE NEED TO RESPOND TO	OUR RESPONSE
Other significant factors **Buildings** • Earthquake strengthening of Heretaunga House. • Completion of Municipal Building **Parks** • Growth of tree planting, hard landscaping and play facilities creating large asset base for renewal **Environmental** • Rollout of changes to waste collection services and Lanfill expansion • Outcomes of the HB Regional Coastal Strategy • Climate Change	Key responses to other significant factors • Additional $5.5m funding allocated to completing the Municipal Building project in the 2020/21 year. • A response to the earthquake prone status of Heretaunga House is still being assessed. This plan provides for alternative lease arrangements for office space and funding to optimise floor space within the Civic Administration Building. • Continuing renewal escalations in the Parks area to bring renewal base to appropriate level, and to look after significant period of new asset creation. • The key features of the Waste Management and Minimisation Plan have now been rolled out across the community. Future Landfill expansion at Omaranui Landfill has been included in this Long Term Plan. • Funding provision for ongoing strategy completion commitments, and for Council network infrastructure at potential risk on the coast. The longer term consequences of the strategy will be addressed in future Infrastructure and Financial Strategies. Note: A regional consultation process after the Long Term Plan is adopted will look at infrastructure responses and the funding model options. • In addition to the direct coastal impacts other climate change responses can be found within the Infrastructure Strategy. • Financial provision of $1m cumulative from year 7 has been built into the rating base, providing a $10m fund by year 10.

2.2 The Strategy

2.2.1 Three years of sustained drinking water investment

The 2018 Long Term Plan was defined and dominated by the investment package to support the Council's new Water Strategy.

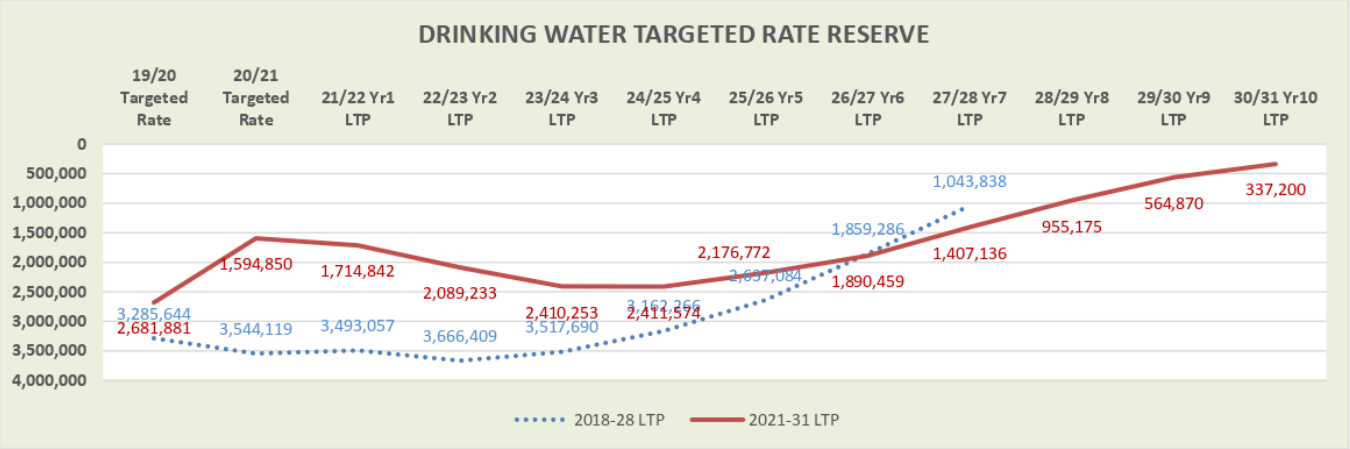
A total capital investment of circa $60.6m and a new operating environment has Council well placed to meet new drinking water standards.

The Council recognised that these issues needed to be addressed but that these new costs would need to be funded in a managed way within the affordability constraints of our community.

The Council set out a strategy in its 2018 LTP to spread the impact of this investment which would see the water account run into deficit for a number of years, before reaching a sustainable level. This strategy also locked-in incremental increases to the targeted water rate. Outlined below is the forecast trajectory of the targeted water rate reserve.

Forecast Impact on Water Targeted Rate Reserve

After a period of the reserve being in deficit the Council's escalating targeted rate strategy will see the reserve return back to a sustainable position.



2.2.2 Funding Depreciation

Depreciation Overview

Depreciation reflects the use or consumption of the service potential implicit in an asset.

As depreciation reflects the consumption of the asset over its useful life, there are two critical factors in determining this expense. The first is the asset cost or revalued amount, and the second is the asset's useful life. It is therefore not related to the physical wearing out of the asset.

The purpose of depreciation is not to provide for the replacement of the asset(s); however this may be an intended or unintended consequence.

Depreciation is especially important as it ensures that today's ratepayers pay their fair share (and only their fair share) of consumption of the assets. Depreciation is therefore a vital component in the process of setting rates and charges.

As depreciation is a non-cash item of expenditure, the inclusion of the depreciation expense within total operational expenditure will result in a funding surplus from operations. It is then a council's decision as to how that surplus funding should be allocated. Broadly, there are three options:

1) Repay debt
2) Pay for renewal expenditure
3) Transfer to a reserve for the replacement or future renewal of an asset.

There is no direct legal requirement to "fund depreciation" in a way where there is the transfer of the depreciation expense to a specific reserve or accumulation of cash to be used either for the replacement of an asset or for the loan repayment associated with the acquisition of that asset. However, there is a requirement to be prudent in the setting of funding levels.

Balanced Budget Overview

Section 100(1) of the Local Government Act 2002 (the 2002 Act) requires local authorities to set each year's operating revenue at a level sufficient to meet operating expenses, i.e. "balance the budget". However, section 100(2) of the 2002 Act allows a local authority to set projected operating revenues at a different level from that which would be necessary to meet operating expenses, in certain circumstances where it is financially prudent to do so.

Council's overarching principal is that it will operate a balanced budget and take an approach to fully funding depreciation where it is appropriate to do so given the intergenerational nature of infrastructure assets. Where assets are young and renewals are not currently required, the approach is to ensure that the current generation only pays its share through the repayment of debt associated with the new infrastructure in place and any future provision for its replacement in the future.

Depreciation is important because it is designed to ensure that today's ratepayers pay their "fair share" for the amount of the council's assets that they consume, essentially through wear and tear. So what we describe as a depreciation expense is essentially the cost of undertaking necessary maintenance and renewal to ensure council assets continue to perform as expected: something that reflects good governance and stewardship of our community's built up investments.

Depreciation is the key driver that council uses to ensure sufficient investment in asset renewals is being undertaken, it creates the bottom line and provides a consistency of approach, assuming the depreciation calculations are correct.

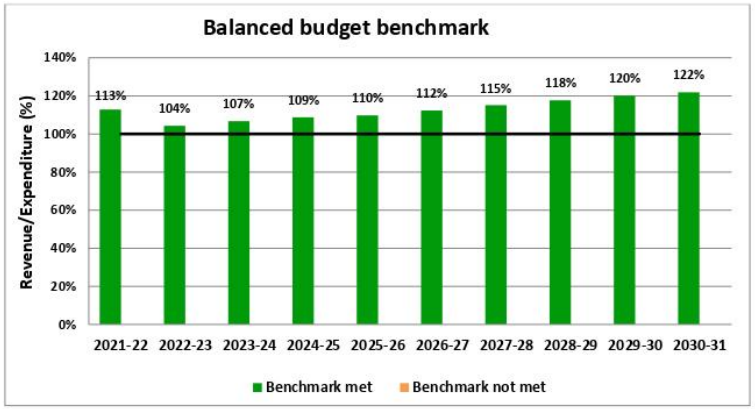
While the overarching principal is to fund depreciation, there are some asset classes where this is not necessary or sustainable at the current time.

Council's Balanced budget 2021-31 Long Term Plan

Council's overarching policy is to run a balanced budget. After a period of pressure to meet that financial benchmark with significant increases in operational expenditure for the water services delivery activity, the water supply targeted rate has now been incrementally lifted to a more sustainable level alleviating pressure on the balanced budget benchmark.



Balanced Budget (as per Local Government Regulations)



Depreciation funding by activity

In summary the approach to funding depreciation in this plan is as follows:

1) Roading
   a. Policy of fully funding depreciation dependent upon New Zealand Transport Agency funding
   b. The forecast plan shows depreciation fully funded
2) Wastewater
   a. Policy adopted to fully funding depreciation
   b. From year 4 of the LTP, escalations commence introducing additional rates funding to fund the depreciation gap
   c. A strategy needs to be developed to fund wastewater treatment plant replacement in the future (about 30 years)
3) Stormwater
   a. The uninflated 30 year Infrastructure Strategy renewal programme is aligned with current rates funding policy of $655,000 per annum
   b. Within this plan the $655,000 funding provision has been inflation adjusted
4) Water Supply
   a. Depreciation is fully funded from year 3 – Following significant uplifts in asset values through the recent investments in the water supply network and general proce escalations, depreciation will not be fully funded for the first 2 years of the plan, reverting to being fully funded by year 3.
5) Parks
   a. Depreciation is fully funded

2.2.3 Reserve Funds

The Council uses various reserves to help smooth lumpy expenditure to meet its objective of forecasting stable rate increases over time that are sustainable for ratepayers. A summary of the key reserves is as follows:

Building Reserve

The Council provides for the needs of its building assets via a dedicated building asset management plan and building ledger. The renewal work is funded via annualised charges to the Council activities that utilise the buildings, these charges fund the reserve from which renewal and periodic compliance and major maintenance is funded.

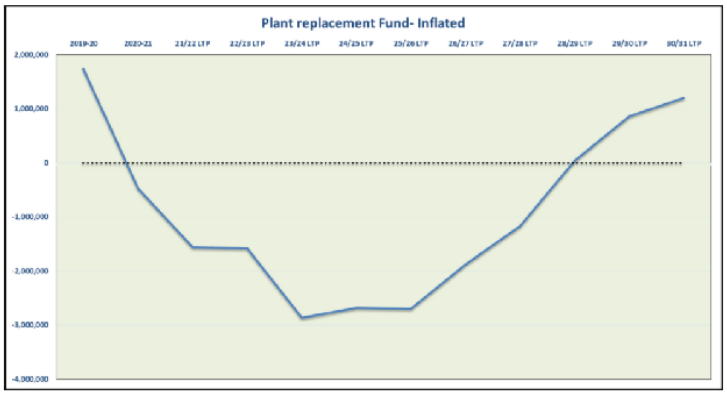
Forward planning around the building reserve is an important part of the financial strategy. The increasing age of some assets and new requirements in respect of earthquake strengthening are areas that need to be managed and may call into question the ongoing retention of some building assets – separate focused consideration of some of these issues is likely over the next few years.

Outlined below is the profile of the building and plant replacement reserves over the next 10 years; however Council has also undertaken a 20 year and 30 year view of future requirements to ensure that the annualised funding provision is sustainable over time. Note: The profile below includes $1.1m for Heretaunga House renewals which have a high level of uncertainty.

Building Maintenance Reserve



Plant Replacement Reserve



2.2.4 Funding Growth

This plan responds to the ongoing growth in the local economy and demand for land via infrastructure investment to service new residential development areas.

In addition the Council has significant forward industrial capacity established via its investment completed in both the Omahu and Irongate areas, with good uptake and upfront development contribution payments to minimise the Council's risk exposure.

The Council's continued policy is to allocate the cost of growth to those generating the need for that expenditure via the charging of development contributions. The 30 Year Infrastructure Strategy outlines the methodical staging plan for proposed development areas based on forecast uptake rates.

The Councils strategy to minimise any financial risk exposure is to constantly monitor the housing market, liaise actively with the development community and to adjust its programme and stage developments where feasible in accordance with economic activity.

2.2.5 Community Resilience and Financial Headroom

Overview

Whilst the Council has provided for the build-up of funds in a number of reserve accounts (i.e. rural flood damage reserve for example) and contingency allowances in some parts of the budget to meet reasonably unforeseen circumstances, the reality is that a significant event impacting on our community (i.e. major earthquake) would be met by a combination of reprioritising non critical works and utilising the financial headroom the Council has to get the community through such an event.

Retaining financial headroom therefore is a critical part of the Council's financial strategy. The table below contains some of those critical financial measures which outline the Council's financial headroom and ability to respond to a significant event. An ongoing strategy of using any surpluses to pay debt will also assist with creating further financial headroom.

The Council have amended its debt to income ratio from 150% to 175% to provide for additional fiscal headroom. This new policy position is still relatively conservative and falls well below the Council's total borrowing capacity (of around 250%).

Financial Strategy Limit	2021/22
Rates increases less than (LGCI + 4%)	6.8%
Net debt as a % of income less than 175%	124.31%
Net interest as a % of income less than 15%	4.50%
Net interest as a % of annual rates income less than 20%	8.18%
Liquidity range 110%-170%	119%

Insurance

Insurance is also an important tool to shelter the community from financial shocks. Outlined below are the key elements of Council's management approach, via various insurance arrangements:

- Council has comprehensive suite of insurance policies which are annually reviewed by Council's Risk and Audit Subcommittee.
- Assets (mainly buildings and contents) with a replacement value of $388m are insured under councils Material Damage Policy.
- In the event of a major disaster or catastrophe the cost of replacing water, sewage and other essential services (not roads and bridges) is shared with 60% of the cost met by

central government and 40% met by the local authority. Hastings District Council is a member of the Local Authority Protection Programme (LAPP). The LAPP fund is a cash accumulation mutual pool established to help local authorities meet their 40% share in the event of such a disaster.

- The value of infrastructural assets declared by the Council to be covered by the LAPP fund is $913m.
- Hastings District Council has a number of other assets not covered by insurance contracts or risk sharing arrangements and therefore are self-insured. The major category in this group would be roads and some low value bridges valued at 30 June 2020 $1,103m (excl. land). There would also be a number of other sundry items that would fall into this group.
- Council also has public liability and professional indemnity insurance ($300m) along with a comprehensive suite of policies for other liability matters.

Note: A matter that has not been fully addressed within this plan at this time are the potential implications coming from the development of the Regional Coastal Strategy. That strategy is assessing options to respond to forecast impacts from changes in our climate on our coastal communities. This matter will be more fully developed within future long term plans once the strategy has matured further. Retaining financial headroom within the financial strategy is a prudent response at this time.

Debt – A concerted debt repayment strategy

The capital investment required to respond to changes in drinking water infrastructure, has had a significant impact on the debt profile. In addition, earthquake strengthening on facilities such as the HB Opera House Complex (Toitoi) and significant renewals in the wastewater activity will constrain future investment choices for the Council. The overall impact outlined in this plan sees debt peaking at $294m in year 7.

The Council spent some time assessing the debt 'sweet spot' or the optimal level of debt for our community allowing for:

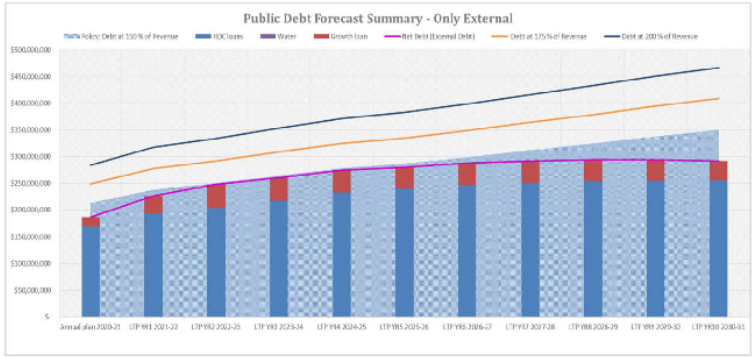
- The challenges set out in the 30 Year Infrastructure Strategy as the first call on debt funding
- The desire to continue to invest in our community to make it a place where people want to work, live and play
- The desire to leave some financial headroom to allow for future unknown expenditure and to respond to environmental change or a significant adverse event
- The future age makeup of our community that forecasts that by the year 2036 (26.7% will be aged 65 or over). A concerted programme of debt repayment has been built into the forecast rate increases in the latter years of the plan in bring down the debt spike back to a more optimal level for the long term fiscal health of our community
- A shift in funding wastewater renewals from debt to rates will assist in bringing debt levels back to more optimal levels
- The financial parameters of the Local Government Debt Funding Agency and has been recently assessed by Standard and Poors and been given a AA rating
- The financial parameters to secure the best financial external credit rating

This plan includes an escalated debt repayment plan from years 5-10 to reduce the debt profile by Year 10 to $286m. To achieve a declining debt profile future capital investment proposals will also need rigorous scrutiny to ensure they are a good spend for our community.

Adherence to this fiscal envelope will be challenging and require current and future Council's to be clear on its spending priorities.

Hastings District Council is a shareholder in the Local Government Debt Funding Authority. This enables the Council to borrow at lower rates and is a cornerstone of our approach to managing debt.

Public Debt Forecast Summary

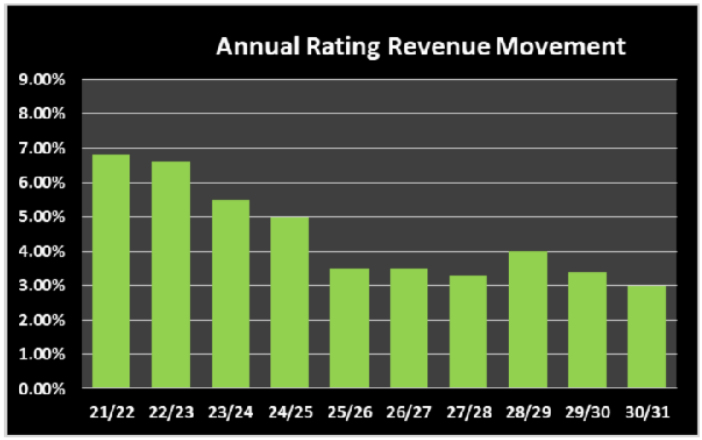


Rates

The Council has strived to develop a work programme that addresses the period of escalated investment in our core infrastructure whilst managing this within the self-imposed financial targets of this strategy. The forecast rates profile below shows that after the first three years, where rate increases are forecast at the upper end of policy limits, they then decrease to average around 3.7% including allowances for additional debt repayment. This enables debt to return to lower levels as a safeguard in case of an extraordinary or unplanned event. In the interim the debt to income ratio has been increased to provide additional borrowing headroom.

Overall rates forecast

Annual Rating Revenue Movement



2.2.6 Diversification of Income Streams

The Council recognises its heavy reliance on rates as a source of funding. Part of the strategy is to actively pursue other forms of funding such as Central Government funding and sponsorship activities. Working with others to facilitate external investment is a key focus of Economic Growth and Organisational Improvement Group within the Council.

2.2.7 Community Investment – Choices

As a community, our service level expectations continue to rise in some areas. These expectations need to be balanced against other priorities and affordability considerations.

The Council is conscious of these matters and whilst it has presented a budget which seeks to achieve the desired balance between spending and affordability, it is seeking feedback via the Long Term Plan Consultation Document in a number of areas as to whether that balance has been achieved. The key service level changes signalled within the plan are:

- Various reserve enhancements
- City centre transformation and vibrancy

Links to infrastructure Strategy

The Financial Strategy should be read in conjunction with the Infrastructure Strategy which contains further detail on overall capital expenditure and renewal funding requirements, along with information on the reliability of asset data.

Links to other policies

The Councils Treasury Policy outlines a range of other relevant matters that underpin the Financial Strategy, including Council policy on giving securities for its borrowing, along with Council objectives for holding and managing financial investments and equity securities and quantified targets for returns on those investments and securities.

Financial Targets

This strategy sets out how Council will fund its activities and the impact this will have on services, debt and rates levels over time. The strategy provides a guide for Council to consider proposals for funding and expenditure against.

WHAT WE NEED TO RESPOND TO	OUR RESPONSE
Major Infrastructure • An ageing asset profile and consequential impact on maintenance and renewal spend **Bridges** • New infrastructure investment on bridges to accommodate bigger and heavier vehicles **Higher Service Level Expectations** • Higher service expectations on our parks and public spaces **Our Community** • Ratepayer affordability challenges • Variation in the makeup of the district – rural and urban	**A Sustainable Funding Model** Maximum total rates increases will be limited to the forecast movement in the Local Government Cost Index General Adjustor for each respective year, plus 4% to cover costs related to natural disasters, new initiatives or service level increases approved by Council, together with costs associated with growth not covered by development contributions. These figures are upper limits and Council will work to improve efficiencies and provide rate increases within these. (Note: individual property increases could vary from Council limits due to property revaluations and changes in the rating system). Limits would be reassessed in the event of a major disaster. Council will consider overall economic conditions when setting rates.

Forecasted rates requirement and rate increases in this plan (inclusive of inflation allowances):

	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31
Total Rates Forecast	$86.0m	$92.6m	$99.5m	$105.9m	$112.3m	$117.3m	$112.4m	$127.6m	$133.9m	$139.8m
Increase	6.8%	6.6%	5.5%	5.0%	3.5%	3.5%	3.3%	4.0%	3.4%	3.0%

Note: The rate increase above excludes location specific targeted rates and includes growth in the rating base of 0.95% per annum. Note: Includes projects dependant on external funding support.

These may be adjusted through the annual plan process within the limits outlined.

Debt limits will be managed within a range of limits as follows:	Limits
Net debt as a percentage of income (Note: Proposed policy change from existing level of 150%)	<175%
Net Interest as a percentage of income	<15%
Net Interest as a percentage of annual rates income	<20%
Liquidity (external term debt plus committed bank facilities plus liquid investments divided by current external debt)	110-170%

- Overall peak debt is forecast at $294m in year 7, reducing to $286m by 2030/31.
- Council has assessed its ability to operate within these quantified limits and believes that existing levels of service, except where changes have been explicitly identified and outlined, can be provided and maintained. Council has also assessed its ability to meet additional demands within these quantified limits.

Prospective Financial Statements

PROSPECTIVE STATEMENT OF REVENUE AND EXPENSE FOR THE 10 YEARS TO 30 JUNE 2031

Annual Plan 20/21 $'000		Notes	LTP (Yr1) 21/22 $'000	LTP (Yr2) 22/23 $'000	LTP (Yr3) 23/24 $'000	LTP (Yr4) 24/25 $'000	LTP (Yr5) 25/26 $'000	LTP (Yr6) 26/27 $'000	LTP (Yr7) 27/28 $'000	LTP (Yr8) 28/29 $'000	LTP (Yr9) 29/30 $'000	LTP (Yr10) 30/31 $'000
	Revenue will be derived from:											
87,919	Rates		95,338	102,366	108,813	115,217	120,236	125,453	130,769	137,118	143,025	148,669
28,620	Fees and charges		34,437	36,754	39,558	41,805	42,826	43,908	45,062	46,289	47,550	48,799
5,408	Development and financial Contributions		5,785	5,827	5,858	5,887	5,918	5,950	5,982	5,185	5,223	5,262
27,702	Subsidies and Grants		32,421	21,169	21,837	22,098	21,980	23,540	25,590	27,186	28,904	29,934
3	Donations		3,603	3	3	3	4	4	4	4	4	4
	Finance revenue											
537	Other revenue		537	553	566	581	650	724	742	762	783	803
1,000	Vested Infrastructural Assets		1,000	1,034	1,062	1,091	1,123	1,154	1,191	1,229	1,269	1,308
151,190	**TOTAL REVENUE**		**173,122**	**167,705**	**177,698**	**186,682**	**192,736**	**200,733**	**209,341**	**217,773**	**226,758**	**234,779**
	Expenditure will be incurred on:											
94,691	Operational Costs		103,118	108,377	113,540	117,436	120,669	123,418	126,242	129,961	133,312	136,784
34,936	Depreciation and amortisation		36,566	37,351	37,765	37,971	38,181	38,397	38,627	38,872	39,123	39,372
6,703	Finance Costs		7,795	8,453	8,763	9,877	10,273	10,524	10,730	10,878	11,011	11,105
136,329	**TOTAL OPERATING EXPENDITURE**		**147,479**	**154,180**	**160,069**	**165,284**	**169,123**	**172,339**	**175,599**	**179,711**	**183,446**	**187,262**
14,861	**NET SURPLUS (DEFICIT)**		**25,643**	**13,524**	**17,630**	**21,399**	**23,613**	**28,394**	**33,742**	**38,062**	**43,312**	**47,517**
	Other comprehensive revenue:											
49,224	Gains (Losses) on Infrastructural revaluations		50,820	84,754	73,741	87,305	47,346	117,656	54,423	100,722	96,749	117,117
49,224	**Other comprehensive revenue:**		**50,820**	**84,754**	**73,741**	**87,305**	**47,346**	**117,656**	**54,423**	**100,722**	**96,749**	**117,117**
64,085	**TOTAL COMPREHENSIVE REVENUE**		**76,463**	**98,279**	**91,371**	**108,704**	**70,959**	**146,050**	**88,164**	**138,784**	**140,061**	**164,634**
	Net Surplus (Deficit) attributable to:											
14,861	Hastings District Council		25,643	13,524	17,630	21,399	23,613	28,394	33,742	38,062	43,312	47,517
	Minority Interest											
14,861			**25,643**	**13,524**	**17,630**	**21,399**	**23,613**	**28,394**	**33,742**	**38,062**	**43,312**	**47,517**
	Total Comprehensive revenue attributable to:											
64,085	Hastings District Council		76,463	98,279	91,371	108,704	70,959	146,050	88,164	138,784	140,061	164,634
	Minority Interest											
64,085			**76,463**	**98,279**	**91,371**	**108,704**	**70,959**	**146,050**	**88,164**	**138,784**	**140,061**	**164,634**

RECONCILIATION BETWEEN FORECAST FUNDING IMPACT STATEMENTS AND THE PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

Annual Plan 20/21 $'000		Notes	LTP (Yr1) 21/22 $'000	LTP (Yr2) 22/23 $'000	LTP (Yr3) 23/24 $'000	LTP (Yr4) 24/25 $'000	LTP (Yr5) 25/26 $'000	LTP (Yr6) 26/27 $'000	LTP (Yr7) 27/28 $'000	LTP (Yr8) 28/29 $'000	LTP (Yr9) 29/30 $'000	LTP (Yr10) 30/31 $'000
	Revenue will be derived from:											
	Economic and Community development											
9,165	Operating funding		10,103	10,248	10,631	10,812	11,057	11,329	11,545	11,788	12,061	12,318
	Capital funding*											
	Safe, Healthy & liveable Communities											
76,782	Operating funding		86,612	89,885	95,087	99,208	101,469	103,968	106,008	109,111	112,056	114,874
4,090	Capital funding*		4,510	919	926	934	942	950	958	967	977	986
	Roads and Footpaths											
28,234	Operating funding		32,060	34,193	36,647	39,475	41,510	43,807	45,880	47,966	50,143	52,398
19,119	Capital funding*		15,878	15,317	15,600	15,347	15,043	16,388	18,190	19,164	20,647	21,408
	Water Supply											
16,753	Operating funding		18,038	19,043	19,726	20,025	20,421	20,898	21,128	21,601	22,123	22,631
1,324	Capital funding*		9,521	1,027	1,032	1,036	1,040	1,045	1,050	925	930	936
	Stormw ater											
2,719	Operating funding		3,237	3,583	3,931	4,648	4,936	5,150	6,396	7,625	8,888	10,160
694	Capital funding*		710	713	715	717	719	721	724	571	573	576
	Wastew ater											
12,298	Operating funding		12,726	13,482	14,154	15,049	15,784	16,701	17,418	18,291	19,188	19,935
1,525	Capital funding*		1,587	1,601	1,612	1,623	1,635	1,647	1,661	1,545	1,560	1,575
	Governance & Support											
17,691	Operating funding		18,553	20,081	21,191	22,174	23,470	24,607	25,791	26,830	27,728	28,203
	Capital funding*											
190,394	**Total funding as per Funding Impact Statements**		213,534	**210,091**	221,252	**231,049**	238,027	**247,211**	256,748	**266,384**	276,873	**286,001**
	Items excluded from Funding Impact Statements											
1,000	Vested Infrastructural Assets		1,000	1,034	1,062	1,091	1,123	1,154	1,191	1,229	1,269	1,308
	Items excluded from Comprehensive Revenue Statement											
-40,204	Internal Recoveries		-41,412	-43,420	-44,616	-45,457	-46,414	-47,633	-48,598	-49,840	-51,384	-52,530
151,190	**TOTAL REVENUE**		**173,122**	**167,705**	**177,698**	**186,682**	**192,736**	**200,733**	**209,341**	**217,773**	**226,758**	**234,779**

Annual Plan 20/21 $'000		Notes	LTP (Yr1) 21/22 $'000	LTP (Yr2) 22/23 $'000	LTP (Yr3) 23/24 $'000	LTP (Yr4) 24/25 $'000	LTP (Yr5) 25/26 $'000	LTP (Yr6) 26/27 $'000	LTP (Yr7) 27/28 $'000	LTP (Yr8) 28/29 $'000	LTP (Yr9) 29/30 $'000	LTP (Yr10) 30/31 $'000
	Expenditure will be incurred on:											
9,935	Economic and Community development		10,022	10,161	10,544	10,718	10,960	11,228	11,441	11,680	11,950	12,203
68,306	Safe, Healthy & liveable Communities		73,257	77,079	80,861	83,926	85,788	87,753	89,774	92,100	94,474	96,755
20,143	Roads and Footpaths		22,270	23,642	24,716	25,985	26,644	27,386	28,017	28,648	29,526	30,260
13,761	Water Supply		14,852	15,696	16,149	16,431	16,808	17,265	17,474	17,927	18,429	18,918
2,166	Stormw ater		2,638	2,861	3,044	3,285	3,471	3,582	3,723	3,855	4,015	4,182
9,132	Wastew ater		9,573	10,072	10,507	10,955	11,393	11,699	12,103	12,476	12,849	13,180
18,155	Governance & Support		19,713	20,738	21,099	21,470	22,292	22,662	23,039	23,992	24,463	24,922
141,598	**Total application of funding as per Funding Impact Statements**		152,325	**160,249**	166,919	**172,771**	177,355	**181,574**	185,570	**190,679**	195,707	**200,419**
	Items excluded from Funding Impact Statements											
34,936	Depreciation		36,566	37,351	37,765	37,971	38,181	38,397	38,627	38,872	39,123	39,372
	Items in/excluded from Comprehensive revenue Statement											
-40,204	Internal recovery		-41,412	-43,420	-44,616	-45,457	-46,414	-47,633	-48,598	-49,840	-51,384	-52,530
	Internal Interest											
	Interest on Internal Reserves											
136,329	**TOTAL OPERATING EXPENDITURE**		**147,479**	**154,180**	**160,069**	**165,284**	**169,123**	**172,339**	**175,599**	**179,711**	**183,446**	**187,262**
14,861	**TOTAL**		**25,643**	**13,524**	**17,630**	**21,399**	**23,613**	**28,394**	**33,742**	**38,062**	**43,312**	**47,517**
	Other comprehensive revenue:											
49,224	Gains on property revaluations		50,820	84,754	73,741	87,305	47,346	117,656	54,423	100,722	96,749	117,117
	Gains on Infrastructural revaluations											
49,224	**OTHER COMPREHENSIVE REVENUE**		**50,820**	**84,754**	**73,741**	**87,305**	**47,346**	**117,656**	**54,423**	**100,722**	**96,749**	**117,117**
64,085	**TOTAL COMPREHENSIVE REVENUE**		**76,463**	**98,279**	**91,371**	**108,704**	**70,959**	**146,050**	**88,164**	**138,784**	**140,061**	**164,634**
64,085	**TOTAL STATEMENT OF COMPREHENSIVE REVENUE**		**76,463**	**98,279**	**91,371**	**108,704**	**70,959**	**146,050**	**88,164**	**138,784**	**140,061**	**164,634**
	Variance											

* Includes development contributions, subsidies, grants and lump sum contributions

NOTES TO FINANCIAL STATEMENTS

Annual Plan 20/21 $'000		Notes	LTP (Yr1) 21/22 $'000	LTP (Yr2) 22/23 $'000	LTP (Yr3) 23/24 $'000	LTP (Yr4) 24/25 $'000	LTP (Yr5) 25/26 $'000	LTP (Yr6) 26/27 $'000	LTP (Yr7) 27/28 $'000	LTP (Yr8) 28/29 $'000	LTP (Yr9) 29/30 $'000	LTP (Yr10) 30/31 $'000
	1. Rates revenue											
45,818	General Rate		50,826	54,692	58,366	62,227	64,978	67,968	71,366	75,408	79,395	83,429
12,247	Community & Resource Rate		13,322	14,096	14,707	15,139	15,471	15,856	16,040	16,557	16,991	17,351
5,926	Uniform Annual General Charge		6,259	6,593	6,807	7,033	7,221	7,424	7,625	7,827	8,049	8,257
	Targeted Rates											
53	Havelock North Business Association		53	53	53	53	53	53	53	53	53	53
144	Swimming Pools		143	146	150	152	155	159	163	167	171	176
139	Havelock North Parking		310	314	319	321	322	329	328	336	338	343
293	Hastings City Marketing		293	293	293	293	293	293	293	293	293	293
370	Security Patrols		573	596	612	624	637	652	667	684	703	721
244	CBD Hastings		320	330	340	350	360	370	381	392	403	415
58	CBD Havelock North		80	82	84	86	89	91	93	96	98	101
23	Waimarama Seawall		23	23	23	23	23	23	23	23	23	23
6,088	Wastewater		6,379	6,761	7,193	7,720	8,113	8,673	9,016	9,591	10,173	10,613
34	Waipatiki Wastewater Operational		44	45	47	48	49	51	52	54	56	57
	Waipatiki Wastewater Capital											
1,281	Wastewater Levy (80%)		1,178	1,199	1,222	1,395	1,540	1,696	1,851	1,937	2,029	2,119
10,425	Water Supply - Rating Area One		11,269	11,994	12,525	12,670	12,898	13,195	13,230	13,493	13,787	14,066
2,985	Kerbside Refuse Collection		3,065	3,347	3,731	4,021	4,119	4,223	4,329	4,445	4,568	4,684
1,618	Kerbside Recycling		1,787	1,891	1,992	2,099	2,152	2,206	2,263	2,324	2,387	2,449
30	Waimarama Refuse Collection		46	51	58	67	69	70	72	74	76	78
	Whirinaki Water Supply - Capital											
	Water meter Charges											
1,024	Water Supply - Rating Area One		1,272	1,316	1,350	1,387	1,427	1,467	1,514	1,564	1,617	1,667
	Water Supply - Waimarama											
	Water Supply - Whirinaki											
-881	Change in Targeted Rates Reserves		-1,903	-1,459	-1,058	-492	267	654	1,409	1,801	1,814	1,775
87,919	**Total Rates Revenue**		**95,338**	**102,366**	**108,813**	**115,217**	**120,236**	**125,453**	**130,769**	**137,118**	**143,025**	**148,669**
26%	Level of Uniform Charges (30% Maximum)		26%	26%	26%	25%	25%	24%	24%	23%	23%	22%

	2. Total Operating Expenditure includes:										
1,006	Councillors Remuneration	1,029	1,058	1,085	1,112	1,140	1,168	1,199	1,231	1,264	1,297
31,835	Contracted Service Costs	34,638	36,643	39,528	41,643	42,979	43,987	44,999	46,359	47,666	49,030
4,687	Consultancy Services	4,813	5,217	5,613	5,659	5,785	6,009	6,150	6,285	6,541	6,694
244	Lease Payments (Operating)	503	467	478	490	502	515	528	543	557	572
106	- fees to Audit New Zealand for audit of the Council's financial statements	128	132	135	138	142	145	149	153	157	161
90	- fees to Audit New Zealand for other services			95			102			111	
6,703	Finance Costs	7,795	8,453	8,763	9,877	10,273	10,524	10,730	10,878	11,011	11,105
1	Total Bad Debts Written Off	1	1	2	2	2	2	2	2	2	2
35	Change in Provision for Doubtful Debts	35	36	37	38	39	40	41	42	43	44
34,936	Depreciation Expense	36,566	37,351	37,765	37,971	38,181	38,397	38,627	38,872	39,123	39,372
	Loss on Sale of Property, Plant & Equipment										
6,100	Maintenance and Asset Costs	6,565	6,735	6,868	7,136	7,300	7,417	7,627	7,964	8,075	8,274
3,107	Energy Costs	3,486	3,849	3,945	4,044	4,145	4,249	4,359	4,477	4,598	4,717
36,343	Salary and Wages	39,100	40,327	41,027	41,733	42,574	43,514	44,519	45,591	46,777	48,039
1,184	Defined Contribution Plan - Employer Contributions	1,293	1,328	1,348	1,371	1,399	1,429	1,462	1,497	1,536	1,578
187	Increase/Decrease in Employee Entitlements/Liabilities	199	205	209	212	216	221	226	232	238	244
1,417	Administration Costs	1,320	1,440	1,461	1,497	1,552	1,573	1,614	1,676	1,703	1,747
2,754	Sponsorships and Grants	1,999	2,328	2,324	2,400	2,671	2,554	2,584	2,824	2,647	2,679
	Donations										
5,594	Other Costs	8,009	8,610	9,386	9,960	10,224	10,492	10,783	11,086	11,396	11,706
136,329	**Total Operating Expenditure**	**147,479**	**154,180**	**160,069**	**165,284**	**169,123**	**172,339**	**175,599**	**179,711**	**183,446**	**187,262**
	3. Depreciation Expense includes:										
719	Operational Buildings	719	740	758	777	797	816	838	860	883	906
1,582	Restricted Buildings	1,582	1,628	1,668	1,710	1,753	1,796	1,843	1,892	1,943	1,994
217	Library Collection	217	224	229	235	241	247	253	260	267	274
778	Plant, Equipment and Motor Vehicles	813	888	909	932	955	978	1,003	1,030	1,058	1,085
100	Furniture and Fittings	100	103	106	108	111	114	117	120	123	126
883	Landfill	883	908	931	954	978	1,003	1,029	1,057	1,085	1,113
981	Computers and Office Equipment	-33	152	-348	20	236	634	732	953	1,046	915
5,260	Total Property, Plant and Equipment	4,282	4,643	4,254	4,737	5,070	5,589	5,815	6,172	6,406	6,414
2,749	Water Supply network	3,000	3,150	3,364	3,364	3,364	3,364	3,364	3,364	3,364	3,364
7,144	Wastewater Disposal Network	8,412	8,412	8,412	8,412	8,412	8,412	8,412	8,412	8,412	8,412
3,775	Stormwater Disposal Network	3,909	3,909	3,909	3,909	3,909	3,909	3,909	3,909	3,909	3,909
13,845	Roading Foundations and Bridges	13,845	13,845	13,845	13,845	13,845	13,845	13,845	13,845	13,845	13,845
1,958	Parks	1,958	2,015	2,065	2,116	2,169	2,224	2,281	2,343	2,406	2,469
29,471	Total Infrastructural Assets	31,124	31,330	31,595	31,646	31,699	31,754	31,811	31,873	31,936	31,999
	Amortisation										
205	Intangible Assets - Computer software	1,161	1,378	1,916	1,587	1,411	1,054	1,001	827	782	960
34,936	**Total Depreciation Expense**	**36,566**	**37,351**	**37,765**	**37,971**	**38,181**	**38,397**	**38,627**	**38,872**	**39,123**	**39,372**

PROSPECTIVE STATEMENT OF FINANCIAL POSITION FOR THE 10 YEARS TO 30 JUNE 2031

Annual Plan 20/21 $'000		Notes	LTP (Yr1) 21/22 $'000	LTP (Yr2) 22/23 $'000	LTP (Yr3) 23/24 $'000	LTP (Yr4) 24/25 $'000	LTP (Yr5) 25/26 $'000	LTP (Yr6) 26/27 $'000	LTP (Yr7) 27/28 $'000	LTP (Yr8) 28/29 $'000	LTP (Yr9) 29/30 $'000	LTP (Yr10) 30/31 $'000
	ASSETS											
	Current Assets											
1,265	Cash & cash equivalents		1,265	1,265	1,265	1,265	1,265	1,265	1,265	1,265	1,265	1,265
12,095	Debtors and other receivables		15,581	15,093	15,993	16,801	17,346	18,066	18,841	19,600	20,408	21,130
108	Inventories		108	108	108	108	108	108	108	108	108	108
13,468			16,954	16,467	17,366	18,175	18,720	19,439	20,214	20,973	21,782	22,503
	Non Current Assets											
-	Derivative Financial Instruments											
1,066	Investments in associates		1,063	1,063	1,063	1,063	1,063	1,063	1,063	1,063	1,063	1,063
1,063	Investments in Council Controlled Organisations		15	15	15	15	15	15	15	15	15	15
1,568	Other Investments		3,400	3,635	4,038	4,452	4,876	5,311	5,757	6,215	6,685	7,167
-	Other Non Current Assets		-	-	-	-	-	-	-	-	-	-
3,697			4,478	4,713	5,116	5,530	5,954	6,389	6,835	7,293	7,763	8,245
242,116	Plant, property and equipment		310,170	315,621	325,414	332,360	337,273	342,222	346,168	347,002	350,200	351,412
1,941,999	Infrastructural Assets		2,140,797	2,258,956	2,355,390	2,467,814	2,537,781	2,681,114	2,763,211	2,895,867	3,023,928	3,176,649
205	Intangible Assets		1,161	1,378	1,916	1,587	1,411	1,054	1,001	827	782	960
2,201,485	**Total Assets Employed**		**2,473,560**	**2,597,134**	**2,705,202**	**2,825,466**	**2,901,138**	**3,050,218**	**3,137,428**	**3,271,960**	**3,404,454**	**3,559,770**
	LIABILITIES & EQUITY											
	Current Liabilities											
-	Bank Overdraft		-	-	-	-	-	-	-	-	-	-
17,991	Creditors and other payables		24,748	26,010	27,250	28,185	28,961	29,620	30,298	31,191	31,995	32,828
2,241	Employee Benefit Liabilities		3,398	3,398	3,398	3,398	3,398	3,398	3,398	3,398	3,398	3,398
-	Derivative Financial Liabilities											
16,970	Public Debt		21,348	23,751	25,296	26,358	26,751	26,987	26,823	26,308	25,470	24,454
37,202			49,494	53,159	55,944	57,940	59,109	60,005	60,519	60,897	60,863	60,680
	Non Current Liabilities											
659	Provisions		1,640	1,640	1,640	1,640	1,640	1,640	1,640	1,640	1,640	1,640
480	Employee Benefit Liabilities		333	338	344	350	357	363	370	378	385	393
13,500	Derivative Financial Liabilities		3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
152,732	Public Debt		192,130	213,755	227,663	237,219	240,757	242,884	241,409	236,773	229,232	220,088
167,371			197,603	219,233	233,147	242,710	246,254	248,388	246,919	242,290	234,757	225,621
	Public Equity											
1,148,483	Retained Earnings		1,229,527	1,243,012	1,260,601	1,281,970	1,305,554	1,333,920	1,367,633	1,405,667	1,448,951	1,496,442
2,615	Restricted Reserves		3,394	3,434	3,474	3,503	3,533	3,562	3,590	3,618	3,645	3,672
845,814	Revaluation Reserves		993,542	1,078,296	1,152,037	1,239,342	1,286,688	1,404,344	1,458,767	1,559,489	1,656,237	1,773,355
1,996,912			2,226,463	2,324,741	2,416,112	2,524,816	2,595,775	2,741,825	2,829,990	2,968,773	3,108,834	3,273,468
2,201,485	**Total Funds Employed**		**2,473,560**	**2,597,134**	**2,705,202**	**2,825,466**	**2,901,138**	**3,050,218**	**3,137,428**	**3,271,960**	**3,404,454**	**3,559,770**

PROSPECTIVE STATEMENT OF CHANGES IN NET ASSETS/EQUITY FOR THE 10 YEARS TO 30 JUNE 2031

Annual Plan 20/21 $'000		Notes	LTP (Yr1) 21/22 $'000	LTP (Yr2) 22/23 $'000	LTP (Yr3) 23/24 $'000	LTP (Yr4) 24/25 $'000	LTP (Yr5) 25/26 $'000	LTP (Yr6) 26/27 $'000	LTP (Yr7) 27/28 $'000	LTP (Yr8) 28/29 $'000	LTP (Yr9) 29/30 $'000	LTP (Yr10) 30/31 $'000
1,932,827	Public Equity at the Start of the Period		2,150,000	2,226,463	2,324,741	2,416,112	2,524,816	2,595,775	2,741,825	2,829,990	2,968,773	3,108,834
64,085	Total Comprehensive Revenue		76,463	98,279	91,371	108,704	70,959	146,050	88,164	138,784	140,061	164,634
1,996,912	**Public Equity at the End of the Period**		**2,226,463**	**2,324,741**	**2,416,112**	**2,524,816**	**2,595,775**	**2,741,825**	**2,829,990**	**2,968,773**	**3,108,834**	**3,273,468**
	Total Comprehensive revenue attributable to:											
64,085	Hastings District Council		76,463	98,279	91,371	108,704	70,959	146,050	88,164	138,784	140,061	164,634
64,085	**Total comprehensive revenue**		**76,463**	**98,279**	**91,371**	**108,704**	**70,959**	**146,050**	**88,164**	**138,784**	**140,061**	**164,634**

PROSPECTIVE STATEMENT OF CASHFLOWS FOR THE 10 YEARS TO 30 JUNE 2031

Annual Plan 20/21 $'000		Notes	LTP (Yr1) 21/22 $'000	LTP (Yr2) 22/23 $'000	LTP (Yr3) 23/24 $'000	LTP (Yr4) 24/25 $'000	LTP (Yr5) 25/26 $'000	LTP (Yr6) 26/27 $'000	LTP (Yr7) 27/28 $'000	LTP (Yr8) 28/29 $'000	LTP (Yr9) 29/30 $'000	LTP (Yr10) 30/31 $'000
	Cash Flows from Operating Activities											
	Cash will be provided from											
87,919	Rates Received		95,338	102,366	108,813	115,217	120,236	125,453	130,769	137,118	143,025	148,669
34,565	Receipts from Customers		40,759	43,133	45,982	48,273	49,394	50,581	51,787	52,236	53,556	54,864
27,706	Subsidies Grants & Donations Received		36,025	21,172	21,841	22,101	21,983	23,544	25,594	27,190	28,908	29,938
	Goods and services tax (net)											
150,190			172,122	166,671	176,636	185,591	191,613	199,579	208,150	216,545	225,489	233,471
	Cash was applied to											
94,691	Payments to Suppliers and Employees		103,118	108,377	113,540	117,436	120,669	123,418	126,242	129,961	133,312	136,784
6,703	Interest Paid		7,795	8,453	8,763	9,877	10,273	10,524	10,730	10,878	11,011	11,105
101,394			110,913	116,829	122,304	127,313	130,942	133,942	136,972	140,839	144,323	147,890
48,796	**Net Cash Flows from Operating Activities**		61,209	49,841	54,333	58,278	60,672	65,637	71,178	75,705	81,167	85,582
	Cash Flows from Investing Activities											
	Cash was provided from											
2,055	Sale of Plant, property & equipment		467	315	786	505	452	806	551	405	846	726
-	Investments Withdrawn		-	-	-	-	-	-	-	-	-	-
2,055			467	315	786	505	452	806	551	405	846	726
	Cash was applied to											
110,855	Purchase of Property, Plant & Equipment and Infrastructural Assets		104,190	73,393	68,674	67,989	63,879	67,295	69,754	69,556	72,146	73,874
383	Purchase of Investments		228	235	404	414	424	435	446	458	470	483
111,238			104,418	73,627	69,077	68,402	64,303	67,730	70,200	70,014	72,616	74,356
(109,183)	**Net Cash Flows from Investing Activities**		(103,951)	(73,312)	(68,292)	(67,897)	(63,851)	(66,923)	(69,649)	(69,609)	(71,771)	(73,631)
	Cash Flows from Financing Activities											
	Cash was provided from											
66,016	Loans Raised		49,944	31,235	22,824	20,434	15,897	14,794	12,990	10,785	8,285	6,496
	Cash was applied to											
5,629	Loans repaid		7,202	7,764	8,865	10,815	12,718	13,507	14,519	16,881	17,681	18,447
60,387	**Net Cash Flows from Financing Activities**		42,742	23,471	13,959	9,619	3,179	1,287	(1,529)	(6,096)	(9,396)	(11,951)
	Reconciliation of Cash Flows											
	Net Increase (Decrease) in Cash Held		()		-	-	()	()	-	()		()
1,265	Add Cash at Start of Year		1,265	1,265	1,265	1,265	1,265	1,265	1,265	1,265	1,265	1,265
1,265	Cash at End of Year		1,265	1,265	1,265	1,265	1,265	1,265	1,265	1,265	1,265	1,265

GROSS PUBLIC DEBT SUMMARY

Annual Plan 20/21 $'000		Notes	LTP (Yr1) 21/22 $'000	LTP (Yr2) 22/23 $'000	LTP (Yr3) 23/24 $'000	LTP (Yr4) 24/25 $'000	LTP (Yr5) 25/26 $'000	LTP (Yr6) 26/27 $'000	LTP (Yr7) 27/28 $'000	LTP (Yr8) 28/29 $'000	LTP (Yr9) 29/30 $'000	LTP (Yr10) 30/31 $'000
126,315	Opening Balance		192,000	232,425	255,316	268,420	280,719	285,690	291,784	294,524	294,542	291,505
66,016	Plus New Debt Requirement		47,627	30,655	21,969	23,114	17,689	19,601	17,259	16,899	14,644	13,306
(5,629)	Less Debt Repayment		(7,202)	(7,764)	(8,865)	(10,815)	(12,718)	(13,507)	(14,519)	(16,881)	(17,681)	(18,447)
186,702	**Gross Debt Closing Balance**		**232,425**	**255,316**	**268,420**	**280,719**	**285,690**	**291,784**	**294,524**	**294,542**	**291,505**	**286,363**
	Comprises:											
169,702	External Debt		213,478	237,506	252,959	263,577	267,508	269,871	268,232	263,081	254,702	244,542
17,000	Internal Debt		18,947	17,811	15,461	17,142	18,182	21,913	26,292	31,461	36,803	41,822
186,702	**Gross Public Debt**		**232,425**	**255,316**	**268,420**	**280,719**	**285,690**	**291,784**	**294,524**	**294,542**	**291,505**	**286,363**
	External Debt Comprises:											
16,970	Current Portion Term Debt		21,348	23,751	25,296	26,358	26,751	26,987	26,823	26,308	25,470	24,454
152,732	Non Current portion Term Debt		192,130	213,755	227,663	237,219	240,757	242,884	241,409	236,773	229,232	220,088
169,702			213,478	237,506	252,959	263,577	267,508	269,871	268,232	263,081	254,702	244,542

SUMMARY OF FINANCIAL STATISTICS

Annual Plan 20/21 $'000		Notes	LTP (Yr1) 21/22 $'000	LTP (Yr2) 22/23 $'000	LTP (Yr3) 23/24 $'000	LTP (Yr4) 24/25 $'000	LTP (Yr5) 25/26 $'000	LTP (Yr6) 26/27 $'000	LTP (Yr7) 27/28 $'000	LTP (Yr8) 28/29 $'000	LTP (Yr9) 29/30 $'000	LTP (Yr10) 30/31 $'000
8.48%	Public Debt to Total Assets		9.40%	9.83%	9.92%	9.94%	9.85%	9.57%	9.39%	9.00%	8.56%	8.04%
90.71%	Equity to Total Assets		90.01%	89.51%	89.31%	89.36%	89.47%	89.89%	90.20%	90.73%	91.32%	91.96%
	Treasury Policy Limits											
8.50%	Net Debt as a percentage of equity *(<20%)*		9.59%	10.22%	10.47%	10.44%	10.31%	9.84%	9.48%	8.86%	8.19%	7.47%
112.24%	Net Debt as a percentage of revenue *(<175%)*		123.31%	141.62%	142.35%	141.19%	138.80%	134.44%	128.13%	120.80%	112.32%	104.16%
4.43%	Net Interest as a percentage of revenue *(<15%)*		4.50%	5.04%	4.93%	5.29%	5.33%	5.24%	5.13%	5.00%	4.86%	4.73%
7.62%	Net Interest as a percentage of rates revenue *(<20%)*		8.18%	8.26%	8.05%	8.57%	8.54%	8.39%	8.21%	7.93%	7.70%	7.47%
152.49%	Liquidity (Term Debt + Committed Loan Facilities to existing debt) *(>110%)*		119%	119%	119%	119%	119%	119%	119%	119%	119%	119%
186,702	Gross Debt		232,425	255,316	268,420	280,719	285,690	291,784	294,524	294,542	291,505	286,363
17,000	Less: Internal Borrowings		18,947	17,811	15,461	17,142	18,182	21,913	26,292	31,461	36,803	41,822
169,702	**External Net Debt**		213,478	237,506	252,959	263,577	267,508	269,871	268,232	263,081	254,702	244,542

Reserves

Types of Reserves

COUNCIL CREATED RESERVES

The Council has created a number of reserves, commonly referred to as special funds, to set aside funds for various purposes (e.g. asset replacements, emergency funds etc).

The Council sets aside and invests funds for these reserves with any interest earned on the investments being credited to the reserves.

The major categories of council created reserves are:

Plant, Equipment and Vehicle Replacement	Funds are set aside to provide for the on-going replacement of operational assets such as essential plant, vehicles and equipment.
Property Maintenance and Improvements	Funds are set aside to maintain and enhance existing Council assets and also to provide funds for new projects such as motorway linkages.
General Purpose Reserves	Each of the Council's rating groups has a general purpose reserve. Any year-end balance for the rating group is placed into the general purpose reserves to enable the use of those funds to be debated at the next budget round. It has been the practice of Council to use the general purpose reserves to either reduce debt or to reduce the rating requirement in subsequent years.
Emergency Funds	Council has set aside funds to assist in the event of an emergency. Purposes for which funds are currently set aside are flood damage and rural fire.
Effluent Disposal	Council operates an effluent disposal scheme together with major users. Each year funds are placed into a reserve for the maintenance of the scheme with funds withdrawn to fund major works.
Sundry Reserves	This represents a number of other reserves set aside for various purposes.
Separate Rates Reserves	This represents the balance of funds collected from various targeted rates which have not yet been spent.

RESTRICTED RESERVES

These are reserves, the use of which is restricted by some external force, e.g. trust deeds or legislation.

Trusts and Bequests	Funds which have been bequeathed to Council for specific purposes. Funds are separately invested with the interest earned on these investments added to the balance of the various special funds.
Reserve Purchase and Development Funds	Funds which have been levied on subdivisions under Section 274 of the Local Government Act 1974.

Purpose of reserves

Name of reserve	Interest Y/N	Purpose of reserve and activities it relates to
COUNCIL CREATED RESERVES		
Depreciation Funds	N	To fund the renewal of infrastructural assets.
EMERGENCY FUNDS		
Rural Flood Damage Reserve	Y	The rating portion of the unspent balance of the allocation for flood damage in the rural area has been place in this account each year with the target balance indicated by the Rural Community Board.
Rural Fire Contingency Fund	N	This was set up by transferring the unused portion of the rural fire suppression budget in past years. The fund provides a buffer to be drawn upon if in the event of a particularly bad fire season so that there will be no additional burden on rates.
Effluent Disposal Reserve	Y	Financing investigations, development and surveys, replacement of materials, equipment and buildings, including marine works, protective works and repairs to the effluent scheme caused by storm damage, and such other occurrences which may necessitate finance from this fund to be used to maintain a fully operative effluent disposal scheme. Until such time as the fund reaches $500,000 any surpluses in the Effluent Disposal account are to be transferred to the Effluent Disposal Reserve Fund.
Effluent Disposal Annual Balance Reserve	N	To fund the operational unders and overs of the Clive sewer plant.
GENERAL PURPOSE RESERVES		
General Purpose Reserve – Rating Area 1	N	The unallocated rating surplus each year is placed in this reserve, pending allocation during the next budget round. The Rating surplus gets divided according to the rating splits for each Cost Centre.
General Purpose Reserve Rating Area 2	N	The unallocated rating surplus each year is placed in this reserve, pending allocation during the next budget round. The Rating surplus gets divided according to the rating splits for each Cost Centre.

Name of reserve	Interest Y/N	Purpose of reserve and activities it relates to
Capital Reserve – Rating Area 2	N	That a one-off adjustment of $1,314,393 be transferred from the general purpose reserves of Rating Area One to a separate capital reserve, for flood damage and significant capital expenditure in Rating Area Two, to compensate for the equity in the Omarunui Landfill transferred to rating area one following the reduction in the rating area two share of assets, costs and revenue to 5.83% from the 1 July 2008.
Plant Equipment & Vehicle Replacement Funds		
Omarunui Landfill Plant Fund	Y	Set up to provide funds for the replacement of plant at the joint landfill facility in which Napier have a 36.32% share.
Parking Meter Replacement Fund	N	Fund for replacement of parking meters in Hastings.
Plant Replacement Fund – Parks	Y	Fund for replacement of vehicles and equipment for Parks Service Delivery Unit
Plant Replacement Fund – Composite	Y	Fund for replacement of vehicles and equipment, Computer and Office equipment.
Property Maintenance & Improvements		
Landfill Property A/c	Y	Proceeds from sale of lifestyle blocks at Omarunui placed in interest earning account. Currently used to fund forestry development at Omarunui.
Omarunui Landfill Aftercare Fund	Y	Funds put aside for the aftercare requirements of the Landfill.
Cemetery Upkeep In Perpetuity	N	Fund to maintain plots in perpetuity.
Crematorium Fund	N	For the purpose of maintaining and developing the Hawke's Bay Crematorium. Any operating surplus or loss from the crematorium is transferred to this special fund.
Haumoana Erosion Reserve	N	The net proceeds of the sale of the former Haumoana Community Centre at 25 Beach Road is placed in the reserve for use on future erosion works to protect beachfront reserve at Haumoana. Reserve to be used as per resolution 8/6/09 for Haumoana Erosion issues 09/10 LTCCP meeting.
Ocean Beach Reserve Land Purchase	N	This fund was created from the sale of 305 Heretaunga Street E – HB Network Building ($376,336). It was set aside in Area Two reserves to fund the costs of land purchase at Ocean Beach.
Offstreet Parking Fund	N	Unders / overs of operations for future land purchases and/or improvements.
Pensioner Flat Renovation	N	Any funds surplus to the approved budget is transferred to an account for expenditure on maintenance. Self-funding account with no rate input.
Rural Halls Maintenance Fund	N	Unused balance of Council allocation transferred to this fund at end of each year. To be allocated for maintenance of halls in plains and rural areas.
Flaxmere Reserve	N	Current funds and future property sales used to repay debt or to fund capital projects in Rating Area one.
Building Maintenance Reserve	N	To fund on-going maintenance and improvements to councils buildings as part of buildings asset management plan.
Election Reserve	N	A yearly transfer of $25,000 from rates to this reserve to fund three yearly election expenditure.
Rotary Pathway Reserve	N	Monies received from Rotary to fund creation of Pathways.
Nelson Park Reserve	N	To fund specific projects related to Nelson Park LFR and Regional Sports Park ($11.35m)
Pettigrew Green Arena Capital Maintenance Fund	Y	To be used to fund funding requests from the Pettigrew Green Arena for Capital Maintenance based on applications made to fund actual costs incurred.
SUNDRY RESERVES		
Staff Recreation Fund	N	Represent funds from defunct staff insurance fund of former H B County. To be used for provision of staff facilities.
Sister City Reserve	N	Yearly provision made to fund events with Guilin.
Separate Rates	N	This represents the balance of funds collected from various targeted rates which have not yet been spent. Used as smoothing mechanism so the targeted rates do not fluctuate too much from year to year.
RESTRICTED RESERVES		
Development Reserves		Funds which have been levied as per the new development contributions policy

Name of reserve	Interest Y/N	Purpose of reserve and activities it relates to
Purchase & Development Reserves		Are funds which have been levied on subdivisions under section 274 of the Local Government Act 1974
TRUSTS & BEQUESTS RESERVES		
H W Abbott Bequest	Y	Funds bequeathed for a Māori museum/Hastings. Used to construct Exhibition Centre with balance remaining in 1996 of $11,000. Since then the reserve balance has grown due to annual allocations from the council plus interest credited.
AB Smith Bequest	Y	To be used on books for the Havelock North Library.
AB Smith – Fantasyland	Y	To be used for improvements at Fantasyland (now Splash Planet).
Clifford Davey Bequest	Y	To purchase books for the reference and/or loan section of the Hastings District Public Libraries.
JL Sanderson Bequest	Y	Original gift of $25,000 for the purpose of beautifying the Borough of Havelock North.
Graham Talking Books Bequest	Y	To purchase 'Talking Books' for the Hastings City Library.
Lowe – Education Guilin Students Bequest	Y	To assist in the education in New Zealand of students of Guilin, China.



Type of Reserve ('000)	Balance 30/6/2020	Balance 30/6/2021	Balance 30/6/2022	Balance 30/6/2023	Balance 30/6/2024	Balance 30/6/2025	Balance 30/6/2026	Balance 30/6/2027	Balance 30/6/2028	Balance 30/6/2029	Balance 30/6/2030	Balance 30/6/2031
Interest Rate	0.02											
Council Created Reserve												
Other	448	550	652	757	864	975	1,087	1,203	1,322	1,444	1,569	1,698
Depreciation Funds	1,228	1,228	1,228	1,228	1,228	1,228	1,228	1,228	1,228	1,228	1,228	1,228
Emergency Funds	2,396	3,052	3,132	3,253	3,373	3,468	3,493	3,589	3,672	3,767	3,837	3,904
General Purpose Reserves	5,887	6,032	5,482	4,657	3,913	4,318	4,852	5,468	6,167	6,951	7,771	8,663
Type of Reserve	**Balance 30/6/2020**	**Balance 30/6/2021**	**Balance 30/6/2022**	**Balance 30/6/2023**	**Balance 30/6/2024**	**Balance 30/6/2025**	**Balance 30/6/2026**	**Balance 30/6/2027**	**Balance 30/6/2028**	**Balance 30/6/2029**	**Balance 30/6/2030**	**Balance 30/6/2031**
Plant Equipment & Vehicle Replacement Fund	4,437	2,292	1,122	1,392	247	713	858	1,940	2,756	4,239	5,420	6,133
Property Maintenance & Improvements	5,882	7,669	8,266	8,791	9,034	10,000	9,828	10,938	12,050	12,770	13,944	15,209
Sundry Reserves	1,019	376	631	893	1,162	1,438	1,720	2,010	2,307	2,612	2,926	3,247
Type of Reserve	**Balance 30/6/2020**	**Balance 30/6/2021**	**Balance 30/6/2022**	**Balance 30/6/2023**	**Balance 30/6/2024**	**Balance 30/6/2025**	**Balance 30/6/2026**	**Balance 30/6/2027**	**Balance 30/6/2028**	**Balance 30/6/2029**	**Balance 30/6/2030**	**Balance 30/6/2031**
Separate Rates	-1,658	-2,580	-4,964	-6,599	-7,840	-8,506	-8,423	-8,031	-6,805	-5,174	-3,544	-1,939
TOTAL Council Created Reserve	**19,644**	**18,623**	**15,554**	**14,377**	**11,987**	**13,638**	**14,649**	**18,351**	**22,702**	**27,843**	**33,157**	**38,149**
Type of Reserve	**Balance 30/6/2020**	**Balance 30/6/2021**	**Balance 30/6/2022**	**Balance 30/6/2023**	**Balance 30/6/2024**	**Balance 30/6/2025**	**Balance 30/6/2026**	**Balance 30/6/2027**	**Balance 30/6/2028**	**Balance 30/6/2029**	**Balance 30/6/2030**	**Balance 30/6/2031**
Restricted Reserves												
Development Reserves	1,837	1,254	1,273	1,292	1,311	1,331	1,351	1,371	1,392	1,413	1,434	1,455
Purchase & Development Reserves	569	577	586	595	603	612	622	631	640	650	660	670
Trust & Bequest Reserve	1,529	1,522	1,535	1,547	1,559	1,560	1,560	1,559	1,558	1,555	1,552	1,547
TOTAL Restricted Reserves	**3,934**	**3,353**	**3,394**	**3,434**	**3,474**	**3,503**	**3,533**	**3,562**	**3,590**	**3,618**	**3,645**	**3,672**
TOTAL RESERVES	**23,579**	**21,977**	**18,947**	**17,811**	**15,461**	**17,142**	**18,182**	**21,913**	**26,292**	**31,461**	**36,803**	**41,822**

Type of Reserve ('000)	Balance 30/6/2021	Deposit Transfer to	Interest	Trf From	Balance 30/6/2031
Council Created Reserve					
Other					
Leachate treatment Disposal /System	499	574			1,073
Waste Tyre proc	51	574			625
Other	550	1,147			1,698
Depreciation Funds					
Sewers Rating Area 1- Depn Funds	17	46,716		-46,716	17
Water Supply Urban - Depn Fnds	753	33,062		-33,062	753
Water Supply Haumoana/Te Awanga Depn	188				188
Water Supply Clive Depn	187				187
Water Supply Whakatu Depn	18				18
Water Supply Omahu - Depn	34				34
Water Supply Paki Paki Depn Funds	20				20
Water Supply Waipatu Depn Funds	7				7
Water Supply Waimarama Depn Funds					
Water Supply Waipatiki Depn Funds					
Water Supply Whirinaki Depn Funds					
Stormwater Rating Area 1 - Depn Funds	5	39,092		-39,092	5
Effluent Disposal - Depn Funds		27,397		-27,397	
Transportation - Depn Funds		138,449		-138,449	
Depreciation Funds	1,228	284,716		-284,716	1,228
Emergency Funds					
Rural Flood and Emergency Event Reserve	1,248		200		1,448
Rural Fire Contingency Fund	6				6
Effluent Disposal Reserve	349		56		405
Effluent Disposal - Annual Balance Reser	377	1,046			1,423
LAPP Reserve	110				110
LAPP Reserve	963			-450	512
Emergency Funds	3,052	1,046	256	-450	3,904
General Purpose Reserves					
General Purpose Reserve - Rating Area 1	1,525				1,525
General Purpose Reserve - Rating Area 2	754				754
Capital Reserve - Rating Area 2	1,779			-1,756	23
Transportation NZTA Funds Reserve - Rating Area 1	1,128	3,650			4,778
Transportation NZTA Funds Reserve - Rating Area 2	846	1,100		-362	1,583
General Purpose Reserves	6,032	4,750		-2,118	8,663
Plant Equipment & Vehicle Replacement Fund					
Omarunui Landfill Plant Fund	2,835	2,072	482	-1,156	4,232
Parking Meter Replacement Fund	23	1,000			1,023
Plant Replacement Fund - Service Delivery Unit					

Type of Reserve	Balance 30/6/2021	Deposit Transfer to	Interest	Trf From	Balance 30/6/2031
Plant Replacement Fund - Composite	-567	20,420	-238	-18,738	878
Plant Equipment & Vehicle Replacement Fund	2,292	23,492	244	-19,894	6,133
Property Maintenance & Improvements					
Landfill Property Reserve					
Omarunui Landfill Aftercare Reserve	2,478	932	460		3,871
Cemetery Upkeep In Perpetuity	62			-202	-140
Crematorium Fund	-164	465			300
Haumoana Erosion Reserve	12				12
Ocean Beach Reserve Land Purchase &	474				474
Offstreet Parking Fund	325	6,909		-82	7,151
Pensioner Flat Renovation	-231	853			622
Rural Halls Mtce Fund	42				42
Cornwall Park Fund - Osmanthus Garden					
Flaxmere Reserve	2,171			-862	1,309
Building Maintenance Reserve		5,017			5,017
Election Reserve	17	1,061		-1,000	78
Marae Development Fund	163				163
Cycling Reserve	84				84
Nelson Park Sale Reserve	1,077				1,077
Cemetery Pre-Purchases	-15				-15
Clifton reserve rehabilitation Fund	32				32
Te Matapuna Proceeds reserve	5				5
Splash Planet Reinvestment reserve	784			-881	-97
HBOH Reserve	-10			-113	-123
Pettigrew Green Arena Capital Maint. Fund	100	338		-338	100
Clifton Revetment reserve	232				232
Holiday Park Development Reserve	5				5
Landfill forest replant reserve					
Rural Halls earthquake strengthen	26				26
Property Maintenance & Improvements	7,669	15,575	460	-3,478	20,226
Sundry Reserves					
Staff Recreation Fund	14				14
Sister City Reserve	105	56			161
HB Youth Futures Trust	194				194
E-Waste Reserve	15				15
Riskpool Directors Fees reserve					
Buildng Control Reserve	9				9
Leaky Homes reserve	639				639
Kerbside Recycling reserve	-515	1,408			892
Kerbside Refuse Collection reserve	-85	1,408			1,322
Sundry Reserves	376	2,872			3,247

Type of Reserve	Balance 30/6/2021	Deposit Transfer to	Interest	Trf From	Balance 30/6/2031
Separate Rates					
Waimarama Sea Wall - No 1	-16		-3		-19
Waimarama Sea Wall - No 2	6		1		7
Havelock North Business Association					
Dog Control Reserve	43				43
Security Patrol Separate	-181				-181
Hastings City Marketing	-4				-4
Water - Rating Area One	-1,859	7,239		-9,272	-3,891
Water - Waimarama	369	1,654			2,023
Water - Waipatiki	-127	361			234
Water - Whirinaki Operating	22	1,151			1,173
Water - Whirinaki - Capital	-129				-129
Water Races - Ngatarawa	28				28
Sewers - Rating Area 1	269			-482	-213
Kerbside Recycling - Hastings/Havelock	-2,555			3,583	1,027
Refuse - Waimarama	228			-335	-107
Kerbside Recycling - Whirinaki	-60				-60
Havelock North Parking	377	199		-389	187
Waipatiki Sewer Operational	-7			-191	-198
Swimming Pools	-186	211			25
Sewers - Waipatiki Operating	-27				-27
Sewers - Waipatiki Capital	-278				-278
Refuse Collection - Hastings/Havelock	1,849			-3,087	-1,239
CBD & Suburban Commercial development	-247				-247
CBD Havelock North Development Reserve	-92				-92
Separate Rates	-2,580	10,815	-2	-10,173	-1,939
Wastewater Treatment					
Wastewater Treatment (HDC Funds)	5	23,437	1	-23,437	5
Wastewater Treatment	5	23,437	1	-23,437	5
TOTAL Council Created Reserve	**18,623**	**367,850**	**959**	**-344,267**	**43,166**

Type of Reserve	Balance 30/6/2021	Deposit Transfer to	Interest	Trf From	Balance 30/6/2031
Restricted Reserves					
Development Reserves					
Community Facilities Community Wide Growth	201		32		233
Parks & Reserves Urban Contributing Growth	403		65		468
Parks & Reserves Rural Growth	240		38		278
Water Supply Whirinaki Growth	2				2
Waste Levy (Refuse & Landfill)	408		66		474
Development Reserves	1,254		201		1,455
Purchase & Development Reserves					
Purchase & Development Reserve	165		27		192
Arataki Dev. Purchase & Development Reserve					
Purchase & Development Reserve - Lyndhur	412		66		478
Purchase & Development Reserves	577		93		670
Trust & Bequest Reserve					
H W Abbott Bequest	69	130	22		221
AB Smith Bequest	53		5	-56	1
AB Smith - Fantasyland	11		2		13
Clifford Davey Bequest	802		110	-282	631
JL Sanderson Bequest	21		3		24
Graham Talking Books Bequest					
Lowe- Education Guilin Students Bequest	33		5		38
CARV Reserve	14		2		16
Peter David Arthur Bequest	520		83		603
Trust & Bequest Reserve	1,522	130	233	-338	1,547
TOTAL Restricted Reserves	**3,353**	**130**	**527**	**-338**	**3,672**
TOTAL RESERVES	**21,977**	**367,980**	**1,486**	**-344,605**	**46,838**

Mandatory Financial Disclosure Statement

Long-term plan disclosure statement for period commencing 1 July 2021

The purpose of this statement is to disclose the council's planned financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings. The council is required to include this statement in its long-term plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations)

Rates (income) affordability

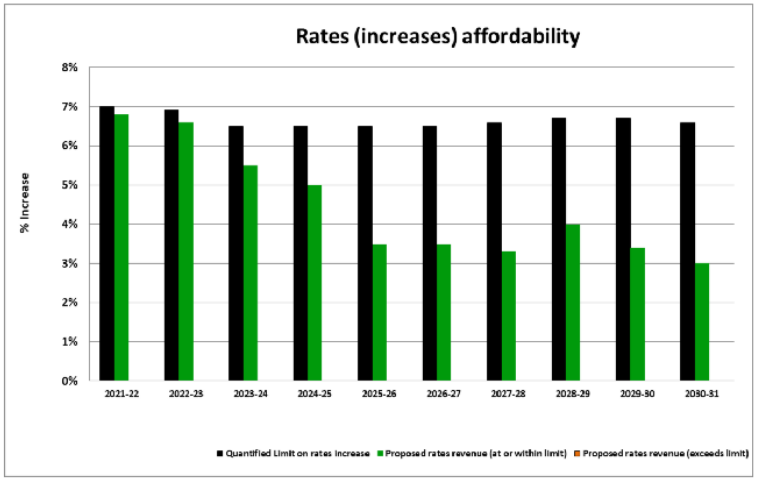
Note: Section 21 of the Local Government Regulatory Systems Act 2019 removed the previous obligation to have a quantified limit on rates contained in the financial strategy included in the Long Term PLan.

The following measures over the page all remain for reporting purposes as per the Local Government (Financial Reporting and Prudence) Regulations 2014.



Rates (increases) affordability

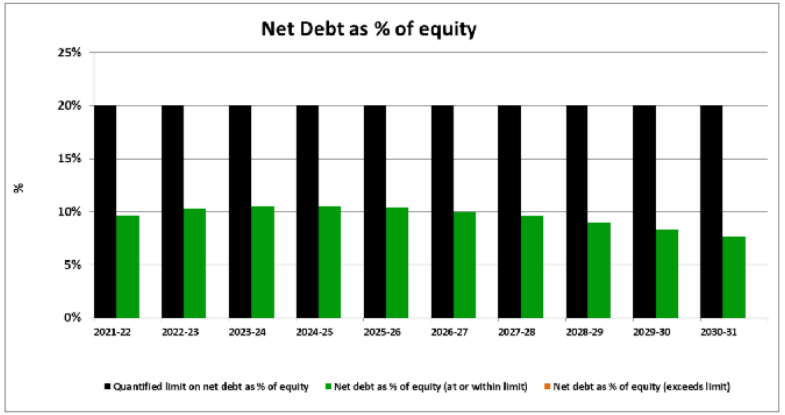
The following graph compares the council's planned rates increases with a quantified limit on rates increases contained in the financial strategy included in this long-term plan. The quantified limit will be limited to the movement in the Local Government Cost Index (LGCI) for the financial year, plus 4% to cover costs related to natural disasters, new initiatives or service level increases approved by Council, together with costs associated with growth not covered by development contributions.



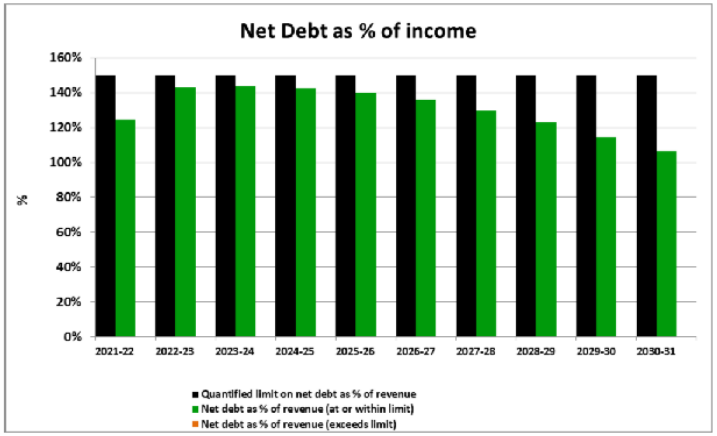
Debt affordability benchmark

The council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing. The following graphs compares the council's planned debt with quantified limits on borrowing contained in the financial strategy included in this long-term plan.

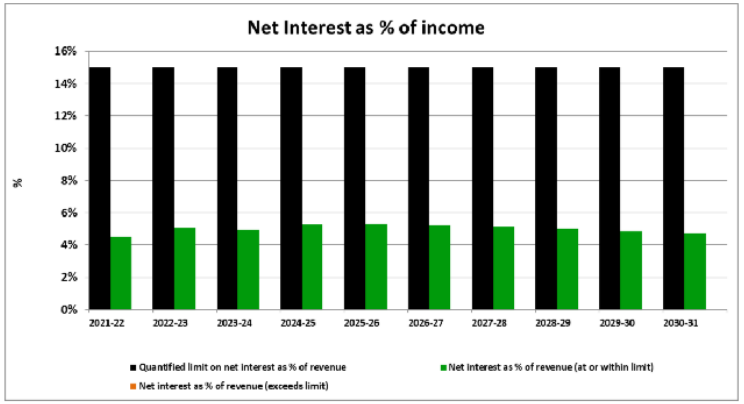
The quantified limit for this graph is that net debt must not exceed 20% of equity.



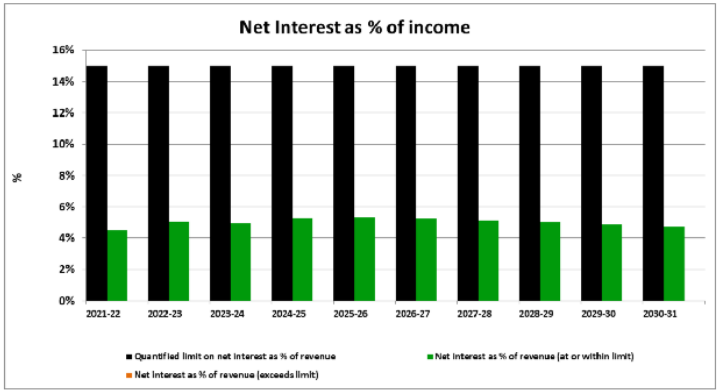
The quantified limit for this graph is that net debt must not exceed 150% of income.



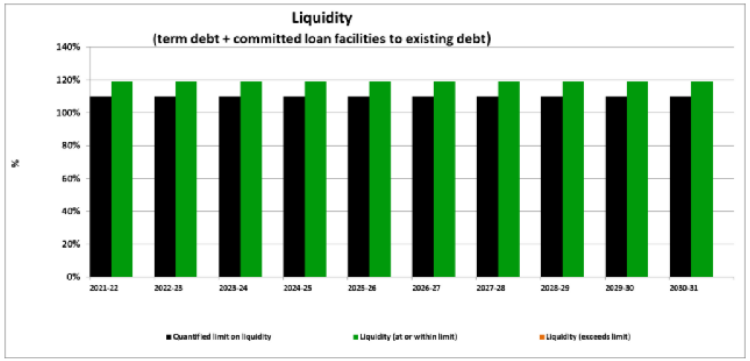
The quantified limit for this graph is that net interest must not exceed 20% of annual rates income.



The quantified limit for this graph is that interest must not exceed 15% of income.

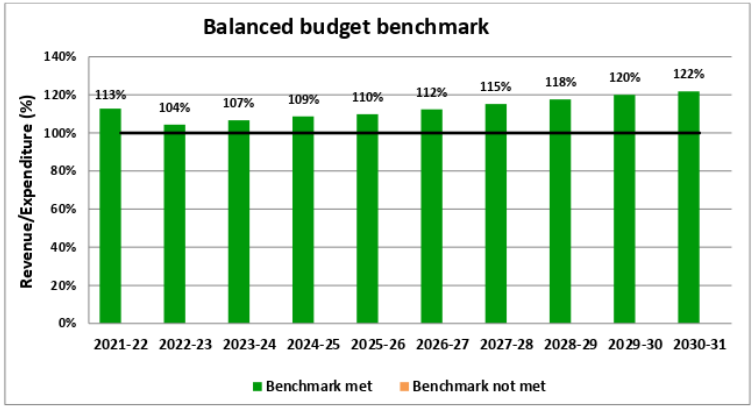


The quantified limit for this graph is that Council's liquidity must be between 110% and 170%.



Balanced budget benchmark

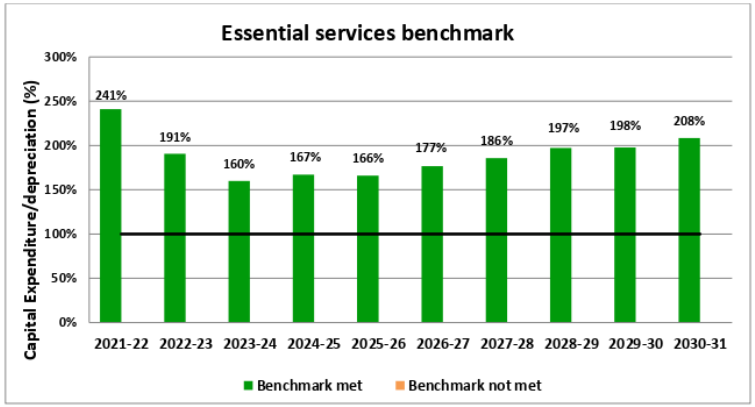
The following graph displays the Council's planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant or equipment) as a proportion of planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant or equipment). The Council meets the balanced budget benchmark if its planned revenue equals or is greater than its planned operating expenses.



Essential services benchmark

The following graph displays the council's planned capital expenditure on network services 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.

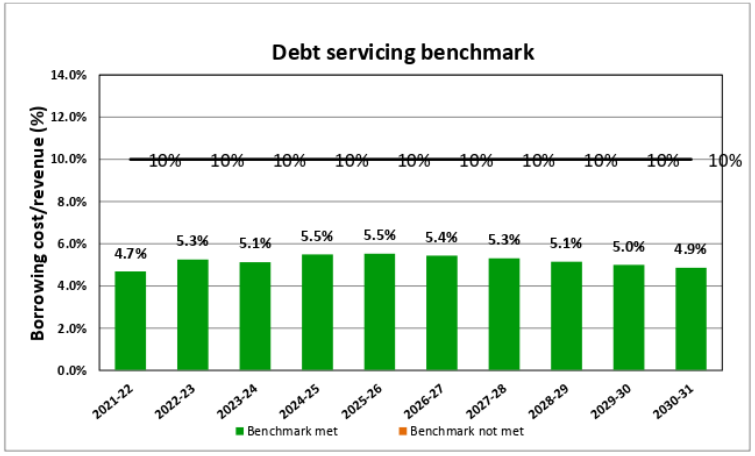


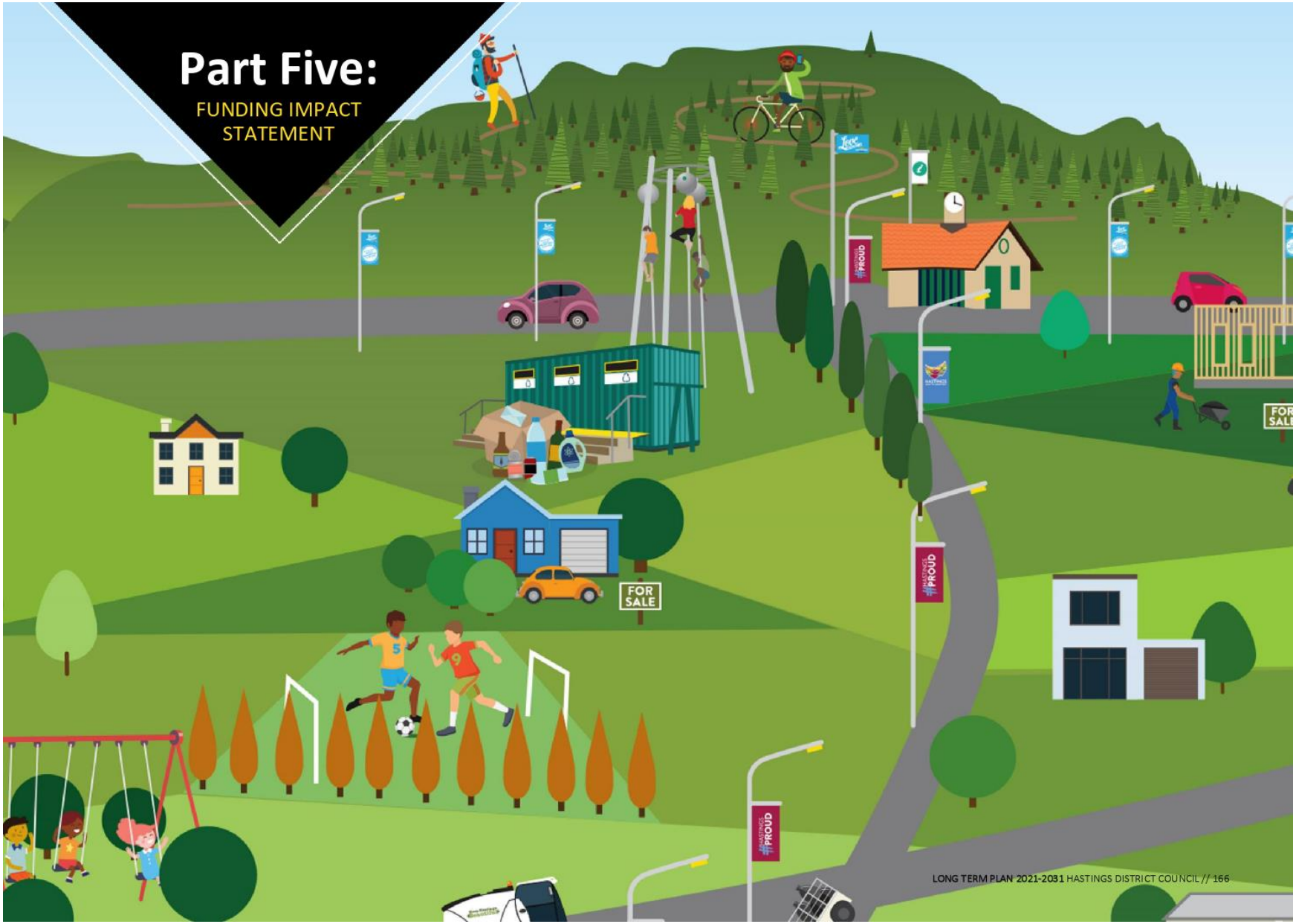
Council's 10 year average for the essential services benchmark is well above the benchmark of 100%. The 2021-31 Long Term Plan is heavily loaded in the early years of the plan with a number of large capital expenditure items programmed.

Debt servicing benchmark

The following graph displays the Council's planned borrowing costs as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

Because Statistics New Zealand projects the Council's population will grow as fast as the national population is projected to grow, it meets the debt servicing benchmark if it's planned borrowing costs equal or are less than 10% of its planned revenue.




Part Five:
FUNDING IMPACT STATEMENT
FOR SALE
LONG TERM PLAN 2021-2031 HASTINGS DISTRICT COUNCIL // 166

Funding Impact Statement

This part of the plan outlines the matters which form the Council's Funding Impact Statement in accordance with Schedule 10 of the Local Government Act 2002.

Here you will find information on the proposed rates and the impact of proposed rates increases on a sample set of properties. Other Council fees and charges are also outlined.



Part A: Sources of Rates Income

Annual Plan 20/21 $'000		Notes	LTP (Yr1) 21/22 $'000	LTP (Yr2) 22/23 $'000	LTP (Yr3) 23/24 $'000	LTP (Yr4) 24/25 $'000	LTP (Yr5) 25/26 $'000	LTP (Yr6) 26/27 $'000	LTP (Yr7) 27/28 $'000	LTP (Yr8) 28/29 $'000	LTP (Yr9) 29/30 $'000	LTP (Yr10) 30/31 $'000
	1. Rates revenue											
45,818	General Rate		50,826	54,692	58,366	62,227	64,978	67,968	71,366	75,408	79,395	83,429
12,247	Community & Resource Rate		13,322	14,096	14,707	15,139	15,471	15,856	16,040	16,557	16,991	17,351
5,926	Uniform Annual General Charge		6,259	6,503	6,807	7,033	7,221	7,424	7,625	7,827	8,049	8,257
	Targeted Rates											
53	Havelock North Business Association		53	53	53	53	53	53	53	53	53	53
144	Swimming Pools		143	146	150	152	155	159	163	167	171	176
139	Havelock North Parking		310	314	319	321	322	329	328	336	338	343
293	Hastings City Marketing		293	293	293	293	293	293	293	293	293	293
370	Security Patrols		573	596	612	624	637	652	667	684	703	721
244	CBD Hastings		320	330	340	350	360	370	381	392	403	415
58	CBD Havelock North		80	82	84	86	89	91	93	96	98	101
23	Waimarama Scaw all		23	23	23	23	23	23	23	23	23	23
6,008	Wastewater		6,379	6,761	7,190	7,720	8,113	8,673	9,016	9,591	10,173	10,613
34	Waipatiki Wastewater Operational		44	45	47	48	49	51	52	54	56	57
	Waipatiki Wastewater Capital											
1,231	Wastewater Levy (80%)		1,178	1,199	1,222	1,395	1,540	1,696	1,851	1,937	2,029	2,119
10,425	Water Supply - Rating Area One		11,269	11,994	12,525	12,570	12,898	13,195	13,230	13,493	13,787	14,066
2,985	Kerbside Refuse Collection		3,065	3,347	3,731	4,021	4,119	4,223	4,329	4,445	4,568	4,684
1,618	Kerbside Recycling		1,787	1,891	1,992	2,099	2,152	2,206	2,263	2,324	2,387	2,449
30	Waimarama Refuse Collection		46	51	58	67	69	70	72	74	76	78
	Whirinaki Water Supply - Capital											
	Water meter Charges											
1,024	Water Supply - Rating Area One		1,277	1,316	1,350	1,387	1,427	1,467	1,514	1,564	1,617	1,667
	Water Supply - Waimarama											
	Water Supply - Whirinaki											
-831	Change in Targeted Rates Reserves		-1,903	-1,459	-1,058	-492	267	654	1,409	1,801	1,814	1,775
87,919	**Total Rates Revenue**		**95,338**	**102,366**	**108,813**	**115,217**	**120,236**	**125,453**	**130,769**	**137,118**	**143,025**	**148,669**
26%	Level of Uniform Charges (30% Maximum)		26%	26%	26%	25%	25%	24%	24%	23%	23%	22%

Note: A targeted rate to recover $30,231 is also set to repay a loan for Te Mata Sewer Extension capital works through property agreements, with the loan being repaid at the conclusion of the 2018/19 financial year.

Part B: Summary of Rating Requirements

Activity	2021/22 YR1 LTP			2022/23 YR2 LTP			2023/24 YR3 LTP		
	TOTAL RATING AREAS	RATING AREA 1	RATING AREA 2	TOTAL RATING AREAS	RATING AREA 1	RATING AREA 2	TOTAL RATING AREAS	RATING AREA 1	RATING AREA 2
General Rate									
Corporate & Information Services	-0	-0	-0	0	0	0	0	0	0
Administration Buildings	907,330	725,864	181,466	929,638	743,711	185,928	1,111,363	889,090	222,273
Land Subdivision	21,688	21,688	0	22,523	22,523	0	22,818	22,818	0
Rural Community Board	56,600	5,824	50,776	58,241	5,993	52,248	59,697	6,143	53,555
Community Services (65%)	20,370,307	18,630,352	1,739,956	21,537,130	19,703,388	1,833,742	22,596,732	20,687,549	1,909,182
Economic & Social Dev (35%)	885,208	825,722	59,486	948,183	884,465	63,718	1,003,446	936,015	67,432
Resource Management (65%)	4,369,854	3,638,105	731,749	4,641,862	3,868,121	773,741	4,715,589	3,930,000	785,589
Strategic Development	2,669,030	2,135,224	533,806	2,933,396	2,346,717	586,679	2,986,262	2,389,010	597,252
Engineering Services	587,220	547,758	39,461	632,365	589,870	42,495	644,871	601,536	43,335
Refuse Collection	32,173	30,011	2,162	34,965	32,615	2,350	32,119	29,961	2,158
Regional Landfill	0	0	0	0	0	0	0	0	0
Transportation	18,354,456	11,611,631	6,742,826	20,038,410	12,730,582	7,307,827	21,928,080	13,903,311	8,024,769
Stormwater	3,116,830	3,042,207	74,623	3,459,407	3,383,009	76,398	3,805,065	3,727,269	77,796
Contingency Fund	50,000	40,000	10,000	51,450	41,160	10,290	52,736	42,189	10,547
Rate Remissions	150,000	100,650	49,350	150,000	100,650	49,350	150,000	100,650	49,350
	51,570,697	41,355,037	10,215,660	55,437,571	44,452,805	10,984,766	59,108,779	47,265,541	11,843,238
Less Additional Funding									
Petrol Tax Credit	-520,000	-444,016	-75,984	-535,080	-456,893	-78,187	-548,457	-468,315	-80,142
Provision for Doubtful Debts	35,000	0	35,000	36,015	0	36,015	36,915	0	36,915
Increase in Investments	0	0	0	0	0	0	0	0	0
Other Expenditure	100,100	100,100	0	113,600	113,600	0	128,700	128,700	0
Rate Penalties	-360,000	-323,280	-36,720	-360,000	-323,280	-36,720	-360,000	-323,280	-36,720
General Rate	50,825,797	40,687,841	10,137,956	54,692,106	43,786,232	10,905,874	58,365,938	46,602,646	11,763,292

Community & Resource Rate									
Community Services (35%)	**10,968,627**	10,031,728	936,899	**11,596,916**	10,609,517	987,400	**12,167,471**	11,139,450	1,028,021
Resource Management (35%)	**2,352,998**	1,958,980	394,018	**2,499,464**	2,082,835	416,630	**2,539,163**	2,116,154	423,009
	13,321,625	**11,990,707**	**1,330,918**	**14,096,380**	**12,692,351**	**1,404,029**	**14,706,634**	**13,255,603**	**1,451,031**
Uniform Annual General Charge (UAGC)									
Economic & Social Dev (65%)	**1,643,958**	1,417,092	226,866	**1,760,911**	1,517,905	243,006	**1,863,543**	1,606,374	257,169
Civil Defence (50%)	**158,991**	137,050	21,941	**164,530**	141,824	22,705	**166,063**	143,146	22,917
Wastewater Levy (20%)	**288,693**	288,693	0	**293,772**	293,772	0	**299,300**	299,300	0
Waimarama Seawall (10%)	**2,556**		2,556	**2,556**		2,556	**2,556**		2,556
Waipatiki Wastewater	**0**	0	0	**0**	0	0	**0**	0	0
Rate Collection (100%)	**1,084,722**	948,156	136,567	**1,130,993**	988,601	142,392	**1,162,332**	1,015,994	146,338
Leadership (100%)	**3,079,955**	2,692,189	387,766	**3,239,927**	2,832,020	407,907	**3,313,288**	2,896,145	417,143
	6,258,875	**5,483,180**	**775,696**	**6,592,688**	**5,774,122**	**818,565**	**6,807,082**	**5,960,960**	**846,122**
Total General & UAGC Rate	**70,406,297**	**58,161,729**	**12,244,569**	**75,381,174**	**62,252,706**	**13,128,468**	**79,879,653**	**65,819,209**	**14,060,444**

Targeted Rates									
Swimming Pools	**143,107**	133,304	9,803	**146,479**	136,445	10,034	**149,505**	139,264	10,241
Hasting District Parking									
Water Supply	**11,268,740**	11,268,740	0	**11,994,438**	11,994,438	0	**12,525,006**	12,525,006	0
Refuse Collection	**3,065,175**	3,042,003	23,172	**3,347,103**	3,323,409	23,694	**3,730,826**	3,706,878	23,948
Kerbside Recycling	**1,787,000**	1,773,382	13,618	**1,891,302**	1,876,889	14,413	**1,992,376**	1,977,192	15,184
Waimarama Refuse Collection	**46,000**	0	46,000	**51,450**	0	51,450	**58,010**	0	58,010
Wastewater	**6,379,090**	6,379,090	0	**6,760,945**	6,760,945	0	**7,192,833**	7,192,833	0
CBD Hastings (80% phase in over 8 years	**320,000**	320,000	0	**329,920**	329,920	0	**339,818**	339,818	0
CBD Havelock North (80% phase in over 8	**80,000**	80,000	0	**82,320**	82,320	0	**84,378**	84,378	0
Wastewater Levy (80%)	**1,178,243**	1,178,243	0	**1,198,970**	1,198,970	0	**1,221,532**	1,221,532	0
Change in Targeted Rates Reserves	**-2,099,688**	-2,079,906	-19,783	**-1,650,811**	-1,627,035	-23,776	**-1,244,245**	-1,215,365	-28,879
Total Targeted Rates	**22,167,668**	**22,094,857**	**72,810**	**24,152,116**	**24,076,301**	**75,815**	**26,050,039**	**25,971,536**	**78,503**

TOTAL RATING REQUIREMENT	**92,573,965**	**80,256,586**	**12,317,379**	**99,533,290**	**86,329,007**	**13,204,283**	**105,929,692**	**91,790,745**	**14,138,947**

Overall Average Rate increase	2021/22 YR1 LTP			2022/23 YR2 LTP			2023/24 YR3 LTP		
	TOTAL RATING AREAS	RATING AREA 1	RATING AREA 2	TOTAL RATING AREAS	RATING AREA 1	RATING AREA 2	TOTAL RATING AREAS	RATING AREA 1	RATING AREA 2
Previous Year Budgeted Rating Requirement	**85,914,999**	74,423,857	11,509,142	**92,573,965**	80,256,586	12,317,379	**99,533,290**	86,329,007	13,204,283
Amount of Increase	**6,658,967**	5,832,729	808,238	**6,959,325**	6,072,421	886,904	**6,396,402**	5,461,738	934,664
% Increase	**7.75%**	7.84%	7.02%	**7.52%**	7.57%	7.20%	**6.43%**	6.33%	7.08%
Less: Increase in Rating Base	**-0.95%**	-0.85%	-0.10%	**-0.95%**	-0.85%	-0.10%	**-0.95%**	-0.85%	-0.10%
Average Increase to Ratepayers	**6.8%**	**7.0%**	**6.9%**	**6.6%**	**6.7%**	**7.1%**	**5.5%**	**5.5%**	**7.0%**

Other Targeted Rates									
Havelock North Business Association	**53,000**	53,000	0	**53,000**	53,000	0	**53,000**	53,000	0
Hastings City marketing	**293,264**	293,264	0	**293,264**	293,264	0	**293,264**	293,264	0
Havelock North parking	**309,756**	309,756	0	**314,178**	314,178	0	**318,869**	318,869	0
Mall Security	**572,967**	572,967	0	**596,002**	596,002	0	**612,263**	612,263	0
Waimarama Seawall (90%)	**23,001**		23,001	**23,001**		23,001	**23,001**		23,001
Waimarama Domain	**0**		0			0			0
Waipatiki Sewers Omerational	**43,980**	0	43,980	**45,479**	0	45,479	**46,746**	0	46,746
Waipatiki Sewers Capital	**0**	0	0	**0**	0	0	**0**	0	0
Whakatu Stormwater	**0**	0	0	**0**	0	0	**0**	0	0
Whirinaki Water Supply - Capital	**0**	0	0	**0**	0	0	**0**	0	0
Change in Targeted Rates Reserves	**-16,485**	0	-16,485	**-17,156**	0	-17,156	**-17,536**	0	-17,536
Total Other Targeted Rates	**1,279,484**	**1,228,988**	**50,497**	**1,307,769**	**1,256,444**	**51,324**	**1,329,607**	**1,277,395**	**52,211**

Part C: Rates Statement for 2021/22

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 2021/22 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 at 30 June 2021. All figures quoted are inclusive of GST (except where explicitly stated otherwise). For a detailed outline of funding requirements, please refer to the Summary of Rating Requirements

Part A: General Rates

A general rate will be set and assessed in accordance with Section 13 (2) (b) and Schedule 2 Clauses 1 and 6 of the Local Government (Rating) Act 2002, on the land value of all rateable land within the district. The rate shall be set on a differential basis, based on the location of the land within the district and the use to which the land is put.

The general rate shall fund 65% of Community Facility Provision and Council Planning and Regulatory functions, and the full cost of transportation, stormwater disposal and other miscellaneous expenditure that is not being funded by separate targeted rates or the Uniform Annual General Charge.

The objective of differential rating is to ensure a fair and equitable distribution of rates based on the extent of provision of service each category of land use is likely to receive. Differentials reflect the fact that some sectors gain a greater provision of service than others. The Council does this in two ways:

A) Two Rating Groups

All land in the Hastings District will be allocated to either Differential Rating Area One or Differential Rating Area Two. These areas are defined on Council map 'Differential Rating Areas' and are based on broad areas of benefit from the Council's services and facilities. All costs are allocated into the two rating groups based on a range of formulas designed to reflect the benefit received by properties in each differential rating area.

B) Differential Classifications

Within each differential rating area, differential classifications have been applied to reflect differences in the levels of service and benefit properties receive based on their location and the nature of the activities undertaken. Residential properties in Differential Rating Area One are used as the base (factor 1) and other property types are adjusted against this base. Lifestyle/Horticulture/Farming properties within Differential Rating Area Two are used as the base (factor 1) and other property types are adjusted against this base.

Properties located within differential classifications Residential Clive and Residential Non-Urban (including Townships & Small Settlements), have both been discounted to varying degrees due to their locality and ability to use all services provided. Horticulture/Farming properties within Differential Rating Area One have also been discounted for similar reasons; in particular costs relating to urban stormwater services do not apply to this category.

Commercial properties are required to pay a greater proportion of the general rate and the differential factor reflects the increased impact on the roading network and urban amenities such as footpaths and stormwater systems for commercial properties.

The Council has had a policy of increasing the use of uniform and targeted rates, applied on a 'per separately used or inhabited part of a rating unit basis', which shifts the incidence of rates away from the commercial sector. The commercial differential factor also takes into consideration the impact this policy change has had on the distribution of rates between different categories of property. The Commercial Non-Urban (Peripheral) category is discounted in comparison to the main commercial category due to locality and availability of services. More detailed information relating to Council's differential categories can be found under Part B.

The following cents per dollar of land value shall apply for each differential for 2021/22:

Differential Group Name	Factor	Cents per Dollar of $ LV
Differential Rating Area One		
Residential	1	0.449314
Residential Clive	0.81	0.363944
Residential Non-Urban (Including Townships and Small Settlements)	0.76	0.341478
Horticulture / Farming	0.68	0.305533
CBD Commercial	3.00	1.347941
Other Commercial	2.75	1.235613
Commercial Non-Urban – Peripheral	2.35	1.055887
Differential Rating Area Two		
Residential	0.85	0.201821
Lifestyle / Horticulture / Farming	1	0.237436
Commercial	1.65	0.391770

Uniform Annual General Charge

A uniform annual general charge will be set and assessed in accordance with Section 15 (1) (b) of the Local Government (Rating) Act 2002, of $208 on each separately used or inhabited part of a rating unit within the district.

The following activities are funded by the uniform annual general charge:

Leadership	Valuation Services & Rate Collection
Civil Defence (50%)	Wastewater Treatment (20%)
Economic/Social Development (65%)	Waimarama Seawall (10%)

Targeted Rates

Community Services and Resource Management Rate

A targeted rate will be set in accordance with Section 16, Schedule 2 Clauses 1 and 6, and Schedule 3 Clause 7 of the Local Government (Rating) Act 2002, on a differential basis, based on the location of land within the district and the use to which the land is put, and assessed on each separately used or inhabited part of a rating unit.

The targeted rate shall be set to fund 35% of Councils planning/regulatory functions and community service and facilities such as libraries, swimming pools, and parks and reserves. The costs associated with rural recycling facilities will also be recovered equally by way of this targeted rate across all rating units with Differential Rating Area Two.

The Community Services and Resource Management targeted rate is calculated separately for Differential Rating Area One and Differential Rating Area Two. Properties in the differential classification Residential Clive, Residential Non-Urban (including Townships and Small Settlements), Horticulture/Farming and Commercial Non-Urban (Peripheral) are all charged 0.75 of the amount charged to the Residential and Commercial categories to reflect the distance from the main urban services and extent to which those services are provided.

No differential applies within Differential Rating Area Two.

More detailed information relating to Council's differential categories can be found under Part B.

Rates for 2021/22 are:

Differential Category	Factor	$ per SUIP
Differential rating area one		
Residential	1	$493
CBD Commercial	1	$493
Other Commercial	1	$493
Residential Clive	0.75	$369
Residential Non-Urban (Including Townships & Small Settlements)	0.75	$369
Horticulture / Farming	0.75	$369
Commercial Non-Urban (Peripheral)	0.75	$369
Differential rating area two		$ per SUIP
Residential	1	$316
Lifestyle / Horticulture / Farming	1	$316
Commercial	1	$316

Havelock North Promotion

A targeted rate will be set and assessed in accordance with Section 16, Schedule 2 Clauses 1 and 6, and Schedule 3 Clause 3 of the Local Government (Rating) Act 2002, on the land value of any commercial rating unit located within Havelock North as defined on Council map 'Havelock North Promotion Rate'.

The targeted rate shall fund the marketing and promotion of the central Havelock North commercial area.

The rate for the 2021/22 year is 0.109974 cents per dollar of land value.

Swimming Pool Safety

A targeted rate will be set and assessed in accordance with Section 16, Section 18 (2) and Schedule 2 Clause 5 of the Local Government (Rating) Act 2002, as a fixed amount on every rating unit where a swimming pool (within the meaning of the Fencing of Swimming Pools Act 1987) is located.

The targeted rate shall be set to fund the inspection of any swimming pools located within the district over the inspection cycle, and the follow up and enforcement on non-complying owners to ensure pools meet the legal requirements of the Fencing of Swimming Pools Act 1987 and Building Act 2004.

The rate for the 2021/22 year is $67.00 per rating unit.

Havelock North Parking

A targeted rate will be set and assessed in accordance with Section 16, Schedule 2 Clauses 1 and 6, and Schedule 3 Clause 7 of the Local Government (Rating Act) 2002, on a differential basis, on each separately used or inhabited rating unit located within each area as defined on Council map 'Havelock North Parking'.

The targeted rate shall fund the operational costs of the parking activity and future acquisition of land to provide parking in the Havelock North CBD area. Commercial properties pay 3.0 times the amount charged to residential properties to reflect the extent of provision of service.

More detailed information relating to Council's differential categories can be found under Part B.

The rate for 2021/22 per separately used or inhabited part is:

Differential Category	Factor	$ per SUIP
Residential	1	$61
CBD Commercial/Other Comm	3	$183
All others	1	$61

Hastings City Marketing

A targeted rate will be set and assessed in accordance with Section 16, Schedule 2 Clauses 1 and 6, and Schedule 3 Clause 3 of the Local Government (Rating) Act 2002, on the land value of any commercial rating unit located within Hastings as defined on Council map 'Hastings City Marketing Rate'.

The targeted rate shall fund the marketing programme aimed at revitalisation of the central business area of Hastings.

The rate for the 2021/22 year is 0.233569 cents per dollar of land value.

Hastings CBD Targeted Rate

A targeted rate will be set and assessed in accordance with Section 16, Schedule 2 Clauses 1 and 6, and Schedule 3 Clause 3 of the Local Government (Rating) Act 2002, on the land value of any commercial rating unit located within Hastings as defined on the Council map 'Hastings CBD'.

The targeted rate shall fund major CBD upgrades in Hastings. The direct private benefit has been assessed as 80% of the total costs of the work programme in the CBD in accordance with Council's Section 101 (3) analysis under the Local Government Act 2002.

The rate for Hastings CBD for the 2021/22 year is 0.181880 cents per dollar of land value.

Havelock North CBD Targeted Rate

A targeted rate will be set and assessed in accordance with Section 16, Schedule 2 Clauses 1 and 6, and Schedule 3 Clause 3 of the Local Government (Rating) Act 2002, on the land value of any commercial rating unit located within Havelock North as defined on the Council map 'Havelock North CBD'.

The targeted rate shall fund major CBD upgrades in Havelock North. The direct private benefit has been assessed as 80% of the total costs of the work programme in the CBD in accordance with Council's Section 101 (3) analysis under the Local Government Act 2002.

The rate for Havelock North CBD for the 2021/22 year is 0.075172 cents per dollar of land value.

Security Patrols

A targeted rate will be set and assessed in accordance with Section 16, Schedule 2 Clauses 1 and 6, and Schedule 3 Clause 3 of the Local Government (Rating) Act 2002, on the land value of any commercial rating unit located within each respective Council map defined 'Hastings Security Patrol Area and Havelock North Security Patrol Area'.

The targeted rate shall fund the provision of security patrols within the central business areas of Hastings and Havelock North.

The rate for Hastings Security Patrol Area for 2021/22 is 0.107226 cents per dollar of land value.

The rate for Havelock North Security Patrol Area for 2021/22 is 0.057542 cents per dollar of land value.

Sewage Disposal

A differential targeted rate will be set and assessed in accordance with Section 16, Schedule 2 Clause 5, and Schedule 3 Clause 7, of the Local Government (Rating) Act 2002, based on the provision or availability to the land of the service (with the categories being 'connected' and 'serviceable' defined under Part C). The rate will be an amount per separately used or inhabited part of a rating unit.

A differential targeted rate will be set in accordance with Schedule 2, Clause 1 and Schedule 3, Clause 12 of the Local Government (Rating) Act 2002 for all non-residential rating units classified as 'connected', based on the use to which the land is put. The rate will be an amount for each water closet or urinal after the first.

These targeted rates shall fund the costs associated with the provision of sewage disposal services in all areas (excluding those in Waipatiki). The rates apply to connected or serviceable rating units in all areas excluding those in the Waipatiki scheme area.

The rates for the 2021/22 year are:

Category	Factor	$ per SUIP
(1) Connected	1	$235
(2) Serviceable	0.5	$117.50

Where connected, in the case of non-residential use, the differential charge will be set for each water closet or urinal after the first as follows:

Differential category	Factor	Charge Per Water Closet and Urinal After the First
Schools/Churches	0.13	$30.55
Chartered Clubs / Rest Homes / Prisons / Commercial Accommodation providers / Hospitals / Child Care Centres	0.40	$94
HB Racing Centre / A&P Showgrounds / Regional Sports Park	0.25	$58.75
All other Non-Residential	0.80	$188

Waipatiki Sewage Disposal

A differential targeted rate will be set and assessed in accordance with Section 16, Schedule 2 Clause 5, and Schedule 3 Clause 7, of the Local Government (Rating) Act 2002, based on the provision or availability to the land of the service (with the categories being 'connected' and 'serviceable' defined under Part C). The rate will be set as an amount per separately used or inhabited part of a rating unit.

A differential targeted rate will be set in accordance with Schedule 2, Clause 1 and Schedule3, Clause 12 of the Local Government (Rating) Act 2002 for all non-residential rating units classified as 'connected', based on the use to which the land is put. The rate is an amount for each water closet or urinal after the first.

These targeted rates shall fund the costs associated with the provision of sewage disposal services in Waipatiki. This rate applies only to connected or serviceable rating units in the Waipatiki scheme area.

The rates for the 2021/22 year are:

Category	Factor	$ per SUIP
(1) Connected	1	$465
(2) Serviceable	0.5	$232.50

Where connected, in the case of non-residential use, the differential charge will be set for each water closet or urinal after the first as follows:

Differential Category	Factor	Charge Per Water Closet and Urinal After the First
Schools/Churches	0.13	$60.45
Chartered Clubs / Rest Homes / Prisons / Commercial Accommodation providers / Hospitals / Child Care Centres	0.40	$186
HB Racing Centre / A&P Showgrounds / Regional Sports Park	0.25	$116.25
All other Non-Residential	0.80	$372

Wastewater Treatment

A differentiated targeted rate will be set and assessed in accordance with Section 16, Schedule 2 Clauses 1, and Schedule 3 Clause 7 of the Local Government (Rating) Act 2002, based on the provision or availability to the land of the service (with the categories being 'connected' and 'serviceable' defined under Part C). The rate will be set as an amount per separately used or inhabited part of a rating unit.

A differential targeted will be set in accordance with Schedule 2, Clause 1 and Schedule 3, Clause 12 of the Local Government (Rating Act) 2002 for all non-residential rating units classified as 'connected', based on the use to which the land is put. The rate is an amount for each water closet or urinal after the first. The rate applies to connected or serviceable rating units in all areas excluding those in the Waipatiki scheme area.

These targeted rates shall fund the cost of Wastewater Treatment. The direct private benefit has been assessed as 80% of the total cost in accordance with Council's Section 101 (3) analysis under the Local Government Act 2002.

The rates for the 2021/22 year are:

Category	Factor	$ Per SUIP
(1) Connected	1	$75
(2) Serviceable	0.5	$37.50

Where connected, in the case of non-residential use, the differential charge will be set for each water closet or urinal after the first as follows:

Differential Category	Factor	Charge Per Water Closet and Urinal After the First
Schools/Churches	0.13	$9.75
Chartered Clubs / Rest Homes / Prisons / Commercial Accommodation providers / Hospitals / Child Care Centres	0.40	$30
HB Racing Centre / A&P Showgrounds / Regional Sports Park	0.25	$18.75
All other Non-Residential	0.80	$60

Water Supply

Targeted rates will be set and assessed in accordance with Section 16, Schedule 2 Clause 5, and Schedule 3 Clause 7 of the Local Government (Rating) Act 2002, on each separately used or inhabited part of a rating unit and based on the provision or availability to the land of the service (with the categories being 'connected' and 'serviceable' defined in Part C).

Each targeted rate will fund the costs associated with the provision of that water supply.

The rates for the 2021/22 year are:

Water Supply Area	Connected (Factor 1 Per SUIP)	Serviceable (Factor 0.5 Per SUIP)
Water Rate (including Hastings, Havelock North, Flaxmere, Waipatu, Haumoana/Te Awanga, Clive, Whakatu, Omahu, Paki Paki, Waimarama, Waipatiki, Whirinaki, Te Pohue)	$480	$240

Water by Meter

A targeted rate will be set and assessed in accordance with Section 19 of the Local Government (Rating) Act 2002 on the volume of water supplied as extraordinary water supply, as defined in Hastings District Council Water Services Policy Manual.

This includes but is not limited to residential properties over 1,500m2 containing a single dwelling, lifestyle lots, trade premises, and industrial and horticulture properties.

The rate for the 2021/22 year is $0.83 per cubic meter water supplied over and above the typical household consumption as defined in the Hastings District Council Water Services Policy Manual.

Recycling

A targeted rate will be set and assessed in accordance with Section 16, Schedule 2 Clause 5, and Schedule 3 Clause 7 of the Local Government (Rating) Act 2002, on each separately used or inhabited part of a rating unit and based on the provision or availability to the land of the service provided.

A targeted rate shall fund the cost of weekly recycling collection to those rating units provided with a kerbside recycling service. Rating units which Council officers determine are unable to practically receive the Council service and have an approved alternative service, will not be charged the rate.

The rate for 2021/22 is $70.00 per separately used or inhabited part of a rating unit.

Refuse

A targeted rate will be set and assessed in accordance with Section 16, Schedule 2 Clause 5, and Schedule 3 Clause 7 of the Local Government (Rating) Act 2002, on each separately used or inhabited part of a rating unit, differentiated based on the use to which the land is put.

The targeted rate shall fund the cost of refuse collection to those rating units as defined on Council Map 'Refuse' provided with a refuse collection service. Rating units which Council officers determine are unable to practically receive the Council service and have an approved alternative service will not be charged the rate.

Residential rating units currently receive a weekly collection whilst commercial rating units within the Hastings CBD and Havelock North CBD area currently receive a twice weekly collection. (Note: the level of service to be provided within the CBD is currently under review with CBD property owners and may be subject to change).

The Rate for 2021/22 is:

Differential Category	Factor	$ Per SUIP
Residential	1	$130
Commercial CBD	2	$260

Waimarama Refuse

A Targeted rate will be set and assessed in accordance with Section 16, Schedule 2 Clause 5, and Schedule 3 Clause 7 of the Local Government (Rating) Act 2002, on each separately used or inhabited part of a rating unit located within Waimarama as defined on Council map 'Waimarama Refuse Collection' and based on the provision or availability to the land of the service provided.

The targeted rate shall fund the cost of refuse collection to those rating units provided with a weekly domestic refuse collection service in Waimarama.

The rate for 2021/22 is $90 per separately used or inhabited part of a rating unit.

Waimarama Sea Wall

A targeted rate will be set and assessed in accordance with Section 16, Schedule 2 Clause 6 and Schedule 3 Clause 7 of the Local Government (Rating) Act 2002 on a differential basis, on each separately used or inhabited part of a rating unit within each individual zone defined on Council map 'Waimarama Sea Wall Zone'.

The targeted rate shall fund the direct benefit to those rating units (assessed as 90% of the total benefit) for renewal costs, the cost of the maintenance to the rock placement (Northern & Southern Extension) and to set aside emergency funds.

Those rating units on the beachfront (Zone 1) shall pay two thirds of the cost to be funded , whilst those non-beachfront rating units shall pay one third (split 23% for Zone 2 and 10 for Zone 3) based on the extent of provision of service.

The rate for 2021/22 shall be (per SUIP)

Zone 1	Zone 2	Zone 3
$394	$277	$102

Capital Cost of Supply Extensions

A targeted rate will be set and assessed in accordance with Section 16, Schedule 2 Clause 5, and Schedule 3 Clause 7 of the Local Government (Rating) Act 2002, on each separately used or inhabited part of a rating unit, and based on the provision or availability to the land of the service provided.

See further explanation about these rates in Part D.

A targeted rate shall fund the capital cost of the extension to the water supply and sewerage networks in each of the following locations.

Whirinaki Water Supply

A rate of $270 per SUIP (over four instalments) shall be set and assessed for those rating units where the ratepayer elected for a 25-year targeted rate option and elected not to pay a lump sum option at the time of the scheme inception.

Waipatiki Sewage Disposal

A rate of $1,312 per SUIP (over four instalments) shall be set and assessed for those rating units where the ratepayer elected for a 10-year targeted rate option and elected not to pay a lump sum option at the time of the scheme inception.

Part B: Differential Classifications

Differential Rating Area One (DRA1)

DRA1 Residential

Land within Differential Rating Area One that falls within Council Map defined 'Residential' because it is:

- used exclusively or predominantly for a residential purpose,
- eligible to receive a rates remission under Council remission policy for community, sporting and other organisations,
- a hall or a building used for purposes ancillary to a church, but not used for any commercial purpose,
- used exclusively or predominantly for a child care centre by a non-profit organisation, or
- used exclusively or predominantly for a rest home or private hospital.

DRA1 Residential Clive

Land within Differential Rating Area One that falls within Council map defined as 'Residential Clive' because it is:

- used exclusively or predominantly for a residential purpose,
- eligible to receive a rates remission under Council remission policy for community, sporting and other organisations,
- a hall or a building used for purposes ancillary to a church, but not used for any commercial purpose,
- used exclusively or predominantly for a child care centre by a non-profit organisation, or
- used exclusively or predominantly for a rest home, or private hospital.

DRA1 Horticulture / Farming

Land within Differential Rating Area One that falls within Council Map defined 'Horticulture/Farming because it is used exclusively or predominantly for horticulture or farming purposes.

DRA1 Residential non-urban (including townships and small settlements)

Land within Differential Rating Area One that falls within Council Map defined 'Residential Non-Urban' because it is:

- used exclusively or predominantly for a residential purpose,
- eligible to receive a rates remission under Council remission policy for community, sporting and other organisations,
- a hall or a building used for purposes ancillary to a church, but not used for any commercial purpose,
- used exclusively or predominantly for a child care centre by a non-profit organisation, or
- used exclusively or predominantly for a rest home or private hospital.

DRA1 CBD Commercial

Land within Differential Rating Area One that falls within Council map defined as 'CBD Commercial' because it is:

- used exclusively or predominantly for a commercial or industrial purpose, or
- used exclusively or predominantly as a commercial accommodation provider.

DRA1 Other Commercial

Land within Differential Rating Area One that falls within Council map defined as 'Other Commercial' because it is:

- used exclusively or predominantly for a commercial or industrial purpose, or
- used exclusively or predominantly as a commercial accommodation provider.

DRA1 Commercial Non-Urban – Peripheral

Land within Differential Rating Area One that falls within Council Map defined as 'Commercial Non-Urban' because it is used exclusively or predominantly for a commercial or industrial purpose or land within Differential Rating Area One used for the purposes of a Chartered Club.

Differential Rating Area Two (DRA2)

DRA2 Residential

Land within Differential Rating Area Two less than 1 hectare in size, which is either used exclusively or predominantly for a residential purpose or land in Rating Area Two because it is:

- eligible to receive a rates remission under Council remission policy for community, sporting and other organisations,
- a hall or a building used for purposes ancillary to a church, but not used for any commercial purpose,
- used exclusively or predominantly for a child care centre by a non-profit organisation, or
- used exclusively or predominantly for a rest home or private hospital.

DRA2 Lifestyle / Horticulture / Farming

Land within Differential Rating Area Two 1 hectare or greater in size, which is used exclusively; or predominantly for lifestyle, horticulture or farming purposes.

DRA2 Commercial

Land within Differential Rating Area Two, which is used exclusively or predominantly for a commercial or industrial purpose.

Notes:

- Properties which have no apparent land use (or are vacant properties) will be placed in the category which best suits the zoning of the property under the district plan except where the size or characteristics of the property suggest an alternative use.
- Properties which have more than one use (or where there is doubt as to the relevant predominant use) will be placed in the category with the highest differential factor – or if in the Council's opinion it is fair and reasonable to do so, then the Council may undertake a rating division and allocate each part to the most appropriate category.
- Subject to the right of objection as set out in Section 29 of the Local Government (Rating) Act 2002, it shall be at the sole discretion of the Council to determine the use or predominant use of all separately rateable properties in the district.

- 'Residential use' means land used solely for one or more household units. 'Household unit' means a self-contained unit (but not a commercial accommodation provider or prison) used or intended for the habitation of one household with or without a right to use facilities or amenities in common with other households.
- Boarding houses shall be defined as, a building used, designed, capable or intended to be used for residential accommodation for more than 5 persons other than members of family of the occupier or person in charge or control of the building.
- Where a ratepayer under Section 20 of the Local Government (Rating) Act 2002 has land which is contiguous and treated as contiguous for the purpose of rates, the combined area of those rating units will constitute its differential factor.



Part C: Provision or Availability of Service

The differential categories for the proposed water supply rate are:

- **Connected** – any rating unit that is connected to a Council operated waterworks
- **Serviceable** – any rating unit that is not connected to a Council operated waterworks but is within 100 metres of such waterworks.

The differential categories for the proposed sewage disposal and wastewater treatment rates are:

- **Connected** – any rating unit that is connected to a public sewerage drain
- **Serviceable** – any rating unit that is not connected to a public sewerage drain but is within 30 metres of such a drain.

Separately Used or Inhabited Part of a Rating Unit

The following definition applies to the assessment of all uniform and targeted rates by the Hastings District Council where the Council has determined that the rate shall apply to each separately used or inhabited part of a rating unit:

A separately used or inhabited part of a rating unit includes any portion inhabited or used by the owner or a person other than the owner, and who has the right to use or inhabit that portion by virtue of a tenancy, lease, license or other agreement.

This definition includes separately used parts, whether or not actually occupied at any particular time, which are provided 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 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.

Rating by Instalments

The council provides for rates to be paid in four three-monthly instalments. The due dates for payment falling on Friday 20st August 2021, Friday 19th November 2021, Friday 25th February 2022, and Friday 20 May 2022.

Water by Meter

For those properties that have water assessed by meter, invoices will be issued either three monthly or six monthly. The due date for each invoice is 30 days after the date of the invoice.

Due Dates and Additional Charges for Late Payment (Rates)

A penalty of 10% will be added to any portion of rates assessed in the current year which remains unpaid by the relevant instalment due date, on the respective penalty date below:

Instalment	Due Date	Penalty Date
1	20 August 2021	26 August 2021
2	19 November 2021	24 November 2021
3	25 February 2022	2 March 2022
4	20 May 2022	25 May 2022

Any portion of rates assessed in previous years (including previously applied penalties) which are unpaid on 19 July 2021 will have a further 10% added, firstly on 20 July 2021, and if still unpaid, again on 20 January 2022.

Any rates payment made by the ratepayer will be allocated to the oldest debt.

Due Dates and Additional Charges for Late Payment (Water)

For those properties that have water levied by meter, invoices will be issued either three-monthly or six-monthly.

Instalment	3 Monthly Invoicing Due Date	Penalty Date
1	20 October 2021	26 October 2021
2	20 January 2022	24 January 2022
3	20 April 2022	22 April 2022
4	20 July 2022	22 July 2022
Instalment	**6 Monthly Invoicing Due Date**	**Penalty Date**
1	20 January 2022	24 January 2022
2	20 July 2022	22 July 2022

A penalty of 10% will be added to any portion of water supplied by meter, assessed in the current year, which remains unpaid by the relevant instalment due date, on the respective penalty date above.

Any portion of water rates assessed in previous years (including previously applied penalties) which are unpaid on 20 July 2021 will have a further 10% added, firstly on 22 July 2021, and if still unpaid, again on 26 January 2022.

Any water payment made by the ratepayer will be allocated to the oldest debt.

Part D: Targeted Rates for Capital Costs of Provision of Scheme or Scheme Extension

In the case of the following rates, the Council offered ratepayers of connecting rating units (or those rating units able to be connected) the opportunity to pay their contribution by way of lump sums, either by formal lump sum arrangement (in terms of Part 4A and Schedule 3A of the Local Government Act 2002) or by accepting payment of anticipated rating liability in advance, or alternatively, by way of one of the targeted rates set out below.

The targeted rates are set and assessed for those rating units that did not make a lump sum contribution.

The rates are:

- Whirinaki water supply
- Waipatiki sewage disposal

Lump Sum Contributions Generally

The Council will not accept lump sum contributions in respect of any targeted rate, except where stated explicitly in this Funding Impact Statement.

Part E: Council Maps

All Council Maps are available for inspection at the Council Offices in Lyndon Road East and online at www.hastingsdc.govt.nz/how-your-rates-are-calculated.

Part D: Sample Rating Impacts on Properties

Rating Area One

	2019 Land Value	Rates 2020/21	Proposed Rates 2021/22
Urban Residential			
Flaxmere	104,000	2,050	2,158
Hastings	265,000	2,697	2,882
Havelock North	340,000	3,022	3,279
Townships			
Whakatu	120,000	1,884	1,977
Clive	225,000	2,250	2,386
Haumoana	305,000	2,144	2,299
Commercial/Industrial			
Hastings CBD Retail	562,000	11,141	12,264
Havelock Nth CBD Retail	840,000	13,376	15,292
Suburban	780,000	10,185	11,259
Commercial Non-Urban	1,150,,000	10,934	12,192
Horticulture/Farming			
Small	665,000	2,265	2,502
Medium	1,235,000	3,741	4,152

Rating Area Two

	2019 Land Value	Rates 2020/21	Proposed Rates 2021/22
Coastal Residential			
Whirinaki	310,000	1,744	1,830
Waimarama	360,000	1,720	1,821
Waipatiki	260,000	1,904	1,994
Commercial/Industrial			
Small	83,000	794	850
Medium	245,000	1,388	1,484
Farming			
Small	250,000	1,045	1,118
Medium	445,000	1,478	1,581
Large	1,130,000	2,999	3,207

Note: Excludes Capital Contribution Schemes (except Waipatiki Water) and Swimming Pool targeted rate.

Part E: Rating Base Information

Clause 15A of Schedule 10 of the Local Government Act 2002 requires the projected number of rating units to be outlined for each year covered by the plan. This plan makes the assumption of 0.95% growth in the rating base per annum based on historical trends and an assessment of the outlook in the next ten years.

The Projected Rating Units Are

	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31
Total Rating Units Forecast	31,557	31,857	32,159	32,465	32,773	33,085	33,399	33,716	34,037	34,360	34,686
% Increase	0.95%	0.95%	0.95%	0.95%	0.95%	0.95%	0.95%	0.95%	0.95%	0.95%	0.95%



Part F: Schedule of Fees and Charges

Trade Waste Charges

This schedule sets out fees and charges which are set annually via the special consultative procedure. The charges for 2021/22 are detailed below.

Trade Waste Charges For The Period 1 July 2021 To 30 June 2022		
a)	Permitted charge	Based on Equivalent Households.
b)	Approved non-separated charge	Based on Equivalent Households.
c)	Approved separated charge	Annual Fee – $3,097 per litre per second per annum of peak flow charged quarterly.
d)	Connection fee	Actual cost of connection will be charged. Based on the new water services connection process and charges detailed at www.hastingsdc.govt.nz/water-service-connections
e)	Re-inspection fees	A fee based on $60 per hour plus disbursements (e.g. cost of analyses, mileage etc.) will be charged to premises where a re-inspection is required when a notice being served under the bylaw has not been complied with.
f)	Disconnection fee	The actual cost of the disconnection will be charged.
g)	Special rates for loan charges	Industries discharging into the Omahu trade waste system will be charged a contribution for the upgrade and separation of the Omahu trade waste system based on a cost of $39,583 per litre per second plus interest. The Whakatu Industrial Area will be charged a contribution for trade waste discharge based on a cost estimate in order of $30,000 per litre per second of consented flow. The actual figure will be adjusted when the final cost is known and is dependent on options agreed with the applicant.
h)	Temporary discharge fee	Discharge fee based on the length of time and discharge volume.
i)	Consent application fee	No charge for 2021/22.
j)	Rebates for trade premises within the district	Where a trade waste is charged the uniform annual charge is rebated if the trade waste is not discharged to the separated system.
k)	Suspended solids charge	No charge for 2021/22.
l)	Biochemical oxygen demand charge/ chemical oxygen demand charge	No charge for 2021/22.
m)	Metals charge	No charge for 2021/22.
n)	Transmissivity charge	No charge for 2021/22.
o)	Tankered waste charge	$53 per tanker load.

Note: The Long Term Plan budgets contains significant expenditure forecasts in the wastewater activity which will have some impact on both domestic and industrial users. The fee schedule above includes a proposed increase in the per litre per second peak flow charge to $3,097.

Schedule of Planning and Regulatory Services Charges

Lodgement Fees

A lodgement fee shall be payable at the time of lodging Resource Consent and Certificates of Acceptance, or other applications as listed in the following tables for planning fees and charges.

Note 1: For applications and other approvals under the Resource Management Act 1991 the following lodgement fees represent a fixed charge in terms of Section 36(1) of the Resource Management Act 1991.

Note 2: All lodgement fees unless otherwise stated shall be subject to standard clause 10 (hourly charges where the costs exceed the lodgement fee).

1. Planning: Resource Consents, Subdivisions and Associated Processes	Deposit (unless otherwise stated) (inc GST)
Resource Consent Land Use – Controlled Activity	$900.00
Resource Consent Land Use – Restricted Discretionary Activity	$1,100.00
Resource Consent Land Use – Discretionary Activity	$1,300.00
Resource Consent Land Use Consent – Non-Complying Activity	$1,500.00
Permitted Boundary Activity	$350.00
Subdivision Consents:	
• Freehold and Leasehold	$1,300.00
• Amendment to Existing Leasehold Titles	$800.00
Rights of Way Survey Plans	$600.00
Resource Consents and Designations:	
• Fully Notified	$15,000.00
• Limited Notified	$6,000.00
• Hearing Only	$3,000.00
Resource Consent Variation of Conditions	$1,300.00
Resource Consent Extension of Lapse Date (s.125)	$900.00
RMA Certificate of Compliance, Existing Use Right Certificate and Overseas Investment Certificate	$1,100.00
Monitoring fee for permitted activity relocated buildings	$750.00
Outline Plan Processing	$900.00
Outline Plan Waiver	$350.00
Private Plan Change	$40,000.00
Consent Notice (section 221 of RMA)(per document)	$170.00

1. Planning: Resource Consents, Subdivisions and Associated Processes	Deposit (unless otherwise stated) (inc GST)
Section 223 certification only – Subdivisions	Hourly rates
Section 224 certification – Subdivisions (This will also apply when 223 and 224 certification are applied for together). No deposit required. Actual processing costs will be invoiced prior to issue of certification.	Refer to hourly rates section
Engineer check for Section 224 certification – Subdivisions (includes engineering design approvals required by conditions of consent) – No deposit required. Actual processing costs will be invoiced prior to issue of certification.	Refer to hourly rates section
Resource Management Act Section 226 certificate	$600.00
Certificate of Transfer and other legal documents	$220.00
Hearings and associated site visit and deliberations (both Hearings Committee and Hearings Commissioner(s) Hearings)	$400.00 per hour
Review of Delegated Decisions (lodgement fee)	$800.00
Bond Administration fee	$700.00
Monitoring Deposit – Resource Consents	
Hastings (i.e. sites located within a 3km radius of the HDC Administration Building, Lyndon Road East, Hastings)	$195.00
Havelock North, Flaxmere, Plains (i.e. sites located between a 3-20km radius of the HDC Administration Building, Lyndon Road East, Hastings)	$205.00
Rural (i.e. sites located beyond a 20km radius of the HDC Administration Building, Lyndon Road East, Hastings)	$240.00
Gambling Act 2003	
Class 4 Gambling Venue Consent	$1,000.00

Note 3: In respect of any charges under the Resource Management Act 1991, hourly rates, vehicle rates and payment of balance/refund and penalties set out in this schedule shall be applicable to any additional charge payable in terms of Section 36(5) of the Act, where the actual and reasonable costs incurred exceed the fixed charge paid.

Note 4: Provided that for resource consents, private plan changes and any other application requiring notification, advertising, photocopying and postage costs incurred in public notification, agenda preparation and agenda distribution shall be charged at cost as disbursements.

Note 5: Where inspections are necessary in addition to the normal requirements, these will be charged at the applicable hourly rate. Any costs incurred through the engagement of external expertise will be charged to the applicant at cost.

2. Building Fees and Charges

Notes:

The Building Research Association of New Zealand (BRANZ) levy is assessed at $1.00 per $1,000. This levy is applicable where the value of the building project exceeds $20,000 in total inclusive of GST.

The Building Levy Order is assessed at $1.52 per $1,000. This levy is applicable where the value of the building project exceeds $20,444 in total inclusive of GST.

Building consent application fees are charged by hourly rate unless specified. Fees will be charged when the consent has been approved and is ready for granting and issue, and will include inspection fees for the anticipated inspections required.

Inspection fees are charged as a fixed fee reflecting actual and reasonable costs for conducting inspections within specified zones. Building inspection fees include mileage costs charged on a fixed fee by zone basis. Actual costs may be charged at Council's discretion.

Certificate of Acceptance application fees are charged by hourly rate for the time spent assessing and processing the application. An initial deposit is required and is payable on application. Any other current building consent processing fees, together with standard charges, levies including development levies, and inspection fees may also apply, plus any fees, charges or levies that would have been payable had a consent been applied for before the work was carried out, unless the work was carried out under urgency.

Fixed fees for solar and solid fuel heater consents referenced in this schedule include the relevant BCA Accreditation fee.

Fees and Charges are inclusive of GST unless specified.

Unless otherwise specified in this schedule all applications for Project Information Memoranda, Land Information Memoranda, Building Consents, requests for information or approval, and any other application, including any required inspections or certificates of compliance, will be charged at the actual cost. Fees will be charged at the following rates plus disbursements.

Building Consent Applications	Fee (inc GST)
Building Consent Application Processing	Relevant Hourly Rate
Building Consent Exemption	$235.00
Project Information Memorandum (PIM) only	$370.00
Minor variations hourly rate	$205.00
Extension of Time (Work not complete, work not started)	$100.00
Code Compliance Certificates (2nd and subsequent CCC applications only, plus zone inspection fees if required)	$158.00
Section 73 & section 77 Certificates (Building Act 2004) (each) – plus inspection costs, if any	$260.00
Compliance Schedule (Building Act 2004)	$310.00
Compliance Schedule Amendment	$220.00
Building Act Compliance Certificates	$105.00
Issuing Certificates for Public Use	$260.00
Demolition Consent Fee (Hourly rate)	$209.00

Building Consent Applications	Fee (inc GST)
Certificates of Acceptance Deposit	
Pursuant to sections 96(1) (a) & 96 (b) Building Act 2004). Fees and charges additional to the deposit are charged at the relevant hourly rates.	Deposit of $800.00
Solid Fuel Heaters	
Standard Application including one inspection (additional inspections charged at fixed building inspection zone fee rate) Effective 1 August 2020	$380.00
Solar Water Heaters	
Standard Application including one inspection (additional inspections charged at fixed building inspection zone fee rate)	$380.00
Building Consent Authority Accreditation Fee	
Solar water heaters, solid fuel heaters (including fixed fees)	$5.00
Residential consents	$20.00
Commercial consents	$40.00

	Fee (inc GST)
Administration, Lapsing and CC Processing Fees	
</= $10,000 value (incl CCC costs)	$160.00
>$10,000 (incl CCC costs)	$205.00
Consents prior to 2009	$60.00
Lapsed consent reinstatement fee	$150.00
Pre-Consent Meeting Fee	
Residential	$180.00
Commercial	$280.00
Plansmart Assessments	
Residential	$135.00
Commercial	$185.00
Standard Charges	
Building officers (Hourly Rate) - Residential	$209.00
Building officers (Hourly Rate) - Commercial	$230.00
Building Technicians (Hourly Rate) - Residential	$163.00
Building Technicians (Hourly Rate) - Residential	$178.00
External Building Consent Authority administration fee (hourly rate)	$205.00
Building Inspections	
Notes:	

	Fee (inc GST)
Zone boundaries are based on the following outbound travel times Failed inspections will incur the relevant zone inspection fixed fee	
• Zone 1 (~7 minutes)	$170.00
• Zone 2 (~15 minutes)	$200.00
• Zone 3 (~30 minutes)	$285.00
• Zone 4 (~45 minutes)	$380.00
• Zone 5 (~60 minutes)	$490.00
Building Consent Activity Reports	
Weekly (per month)	$80.00
Monthly (per month)	$60.00
Independently Qualified Persons	
New Registrations	$320.00
Amendment Registrations	$165.00
Optional Yearly Renewal	$115.00
Building Warrants of Fitness	
Building Warrant of Fitness (Administration and Inspection)	$165.00
Earthquake Prone Buildings	
Exemption Applications (Hourly rate)	$209.00
Rural Property Identification	
RAPID Numbers	$20.00

3. Land Information Memorandums (LIM's)	Fee (inc. GST
Notes: a) Report printing costs may include additional fees and charges depending on the option selected (refer below) A $50 cancellation fee will apply or the actual processing and research costs, whichever is the greatest Commercial LIM applications – hourly rate charges may apply in excess of 8 hours processing time	
Residential Properties	
• Part A & B Standard (7-10 work days)	$400.00
• Part A only Standard (7-10 work days)	$320.00
Vacant Land (All Properties)	
• Part A & B Standard (7-10 working days)	$320.00
• Part A only Standard (7-10 working days)	$165.00
Horticulture and Farming Properties	
• Part A & B Standard (7-10 work days)	$400.00

3. Land Information Memorandums (LIM's)	Fee (inc. GST
• Part A only Standard (7-10 work days)	$320.00
Commercial	
• Part A & B Standard (7-10 working days)	$480.00
• Part A only Standard (7-10 working days,)	$430.00
Copy and Delivery Options	
Electronic reports sent by email or link	No Charge
Printed LIM report	$40.00

4. Printing and Copying	Fee (inc GST)
GIS Printouts	
Ratepayer	
• A4 (per sheet)	$2.00
• A3 (per sheet)	$3.50
Commercial Operation	
• A4 (per sheet)	$12.00
• A3 (per sheet)	$22.00
Plan Prints	$5.00 per sheet
Microfilm and Electronic File Printouts	
• A4/copy	$1.00
• A3/copy	$2.00
• A2/copy	$4.00
Note: 10 – 20 copies 25% discount; over 20 copies 50% discount	
Document Management Fee (all applications for resource consents, private plan changes, certificate of compliances	$40.00 per application
Photocopying:	
• A4 (per copy)	$0.25
• A3 (per copy)	$0.50
• Colour A4 (per copy)	$1.50
• Colour A3 (per copy)	$2.50
Note: 10 – 20 copies 25% discount; over 20 copies 50% discount)	
Certificates of Title	$20.00

5. District Plan	Fee (inc GST)
Sale of District Plans (CD Disk Only)	$25.00
Reserves, Facilities, Roading and Development Contributions (Development Contributions Policy)	As per Development Contributions Policy

6. Environmental Health	Fee (inc GST)
Hairdressers	$198.00
Funeral Directors	$198.00
Offensive Trades	$198.00
Sale Yards	$86.00
Camping Grounds	$313.00
Stall Holders	$67.00
Farmers Market (20+) stalls	$1,305.00
Shop Front Strip/Footpath Dining Application Fee: Plus a Licence Fee – Either	$282.00
1) Other than liqpremises	$67.00 annual fee
2) Liquor Licensed premises outside a liquor ban area	$140.00 annual fee
3) Liquor Licensed premises inside a liquor ban area	$282.00 annual fee
Mall space (other) – per day	$15.00
Food Barrows and other Barrow	
• Per week site rental	$62.00
• Per week with power	$93.00
Noise Control: Stereo Seizure	$290.00
Cycles and Skateboards confiscated	
• 1st Impounding	$10.00
• 2nd Impounding	$20.00
Licences required under the Hastings District Council Bylaws for which fees or charges are not otherwise prescribed by statute or by Council resolution	$198.00
Hawkers	
• Without food	$110.00
• Operating under Food Control Plan/ National programme	
- Application fee	$164.00
- Annual registration fee	$86.00
Mobile Shops	

6. Environmental Health	Fee (inc GST)
• Without food	$192.00
• Operating under Food Control Plan/ National programme	
- Application fee	$192.00
- Annual registration fee	$86.00
Amusement device permit application (set by statute)	
One device for the first 7 days of proposed operation or part thereof	$11.50
For each additional device operated by the same owner	$2.30
For each device $1.15 for each further period of 7 days or part thereof	
Alcohol Licensing	
Alcohol Licences (Special Licences)	
Class 1 Special Licence	$575.00
• 1 large event	
• More than 3 medium events	
• More than 12 small events	
Class 2 Special Licence	$207.00
• 3 – 12 small events	
• 1 – 3 medium events	
Class 3 Special Licence	$63.25
• 1 or 2 small events	
Managers Certificate	$316.25
Temporary Authority	$296.70
Variation of Licence	$368.00

Note:

Large event means an event that theterritorial authority believes on reasonable grounds will have patronage of more than 400 people. Medium event means an event that the territorial authority believes on reasonable grounds will have patronage of between 100 and 400 people. Small event means an event that the territorial authority believes on reasonable grounds will have patronage of fewer than 100 people.

Note: Alcohol Application Fees - Fees are set by regulation under the Sale and Supply of Alcohol Act 2012. Please discuss the applicable fees for On, Off and Club Licences with the Alcohol Licensing Officer.

Note: Any re-inspections, or advisory visits requested by license holders will be charged in accordance with hourly rates and vehicle rates in this schedule.

7. Food Premises

Food Premises / Food Control Plans Fees under the Food Act 2014.	Fee (Inc GST)
New Template Food Control Plan Registration	
Per application	$247.00
Per hour spent processing application	$164.00
Renewal of Template Food Control Plan Registration	
Per application	$110.00
Per hour spent processing application	$164.00
Renewal of Template Food Control Plan Registration – multi site (plus $50 for each additional site)	$110.00
Amendment of Food Control Plan Registration	
Per application	$164.00
Per hour spent processing application	$166.00
New National Programme Registration	
Per application	$150.00
Per hour spent processing application	$164.00
Renewal of National Programme Registration	
Per application	$110.00
Per hour spent processing application	$164.00
Renewal of National Programme Registration – multi site (plus $50 for each additional site)	$110.00
Amendment of National Programme Registration	
Per application	$110.00
Per hour spent processing application	$164.00
Verification	
Food Control Plan based on template or MPI	
• Fixed Fee	$532.00
• Per hour spent on verification activity	$164.00
Verification of National Programme	
• Fixed Fee	$465.00
• Per hour spent on verification activity	$164.00
Food Control Plan (mobileshop or less complex setup) + $161/hr	$396.00
Followup verification issues – per hour	$164.00
Compliance	
	Fee (Inc GST)
Issue of improvement notice, including development of the notice	
• Per notice	$164.00
• Per hour spent issuing and developing notice	$164.00
Application for the review of an improvement notice	
• Per application	$164.00
• Per hour processing the application	$164.00
Monitoring for food safety and suitability – per hour	$164.00
General	
All other costs recoverable activities under the Act – per hour	$164.00
Vehicle rate – per km	$0.83

8. Dog Registration and Control

Dog Control Act Fees	Fee (Inc. GST)
Dog Registration Fees	
• Full Fee (before 1 August)	$115.00
• Full Fee (after 1 August)	$172.00
Selected Owner Policy (before 1 August)	$78.00
Selected Owner Policy (after 1 August)	$117.00
Rural/Working Dog (before 1 August)	$56.00
Rural/Working Dog (after 1 August)	$84.00
Dog Control Fees	
Impounding Fees (Registered Dogs)	
• First impounding	$85.00
• Second impounding	$127.50
• Third impounding	$180.00
Recovery of Costs	
Micro-chipping fees (including chip)	$42.00
Sustenance Fee (per day)	$9 .00
Relinquishment Fee	$50.00
Replacement Tags	$5.00
Seizure Fee	$60.00
Destruction Fee	$60.00
Adoption Fee	$260.00

Dog Control Bylaw Fees (Set pursuant to Local Government Act 2002)

Charge Type	Charge (inc GST)
Application to keep more than two dogs	$30.00
Application for a Selected Owner Policy	$30.00

Note: The Dog Control and Stock Control fees set out in this schedule were set by Council for the 2021/22 registration period by resolution as provided for in the relevant legislation. The fees set out here are for information and completeness purposes only, and may be subject to change.

9. Stock Control (Set by Council resolution pursuant to Impounding Act 1955)

Impounding Fees (Per Animal)

	Normal Fee (inc GST)	Sustenance Fees (per day or part) (inc GST)
Deer	$40.00	Actual Costs
Horses	$40.00	Actual Costs
Cattle	$40.00	Actual Costs
Pigs	$20.00	Actual Costs
Goats	$10.00	Actual Costs
Sheep	$10.00	Actual Costs

Note: The cost of retrieving stock will be charged actual costs in accordance with the hourly rates and vehicle rates in this schedule.

10. Parking	Fee (inc GST)
Parking Fees by Bylaw	
• Meter Fees	$2.00 per hour
• Pay & Display	$1.50 per hour
• Leased Parking (per month)	$100.00
Infringement Fees (set by statute)	
• Not more than 30 minutes (P106, Q115)	$12.00
• More than 30 minutes, but less than 1 hour (P106, Q115)	$15.00
• More than 1 hour, but less than 2 hours (P106, Q115)	$21.00
• More than 2 hours, but less than 4 hours (P106, Q115)	$30.00
• More than 4 hours, but less than 6 hours (P106, Q115)	$42.00
• More than 6 hours (P106, Q115)	$57.00
• Any other parking	$40 or $60.00 or $200
• Unlawfully on a Disabilities Carpark	$150.00
Towage Fees (set by statute) – Vehicle gross weight not exceeding 3500kgs	
• 0700-1800hrs Monday to Friday (other than public holiday)	$53.67
• Any other time	$71.56
Towage Fees (set by statute) – Vehicle gross weight exceeding 3500kgs	
• 0700-1800hrs Monday to Friday (other than public holiday)	$132.89
• Any other time	$204.44

11. Hourly Rates

Unless otherwise specified in this schedule all applications for Project Information Memoranda, Land Information Memoranda, Building and Resource and Subdivision Consents, Private Plan Changes, requests for information or approval and any other application including any required inspections or certificates of compliance will be charged at the actual cost.

Fees will be charged at the following rates plus disbursements:

Position	Rate $/HR (inc GST)
Engineers	
• Development Engineer	$225.00
• Roading/Traffic/Water/Wastewater	$185.00
• Team Leader Environmental Planning	$225.00
• Senior Environmental Planner	$210.00
• Environmental Planning Officer	$184.00
• EP (Grad)	$148.00
• Environmental Planning Assistant	$138.00
Customer. Administrative Support Officers	$70.00
Building Officers - Residential	$209.00
Building Officers - Commercial	$230.00
Building Technicians - Residential	$163.00
Building technicians - Commercial	$178.00
LIM Officers	$143.00
Emergency Management Officers	$113.00
Animal Control Officer	$113.00
Environmental Health Officers	$164.00

12. Vehicle Rates

A vehicle rate of $0.83/km (including GST) return journey or portion thereof will be charged for all necessary inspections or site visits.

13. Payment of Balance and Penalties

Deposits paid shall be credited against the total calculated charges. The balance shall be paid upon the issue of the Code Compliance Certificate, the Resource Consent Application Decision, Land Information Memorandum, or other decision, whichever is applicable.

An additional charge of 10% of any unpaid amounts owed will be added to any account that is overdue 60 days or more from the date of the original invoice. For each additional 30 days the overdue amount remains outstanding, an additional charge of 2% of the total unpaid amounts owed at that time will be levied.

Any unpaid amounts referred to a debt recovery agency shall incur a one-off penalty calculated as follows:

16.5% on the first $1,000	11.0% on the next $4,000	5.5% on the remainder

Note: These penalties are cumulative.

14. Local Government Official Information & Meetings Act 1987

The charge for the supply of information under this Act shall be the actual time and costs incurred with the exception that the first half hour of staff time and first 20 pages of photocopying shall not be charged. Staff time shall be charged in accordance with the hourly rates in this schedule. Photocopying charges shall be charged in accordance with the charges in this schedule. Where the cost is likely to exceed $100.00 the Council may require that the whole or part of any charge be paid in advance.

16. Empowerment

These charges are deemed to be made pursuant to the following statutory empowerment as applicable to the nature of service for which the charge is levied, except in the case of dog control and registration and stock impounding, are set by Council resolution and are reproduced in the schedule for completeness.

Section 36	Resource Management Act 1991
Section 219	Building Act 2004
Section 44A	Local Government Official Information and Meetings Act 1974
Section 150	Local Government Act 2002
Section 23	Hazardous Substances and New Organism Act 1996
Section 29	The Sale of Liquor Regulations 1990
Part 4	Impounding Act 1955
Part 3 Sec 41	Forest and Rural Fires Act 1977
Section 13(2)	Local Government Official Information & Meetings Act 1987
Section 205	Food Act 2014

17. Annual Review

This schedule will be reviewed annually or at any time approved by the Council. Any changes (with the exception of Dog Control, Stock Control and Parking) will be approved using the special consultative procedure set out in section 83 of the Local Government Act 2002. Fees, rates and charges set pursuant to the Dog Control Act 1996 or the Impounding Act 1955 are set by resolution of Council publicly notified as the case may require. This schedule also includes a number of fees set by statute and are provided for completeness only.

Other Activity Fees and Charges

Refuse Transfer Station Charges (Per Tonne) – Henderson Road

	General Waste	Green Waste
All vehicles	$235.00	$117.50
Minimum	$12	$8

Transportation Fees and Charges

Charge/Fee Type	Charge (inc GST)
Corridor Access Request (CAR) Applications:	
A) CAR application (including Traffic Management Plan approval)	$105.00
B) CAR application (Road Opening)	$410.00
Inspections:	
C) Inspections (per hour)	$105.00
Overweight Permits:	
A) Generic Overweight Permit Issued when an area wide permit is required to cover Hastings District Council defined roads. Permit outlines roads to be used, bridges to be crossed, bridges which are prohibited. Permit not to exceed 2 years.	$185.00
B) Individual Overweight Permit Issued when a permit is required to cover Hastings District Council defined roads, where a specific route is requested for a specific date. Permit outlines roads to be used, bridges to be crossed, bridges which are prohibited.	$125.00
Inspections:	
C) Inspections (per hour)	$105.00
Temporary Road Closures:	
A) Temporary Road Closure (application and administration charge)	$360.00
Inspections:	
B) Inspections (per hour)	$105.00
License to Occupy Road Reserve:	
Application and Administration	$230.00
Annual Licence Fee (up to one acre (4000m2)	$60.00
Annual Licence Fee (larger than one acre (4000m2)	$120.00
Vehicle Crossing:	
Application and Administration	$180.00
Inspections (per hour)	$105.00

Traffic Management Plan (TMP) Fees will be charged for all activities unless:

- The TMP is for a Hastings District Council sponsored event.
- The TMP is for an activity where there are no charges for holding or participating in the activity, and/or no charge for membership of the applying organisation.

Sports Ground Charges

Charge type	Charge (inc GST)
Softball	
• 20-week season per diamond	$565.00
• Tournaments	$120.00
• Casual bookings per ground	$93.00
• High school 20-week season	$233.00
Cricket – per pitch for 20-week season	
• Senior pitches	$2,900.00
• Practice turf pitches	$957.00
Cricket – casual per game	
• Turf pitches per day (including ground marking)	$285.00
• Tournament rate per wicket / per day	$285.00
• Saturday marking rate – 2 hours	Direct charge – Recreational Services
• Artificial pitches (including ground marking)	$95.00
• High school per pitch 20-week season	$2,900.00
Cricket – commercial per game	
• Commercial school cricket tournaments yr5-9 per day	$150.00
• Commercial school cricket tournaments yr11-13 per day	$285.00
• Commercial cricket camps yr 4-13 per day	$50.00
• Cricket camps crease marking	$30.00
Touch Rugby	
• Per ground for 20-week season	$500.00
• Pre-season permit per field	$79.00
Football	
• Per ground for 20-week season	$1,048.00
• Pre and after season games	$105.00
• Casual games	$105.00
• High school training rate – 20-week season	$580.00
• Installation of goal posts (additional per ground)	Actual cost Recreational Services

Charge type	Charge (inc GST)
Rugby	
• Per ground for 20-week season	$1,100.00
• Pre and after season games	$105.00
• Casual games	$105.00
• High school training rate – 20-week season	$580.00
• Installation of goal posts (additional per ground)	$530.00
Rugby League	
• Per ground for 20-week season	$1,100.00
• Pre and after season games	$105.00
• Casual games	$105.00
• High school training rate – 20-week season	$580.00
• Installation of goal posts (additional per ground)	$530.00
Parks and Reserves	
• Sports Event Fee	$300.00
• Commercial events – per day	$295.00
• Setup day	$147.00
• Commercial events – for 5 days	$200.00 per day
• Commercial events small – hourly charge	$20.00 per hour
• Local community non-commercial events	$295.00 per day
• Setup day	$147.00
Circus, entertainment groups and commercial hirers	
• Up to 5 days ($2,000 bond)	$378.00
• 6-9 days ($2,000 bond)	$324.00
• 10+ days ($2,000 bond)	$245.00
• Local community sports day	$70.00
• Mobile traders on parks ($19.00 power charge)	$35.00
• Park permit – 20-week season	$316.00
Community Buildings	
• Havelock North pavilion (to be advised upon booking)	

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Charge type	Charge (inc GST)
• Power charges	$20.00
Penalties	
• For non-notification of cancellation of pre and after season games and casual games and unauthorised use	$190.00
Other Services	
• Rubbish bin supply and removal	Actual Cost
• Other service required including reline marking, cleaning rubbish removal (actual cost)	Actual Cost
Miscellaneous Fees	
Hot water for showers in changing facilities	Actual charge for electricity
Toilet / changing facilities	$100 bond for key
Weddings	No charge
Ocean Beach Open Gate Fee	$79.00
Havelock North Pavillion	
Childrens Birthday party half day 9am – 12 noon	$160.00
Childrens Birthday party half day 1pm – 5pm	$160.00
Childrens Birthday party half day 9am – 5pm	$240.00
Private function (per hour) plus cleaning fee	$46.00
Exclusive use of Pavillion (full day hire) plus cleaning fee	$165.00
Cleaning Fee	$80.00
Community Group (per hour)	$12.00
Power charge half day (events held on the reserve)	$40.00
Power charge full day (events held on the reserve)	$80.00
Reserve hire fee including carpark	$275.00
Key Bond	$100.00
Hall Bond	$100.00

Hastings Sports Centre – Facility User Charges

Schedule of Fees and Charges

Description	Normal Fee (inc GST)
Facility User Charges	
Regular Season Sporting Group Rate per hour	$50.00
Casual rate per hour	$66.00
Off Peak Rate per hour	$40.00
School Charge	$40.00
Commercial rate per hour	$100.00
Function Room	
Regular / Seasonal Rate per hour	$30.00
Casual Rate per hour	$36.00
Kitchen	
Kitchen (by itself) per hour	$10.00
Kitchen (with meeting room or function room) per day	$20.00
Additional Charges	
Changing Rooms Charge per day	$20.00
Electronic scoreboard per booking	$50.00
Stackable chair charge – per chair per booking	$2.00
Trestle table charge	$13.00
Extra bleacher seating charge	$355.00
Dividing curtain per booking	$205.00
Cleaning – large public event/tournament	$360.00
Sporting equipment charge per booking	$5.00

Note: while Council has aimed to provide an exhaustive and accurate schedule of fees and charges, if any errors or omissions are identified, charges will be calculated by reference to the appropriate underlying authority/resolution. Council reserves the right to vary and introduce fees and charges at its discretion.

Omarunui Landfill

Schedule of Fees and Charges

Waste Type	Normal Fee (inc GST)
Minimum charge for municipal refuse (excludes all special wastes)	$299.00
Municipal refuse (per tonne or part thereof)	$163.30
Minimum charge for all special wastes	$310.50
Whole tyres (per tonne or part thereof)	$678.50
Processed tyres	$506.00
Expanded polystyrene (EPS) / Poly Panel (per tonne)	$1,552.50
Minimum charge for polystyrene	$287.50
Out of Hastings District (per tonne or part thereof)	$264.50
Special wastes (per tonne of part thereof)	
Semi liquid	$207.00
Offal	$207.00
Putrescrible	$207.00
Vehicle parts	$207.00
Hazardous	$207.00
Adbestos	$207.00
Contaminated	$207.00

Penalty Charges

Additional penalty charges may be charged in the following situations at the discretion of the Landfill Manager:

- Late delivery of waste (after 4.30pm or outside normal operating hours)
- Non-compliance with direction given for delivery of wastes, such as putrescible wastes and special wastes
- Insecure loads charged at $117.00

Water

Schedule of Fees and Charges

Description	Normal Fee (inc GST)
Water Conncetions – Processing Application	
Initial Application	$31.70
Inspection and Auditing	$128.20
Total Fee	$159.90
Connection to HDC Water Network	
<100mm main	$242.70
100mm main	$238.20
150mm main	$291.70
200mm main	$335.50
>200mm main	$807.80
Tanker Fill Charge	
Tanker fill point charge – per cubic meter	$1.00

Cemetery and Cremation

Schedule of Fees and Charges

Description	Normal Fee (inc GST)
Cremation	
Adults	$810.00
Child (3 to 11 years)	No charge
Infant (1 month up to 3 years old)	No charge
Pre-term, Stillborn and infant (up to 1 month old)	No charge
Chapel	
Full service (1 hour)	$250.00
Committal (30 minutes)	$125.00
Extension of service time per 30 minutes, or part thereof	$150.00
Cremation Overtime	

Description	Normal Fee (inc GST)
Cremation (4pm to 5pm Monday to Friday and 8am to 12 noon Saturday	$140.00
Cremation taking place from Saturday 12 noon to 5pm Saturday	$265.00
Cremation taking place on Sundays or public holidays 10am to 2pm	$465.00
Sundry	
Removal of liner from presentation coffin per cremation	$25.00
Cremation Certificate	$35.00
Registered scattering of ashes	$55.00
Genealogical research - first two names are free of charge	$55.00
Book of remembrance: two line entry (If available)	$70.00
Interment or placement of ashes	$170.00
Disinterment of ashes	$195.00
Cremation Memorials	
Memorial wall - niche spaces	$195.00
Granite columbarium	$1,100.00
Above ground ashes vault	$1,615.00
Cremation Headstone plots	$1,075.00
Cremation Shrub Garden plots	$905.00
Cremation burial plaques plot	$1,100.00
Cremation Rose Garden plots	$1,035.00
Granite memorial birdbath plaque	$520.00
Granite memorial book plaque	$260.00
New Burial Plots	
Hastings Cemetery	$3,740.00
Havelock North Cemetery	$4,170.00
Puketapu Cemetery	$2,805.00
Mangaroa A & D sections	$2,805.00
Mangaroa B & C sections	$3,020.00
Mangaroa Natural Burials (1x Interment per plot only)	$3,235.00

Description	Normal Fee (inc GST)
Interment	
Adult	$840.00
Couch Casket surcharge	$145.00
Pre-term, stillborn & Infant up to 2 years of age	$65.00
Child under 15 years of age	$195.00
Ashes	$180.00
Burial Overtime	
Burial taking place from 4pm to 5pm Monday to Friday.	$325.00
Burial taking place between 10am to 12 noon Saturday.	$325.00
Burial taking place from Saturday 12 noon to 5pm Saturday.	$520.00
Burial taking place on Sundays or public holidays from 1am to 2pm	$840.00
Reserve Plots	
Burial Plot Mangaroa A and D sections	$3,366.00
Burial Plot Mangaroa B and C sections	$3,624.00
Burial Plot Puketapu	$3,366.00
Burial Plot Hastings	$5,245.00
Burial Plot Havelock North	$6,105.00
Cremation Plot Shrub gardens	$1,010.00
Cremation Plot headstone gardens	$1,010.00
Cremation Rose gardens	$1,150.00
Cremation burial plaque plots - Havelock North only	$1,035.00
Disinterment	
Full burial - subject to the relevant licence being granted	$4,850.00
Ashes	$195.00
Sundry Charges	
Out of district fee	$520.00
Permit to place memorial	$65.00
Registered scattering of ashes	$55.00

Description	Normal Fee (inc GST)
Breaking concrete, full burial	$305.00
Breaking concrete, ashes burial (if possible)	$130.00
Total loss of grave shoring	$260.00
Transfer of burial rights	$85.00


Part Six:
IMPORTANT INFORMATION
HASTINGS PROUD
LONG TERM PLAN 2021-2031 HASTINGS DISTRICT COUNCIL // 199

Important Information

This part of the plan outlines a range of other important information forming part of the Long Term Plan. A key aspect is the 30 Year Infrastructure Strategy.

30 Year Infrastructure Strategy – Contents

The Highlights – Section 1.0

The Detail

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Infrastructure Strategy

The LTP Consultation Document focuses on the key matters outlined in this strategy including, escalated investment in road renewals, Landfill expansion, renewals for the three waters activity and the servicing of growth development areas.

1.0 The Highlights

Set out below is the Infrastructure Strategy at a glance. It's a high level overview of the key matters set out in more detail in the following pages.

Challenges faced by the Council:

- Drinking water security, treatment, availability & legislation;
- Ageing roading and water infrastructure;
- Modest levels of forecast population and economic growth; in addition to known shortages in certain parts of the housing sector;
- An aging population that may place different demands particularly on roading infrastructure and park space;
- Technology change in the transport sector, and increased loads on network due particularly to forestry harvesting;
- Predicted effects of climate change – particularly severity of rainfall events and impacts near our coastline;
- Increasing environmental standards, particularly in relation to wastewater and stormwater quality; regulatory reform and service delivery changes;
- Earthquake prone building legislation

Significant decisions to be made now are:

- Escalated investment in road renewals
- Wastewater Eastern Interceptor Upgrade
- Wastewater Treatment Plant critical renewals
- Heretaunga House

Financial sustainability:

- The timing of forecast peaks in asset renewal is different for different assets enabling Council to manage annual expenditure levels. A step change in transportation renewals is built into the first 6 years budget forecasts;
- Growth infrastructure is phased in accordance with growth projections (and development is staged) to limit the risk of Council investment;
- Council will need to give careful consideration to the impact of new build and discretionary projects to ensure ongoing financial sustainability

Over the next 30 years the Council plans to:

- Complete its significant Investment in safe drinking water;
- Undertake critical renewals at the Wastewater Treatment Plant;
- Maintain existing levels of service while managing the identified challenges;
- Complete the key bridge strengthening programme & escalate road renewals;
- Service land for development; and work with partners on housing opportunities;
- Step up renewal funding to address forecast peaks;
- Undertake local coastal cell planning in accordance with the Regional Coastal Strategy.

The most likely scenario for key infrastructure responses is set out below:

Years 1 – 3	Years 4 – 10	Years 11 – 15	Years 16 – 20	Years 21 – 30
Wastewater Plant Outfall Manifold	Wastewater Trunk Mains	Stormwater Renewals commence	Road Safety Escalation	Copeland/Brookvale Housing
Eastern Wastewater Interceptor Upgrade	Lyndhurst/Brookvale Housing	Water Supply Renewal Escalation	Stormwater Renewal Escalation	Tomoana Stage 2 Industrial
Drinking Water Strategy Investment	Roading Corridor Development	Wastewater Trunk Mains/Pump Stations	Rising Main Renewals	Havelock Road Corridor
Drinking Water Renewals	Flood Mitigation (Pakowhai)	Kaiapo/Brookvale Housing		Trunk Sewer Renewals
Bridge Strengthening ◄►	Various Park Upgrades	Tomoana Stage 1 Industrial		Stormwater Renewal Continuation
Wastewater Trunk Mains	Wastewater Pumpstation Renewals	Road Safety & Corridor development		Wastewater Plant Outfall (submarine)
Landfill Development (B & C)	Stormwater Sump Renewals	Various Flood Mitigation		
Iona/ Howard Street/Lyndhurst Housing	Wastewater Treatment Plant Renewal	Coastal Infrastructure		
Roading Renewal Escalation	Landfill Development (B & C)	Bridge Pa Sewer		
Stormwater quality improvements	Road Safety Escalation	Flaxmere Rising Main/Eastern Interceptor		
Whakatu Stage 2 Industrial		Wastewater Outfall & WWTP renewals		

2.0 The Detail

2.1 Introduction

Infrastructure accounts for a significant proportion of the Council's operating and capital expenditure. This expenditure provides the foundations on which the Hastings District community is built – it is essential to health, safety and transport and has a significant impact on the physical environment.

This infrastructure strategy outlines:

The key infrastructural service issues the Hastings District community must address over the next 30 years;

The main options for dealing with those issues;

The cost and service delivery implications of those options;

The Council's current preferred scenario for infrastructure provision.

The strategy will help the Council and community make informed decisions in the next three and ten years, that position the Council to deal with long term decisions and investments that will occur in the next 10 to 30 years.

This strategy covers:

- Roads
- Water supplies
- Sewage treatment and disposal
- Stormwater
- Solid Waste; and
- Community Infrastructure (Parks and major community buildings).

2.1.1 Linkages with other Plans

The information within this strategy is drawn from the individual Asset Management Plans for each activity covered by the strategy. This strategy should also be read in conjunction with the Financial Strategy which forms part of the Long Term Plan.

Other important linkages are the District Plan, Bylaws, HPUD's (Regional Growth Strategy), Regional Transportation Strategy and Policy Statements along with various national strategies and policies.

2.1.2 Asset Management Policy

The asset management planning is guided by Councils adopted Asset Management Policy. The Asset Management Policy requires that the management of assets be a systematic process to guide planning, acquisition, operation and maintenance, renewal and disposal of the required assets.

The provision and management by Council of the community's infrastructure assets is to support the delivery of Councils agreed strategic objectives, the service outcomes, and the regulated requirements.

In managing the required infrastructure the AM Policy notes that Council will take account of the following aspects.



The Council has a continuous improvement approach to its planning for key infrastructural community assets. Various internal and external audits (e.g. NZTA, OAG, other consultants) have been performed on Councils asset planning over numerous years.

Independent Review

Independent reviews of our asset management plans have been undertaken by Waugh Infrastructure Management since 2014, with continual follow-up on improvement items since that time. The review outcomes have been built into the AMP improvement plans for each asset area. The main areas to focus improvements over the next 3 years are detailed over the page.

In addition Waka Kotahi New Zealand Transport Agency also carries out overview of the Transportation Asset Management Plan.

2.1.3 Continuous Improvement

- Further development of Risk Management planning.
- Continued development of audit and service assurance processes.
- Continued development of infrastructure resilience and sustainability strategies.
- Ongoing development of performance analysis models for Wastewater and Stormwater (water completed) used to consider alternative options and inform new capital (both growth and customer level of service (CLOS)) decision making, and consider likely impacts of climate change.
- Additional analysis sophistication built into renewal investment analysis planning for the 3 waters, beginning with drinking water assets. This will be used to provide scenario analysis of renewal strategies, considering cumulative network risks, investment, and service provision.
- Continued evaluation of the effects of NZTA's guidance, level of service and funding choices. Updates of regional and local transportation models and updates of pavement and bridge deterioration models to inform renewal strategies and network investment.
- Continued data review and improvements, particularly across the parks and property portfolio. Update the Reserves Strategy to inform future reserve provision.

2.1.4 Strategic Objectives

The Council manages its core assets (Three Waters and Transport) to achieve the following high level outcomes for the community:

Council objectives	3 Waters objectives	Key activities
Water and land resources are used wisely Council services are green and healthy We enable employment and growth	**Water Supply:** Supply of Safe potable drinking water	Implementation of Water Strategy priorities Water quality monitoring, sampling and compliance with Drinking Water Standards Timely response and resolution to faults
	Water Supply: Sustainable Water Resource Management	Water Source Resource Consent compliance Aquifer assessment and management in collaboration with HBRC
	Wastewater: Safeguard the environment and public health	Resource consent compliance Timely response and resolution to faults Assessment of treatment and technology advancements. (9 yearly review).
	Stormwater: Projection of life and property form flooding effects	Upgrade and improvements to the stormwater network Land development to design standards and engineering code of practise.
	Stormwater: Safeguard the environment	Stormwater quality monitoring and reporting Compliance with Resource consent conditions
	3Waters: Optimise asset investment	Renewals planning based on condition and performance
	3Waters: Planning for growth	Growth planning and investment based on HPUDS forecasts and Council priorities

Council objectives	Transport objectives	Key activities
We enable employment and growth Council services are green and healthy The transport network links people and opportunities	Assisting economic development	Provision of transport networks that link goods to markets Growth planning and investment based on HPUDS forecast and Council priorities
	Ensuring environmental sustainability	Focus on sustainable transport modes such as walking and cycling Infrastructure that supports the public transport system Rollout of LED technology
	Protecting and promoting public health	Focus on walking and cycling infrastructure and uptake
	Assisting safety and personal security	Safety improvement and maintenance/renewal programme Timely resolution of faults Funding of Roadsafe HB
	Improving access and mobility	Bridge Strengthening programme Delivery of significant maintenance and renewal programme

2.1.5 Our Context

Hastings District Council is located in the Hawke's Bay on the East Coast of the North Island. It is characterised by its fertile plains, rivers, underground aquifer and dynamic coastline. The population is about 89,000. The primary settlements are Hastings and Havelock North and Flaxmere. There are a number of surrounding plains and rural satellite settlements.

The District's climate is characterised with hot dry summers and cool crisp winters. The District is an important food production region with the fertile Heretaunga Plains producing stone fruits, pip fruit, kiwifruit and vegetables. The District is also one of New Zealand's major wine producers. The local economy is still in a relatively buoyant phase (despite bumps along the way via the Covid-19 pandemic and recent drought) and includes food processing businesses, agricultural services, and a range of other support activities (finance, freight, retail, tourism).

The District is experiencing constant growth and has in place urban development plans. Housing shortages in parts of the housing sector are being experienced (i.e affordable/social). The District has well established roading, underground water infrastructure and community facilities and reserves servicing current and future populations and support regional growth and development.

(A) The planning context

The District's planning, infrastructure strategies and long-term plans help to ensure continued growth, development and prosperity of the region. A number of other plans and strategies have been completed which inform the Infrastructure Strategy including in the transportation area (various corridor management plans and the walking and cycling strategy) and in the water services area (Water Safety Plan, Water Demand Management Plan, Water Strategy (new)).

Looking forward - Review of the urban growth strategy, spatial plan development and a long term housing strategy are planning priorities to address the challenges ahead.

The recent National Policy Statement on Urban Development 2020 will need to be balanced with the National Policy Statement on Versatile soils. This tension between the two is particularly evident in Hastings. Potential implications would be the bringing forward of growth development areas for servicing, potential servicing more difficult areas away from fertile plains land (i.e hills and remote settlements), and renewals expenditure in urban intensification areas.

The National Policy Statement for Freshwater Management may have implications on new water efficiency measures and storage to manage within limits and stormwater quality improvement.

(B) Three Waters Reform

The government has signalled its intentions in respect of future three waters reform. What the shape of that reform will be is still unclear at this time, and will not be known prior to the adoption of this plan. Hastings District Council has signed a Memorandum of Understanding with the Crown to work together to identify the best future approach to service delivery.

Whilst this reform seems certain to change the face of three waters service delivery the approach taken within this Infrastructure Strategy and within the Long Term Plan more broadly is to assume that these activities were to stay in local authority ownership. The reasoning for this approach being that regardless of the outcome of any reform process communities will need robust drinking water and wastewater services. This Long Term Plan outlines the full information and costs associated with the direct running costs of these activities and the forward infrastructural investment needs and choices.

This plan is signalling escalated investment in the following key areas:

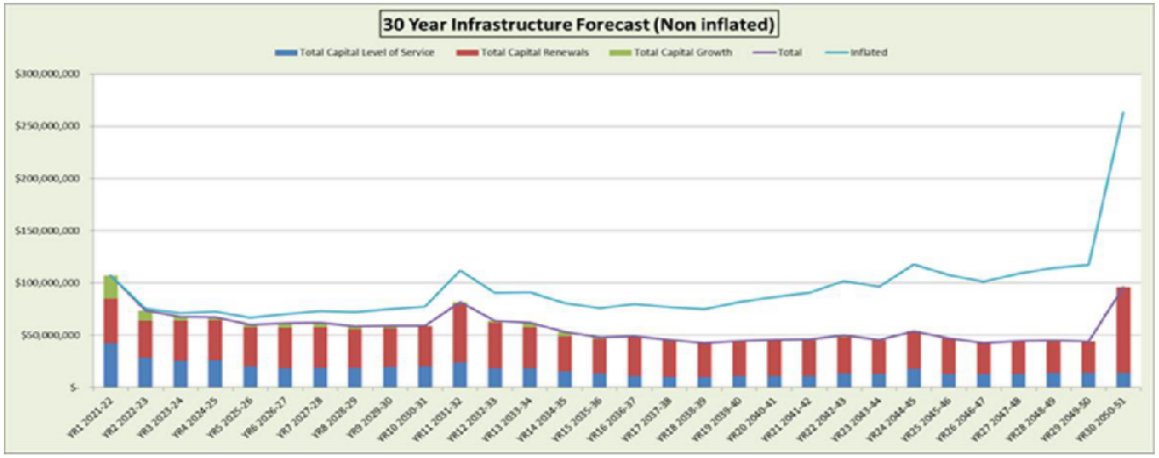
- Ongoing Water Supply Improvement (acknowledging that the capital investment programme in safe drinking water of circa $60m will be completed in 2021);
- Significant ongoing renewal of the three trunk sewer mains (this programme is currently about 20% complete);
- Ongoing renewal requirements for the Wastewater Treatment Plant (namely sections of the Outfall manifold in Year 2 and in the Year 11-15 period, along with the submerged pipeline in the latter years of the Infrastructure Strategy);
- Upgrade and improvements to the stormwater network to improve stormwater quality outcomes along with the commencement of the renewal cycle in the latter years of the Infrastructure Strategy.
- Forecasts will continue to be reviewed as related performance/regulatory requirements are released.

(C) Programme Deliverability

It's important that we ensure that the capital programme outlined in this plan is deliverable, both to ensure essential infrastructure is put in place to serve our community, but also because it needs to get paid for through both rates and debt. Overly aspirational capital programme forecasts (beyond market capacity) take up valuable capacity in our financial strategy and also means that ratepayers are being asked to pay for things earlier than they might need to.

An assessment of the deliverability of the programme has been undertaken with the key points as follows:

- In the early years the programme does exceed what has historically been delivered ($80m-$100m) in terms of a total sum of capital, versus $65m-$80m in prior years.
- Council has also been successful in obtaining external funding for a number of projects which will need to be delivered within agreed timeframes;
- In response to this elevated capital programme (partly brought about by the circa $60m investment in safe drinking water infrastructure) the Council has created the Major Capital Projects Deliver Group with two new personnel dedicated to delivering major projects – the successful rollout of the drinking water programme is evidence that this resource investment which has been made is achieving results. As the drinking water project nears its end in 2021/22 these resources will also assist with the delivery of the balance of the capital programme;
- An escalation in roading renewals is another driver of the increased capital programme. Signals from our funding partner (New Zealand Transport Agency, NZTA) are that this programme will be supported, and the transportation activity has a good project delivery record, given the audit and associated processes that come with NZTA programme funding. The planning and design elements for the forward programme are also well advanced to enable project implementation.
- Another key driver of the programme is the ongoing wastewater trunk main renewal programme. This programme has been spread over time in a manageable way with the programme about 20% complete. Council has established a good working relationship with key external contractors on this programme to date which provides confidence that this programme will continue to be delivered on time.
- Recognising the importance of the deliverability principle the Council did undertake a process to rationalise the capital programme down from its earlier forecasts, particularly where projects in the early years were not suitably advanced through the pre-planning and design phases. See section 2.6 "Financial Strategy Connection" for more information.
- Some short-term implications may be felt on delivery and timing due to the market supply chain impacts of COVID-19 and scarce contractor resource. In response the Council has worked on a regional procurement plan and pipeline talking directly with supply chains. A panel of suppliers is in place for civil works and a detailed programme of works is shared with the market to encourage long term engaements. Maintenance contracts now also allow capital works to be directly delivered.



2.1.6 Climate Change

Climate change is a change in global and regional climate patterns caused by the increased concentration of carbon dioxide and other greenhouse gases in the atmosphere.

Based on current information (Niwa report on climate change projections and impacts for Tairawhiti and Hawkes Bay, dated November 2020), the following climate change conditions are expected for the Hastings District:

- Annual average temperatures warm 0.5C – 1.0C by 2040 and 1.5C – 3.0C by 2090. The strongest warming is expected in autumn and the least is in winter;
- Heatwaves become more common with increases of between 10 and 20 days by 2040 and 20 to 60 days by 2090;
- A decrease in annual rainfall by 0-5% by 2040 and then by up to 10% and 15% in parts of Hawkes Bay by 2090;
- Short duration extreme rainfall totals increase between 5% and 14% per degree of warming and drought potential increases;
- Changes in rainfall are expected to impact river flows with annual average discharge decreases by approximately 20% by 2090;
- A rise in sea-level of 0.4m by 2060 (under the high emissions pathway) and by 2090 (by the mid-range emissions pathway);

In response to these emerging challenges the Council has realigned its Committee structure with the creation of the ECO District Subcommittee. That Committee will oversee the development of Council's Climate Action Plan. In tandem with this a new group within Council (Strategy and Development) has been charged with developing responses to the district's key strategic issues. Asset management planning will encompass climate change action planning with support from the strategic planning team.

The first phase of the project has been completed in the form of an initial stocktake and corporate reconnaissance" report.

Linkage with other strategies

The Climate Action Plan will be an integral part of the future Spatial Plan development for our region. Climate change science has already informed Council's current growth strategy (HPUDS) through the report titled "Heretaunga Plains Urban Development Study Climate Change Component Report". This will be updated as part of the HPUDS review in 2021/22.

Climate change impacts on community

Based on current information, climate change is expected to affect the Hastings District in the following ways:

- Increased intensity of heat waves and fire risk;
- A drier climate with increased drought frequency and related impacts on primary production sectors;
- More extreme rainfall and storm events;
- Increased coastal erosion and more extensive coastal inundation;
- Higher storm surge flooding;
- Increased drainage problems in low lying areas;
- Changes in surface water quality, groundwater characteristics and sedimentation;
- Increases in sea water characteristics.

In summary: security of water supply, impacts on the agriculture and horticulture sectors and impacts on coastal communities are likely to be the biggest issues in the Hastings District, along with infrastructure resilience impacts (such as urban stormwater capacity).

Other climate change impacts

In additional to the infrastructural impacts and impacts on our coastal communities (discussed below), Council will face additional costs by responding to climate impacts more broadly. These costs could include:

- Community incentives;
- Ongoing research;
- Funding community initiatives;
- Adjusting infrastructure projects;
- Supporting transformational projects;
- Emissions reduction and mitigation initiatives, and implications of Carbon Zero Bill;
- Employing staff to coordinate climate adaptation initiatives.

Adapting to sea-level rise - Impacts on our coastal communities

The impact on our coastal communities is one of the key impacts that climate change will have in the Hastings District. The Hastings District Council jointly with Napier City and the HB Regional Council are well advanced at developing a long term vision and hazard management strategy for the coastline defined as Clifton to Tangoio. The Joint Clifton Tangoio Hazards Committee have been working to the 4 stage process outlined below. The process is currently in stage 4 which consists of validation, detailed design and costings for the pathway forward identified in Stage 3. A Funding strategy and community engagement also forms part of Stage 4.

Stakeholder Engagement

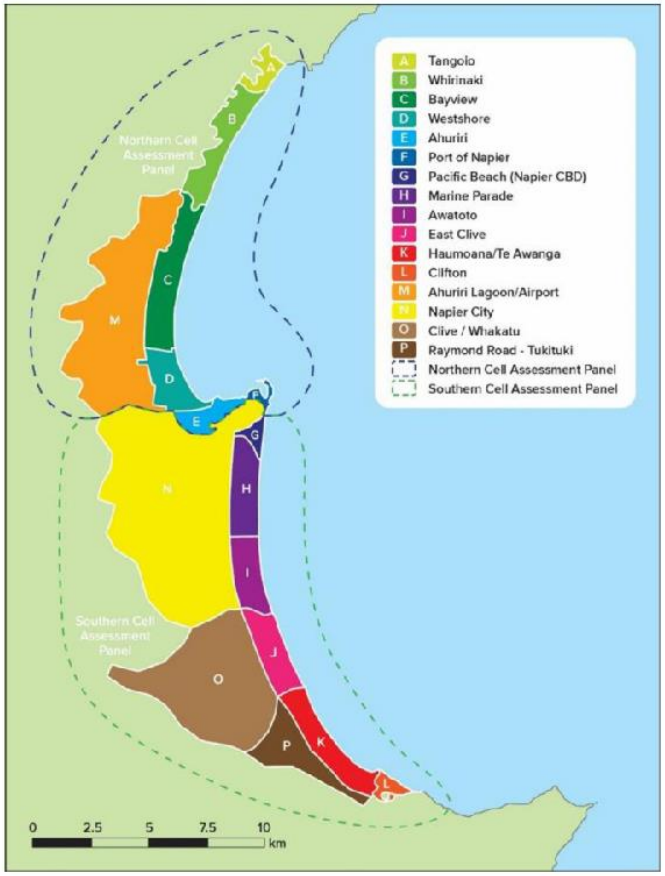
Late 2014	Project Establishment and Context setting
2015	Hazard Evaluation and Risk Assessments undertaken by Tonkin & Taylor (Stage 1)
2016	Decision Making Framework + Funding Model developed (Stage 2)
2017	Evaluation Panel Process (Stage 3)
2018+	Implementation Phase (Stage 4)

A suite of coastal hazard studies and assessments have been undertaken, informed by the latest climate science to arrive at a position of preferred adaptation pathways for the various coastal cells that make up the study area (as depicted in the diagram opposite).

Two important reports focused both on the climate science impacts and the social implications being the reports titled, "Regional Coastal Strategy Hazard Assessment" and Cape Coast Area- Coastal Hazards Social Impact Assessment and Valuation".

The approach taken within this Long Term Plan is to allocate the necessary ongoing funding to support the completion of stage 4 alongside the other local authorities. The ultimate implementation and funding approach will be informed by the stage 4 process.

An outline of the key elements that make up stage 4 is detailed over the page, as well as the final preferred pathways for the various coastal cells in the short, medium and long term.



Funding Policies and Structures

The Strategy sets out a 100-year approach to responding to coastal hazards and will require significant expenditure over that time period to implement. The development of a Coastal Contributary Fund has been agreed to in principle by the Partner Councils; this will likely involve regular contributions being made by the Partner Councils, or directly by Regional Ratepayers, into a fund ahead of time to offset the future costs of implementation. The detail on how that fund would operate, including how it would be governed, whether it could borrow, its legal structure, etc is now in development. Expenditure from Councils to implement the Strategy must adhere to the requirements of the LGA and the Local Government (Rating) 2002 (LGRA) Act. A complete analysis sufficient to satisfy the requirements of s.101(3) of the LGA for pathways in each priority unit of the coast is now in development.

Planning and Regulatory Review

There are three key matters to consider in terms of the existing Resource Management planning and regulatory framework provided by the Hawke's Bay Regional Policy Statement, Regional Plan, Regional Coastal Environment Plan, Hastings District Plan and the City of Napier District Plan:

1) Does the existing framework require changes to improve consistency across jurisdictions;

2) How supportive / restrictive is the existing framework in terms of Strategy implementation and what changes could be made to better facilitate implementation while appropriately managing adverse effects; and

3) How can the moral hazard risk associated with implementing coastal defence measures be managed; i.e. the risk of inadvertently encouraging further development / investment in an area only temporarily protected by a coastal defence.

Each of these factors needs to be considered in light of the approach recommended in the Strategy. An assessment of the existing planning and regularly framework and identification of recommended improvements to be implemented through future Plan changes has been completed.

Council Roles

While the Partner Councils have embarked on a collaborative process with Iwi to develop the Strategy, the detail of each Partner Councils role through implementation is yet to be agreed. Responsibilities for seeking and holding consents, implementing physical works programmes, monitoring of triggers, and the collection of rates (among other matters), are all implementation details that require an agreed position before implementation can commence.

Consultation and Approvals

The full package of detailed information including concept plans, costs and who pays, requires full consultation with all members of the Napier and Hastings communities.

This consultation process is intended to occur formally under the Local Government Act ("LGA") as a standalone special consultative process.

Final Implementation Steps

At the conclusion of consultation a further decision gateway will be presented to the Partner Councils to seek approval to commence actual implementation of the Strategy. This will include:

- Identifying and scheduling Implementation Projects;
- Making provision in future Long Term Plans and Thirty Year Infrastructure Strategies;
- Establishment of the Coastal Contributary Fund;
- Commencement of general and targeted rating;
- Implementing changes to the Regional Policy Statement / Regional Coastal Environment Plan / Regional Plan / District Plans;
- Confirming detailed design and seeking resource consents; and
- Commence construction of coastal structures / renourishment programmes in order of priority.

Final Pathways Preferred

UNIT E1: AHURIRI – PATHWAY 6				
Short term (0 – 20 years)	→	Medium term (20 – 50 years)	→	Long term (50 – 100 years)
Status quo	→	**Sea wall**	→	**Sea wall**
UNIT E2: PANDORA – PATHWAY 3				
Short term (0 – 20 years)	→	Medium term (20 – 50 years)	→	Long term (50 – 100 years)
Inundation Protection	→	**Inundation Protection**	→	**Inundation Protection**
UNIT D: WESTSHORE – PATHWAY 3				
Short term (0 – 20 years)	→	Medium term (20 – 50 years)	→	Long term (50 – 100 years)
Renourishment	→	**Renourishment + Control Structures**	→	**Renourishment + Control Structures**
UNIT C: BAY VIEW – PATHWAY 3				
Short term (0 – 20 years)	→	Medium term (20 – 50 years)	→	Long term (50 – 100 years)
Status Quo / Renourishment	→	**Renourishment + Control Structures**	→	**Renourishment + Control Structures**
UNIT B: WHIRINAKI – PATHWAY 4				
Short term (0 – 20 years)	→	Medium term (20 – 50 years)	→	Long term (50 – 100 years)
Status Quo / Renourishment	→	**Renourishment + Control Structures**	→	**Sea wall**

UNIT L: CLIFTON – PATHWAY 5				
Short term (0 – 20 years)	→	Medium term (20 – 50 years)	→	Long term (50 – 100 years)
Sea wall	→	**Sea wall**	→	**Managed Retreat**
UNIT K2: TE AWANGA – PATHWAY 3				
Short term (0 – 20 years)	→	Medium term (20 – 50 years)	→	Long term (50 – 100 years)
Renourishment + Groynes	→	**Renourishment + Groynes**	→	**Renourishment + Groynes**
UNIT K1: HAUMOANA– PATHWAY 2				
Short term (0 – 20 years)	→	Medium term (20 – 50 years)	→	Long term (50 – 100 years)
Renourishment + Groynes	→	**Renourishment + Groynes**	→	**Managed Retreat**
UNIT J: CLIVE/EAST CLIVE – PATHWAY 1				
Short term (0 – 20 years)	→	Medium term (20 – 50 years)	→	Long term (50 – 100 years)
Status Quo	→	**Renourishment + Groynes**	→	**Retreat the Line / Managed Retreat**

Climate Change Impacts on infrastructure

Understanding of Impacts

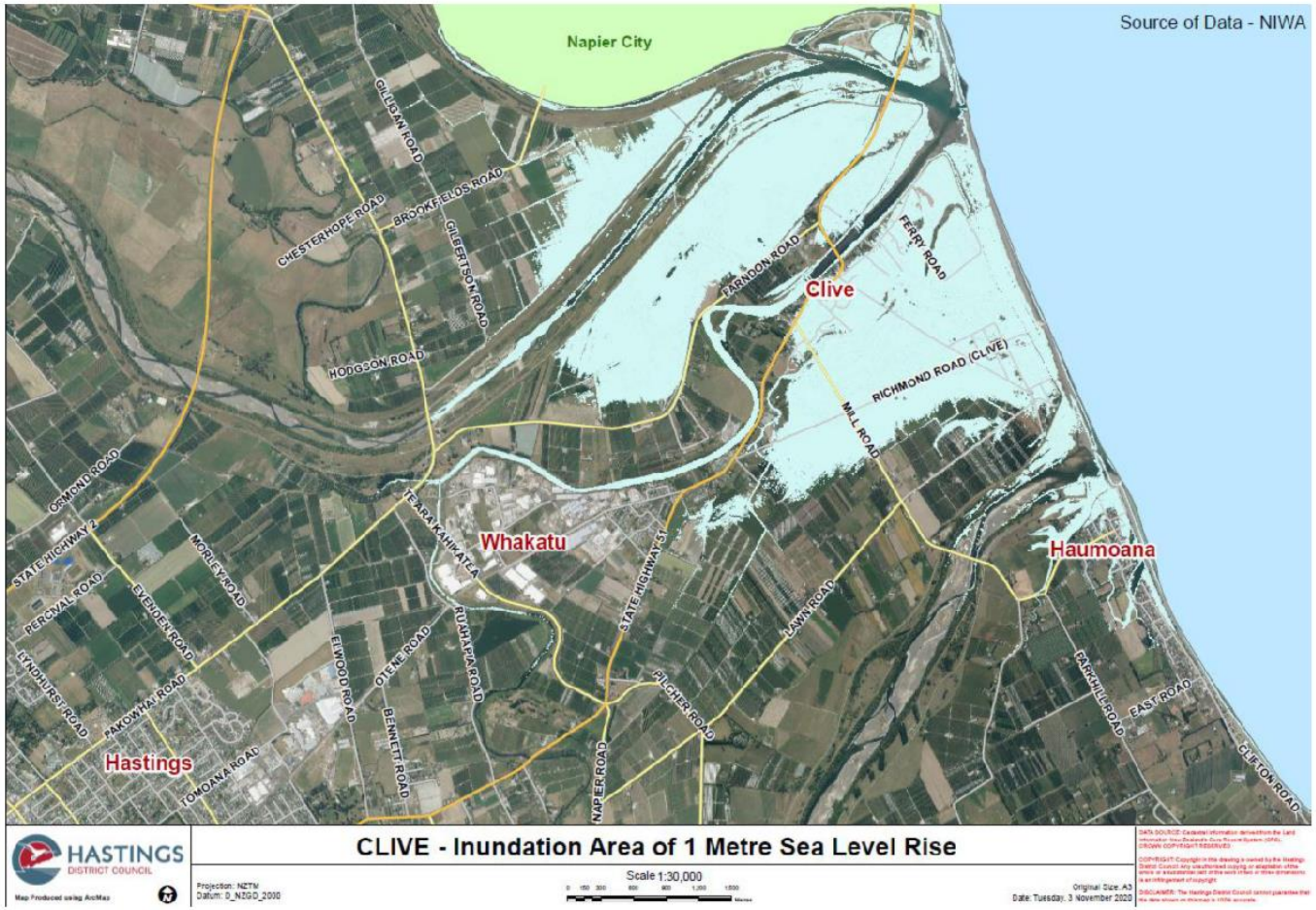
Preliminary internal review about the most significant impacts of climate change on the various Council groups of activities in the next 10, 20 and 30 plus years the matters are summarised in the table below:

Impact	When Felt	Description	Groups Identifying Impacts
Impact on Water Demand	Now	Consents to extract harder to obtain	Asset Management
	10-20	Increased demand causes sector tension	
	30+	Cost to augment supply	
Drought and Irrigation Water	Now -20	Landuse Change	Planning and Regulatory, Finance
		Subdivision pressure	Planning and Regulatory
		Water Harvesting	Planning and Regulatory
Sea Level Rise and Coastal Erosion	Now	Haumoana coastal retreat and some minor new related services. Cape View corner interim protection (25 years)	Planning and Regulatory, Splash Planet*,Asset Management, Information Services
	10-20	Low risk to services	Asset Management
	30+	Medium risk to services	Asset Management
Extreme Weather/Flooding and Insurance	10	Low Risk	Planning and Regulatory, Asset Management, Information Services, Facilities and Programmes.
	10-20	Low to Medium	
	30+	Medium to High	
Impacts on parks and reserves	Now	Increased irrigation and reduced availability	Asset Management
	10-20+	Changes in habitats/plant species	
Increased Fuel and Energy Costs	10	Cost and reliability of supply	Facilities and Programmes
Environmental Refugees	30+	Demand on Services	Asset Management
Reduced Production	10	Economic impacts	Facilities and Progammes (Economic Development)
Environmental Health	10	Demand related to warmer conditions and outdoor events, insects etc	Planning and Regulatory

In accordance with Ministry for the Environment guidance the Council has used a transitional value for sea level rise of 1 metre relative to the 1986-2005 baseline to begin to quantify the Council infrastructure at risk. The map over page shows the modelled impact on the most vulnerable part of Hastings District. This was then overlayed with the asset data the Council holds in this area to produce the following table of infrastructure at risk.

Asset Area	Optimised Replacement Cost	Optimised Depreciation Replacement Cost	% of Optimised Replacement Cost
Three Waters	128,440,779	65,144,303	41.0%
Transport	7,979,356	1,301,596	0.7%
Building & Facilities	8,425,129	3,395,594	2.53%
Greenspace	1,793,659	170,587	3.8%
Total	146,638,923	70,012,080	

Note: Based on 2018 Valuation Data


Source of Data - NIWA
Napier City
Clive
Whakatu
Haumoana
Hastings
GILLESPIE ROAD
CHESTERHOPE ROAD
BROOKFIELDS ROAD
GIBBERTSON ROAD
HODGSON ROAD
FERRY ROAD
FARNDON ROAD
RICHMOND ROAD (CLIVE)
MILL ROAD
ORMOND ROAD
STATE HIGHWAY 2
MORIETY ROAD
PERCIVAL ROAD
EVENDEN ROAD
LYNDHURST ROAD
PAKOWHAI ROAD
TOMOANA ROAD
ELWOOD ROAD
OTENE ROAD
BENNETT ROAD
TE ARA KAHIKATEA
RUNAKITA ROAD
STATE HIGHWAY 51
NAPIER ROAD
PITCHER ROAD
LAWN ROAD
FARNHILL ROAD
EAST ROAD
CLIFTON ROAD
HASTINGS DISTRICT COUNCIL
CLIVE - Inundation Area of 1 Metre Sea Level Rise
Scale 1:30,000
Projection: NZTM
Datum: 0_NZGD_2000
Original Size: A3
Date: Tuesday, 3 November 2020

Climate Change Planning and response

The Council has taken a number of steps to adapt to the identified challenges of the future.

Some examples are outlined below.

Current coastal protection works

Cape View Corner Revetment

The Council is constructing and will maintain a rock revetment approximately 100m long at a location known as Cape View Corner" in Haumoana along the foreshore edge.

The revetment is intended to protect (over the next 35 years) important public and private assets within the Clifton Road reserve and part of an open space reserve, including network utilities and a cycle walkway. Clifton Road at Cape View Corner is also essential for maintaining vehicle access to nearby properties, and to Te Awanga and Clifton to the south.

Waimarama and Clifton Seawalls

The Waimarama Seawall has been in place for property and reserve protection purposes for some time. In 2020 further work is being undertaken on the wall to maintain the integrity of the structure. This work is primarily funded from property owner's receiving the benefit from the protection works with some recognition of the wider community benefits. More recently coastal protection has also been undertaken at Clifton.

Allowances for rainfall intensification

Stormwater

The Proposed District Plan has also recognised climate change by introducing provisions around the disposal of stormwater. In the urban environment a new rule has been introduced which recognises that with higher rainfall events peak stormwater runoff from sites has to be retained on site so as not to impact adjoining properties. The Omahu Road rezoning also included stormwater provisions that set a high standard for stormwater quality from the new industrial zoning.

For all new stormwater infrastructure an allowance for climate change and higher rainfall intensities is required. Council is working with Hawkes Bay Regional Council to prioritise the re-modelling of the main flood control performance under "climate change" scenarios.

Water Security

Tutaekuri, Ahuriri, Ngaruroro and Karamu catchments (TANK)

The TANK process is a Regional Council driven process supported by the Hastings District Council with future water security and environmental and community perspectives at the core of its focus. The aim of TANK is to safeguard the life-supporting capacity, ecosystem processes and indigenous species, improve and maximize efficient allocation, protect the significant values of wetlands and phase-out an over allocation, manage surface water and groundwater quality and the effects of discharge, takes and land use intensification. A suite of new rules and standards are proposed through the TANK plan change, supported by a regional water needs assessment and the exploration of options for augmentation.

Financial headroom and insurance

The Council has included funding in this plan to further mature our understanding of the best evidence-based scenario on the effects of climate change on our community and Council activities. The impacts are likely to be significant and a key way of making sure we are resilient and able to respond is to ensure that we maintain considerable "headroom" in our Financial Strategy to respond to this uncertainty. The current Council policy limit on borrowing is reasonably conservative relative to many other Councils. This means we are in a relatively better position should we need to debt fund responses to climate change impacts in the future. A financial allowance of $1m accumulating has also been included from Year 7 for "known - unknowns" to reflect the realities of climate change (whilst unknown) that will be impacting on future business. This grows a fund of $10m by year 10 of this plan.

In our rural area the Council sets aside funds for the effects of weather events on the roading network. That reserve runs a surplus of circa $1m to address climatic events.

Please also refer to section 2.3.2 of this strategy which outlines the Council's overall approach to risk and resilience and the part that insurance plays within that approach.

Hawke's Bay Regional Council

It is worth noting that the Hawkes Bay Regional Council declared a Climate Change Emergency in June 2019.

2.2 Significant Infrastructure Decisions

2.2.1 Significant decisions – Made in the past (now being implemented)

Key Decision	Indicative Timeframe	Principal Options and Implications	Most Likely Scenario
Water Strategy Water reticulation, treatment and source alternatives based on non-secure water status	Completion by 2021	a) The evolution of the Council Water Strategy determined the principal option to be a move away from the Brookvale borefield, the development of a new borefield, the increase of pipe and storage capacity and the installation of water treatment on all water supplies.	**Option A being implemented**– The Council decided in the 2018 LTP to allocate circa $60m for implementation of a comprehensive investment in safe drinking water infrastructure. This plan completes the rollout of that investment in 2021.
Municipal Building Future use and investment considerations, in response to new earthquake strengthening requirements.	Completion by 2021	Previous consultation on this matter identified the following 4 broad options: a) Municipal Building retained b) Retention of exterior heritage facade c) Municipal Building demolition d) Delay a decision	**Option A being implemented** – The Council decided to allocate $10.5m of Council loan funding to advance option A. A further allocation of $xm was approved in 2020 to complete the project (due to an external funding shortfall).
Bridge Strengthening and Replacement Programme New HPMV and VDEM rule for longer and heavier vehicles and impact on bridge network.	Completion by 2025	a) Council consulted and prioritised an order of strengthening on weight restricted bridges based on its criticality to the network and users. Investment of $9.9m spread over 7 years. Other options that were considered were a quicker implementation timeframe or keeping the weight restrictions in place until assets required renewal.	**Option A being implemented** – Implementing an investment programme based on prioritisation of the districts bridges based on their role and value in future proofing lifelines for rural communities and key productivity routes. The 2018 LTP included investment of $9.9m over 7 years. This plan continues that planned programme of investment: Please see the table below for more detail.
Wastewater Trunk Main Renewal Programme Three large trunk mains convey separated domestic and industrial wastewater flows to the Wastewater Treatment Plant at East Clive. Detailed investigations have identified parts of the #1 and #3 trunk sewers for priority renewal due to internal corrosion of the concrete pipes. A significant programme of works is underway to replace or reline these assets over a number of years based on condition and expected remaining lives.	Completion by 2048	a) Planned programme of renewals based on asset condition and expected remaining lives. b) Land based treatment options were considered as part of the resource consent application however they were deemed to be inefficient and uneconomic for the community. The existing WWTP and treatment process provides a long term solution for Hastings and the industrial community that relies on network infrastructure for essential wastewater services.	**Option A being implemented** – Continuing with ongoing renewal programme. Assets are being renewed using materials that are resistant to corrosion with future works prioritised according to known condition and criticality. The 2021 LTP programme includes $20.5m of expenditure in the first 10 years and a further $50m in the next 20 years. Council will continue to consider future options as part of the consent review process, with some funding capacity provided in future years for this.

2.2.2 Significant decisions – To be made now

Key Decision	Indicative Timeframe	Principal Options and Implications	Most Likely Scenario
Heretaunga House Earthquake Strengthening A response is required to address recent advice as to the earthquake prone status of the Heretaunga House office building.	Completion (unknown) Decision likely during 2021/22	The options for the future are currently being scoped for consideration. Short-term arrangements have been put in place that lease office space to enable Council functions to continue to operate. The likely options are: a) **The current LTP Approach -** Continue with existing arrangements in terms of leased office space. Take the time to assess the outcomes and implications of Water Reform on accommodation needs, along with other government partners. b) **Strengthen Heretaunga House** - This option is still being fully scoped and quantified but could be in the order of $15m. c) **Build New** – The Council could retain the site but demolish the existing building and build a new fit for purpose facility (at a scale & scope less than the current building. This option has not been fully scoped but could be in the order of $7m to $25m. d) **Sell** – This would be dependant on the review outcomes and assessed potential for sale in the property market.	**Option A** – In the short-term the 2021 LTP contains the necessary operational funding for existing lease arrangements along with funding for a review of the functionality of the Main Administration Building. That office space review and potential reconfiguration of the HDC Main Administration building would look at how to better optimise existing floor space.

2.2.3 Significant decisions - Ongoing renewal and future decisions

Key Decision	Indicative Timeframe	Principal Options and Implications	Most Likely Scenario
Road Renewal Programme Escalated funding response to the long-run needs of ageing and deteriorating transportation assets and increased demand on road assets.	Completion (next 10 years)	This is a sustained period of escalated investment to address the needs of ageing and deteriorating transportation infrastructure and increased demand on sealed and unsealed roads. a) Implement optimised maintenance and renewal programme b) Delay renewals programme and offset with additional maintenance spend	**Option A being implemented -** Critical renewals works will be prioritised in respect of asphalt, chip sealing, pavement and drainage. A significant uplift in renewal spend is included in years 2021 -2024 of this LTP. Some smoothing of the programme has occurred to reflect the realities of the co-funding relationship with NZTA. Escalations in spend therefore continue from year 4 of the plan.
Wastewater Eastern Interceptor Upgrade This is a multi-staged upgrade and renewal programme of the wastewater network servicing Akina and Windsor Ave areas to cater for infill development and Howard street growth.	Completion by 2023	This is a complex multi staged project and the planning stage considered a number of options including: a) Continue with the existing system and mitigate LOS issues with reactive operations activities. b) New pipeline alignment generally along the existing route. Several staging options were assess in order to align with roading priorities. A number of construction methods were assessed in order to ensure wastewater services could continue during the construction periods	**Option B being implemented -** The preferred option is a multi-staged construction programme with a pipeline alignment generally along the existing pipeline. The staging of works has been planned to coincide with roading construction works

Key Decision	Indicative Timeframe	Principal Options and Implications	Most Likely Scenario
Wastewater Treatment Plant Critical Renewals	Completion by 2031	a) Implement age based renewals approach b) Condition and performance based renewals with consideration of technological advancements	**Option B being implemented** -Critical renewals works will be prioritised and implemented based on criticality and asset performance

Some of the longer term significant decisions outlined in this strategy are less certain at this time. They will require further investigation, analysis of alternatives and accurate cost information prior to being presented to the community in future versions of the Infrastructure Strategy.

Key Decision	Indicative Timeframe	Outline
Landfill – future disposal alternatives	Beyond Year 10	Waste which is not reused or recycled is currently buried at the Omarunui landfill. Following a waste futures study the Councils have committed to an extension to the landfill area which provides about 5 years capacity. For the purposes of this plan the current position (continuing to landfill waste has been assumed) with circa $30.0m budgeted in the first 10 years. A number of alternatives have emerged in the market place which will be further assessed in future Waste Studies. If one of these alternatives is assessed as being a better future management solution than landfill both environmentally and economically then the funding capacity signalled for the landfill option would be used for the alternative solution.
East Clive Outfall – submerged pipe replacement	Beyond Year 20	The wastewater discharge pipeline is a 2.765km marine outfall that discharges into Hawke Bay. Further analysis on the remaining life of the submerged and beach sections of the outfall is underway to determine when replacement might be required. On current predictions this is just inside the 30 year infrastructure strategy horizon.
HDC regional roading projects The Council working with the Regional Transport Committee have completed traffic modelling for the Heretaunga Plains with Council allocating funds for the projects which have been identified below. These projects are longer term and will be the subject of further investigation and refinement based on future land use patterns, speed of take-up and analysis of the effects of other roading projects on traffic behaviour (i.e. Te Ara Kahikitea and State Highway improvements). Updates will be communicated in future versions of the Council's Infrastructure Strategy.		
Havelock Road Development – potential three laning	Within Years 11-15	Havelock Road Development project includes the construction of the three laning of Havelock Road as per the adopted Havelock Rd Corridor Management Plan
North Eastern Connector – Karamu Road/Pakowhai Road link	Within Years 11-15	The project will provide a link between Karamu Road and Pakowhai Road. This will connect North Eastern area of Hastings and the Tomoana Industrial area to expressway and the Whakatu Industrial area (the connection to Whakatu Industrial area is through Pakowhai Road).
Pakowhai Road Corridor Management Plan	Within Years 4-10	Pakowhai Road Corridor Safety improvements include the upgrade of Richmond Rd/Pakowhai Rd and Elwood/Pakowhai Rd intersections to a roundabout (subject to outcomes of North Eastern Connector investigation) and also for the upgrade of the traffic signals at St Aubyn St/Pakowhai Rd as per the adopted Pakowhai Corridor Management Plan.

2.2.4 Transitioning from today to tomorrow

The timeline on page 220 shows the most likely scenario for the Council's infrastructure investment (see page 230 for detail of growth infrastructure). The highlights in brief are:

- Residential growth is accommodated in the early years via Lyndhurst Stage Two, Howard Street, Iona and Brookvale growth areas. In years 6-10 Lyndhurst Extension, further Brookvale and Havelock Hills development is projected to come on stream. Years 11-30 accommodate further growth areas as outlined in the Heretaunga Plains Urban Development Strategy.
- Industrial growth is based on projected uptake and centred on the Omahu and Irongate industrial areas in two stages over the first 10 years of the plan, along with Whakatu Stage 2 development in Year 5.
- The previous Long Term Plan signalled the Water Strategy Investment programme with the first 10 years of the plan providing for advancing the Council's Water Strategy, both in terms of securing the water supply source via investments in new bores and source investigations, treatment on all water sources, along with the commencement of network improvements to optimise the efficient water supply across the district.
- The Backflow Prevention Programme is an additional component of the Drinking Water strategy that will help protect the potable water supply within the Council network from contaminants and pollution.
- A period of recent investigation into our stormwater infrastructure identifies the need for some investment in the renewal of sumps. After Year 10 renewals escalate as the stormwater infrastructure (which is relatively new) reaches its renewal age.
- The Councils three key wastewater trunk mains require renewal over the 30 years of this infrastructure strategy. Some initial work on the East Clive Wastewater Treatment Plant outfall diffuser has been completed with the 2.4km of outfall pipe being further investigated, but not likely to require renewal for some considerable time. An additional BTF plant is scheduled for year 15.
- The Park Road Rising Main and Eastern Interceptor Upgrade programme commenced in 2018 to increase the system capacity to meet Level of service and cater for future growth. The Park Road stage of the project has been completed and the Eastern Interceptor is planned for in the 2021 LTP.
- A strengthening programme on our key bridges is in place via a 7 year capital investment programme. Some complete replacement of selected bridges is planned for in the latter part of the 30 year programme.
- The age and forecast performance of our roading network signals that escalation in pavement and related renewals investment is required now to retain current levels of service. Discussions with Councils key funding partner (New Zealand Transport Authority) will be key to addressing this future need. Key roading projects (including the Havelock Road corridor and North Eastern Connector) are signalled in future years, requiring further investigation.
- Investment in solid waste disposal facilities will be required as the landfill reaches capacity in about 5 years' time. The consenting process is underway and financial allowance has been made to enable the consented solution to be implemented.
- Community Buildings – The new capital works programme will be focused on building code compliance in areas of fire safety and accessibility improvement, in addition to building earthquake strengthening. Fiscal allowances have been made for the upgrade of Civic Square and the central CBD mall area.
- The Municipal Building earthquake strengthening and upgrade project is in the last phase of completion with funds allocated for this work.
- The rollout of Council's play strategy and higher level of service expectations from the community means increasing asset renewal requirements and operations over the next 10 years, and financial allowances for a number of level of service improvement projects.
- Ageing tree stock and historical poor species selection in some locations is driving higher asset renewal needs.
- A remaining element within the Council's Aquatics Strategy is to ascertain the optimal future position in terms of aquatic provision for the district (to compliment previous upgrades on Council's four existing aquatic facilities). No further fiscal provision has been made in this plan in light of both the proposed aquatic facility at the Regional Sports Park and the need for a strategic review of the Splash Planet facility.
- The budget contains financial provision for further development within the Hastings City Centre to ensure it remains a competitive provincial urban centre.

From today to tomorrow – the continuous story

The following tables present a snapshot of the key drivers within each of the asset groups and the likely forecast funding responses compared with the Infrastructure Strategy within the 2018 – 2028 Long Term Plan.

Water Supply

Key Matters	LTP Funding Impacts		
	3 Year	4-10 Year	11-30 Year
Operations and maintenance – Slight increases in the 1-10 year horizon due to O&M improvements and increasing compliance requirements to limit abstraction and demonstrate water efficiency.	Increasing	Increasing	Existing
Compliance and reporting – Slight inceases in the 1-10 year horizon based on increasing water quality compliance costs and resource consenting requirements.	Increasing	Increasing	Existing
Renewals planning and investment – Large increases in the 1-3 year horizon to implement prioritised renewal works. The longer term horizon will also see slight renewals increases due to increasing asset information and renewals prioritisation.	Increasing	Increasing	Increasing
New Capital – Large increases in the 1-3 year horizon to complete backflow preventer installation and support the ongoing implementation of the Water Strategy.	Increasing	Increasing	Existing
Growth – Growth projects have been centrally coordinated through the Growth Projects Review Board. Iona and Howard Street residential developments in the first 3 years of the plan require escalated investment.	Increasing	Existing	Existing

Stormwater

Key Matters	LTP Funding Impacts		
	3 Year	4-10 Year	11-30 Year
Operations and maintenance – Significant increases in the 1-10 year horizon to maintain new storage basins and treatment areas in industrial zones. Slight increases over the medium term as part of the Three Waters Reform process.	Increasing	Increasing	Increasing
Compliance and reporting – Significant increase are anticipated based on increasing compliance costs for ongoing catchment monitoring and future resource consenting requirements.	Increasing	Increasing	Existing
Renewals planning and investment –Increases in the 1-10 year horizon and then significant increases over the longer term as improved asset information and prioritised renewals are confirmed.	Increasing	Increasing	Increasing
New Capital – Increases in the 1-10 year horizon. Timing of significant increase in the latter part of the 30 year horizon as future treatment and discharge arrangements are required to improve stormwater quality.	Increasing	Increasing	Increasing
Growth – Growth projects have been centrally coordinated through the Growth Projects Review Board. Iona and Howard Street residential developments in the first 3 years of the plan require escalated investment.	Increasing	Existing	Existing

Wastewater

Key Matters	LTP Funding Impacts		
	3 Year	4-10 Year	11-30 Year
Operations and Maintenance – Slight increases in the 1-10 year horizon due to greater focus on investigations and preventative maintenance.	Increasing	Increasing	Existing
Compliance and reporting – Initial compliance costs remain similar to previous with slight increase in the medium term due to potential increases in resource consenting standards and requirements.	Increasing	Increasing	Existing
Renewals planning and investment – Significant increase in the 1-3 year horizon which decreases over time due to increasing asset information and renewals prioritisation.	Increasing	Increasing	Existing
New Capital – Similar funding levels in the 1-10 year horizon and then significant increases in the latter part of the 30 years due to future treatment and discharge arrangements (ocean outfall).	Existing	Increasing	Increasing
Growth – Growth projects have been centrally coordinated through the Growth Projects Review Board. Iona and Howard Street residential developments in the first 3 years of the plan require escalated investment.	Increasing	Existing	Existing

Transportation

Key Matters	LTP Funding Impacts		
	3 Year	4-10 Year	11-30 Year
Pavement renewal – increase in area wide pavement renewals from 8.5km's to 15.5km's	Increasing	Increasing	Increasing
Resealing – increase surfacing quantities to 100km's per year. Increase asphalt renewals from 1.5km to 2.5km per year	Increasing	Increasing	Increasing
Bridges – continuation of bridge strengthening programme developed in the 2018 LTP	Existing	Existing	Existing
Drainage – renewal programme to replace stormwater assets (pipes, water tables and kerb and channel) in poor condition	Increasing	Increasing	Existing
Road Safety – response to Road to Safety Strategy targets.	Increasing	Increasing	Increasing

Parks

Key Matters	LTP Funding Impacts		
	3 Year	4-10 Year	11-30 Year
Service Levels – managing service level needs and maintenance of natural areas.	Increasing	Increasing	
General Parks New Works	Existing	Existing	Existing
Parks pop-up irrigation – rollout of parks pop-up irrigation programme.	Increasing	Increasing	
Park Development			
Key reserve development (Civic square, Windsor, Cornwall)			
Playground and Toilet upgrades			
Renewal escalation (trees and hard landscaping)			
Sportsgrounds (water issues in parks / sportsground lighting)			

Key:

- Existing forecast funding allowance appropriate
- Moderate Increase to existing forecast funding allowance
- Escalated increase to existing forecast funding allowance



2.2.5 30 year infrastructure roadmap

A high level view of the most likely scenario for significant project start-ups is outlined below.

Key Driver	Year 1	Year 2	Year 3	Years 4 – 10	Years 11 – 30
Growth					
Residential Growth	Howard Street Iona Various Developer Driven	Residential Intensification		Lyndhurst Extension Brookvale/Romanes Stage 1 Havelock Hills	Kaiapo/Murdoch Brookvale/Romanes Stage 2/3 Copeland
Industrial Growth	Whakatu Stage 2				Tomoana Stages 1/2
Improvement					
Environmental Risk Capacity Legislative Resource Consent	Drinking Water Investment Pop-up Irrigation Landfill Development → Havelock North/Hastings Parking Various Earthquake Strengthening Stormwater quality improvement Martin Place recycling Major safety improvements	Karamu Road Corridor Omahu Road Corridor Percival Rd Extension Waipatiki campground sewer	Havelock North streams Blackbridge transfer station	Pakowhai/St Aubyn Intersection Road Safety Escalation Windsor/St Aubyn Intersection North Eastern Connector → Havelock Rd, St Aubyn & Pakowhai Rd Pakowhai Stormwater Catchment Various Flood Mitigation	Road Safety Escalation Wastewater Consent Reviews Havelock Road Corridor Plan North Eastern Area Wide Corridor Plan Various Flood Mitigation Coastal Infrastructure
Level of Service Improvement	Reserve Upgrades -(Cornwall, Havelock, Tainui/Hav Hills) Playground Upgrades → New Toilets → Walking and Cycling CBD street upgrades → HB Museum storage	Reserve Upgrades (Raureka) Sportsground changing rooms Civic Square BI/Datawarehouse	Reserve Upgrade (Waimarama) Flaxmere Pool Haumoana Hall Walking and Cycling CBD Central Mall	Reserve Upgrades (Cape Coast, Windsor) Clive Pool Clive reticulation (unserviced area) Walking and Cycling Elderly Flats (Healthy Home upgrades)	Bridge Pa Sewer Walking and Cycling Elderly Flats (Healthy Home upgrades)

A high level view of the most likely scenario for significant renewal expenditure is outlined below.

Key Driver	Year 1	Year 2	Year 3	Years 4 – 10	Years 11 – 30
Asset Renewal					
Roads	Bridge Programme (HPMV/ Class 1) → Road Renewal Escalation →			Road Renewal Escalation → Bridge Replacement	
Water Services	Eastern Interceptor - Sewer Flaxmere Pump Station Wastewater Trunk Sewers Drinking Water Wastewater Treatment Plant	Stormwater sump renewal →	Flaxmere rising main Clive/Waipuna Pump Stations	Inland/urban Trunk Sewers Various Pump Stations Water Supply Renewal Escalation Wastewater Treatment Plant	Trunk Sewers Renewals Stormwater Renewals Escalation Wastewater Treatment Plant (outfall/BTF) Rising Main Renewals Water Supply Renewals
Parks Facilities Buildings	Parks Escalation Roof replacements (Elder Housing) → Infrastructure Server Flaxmere Waterworld	Splash Planet/Holiday Park Hastings Art Gallery/Library	Technology One Upgrade	Various Halls and Community Centres Pool Plant Renewals Hastings/Havelock Nth Libraries Hastings Sports Centre / Cremator Central Office Building	Library Renewals Central Office Building Henderson Road Transfer Station Opera House Aquatic Centre

2.3 Risk and Resilience

2.3.1 Assets We Own and Their Value

Council manages a large quantity of assets on behalf of the community to enable service needs of the community to be met.

Asset Details	Quantity
Transportation	
Sealed Pavement (km)	1,311
Unsealed Pavement (km)	340
Footpaths (km)	473
Bridges	260
Off Road Cycleway (km)	69
Street Lights	7,100

Asset Details	Quantity
Stormwater	
Mains (km)	334
Open Channels (km)	28
Retention Dams (No.)	8
Pump Stations (No.)	11
Wastewater	
Mains (km)	448
Connections (km)	177
Pump Stations (No.)	44
Treatment Plant (No.)	2
Outfall (km)	3
Water Supply	
Mains (km)	536
Connections (km)	167
Water Treatment Plants/Pump Stations (No.)	15

Asset Details	Quantity
Buildings	
On Council land	150
Maintained by Council	109
Reserves / Recreation	
Reserves (hectares)	696
Sportsgrounds (hectares)	57
Parks and Reserves	184
Playgrounds	43
Street Trees	11,088
Shrubs and Annuals (streetscape)	54,000m²

Valuation Summary

	Replacement Cost	Depreciated Replacement Cost	Annual Depreciation
Transport			
Rating Area One	651,932,000	472,703,000	7,398,000
Rating Area Two	820,850,000	679,012,000	6,724,000
Total Transport	**1,472,782,000**	**1,151,715,000**	**14,122,000**
Wastewater	506,725,581	258,835,311	7,411,273
Stormwater	374,311,823	227,471,926	3,909,210
Water	228,945,484	133,905,302	3,363,985
Total Water Services	**1,109,982,888**	**620,212,539**	**14,684,468**
Total Parks	**72,384,942**	**43,714,645**	**1,726,470**
Total Buildings	**217,700,000**	**98,000,000**	**2,200,000**

2.3.2 Overall Approach to Risk and Resilience

Critical Assets

The Water Services assets are categorised into Critical and non-critical asset categories. Critical Assets represent key assets that are essential to maintaining network operation and the achievement of customer level of services. Critical assets include; Trunk mains, treatment plants, water treatment facilities, large pump stations, reservoirs, detention dams. Critical asset renewal strategies aim to ensure assets are replaced prior to asset failure and or loss of customer Level of Services. Critical assets have robust operation, maintenance and inspection programmes to ensure high levels of operational performance.

There is a process for ranking and rating critical assets and these classifications are captured in the asset management system. Critical assets are identified based on who would be affected and where essential services are located (i.e. hospitals). Technology improvements mean that better information on the performance and condition of assets is able to be obtained.

Hastings District Council has developed a Enterprise Risk Management framework that cascades down to all Council activity areas with reporting back up to Council Risk and Assurance Committee. Project/task risk and health and safety plans are developed and managed for specific projects and tasks undertaken by Council staff and contractors. There are a number of initiatives within Council to promote and manage improvements in risk management and health and safety practices. The aim of these is a strong Council risk and safety culture.

Infrastructure Strategy Risk Summary

The following risks from the Council Strategic Risk register are relevant to the infrastructure strategy:

Description	Details
Failure of climate adaptation	Lack of knowledge, protracted decision making or insufficient application of resources may cause climate change adaptation measures to fail adversely impacting economic, social and cultural wellbeing.
Water Quality & Quantity	As a result of climate change and human activities, there may not be a sustainable quantity of quality water to support the communities economic, social and environmental wellbeing aspirations.
People Safety & Wellbeing	Due to the diverse range of activities in which Council is involved, including; underground services, parks and facility maintenance, waste management, Council staff, contractors, customers and the community may be exposed to hazards that can cause harm.
Spatial and asset management planning	Failure to accurately understand community needs may lead to poor spatial and asset management planning that compromises delivery of the services required by the community adversely affecting economic, social and cultural wellbeing.
Significant Operational Service Failure	Operational failure that may have material impact on delivery of Council services to the community.

Current Context

Infrastructure services are key to normal functioning of the community, including the ability to support the community's future development aspirations. To anticipate the future demands that Council's infrastructure services may need to meet, Council develops land use plans and asset management plans based on sound understanding of regional development demands, community service level expectations and asset condition and performance.

Future Mitigation

Further mitigation of these risks is proposed in the Long Term Plan, and underlying Asset Management Plans, through a range of development projects including; expansion of the HPUDS strategy to form a full spatial plan for the district, enhancing water treatment capability through ongoing upgrades, improved demand management practices, and budgeting funds to adapt to the impacts of climate change in the later years of the plan.

Other mitigations include escalated LTP investment in road renewals which will avoid road deterioration and failure, and significant investment in critical Wastewater Treatment Plant renewals mitigating any risk of operational failure of the plant.

Non-Critical Assets

Non critical assets represent assets that make up the reticulation network and are less critical to ensuring overall asset performance. Non critical asset renewal strategies aim to optimise asset life and investment. Condition assessment is less frequent and intensive than with critical assets. Review and assessment of faults trends is an important activity that helps predict declining asset performance and condition. Maintenance activities involves scheduled activities in areas with known issues and reactive maintenance in response to reported faults.

Insurance

Council has comprehensive suite of insurance policies which are annually reviewed by Council's Risk and Audit Subcommittee. Assets (mainly buildings and contents) with a replacement value of $388m are insured under councils Material Damage Policy.

In the event of a major disaster or catastrophe the cost of replacing water, sewage and other essential services (not roads and bridges) is shared with 60% of the cost met by central government and 40% met by the local authority. Hastings District Council is a member of the Local Authority Protection Programme (LAPP). The LAPP fund is a cash accumulation mutual pool established to help local authorities meet their 40% share in the event of such a disaster. The most significant scenario describes a situation where a 1 in 1,000-year event would create approximately $225m of damage to Council's underground infrastructure. In this situation, the upper limits of LAPP's cover at $140m would mean that Council would face a shortfall of $34m and is effectively self-insuring its 40% share of any event with losses over $140m. The value of infrastructural assets declared by the Council to be covered by the LAPP fund is $913m.

Hastings District Council has a number of other assets not covered by insurance contracts or risk sharing arrangements and therefore are self-insured. The major category in this group would be roads and some low value bridges valued at 30 June 2020 $1,103m (excl. land). There would also be a number of other sundry items that would fall into this group. While these assets are not insured there are cost sharing arrangements in place with NZTA for all subsidised roading assets. Council also has insurance in place for all bridges in excess of $250,000 with a loss limit of $10m. This acknowledges the geographic spread of the bridge assets and the accelerated NZTA subsidy should a major event occur.

Council also has public liability and professional indemnity insurance ($300m) along with a comprehensive suite of policies for other liability policies.

In addition to the above the Council makes provision for flood damage on its extensive rural roading network, with unspent funds in any one year transferred into a reserve. This fund typically runs a surplus of $1m and provides resilience to unforeseen events.

2.4 Reliability of Asset Information

The information below outlines the reliability of the asset data to inform the decisions in this LTP. Overall the plan has robust reliability of data. Future improvements planned will further improve the robustness of the information. Whilst there was previously a manual process for assessing and recording information, now an automated system is used for condition ratings which puts in all information from various sources (i.e. contractors) and then this is modelled over the network. Council therefore has good confidence in the data and has an ongoing asset data review and improvement programme. In the transportation area peer average data across the sector shows Hastings District Council to be performing well.

Water Services

Utility	Score	Improvements
Sewer	4	Non reticulation assets require attention
Storm	4	Non reticulation assets require attention
Water	4	Non reticulation assets require attention

Rating: 4.
Description: Reliable/Verified

Scale			
5	Highly Reliable/Audited	2	Uncertain
4	Reliable/Verified	1	Very Certain
3	Less Reliable	0	No Data

Transportation

Assets	Score
Sealed Pavement Surface	A
Bridges	A
Other Asset Classes	B

Rating: A. – Highly Reliable
Description: Accurate based on reliable information and documents
Rating: B. – Reliable
Description: Accurate based on reliable information and documents

Scale	
A	Highly Reliable
B	Reliable
C	Partially Reliable
D	Not Reliable
E	Assumed

2.5 Infrastructure Investment Plan

The key decisions the Council has to make are about how much capital expenditure it should make on infrastructure and when that should happen.

Capital investment decisions are driven off some key considerations:

- When should existing infrastructure be replaced, and does the community still need it (2.5.1);
- When should the Council invest in improving the existing service (2.5.2); and
- How much needs to be invested to provide infrastructure for a growing community (2.5.3).

In preparing this plan, the Council has had to make assumptions related to these matters.

2.5.1 Maintenance and Renewal

The expected asset lives of Council's assets are set out in detail in the statement of accounting policies in the Long Term Plan. However this aspect is only one of many considerations used when forecasting future asset replacement.

The Council uses its maintenance contractors to provide important asset information when undertaking maintenance work, including condition assessments and information about faults and repairs. Specific programmes are also in place which varying depending on the asset type. The Transportation assets have cyclic independent condition monitoring. Across the water assets targeted programmes are in place for assessing higher criticality assets, using techniques such as CCTV monitoring, and laser profiling of pipe degradation. This information enables Council to make prudent assessments about the likely lives of our assets and therefore the optimal maintenance and renewal programmes that need to be put in place.

Infrastructure assets typically deteriorate gradually over time and usage. Therefore it is not critical that any particular pipe is replaced in the specific year shown. Council smooth's the planned renewal programme to achieve a balance between optimal timing of replacement, keeping funding demands on ratepayers even, some consistency in procurement to market, and ensuring that the work that affects street surfaces is integrated across the various Council's asset programmes.

For a few of our non-critical assets (low risk and low public inconvenience) we use a run to failure approach, and make replacement when signs of failure are evident, thereby optimising the value of the community's investment in these assets.

Key renewals programmed in this plan are:

- Wastewater trunk mains (ongoing programme)
- Wastewater Treatment Plant critical renewals (Years 1-3) (Years 11-15) (Years 21-30)
- Wastewater pump stations (Years 4-10) (Years 11-15)
- Bridge strengthening programme (Years 1-3)
- Road pavement renewal escalation (Years 1-10)
- Stormwater sump renewals (Years 1-10) other renewals commence (Years 11-30)
- Water supply AC pipe (Fibro Cement) (Years 11-30)
- Drinking water renewals escalate from (Years 1-3)
- Parks renewal escalation (Years 1-3)

Note: The renewal of the 2.4km outfall pipe at the Wastewater Treatment Plant is a significant renewal which sits near the end of the 30 year timeframe currently. Further investigation of the exact scale and timing is on-going, however the need for infrastructural investment is some considerable time away. Future options may also be an alternative treatment approach.

Deferred Maintenance and Renewal

There is no consequential backlog of maintenance or renewal across the Council asset areas. In some cases assets which are still performing well are being run past their assumed life, which fits with the Council's philosophy of optimising its assets. In the transport (road pavement surfacing) and water supply (aspestos pipe and cooper laterals) areas, Asset Mangement Plans are signalling the need for a forward investment plan which has been incorporated in this Long Term Plan.

The service risk is being managed whilst managing affordability and deliverability realties. The cummalative depreciation versus cummalative investment profiles show an appropriate amount of investment is being maintained.

Projected 30 year council renewal profile

The graph below shows the expected replacement profile for the Councils water, sewer, and stormwater reticulation, along with the roading network as a total picture.

The sections that follow discuss each asset area in more detail.

Activity overview

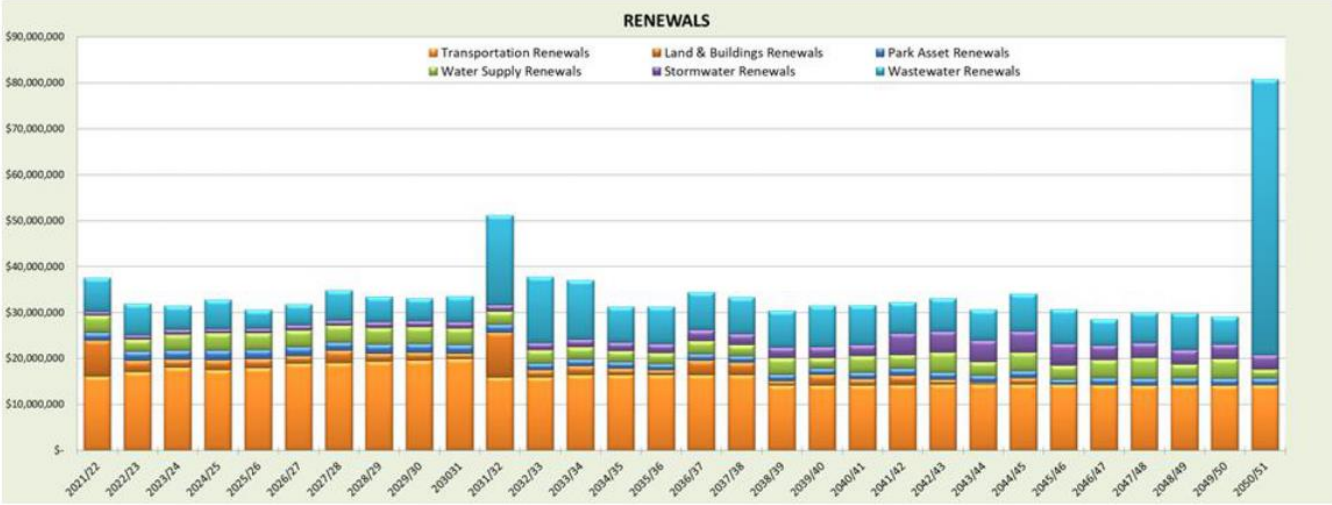
The Council plans its asset renewal programme around the detailed knowledge it has on the condition and performance of its assets, to ensure that it is optimising investment to maintain current service provision.

Whilst the planning functions are predominantly delivered in-house, key service delivery arrangements are in place with external entities via external contracts with appropriate performance standards and review.

Outlined below are the key asset renewal considerations in this plan. The section titled "The Financial Strategy Connection" outlines the Council approach to funding depreciation. That methodology is a guide as to the correct level of investment. The gap between renewal funding and depreciation is not widening considerably, therefore the level of service being delivered today is being retained. This is important as no significant level of service issues are being experienced from our core infrastructural assets. The Council also needs to be mindful that it is not investing considerably more than the depreciation calculation as it would not be optimising the assets lives.

Note:

The spike in year 30 on the graph below represents the marine section of the wastewater discharge pipeline



Transportation

The objective of the Hastings District Council's Asset Management Policy for the Transportation Activity is to ensure that Council's service delivery is optimised to deliver agreed community outcomes and levels of service, manage related risks, and optimise expenditure over the entire life cycle of the service delivery, using appropriate assets as required.

To maintain current Levels of service the depreciation/renewals spend is continuously monitored and asset lives are optimised to deliver fit for purpose customer levels of service (CLOS).

Rating Area-2 show a widening gap in the early years due to the high proportion of rural sealed asset which was constructed during the late 1950's at a rate of 15 – 20 km per year. Typically As these pavements reach an age of +-75 years, renewal is required.

A strategy of the mid-term strengthening works is also incorporated; this delays the need for bridge replacements with only a handful of bridge renewals identified near the end of the 30 year period.

An increase in investment will be required to maintain CLOS. Further factors impacting on the depreciation/renewals relationship is the need to work closely with our co-investor (New Zealand Transport Agency) on programme alignment and priorities.

Water Supply

A key issue relates to the renewal of asbestos cement pipe which has a reduced life, is brittle and can fail without warning. 35% of our water main assets are made of AC pipe and the vast majority of these assets along with the copper connections are programmed for replacement between 2035 and 2050.

In conjunction with this issue the projected renewal of steel and cast iron pipe infrastructure is commencing at about the same time therefore some escalation in renewal funding is signalled from about 2037 onwards.

Due to the change of understanding and status of our groundwater, a new Water Supply Strategy has been adopted. A significant capital investment plan detailed in the 2018 Long Term Plan is well through its implementation.

On average the water supply network is about half way through its expected life.

Targeted rates are used to fund this activity with any spikes in expenditure taken into account in the setting of the targeted rate. This ensures that community affordability considerations are factored in to avoid sudden changes in the annual targeted rate.

Wastewater

Major renewals projects include the trunk sewer mains that lead from Hastings to the East Clive WWTP, the renewal of pump stations and rising mains, the Eastern interceptor and critical renewals in yeare 1-3 at the East Clive Wastewater Treatment Plant.. The majority of the 2.75km outfall pipe from the treatment plant to the ocean falls due for renewal at the outer period of the 30 year plan. A run to failure approach on low risk assets is being implemented to ensure that renewals happen at the optimum time.

This plan escalates the level of expenditure forecast from year 5 to bridge the current funding gap with forecast depreciation.

There is an increase after 2035 due to a group of assets requiring replacement at the same time (based on age data only), it is expected that this will be smoothed as a result of the more detailed analysis planned. The level of renewals expenditure is predicted to increase in the latter years of the 30 year timeframe with a major consideration being the replacement of the outfall pipe which is currently timed at the outside of the 30year period.

Aside from trunk sewers the renewals strategy is currently largely based on maintenance records and age data with detailed condition and performance investigations having been undertaken on our significant assets. Further risk analysis work is planned to more accurately determine when assets will need to be replaced and will lead to refinement of the programme over time.

Stormwater

The vast majority of stormwater infrastructure (pipes, manholes and sumps) were constructed in the 1950s and 60s and still have significant life remaining. These assets have not reached the end of their useful lives therefore the renewals programme has not commenced. The first replacements are anticipated within the 10 year plan and will slowly increase over the next 30 years at which time we will see the gap between renewals expenditure and forecast depreciation begin to close considerably.

Over the initial part of the plan further assets will also be installed to improve existing levels of service, this will increase the long term renewal needs. Work is commencing on asset condition and performance assessments which will assist in future programming of asset renewals.

Future environmental standards and quality improvements are a key consideration. This plan makes some financial provision to commence our response. Some responses may be more regulatory in nature.

Parks

The annual budgets largely represent "business as usual" with some minor modification to maintain current Levels of Service. The majority of the expenditures continue to be Operations and Maintenance. New Capital is focussed on park enhancements approved through the Reserve Management Plans. A slight shift of maintenance funds to renewals is signalled to more effectively manage the replacement of aging trees, gardens, street beds and playgrounds. New capital does drive some additional operational, maintenance and renewal requirements. The remaining focus is on continued improvement of the Parks asset management practices.

Work is progressing in updating the current asset information and improving the connection of maintenance information on assets to better inform renewal and service level decision making.

Council is currently reviewing its service delivery options within this activity.

Council Owned Buildings

Overall, Council's building and property assets are in a good condition for their age and functionally they perform well. By implementing routine maintenance and cyclic renewal works, these assets will continuously provide good performance and meet the required level of service of the day-to-day operations of the respective activities over the next 10 to 20 years.

The key objective of the building and property assets planning for the next 10 years, is to improve the efficiency of asset maintenance, renewal, and operational activities while maintaining the level of service. The programme of work is focused at the building component level. Decisions on full building replacement are subject to detailed business case and appropriate funding decisions at the time. It's programmed that from 2021 to 2031, the funding required for building operation and maintenance is set at $6.2m and capital renewal works at $17.7m respectively. The proposed new capital works will be focused on building code compliance in areas of fire safety and accessibility improvement, in addition to building earthquake strengthening. It's planned an overall budget of $5.3m for new capital works for 2021-31.

Although the Council's building stocks overall are in good condition, it has been identified that significant renewal and rehabilitation works are needed for Heretaunga House (awaiting outcome of earthquake assessment) and our, Senior Housing stock. The required building works include major service and structure renewals and building weather tightness improvement at a total cost of $5.0m over the next 10 years. Before any work is initiated, further community consultation is required and the work commencement of any works on the above buildings is subject to Council's resolutions on the business case studies and operational reviews that are currently underway.

Over the last six years, 11 buildings that were identified as earthquake prone or potentially prone buildings either have been strengthened or are a work-in-progress to achieve a minimum strength of 67%NBS (New Building Standard). Council will continue its earthquake strengthening programme over the next 5 years. It is expected that by 2027 all Council owned buildings will meet the New Building Standard with a minimum rating of 34%NBS.

Council will be closely monitoring the performance of the building reserve that funds the renewal, compliance improvement, and major maintenance works. In order to minimise the charges to the Council operational activities that are largely funded by rates, it's planned that by 2031, the building reserve balance will be in deficit by $2.4m in comparison to a $3.0m deficit at the 2021 opening balance.

2.5.2 Level of service increase or decrease

There are a number of reasons why Council would improve existing infrastructure services. Some of the key ones are:

- legislative / consent conditions
- environmental risk
- capacity improvements
- community expectations

Legislative / Consent Conditions

Building Standards

Changes to building standards are a key consideration the Council needs to plan for. Buildings now need to meet a certain percentage of new earthquake standards which has been a significant consideration for the HB Opera Complex, and a consideration for major community buildings, particularly the Hastings Library and Hastings City Art Gallery which meet 50% of the new building standard.

Strengthening of the Hawke's Bay Opera Complex is almost complete. In regard to the Hastings Library and Hastings City Art Gallery financial provision is made in the plan to raise the standard to 67% of the new standard. Further work is being undertaken to assess the best approach for these facilities.

Water Services Consents and Legislative Changes

Community expectations in respect of wastewater disposal have changed over time and are likely to again in the future. This could impact on the requirements to treat and dispose of wastewater from Council's Treatment plant at East Clive into Hawke Bay. The Council consent does not expire until 2048; therefore our current approach is relatively certain for some time. This will however be reassessed as part of the 9 yearly consent review process.

The Council's approach to the provision of safe drinking water has changed significantly since the Havelock North contamination event and subsequent government enquiries. The key elements and water investment package detailed in the 2018 LTP are almost complete.

A range of legislative changes are being considered. Council's water investment approach is cognisant of these impending changes.

Environmental Risk

Climate Change

A separate section on the impacts of Climate Change and current and proposed responses is detailed in the section of this strategy titled "Our Context".

Stormwater Quality

There are growing concerns regarding the quality of stormwater discharges (urban and rural) and the potential degradation of the district's waterways. These concerns are likely to transform into an enhanced legislative framework. Our urban stormwater response includes treatment to mitigate risks within our stormwater network.

The urbanisation of streams within Havelock North requires upgrading to improve capacity, minimise erosion and at the same time creating a more user friendly environment with walkways and planting. A range of projects are included in the plan to address these streams over time.

Capacity Improvements

Water Services

Construction of a new wastewater trunk main in Havelock North was completed in 2015/16. The additional capacity addresses current network constraints and provides capacity for growth projections over the next 30 to 50 years.

An immediate project signalled in the last strategy in the stormwater activity related to improvements in the vicinity of the Hastings racecourse which alleviates flooding issues around the Police Station precinct and CBD environs. This project has been completed.

Solid Waste

The Omarunui Landfill has capacity for approximately another 5 years based on estimates of waste tonnages. Financial provision for further development of valleys at the landfill is provided for in this plan to meet estimated demand well into the future. At the same time Council will continue exploring alternatives to landfilling waste based on new approaches and technologies.

Roading

HDC Transportation capital programme largely focussed around the following principal components:

Economic Growth and Productivity – new infrastructure to support economic growth and development in the region. Key projects include Te Ara Kahikitea (now completed), North Eastern Connector, Irongate and Omahu Road Industrial Developments, Key Corridor Improvements etc.

Safety Improvements – Hastings Road safety record continues to perform poorly against its peers and National averages. The Hastings District Council has taken a 'Safe System' approach to this problem through the Safer Journeys strategy. This approach looks across the entire transport system — roads and roadsides, speeds and users — to deliver greater levels of safety. In line with governments "Road to Zero" strategy escalated investment have been included from year 5 of the plan to work towards these new national safety targets.

Walking and Cycling – continuation of the iWay programme and providing people with transport choices. The key focus is on closing gaps, improving intersection connectivity and targeting schools and work based short journeys.

Further out in the plan from years 11 onwards Hastings District regional roading projects are signalled including the Pakowhai Corridor, North Eastern Connector and Havelock Road Corridor. These projects are all subject to considerably more investigation and are subject to demand and cost benefit analysis at the time.

Community Expectations

The Council uses various methods to engage with the community ranging from community surveys, stakeholder groups, industry forums, the reserve management planning process and community planning processes for a number of communities within the district. This enables the Council to keep abreast of changing expectations. The key area where level of service expectations continues to grow is in our parks and reserves area – this Long Term Plan contains funding provision to meet the aspirations from the above planning processes.

In Summary

In summary levels of service are generally being delivered.

In the drinking water area some short-term non-compliance with some water standards is being resolved through a circa $60m investment in infrastructure spend which is due for completion in the next 18 months.

In the transport area levels of service materially meet standards, with remaining investment in bridge strengthening in this Long Term Plan addressing service level requirements to meet the needs of High Productivity Vehicles.

In the wastewater area consent conditions for ocean outfall discharge is being met. In the stormwater area levels of service are being met with some isolated minor breaches relating to activities of industrial sites which are actively being followed up. A proposed regional plan change by the Hawkes Bay Regional Council will help both agencies meet their desired outcomes.

In the parks area customer expectations continue to be met as evidenced by user surveys and accessibility targets for parks and playgrouds are on track.

The landfill meets its compliance standards and the recent rollout of changes to kerbside refuse and recycling collection meets a key deliverable within the Waste Management and Minimisation Plan. Some potential service extension areas will be discussed with the community in the future.

2.5.3 Growth and Demand

The Heretaunga Plains Urban Development Strategy informs the sequencing and location of growth development. Growth in the Hastings District population has been relatively slow but steady following the medium growth projection from statistics New Zealand. Our community is projected to grow by 6,180 people by 2031.

Demand for infrastructure is primarily determined by the amount, density and location of residential and industrial growth. The Council's growth nodes are well defined along with the infrastructural investments required to service those new development areas. Please refer to the table over the page.

The regional growth strategy is under review during 2021/22 and will need to address housing pressure in the region. The strategy is also intended to grow into a wider spatial planning initiative. The outcomes of this work may require some re-casting of our infrastructure forecasts in the future.

With the district in a medium to high growth phase the demand management focus is on being able to accommodate the new demand. Traffic and services modelling will support the spatial plan outlined above.

The Council stages its growth investment in line with predicted uptake of land. The Council constantly monitors this uptake. The general approach is to ensure that enough serviced land is available for development and that our plans are flexible and responsive enough to respond if increased demand occurs.



The graphs below outline the most likely scenario based on the information known today as to future growth investment decisions. Red indicates the start date and blue the duration.

Spreading the growth over 30 years

Private Sector	2020 Capacity	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
Arataki	28																															
Northwood	47																															
Lyndhurst 2	264																															
Howard Street	260																															
Lyndhurst Extension	170																															
Kaiapo Road/Murdoch/	200																															
Copeland	230																															
Iona	210																															
Brookvale/Romanes	575																															
Havelock Hills	160																															
Coastal Misc	125																															
Retirement Village	250																															
Areas Open Concurrently (Exc Retmnt)		*4*	*5*	*5*	*4*	*4*	*4*	*6*	*6*	*6*	*6*	*6*	*5*	*5*	*5*	*5*	*5*	*4*	*3*	*3*	*3*	*3*	*3*	*3*	*3*	*3*	*3*	*3*	*2*	*1*	*1*

Residential Growth – Capital Expenditure

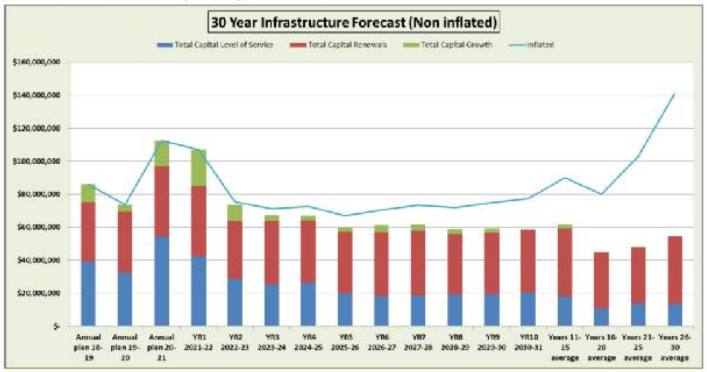
	21/22 Forecast	22/23 Forecast	23/24 Forecast	24/25 Forecast	25/26 Forecast	26/27 Forecast	27/28 Forecast	28/29 Forecast	29/30 Forecast	30/31 Forecast	Total
	Year 1	*Year 2*	*Year 3*	*Year 4*	*Year 5*	*Year 6*	*Year 7*	*Year 8*	*Year 9*	*Year 10*	
Development Area											
Brookvale Road	340,000	2,200,000	-	-	-	2,000,000	3,930,000	1,450,000	1,080,000	-	11,000,000
Medium Density Housing Strategy	640,500	647,250	25,000	341,950	277,000	279,000	-	61,000	25,000	234,500	2,531,200
Howard Street - Internal	932,000	-	-	-	-	-	-	-	-	-	932,000
Iona / Middle	11,837,000	100,000	-	-	-	30,000	30,000	30,000	-	-	12,027,000
Howard Street - External	620,000	-	-	-	-	-	-	-	-	-	620,000
Havelock Hills - Storage & Pumping	1,365,000	100,000	265,000	435,000	1,650,000	1,100,000	-	-	-	-	4,915,000
Lyndhurst Development Stage II	537,000	3,215,000	-	-	-	150,000	-	-	-	-	3,902,000
Lyndhurst Extension	-	-	-	-	-	-	90,000	1,510,000	1,150,000	200,000	2,950,000
	16,271,500	6,262,250	290,000	776,950	1,927,000	3,559,000	4,050,000	3,051,000	2,255,000	434,500	38,877,200

2.6 The Financial Strategy Connection

2.6.1 30 Year Investment Profile

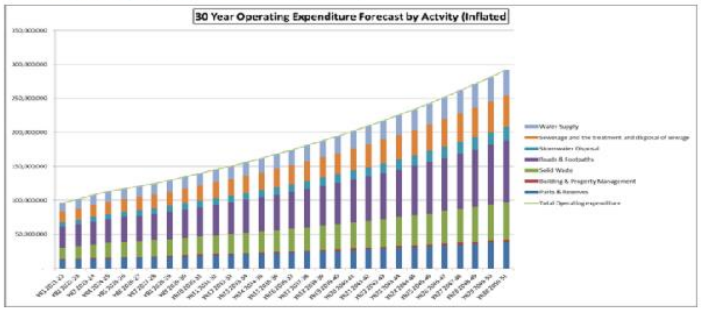
The graphs below provide a snapshot of total capital expenditure and operating expenditure over the 30 years, both non-inflated and with inflation included (total line).

30 Year Infrastructure Capital Expenditure Forecast



Operating Expenditure

30 Year Operating Expenditure Forecast (Inflated)



Note: This chart includes depreciation, it is not appropriate to add these values to the previous charts which includes renewal expenditure as this would result in some double counting.

2.6.2 Funding Depreciation Policy

Depreciation Overview

Depreciation reflects the use or consumption of the service potential implicit in an asset.

As depreciation reflects the consumption of the asset over its useful life, there are two critical factors in determining this expense. The first is the asset cost or revalued amount, and the second is the asset's useful life. It is therefore not related to the physical wearing out of the asset.

The purpose of depreciation is not to provide for the replacement of the asset(s), however this may be an intended or unintended consequence.

Depreciation is especially important as it ensures that today's ratepayers pay their fair share (and only their fair share) of consumption of the assets. Depreciation is therefore a vital component in the process of setting rates and charges.

As depreciation is a non-cash item of expenditure, the inclusion of the depreciation expense within total operational expenditure will result in a funding surplus from operations. It is then a council's decision as to how that surplus funding should be allocated. Broadly, there are three options:

1) Repay debt
2) Pay for renewal expenditure
3) Transfer to a reserve for the replacement or future renewal of an asset.

There is no direct legal requirement to "fund depreciation" in a way where there is the transfer of the depreciation expense to a specific reserve or accumulation of cash to be used either for the replacement of an asset or for the loan repayment associated with the acquisition of that asset. However, there is a requirement to be prudent in the setting of funding levels.

Balanced Budget Overview

Section 100(1) of the Local Government Act 2002 (the 2002 Act) requires local authorities to set each year's operating revenue at a level sufficient to meet operating expenses, i.e. 'balance the budget'. However, section 100(2) of the 2002 Act allows a local authority to set projected operating revenues at a different level from that which would be necessary to meet operating expenses, in certain circumstances where it is financially prudent to do so.

Council's overarching principal is that it will operate a balanced budget and take an approach to fully funding depreciation where it is appropriate to do so given the intergenerational nature of infrastructure assets. Where assets are young and renewals are not currently required, the approach is to ensure that the current generation only pays its share through the

repayment of debt associated with the new infrastructure in place and any future provision for its replacement in the future.

Depreciation is important because it is designed to ensure that today's ratepayers pay their "fair share" for the amount of the council's assets that they consume, essentially through wear and tear. So what we describe as a depreciation expense is essentially the cost of undertaking necessary maintenance and renewal to ensure council assets continue to perform as expected: something that reflects good governance and stewardship of our community's built up investments.

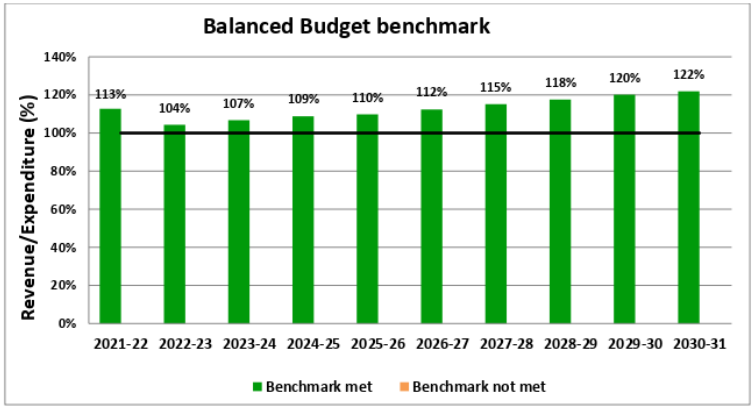
Depreciation is the key driver that council uses to ensure sufficient investment in asset renewals is being undertaken, it creates the bottom line and provides a consistency of approach, assuming the depreciation calculations are correct.

While the overarching principal is to fund depreciation, there are some asset classes where this is not necessary or sustainable at the current time.

Council's Balanced budget 2021-31 Long Term Plan

Council's overarching policy is to run a balanced budget. After a period of pressure to meet that financial benchmark with significant increases in operational expenditure for the water services delivery activity, the water supply targeted rate has now been incrementally lifted to a more sustainable level alleviating pressure on the balanced budget benchmark.

Balanced Budget (as per Local Government Regulations)



2.6.3 Depreciation funding by activity

In summary the approach to funding depreciation in this plan is as follows:

1. Roading

Policy of fully funding depreciation dependent upon New Zealand Transport Agency funding.

Plan forecast shows depreciation fully funded.

2. Wastewater

Policy adopted to fully funding depreciation.

From year 5 of the LTP, escalations commence introducing additional rates funding to fund the depreciation gap.

A strategy needs to be developed to fund waste water treatment plant replacement in the future (about 30 years).

3. Stormwater

The uninflated 30 year Infrastructure Strategy renewal programme is aligned with current rates funding policy of $655,000 per annum

Within this plan the $655,000 funding provision has been inflation adjusted to keep pace with inflation

4. Water Supply

Depreciation is fully funded. The rating areas water supplies were amalgamated in 2018.

5. Parks

Depreciation is fully funded.

Note: The approach to funding arrangements for the activities covered within the Infrastructure Strategy is outlined within the Council's Revenue and Financing Policy. An overview of activity funding can be found in the financial statements within the Group of Activities section within the Long Term Plan.

2.6.4 Affordability

The Council keeps abreast of the relative affordability of its work programme compared with other Council's via both an annual survey of like sized Councils and via nationally compiled

data. This shows Hastingss District Council to be broadly in the middle of the back relative to other Councils.

The forecast rates profile in the Financial strategy shows that whilst in years 1-2 rates peak near the financial strategy limit, for the balance of the 10 years they return to relatively modest levels (given that they have forecast inflation embedded within them).

The Council is proposing to increase its debt to income ratio from 150% to 175% in this Long Term Plan. The ability to use debt (which is still at relatively conservative levels) allows spikes in expenditure to be spread more evenly and to address any sudden impacts on ratepayer affordability.

The Council does use reserves in some cases to soften sudden spikes in expenditure and the associated impact on ratepayer affordability. An example being the three stage increase in the water targeted rate set out in the 2018 Long Term Plan which sees the reserve go into deficit for a period before returning to surplus.

2.6.5 Programme Deliverability

The Long Term Plan includes all the necessary renewal and new works projects identified through the respective Asset Management Plans.

An internal reconciliation exercise assessed all projects against a number of criteria (such as how advanced they were through the planning and design phase relative to their scheduled implementation). This resulted in changes to timing of some projects and rationalisation of the capital programme to better reflect the most likely delivery timeframe.

In a number of cases deliverability has a good level of confidence as the Council is working proactively with contractors on these projects and programmes of work (for example the Municipal Building, and wastewater trunk main renewal programme) and in other cases Council has delivery commitments with partners such as Crown Infrastructure. Another consideration has been that extra capital delivery resource through the rollout of the safe drinking water programme now exists within Council and can be utilised for different programmes of work.

However the reality is that during the course of a year many issues can arise that compromise even the best laid plans and not all projects are delivered. Some of these influences are external and beyond Council's direct control.

In light of this, and to recognise that the capital programme in the early years of the plan is more aspirational than historically delivered, the Council has realigned the programme to reflect a more even pipeline of work. So whilst the full list of capital projects have been included in the respective activities budgets a $25m capacity realignment has been incorporated through an allocated offset against the budget.

This provides some flexibility around managing the overall programme within the assessed realistic pipeline (recognising there inevitably are ups and downs). This approach also aligns the work programme better with the Financial Strategy. It avoids charging ratepayers for work earlier than it has been able to be delivered.

2.7 Assumptions

2.7.1 Lifecycle of Significant Infrastructure Assets

Key assumptions relating to the lifecycle and resulting renewals and maintenance forecasts are:

- Cost of work remains within inflation allowance (Based on BERL forecast for local government).
- The capability and capacity of the current market to deliver does not significantly change.
- No significant change in government policy, legislation and occurs that requires a different service level or change in delivery other than that already signalled via the Three Water Reform (which is detailed in this strategy). Whilst additional financial allowance has been made to improve stormwater quality, increasing environmental standards may require Council to reassess these fiscal provisions. The review of the RMA has been signalled but the impacts are unclear at this time.
- Consent conditions are met and no significant shifts in requirements occur. NB: In terms of consents Council has recently obtained long term consents for its major activities.
- The Level of Service requirements are not materially altered.
- Future funding is available (i.e. NZTA)
- No significant event occurs that would alter the overall condition and performance of the assets – Note: Through the LAPP fund, other insurance arrangements and emergency reserves the Council has provide resilience to an event impacting on its significant assets.
- The creation/vesting of new assets is not significantly different to the current plan
- NZTA guidance and funding decisions will not materially alter current standards. If not a reassessment of service levels and funding approach will need to be considered in the future.

- Climate change and predictions remain similar to current assessments.
- Forecasts are based on the three waters services remaining in house (despite the likelihood of water reform). Council has forecast and funded all known investment programmes identified in Asset Mangement Plans and knowledge around national standards to meet customer levels of service.

The life cycle planning approach used varies between and within the core asset groups. Areas of more significant expenditure and/or variation have used more sophisticated and detailed investigations to inform forecasts. Similarly where the risks are low and/or still quite a long way out then simpler technics have been used.

The simplest approach is where an age based profile is used to inform the creation of longer term investment forecasts.

The expected lives used are based on those used in the financial valuations. For the early years of the plan these predictions are modified by considering actual maintenance information, and where possible conditional assessments. The other consideration in the urban areas is to consider the integration of multiple asset renewal timings to reduce impact on the community (cost and disruption).

At the more complex level Council utilises forecast models that enable multiple criteria and treatment timings to be assessed given varying cash flow scenarios and condition requirements. These models are calibrated against current and historic performance both nationally and locally. These analyses are used to inform the updating of expected lives used in valuations.

Layered onto the pure renewal consideration the performance of the assets is assessed to ensure that the assets are meeting not only the conditional requirements but the performance requirements to deliver the outcomes set.

For non-critical water assets Council optimises the life of the assets, this requires an ability to respond to events and an understanding of the cumulative risks that need to be managed. The key balance required in this maintaining the financial and physical capability to respond to incidents, and triggers to highlight when a full replacement must be completed.

2.7.2 Growth or Decline in Demand for Services

Water Services

Council is considering the impacts of growth within several small water supplies (Whirinaki, Te Awanga, Haumoana) where additional investment may be required to meet demand which is over and above that already planned for in the long term growth strategy.

There is no funding provision to cater for this unanticipated growth unless developers are prepared to fund the necessary upgrades on their own.

Whilst unknown at this time, in the future there may be some need to take over self-servicing solutions currently in place in some small communities.

Roading

A central government objective to increase freight efficiency has led to higher investments in bridge strengthening. The Council has a bridge strategy in place which identifies key routes and key bridges.

The Hawke's Bay Regional Transportation Study has highlighted a number of key areas of new infrastructure development to accommodate forecast growth and change of land use. This is reflected in the transportation programme with projects such as Te Ara Kahikitea (now completed), North eastern connector and projects associated with the development of the Irongate Industrial area, Omahu Road Industrial Area and other key corridor improvements (Pakowhai Road and Havelock Road).

At present, congestion is not considered to be a significant issue on the network. The projects identified above will need to be reconsidered once the impact of the completed Te Ara Kahikitea arterial and State Highway improvements have been remodelled.

An increase in walking and cycling activity will lead to an increase for walking and cycling infrastructure. The district is well positioned for this trend with significant investment in infrastructure in the last 11 years via the Iway initiative. This plan also contains some on-going funding to address network gaps and safety priorities.

2.7.3 Increases or Decreases in Levels of Service

Water Services

Stormwater upgrades are planned to improve pipe and overland flow capacity in areas where properties and roads may be subject to flooding. Network modelling is being developed to determine where and how solutions can be provided.

Roading

There are potential impacts on levels of service arising from new guidance, levels of service and funding decisions made by the New Zealand Transport Agency.

There is a potential risk that our community will need to fund a shortfall of funding if some existing levels of service are deemed to be higher than the agreed standard. However, initial indications shows that there is no significant impact, but the timing of funding support will always have some uncertainty. The Council will continue to work closely with its investment partner around aligning service levels.

Parks and Hastings City Centre

Continued rollout of Community Plans and Reserve Management Plans further informs Council of community aspirations, which tends to lift service level expectations. These have been provided for in the plan, spread over ten years after the consideration of community affordability.

Actions within the Hastings City Centre Strategy also outline changes and potential increases in service levels which again are provided for within the plan over a ten year timeframe.

Variations to Water & Sanitary Services Assessment

Introduction

Why have an Assessment?

In 2005 Council undertook an "Assessment of Water and Sanitary Services" as required under The Local Government Act 2002. The original report findings and community priorities were included in Council's 2006 – 16 Long Term Plan and subsequent updates provided periodically.

The following represents:

- a summary of the latest assessment and an update on achievements made to date,
- an outline of any significant variations between the proposals outlined in the Long Term Plan and the Water and Sanitary Services Assessment.

What is the Assessment?

Water and Sanitary Services comprise of water supply, wastewater, stormwater, cemeteries, crematoria and public toilets. These services are considered vital to public health and the environment. Council continues to assess its role in providing these services and assess adequacy for current and future demand.

Where can I get a copy?

Copies of the documents are available on request and at:

- Council's website www.hastingsdc.govt.nz

Communities included in this Assessment

This assessment examined the water services (water, wastewater and stormwater) available to fourteen existing communities within the Hastings District.

- Haumoana
- Te Awanga / Clifton
- Waimarama
- Maraekakaho
- Waipatiki Beach
- Whirinaki
- Puketapu
- Waikoau
- Fernhill
- Bridge Pa
- Paki Paki
- Te Hauke
- Te Pohue
- Ocean Beach

These communities have varying characteristics and these issues are addressed within each individual assessment within the full document.

Note: The 2005 assessment has not been substantially reviewed but it is appropriate that Council update the assessment from time to time to ensure that community needs in relation to 3 waters services are considered.

As a result of the 2016 contamination event in Havelock North and the recommendations stemming from the Board of Inquiry into this incident, Council has been assessing upgrades to all of its existing water supply schemes to ensure that we are providing adequate protection to public health and implementing appropriate and effective treatment where it is required.

In light of this new information, the vulnerability of small and self-serviced communities will need to be re-assessed to ensure that public health risks are known and adequately addressed.

General recommendation - Liaison with other Agencies

Developing close relationships with other agencies is essential to efficient monitoring of health and environmental risks and demand management. A working committee was set up between, HDC, HBRC, MOH, HBDHB, and MOE.

The primary objectives of this working committee has been to; share information on issues, provide technical advice to each other, facilitate effective monitoring programmes to mitigate risks, heighten awareness of state of environment & community health, and collaborate and cost share on common interest projects.

Hastings District Council continues to meet with the various agencies on policy and strategy matters and when significant community issues arise. For example, the Bridge Pa water supply issue involved HDC, HBRC, HBDHB, MoH, TPK and central government agencies working together on the formulation of a solution and funding.

The Joint Working Group (incorporating HDC, HBRC, NCC, HBDHB and Drinking Water Assessors) is tasked with maintaining oversight of drinking water issues within Hawkes Bay. This group provides technical support, advice and recommendations to a Governance Group on improvements to drinking water and public health risks.

Summary of Water Assessments for each Community

General Issues associated with Non-reticulated Supplies

Where there is no reticulated water supply or wastewater services the following general comments have been included in the assessment advising individual owner operated water and wastewater systems of the following risks:

i. Stormwater runoff can impact on the ability of wastewater disposal fields to operate effectively.

ii. Wastewater disposal fields affected either by stormwater, high water tables, poor maintenance, or poor drainage conditions will have a detrimental effect on the performance of the wastewater system and

iii. An increased potential for contamination of water supplies where these are sourced from shallow groundwater or surface water.

iv. The security of groundwater sources can no longer be relied upon to ensure safe water.

In this regard, it is important that private water supply systems are managed in a way that the intake source is adequately protected against potential contamination, or if it is tank water, cleaned and protected appropriately to minimise any potential contamination entering the system. Waste water systems must also be adequately maintained and monitored to ensure they are functioning as intended.

Haumoana

The impacts of growth and development in the area involve upgrading of the Haumoana water supply to meet future demand, provide safe water and address potential infrastructure risks associated with coastal erosion processes.

The existing groundwater source in Beach Road is no longer considered safe without treatment. In December 2020 a new water treatment plant was commissioned (UV treatment and chlorination) along with a new source supply from a bore in Palomino Road. This new water source is superior to the existing bores and does not contain elevated levels of iron and manganese that has resulted in intermittent dirty water complaints and problems with taste and odour.

The Parkhill development includes a future reservoir site that has been secured to cater for future demand. Alternative water main alignments have been considered should coastal erosion threaten existing infrastructure.

Wastewater services continue to be via individual on-site wastewater systems. Wastewater disposal via a community system remains an expensive and problematic solution and will be largely dependent on the rate of development and any adverse environmental or health related matters that may result from increases in the volume of wastewater disposed of via onsite systems and intensification in the area. Property stormwater systems need to be maintained to ensure they don't compromise the performance of on-site wastewater treatment systems through inundation. There is a known risk of contamination of local water bodies in groundwater resulting from poorly performing wastewater systems. HBRC has recently implemented changes to its policies relating to the consenting of onsite wastewater disposal systems to minimise environmental and health risks from poorly performing or inadequately designed wastewater systems.

Te Awanga and Clifton

Te Awanga is serviced for water via the Haumoana supply. Growth pressures have the potential to impact on the reticulated water supply in Te Awanga. New residential development will necessitate augmentation of the water supply, via the Haumoana system

(additional storage at Te Awanga) and provision has been made in the Haumoana and Parkhill scheme for future upgrades subject to an appropriate funding model being developed.

The Clifton Motor Camp, Café and public toilets rely on a private water supply and a review of this system has confirmed that treatment is required in order to meet drinking water quality requirements. There is no reticulated wastewater scheme and there is a potential for increased environmental and health risks to the community from poorly performing septic tanks. Stormwater improvement and detention works have been completed in the catchment immediately behind Te Awanga (Leyland Drain). Further modifications are being assessed on the Charlton Dam to increase the level of protection such that the inundation that has historically occurred within the township has now been fully mitigated. This will also reduce the public health risks associated with the inundation of on-site wastewater systems. Further on-going assessment of the township stormwater reticulation and lagoon is on-going to minimise residual stormwater issues and remaining risks.

Waimarama

The Waimarama water supply draws source water from natural springs and a stream but is constrained by a lack of available water sources in summer. A new consent has improved Council's ability to meet typical residential demand however peak holiday periods require water conservation measures to be implemented to ensure daily consumption remains within the supply's capabilities. A new water treatment plant is being constructed to provide a fully compliant scheme and this is expected to be operational by March 2021.

New residential developments are now permitted to connect to the supply in an augmentation capacity with onsite storage. This is to address peak demand and ensure there is sufficient capacity to support future growth. There is no community wastewater scheme in Waimarama. Whilst no adverse environmental or public health issues have been identified, there is a potential risk of contamination of the local waterways and groundwater from inadequate performance of on-site wastewater systems and as development occurs and new systems are installed. A community scheme is one option that could mitigate these issues should they become unmanageable however there are no plans in the current LTP for such a scheme. Wastewater disposal peaks during the summer holiday period and the Waimarama camping ground can become problematic during the seasonal peak. The recommendation is they are included in any community scheme that is implemented.

The April 2011 flood event highlighted stormwater problems and increased overland flow that has the potential to affect homes and dwellings. Investigations continue to identify the impacts of development in Waimarama and to review overland flow paths in light of new information from these events. Flooding of the Domain has been addressed by the construction of a control weir and sacrificial plug to release floodwaters before properties are affected and further options are being explored with the HB Regional Council to develop a wider stormwater plan for the area.

Maraekakaho

The Maraekakaho area has seen steady growth in rural residential properties. These properties rely on self-service for water supply and wastewater disposal.

There is a communal water supply drawing water from a shallow groundwater bore that is monitored by the MoH The proliferation of on-site wastewater systems increases the risk for contamination of the shallow groundwater aquifer from wastewater systems but there is no information available to determine this risk.

HBRC have completed stormwater modelling to assess remedial works to reduce the flooding that occurred in 2007. Continued growth in the area will require consideration of the need for future community based schemes as part of any assessment review. The rate and nature of development (lifestyle blocks) precludes moving to a community scheme at this stage.

Waipatiki

Waipatiki is serviced via a community water supply and wastewater scheme and there is adequate capacity to meet existing demand and future development potential. A new water treatment plant will be installed in 2021 providing improved treatment consisting of filtration, UV and chlorination. This process will significantly improve the aesthetic properties of the supply and eliminate the taste and odour problems that have been prevalent since chlorine was introduced 10 years ago.

In late 2017, the Waipatiki Motor Camp was joined to the community water supply in response to ongoing low levels of contamination from their private supply. The camp ground continues to collect and discharge its wastewater to a separate system however the intention is to connect them to the Waipatiki wastewater scheme in 2021.

Whirinaki and Esk

In early 2021, a new water treatment plant (filtration, UV and chlorination) will commence operation to provide a fully compliant drinking water supply for the Whirinaki and Esk communities.

A new water take consent was granted in 2014 which addressed capacity issues to meet existing and future growth demands. Consent conditions require an increased emphasis on strategies to manage community demand within reasonable limits and these measures are now in place through the WC&DM (Water Conservation and Demand Management Strategy).

There are also some concerns about contamination of the source catchment from wastewater systems and other activities, but current assessments have determined that this risk is low and not likely to impact on the water supply.

Puketapu

This community relies on individual water and wastewater systems. The potential for localised flooding of wastewater systems could present issues but there is no evidence of widespread problems. The security of the existing bore and tank supplies at the Puketapu Hotel also need to be monitored through the HBDHB.

Waikoau

There have been concerns with the operation and inadequate management of the community owned water supply and the HBDHB have been working with the community to improve operation and management of the supply. Groundwater contamination from wastewater systems is considered but no known problems have arisen. Monitoring by the Ministry of Health and HBRC is recommended.

Fernhill/Omahu

Water supply in the community is from the Council reticulated network (servicing 43% of households) and from private supplies. Testing of private supplies in 2014 did not identify any water quality issues and a survey of residents confirmed that they are happy to remain on their private bores. Testing of the public groundwater bore has identified an increased risk of contamination and chlorination was installed as a short term preventative measure to ensure compliance with the Drinking Water Standards. In 2017 a new treatment plant was commissioned and UV disinfection was installed. The security of the groundwater source for the two marae, the school and the Backpackers Hotel needs to be monitored as does the potential for contamination of the groundwater by local on-site disposal systems. The risk of contamination and the non-secure status of the source water has highlighted the need to monitor and undertake consultation on options to extend the supply to non-reticulated parts of the community. This will be advanced in 2018.

Bridge Pa

A community water supply to Bridge Pa was completed early in 2011 to replace existing private bores. The supply is connected to the Hastings water supply at Flaxmere and services the Bridge Pa township and properties in Ngatarawa Road.

With the community now connected to the Hastings supply, the risk to the community from contamination of non-secure groundwater sources due to overloaded and/or poorly performing septic tanks is reduced. There are no immediate plans for a community wastewater scheme although several failures of old septic tank systems have occurred. Further monitoring to assess the extent of private wastewater systems is to be undertaken by TPK who have been involved within community. Sporadic contamination of the onsite water supply at the local school has been resolved as they have connected to the community supply.

Paki Paki

In 2017, the Paki Paki community water supply was upgraded via a connection to the Hastings water supply (via Bridge Pa). This resolved the aesthetic water quality issues with the previous bore supply (taste and odour) that continued to be a problem and has meant that more properties are now being supplied from the reticulated supply through extensions as part of the upgrade. The community remains on individual wastewater systems with contamination from wastewater disposal fields to the shallow groundwater an environmental issue but unlikely to impact on public health as properties move to the Council supply and disconnect their bores.

Te Hauke

The risks associated with the water supply at the school are considered to be low. There are, however, issues throughout Te Hauke relating to poor performance of wastewater disposal fields due to poor soakage conditions. The stormwater management in the area is therefore considered to be of a medium health risk and may be impacting on the performance of the wastewater systems although no immediate issues have been identified.

Te Pohue

The water supply is being upgraded with a new treatment plant (filtration, UV and chlorination) and reservoirs being installed in 2020/21. This supply has now been taken over by HDC to manage on behalf of this community. There are issues relating to demand and limited water availability from the spring water source which are being addressed through these upgrades.

Ocean Beach

The risk of contamination of the surface water from inundation of effluent disposal fields is considered to be medium to high. If development occurs, then community wastewater collection and treatment is considered to be essential. There is potential for contamination of private water sources as a consequence of poor management of effluent disposal fields and/or compromising of these by inundation in adverse weather.

The April 2011 storm event affected existing dwellings and effluent disposal systems. The HBRC are continuing to monitor and assess effluent and water quality issues.

Recommended Projects

Following the original assessment a number of projects were identified for consideration by Council. The Council have considered its priorities, its ability to fund the works and its capacity to deliver on these projects.

The following tables show the projects that were recommended for Council consideration and the Council response to date.

Projects completed			
Te Awanga	Stormwater	Flood mitigation measures	Construction of Te Awanga dam, spillway and pipeline completed.
Waipatiki	Wastewater	Community Scheme	Completed.
	Water	Community Supply Scheme Upgrade to address capacity, storage, treatment and pressure issues.	Completed.
Haumoana Te Awanga	Water	New WTP and source water supply.	Commissioned and operational December 2020
Waimarama	Water	Augment existing Community Scheme to address capacity, storage and treatment.	Obtained new consent in 2014.
Bridge Pa	Water	Community Supply Scheme	Completed early 2011
Projects on Track			
Te Awanga	Stormwater	Flood mitigation measures.	Additional work on Charlton Dam in 2015. Investigation of localised S/W problems.
Projects on Track			
Waimarama	Water	Demand management options.	Options to service growth via augmentation implemented 2016.
		New fully compliant WTP	In construction (Dec 2020)
Haumoana Te Awanga	Water	Augment existing Community Scheme to address capacity, storage, treatment and pressure. Upgraded Parkhill WTP	Future reservoir site procured. Further planning on growth scenarios. Commissioned December 2020.
Whirinaki/Esk	Water	Augment existing supply.	New consent granted in 2014. Implementing water conservation strategy.
		New fully compliant WTP	In construction, commissioning January 2021.
Variations to the Sanitary Services Assessment			
Waimarama	Stormwater	Overland flow assessment.	HBRC/HDC joint review of stormwater issues 2015/16.
Projects for Action within 1 to 5 years			
Community	Service	Project	Progress to date
Paki Paki	Water	Alternative supply options.	Community support for connection to Hastings via Bridge Pa. Funding application to MoH assistance programme Completed 2017.
Projects for Review within 5 to 10 years			
Community	Service	Project	Progress to date
Puketapu	Stormwater	Reticulation	Investigated, no works planned.
Haumoana Te Awanga	Wastewater	Community Treatment and Disposal Scheme	Will not occur in 10 year period unless development, environmental or health issues become apparent and community support available.

Projects for Review within 5 to 10 years			
Clifton	Water	Community Supply Scheme	Whole area is within the Coastal Hazard Zone. Unlikely to happen. Treatment to camp ground is progressing in 2018.
	Wastewater	Community Treatment and Disposal Scheme	No action – within Coastal Hazard Zone.
Ocean Beach	Water	Community Supply Scheme	Not proceeding
Waimarama	Wastewater	Community Treatment and Disposal Scheme	Nothing planned in current strategy. Outcomes of Community Plan will inform wastewater review.
Haumoana Te Awanga	Water Supply	Coastal Erosion - Mitigation measures	Awaiting decision on an approach to managing coastal erosion.

Funding

The Ministry of Health (MoH) Capital Assistance Programme was disbanded in 2016. This funding was put in place to help support small community water projects with various funding levels available based on specific criteria. There are no alternative funding arrangements at this time.

Where water supply and wastewater schemes become public assets, Council have determined that a public good component is established at 10% of the amount that remains after any financial assistance that may be obtained through central government or similar services. This community good component would be funded from the consolidated fund of all properties connected to those services.

For stormwater services funding would be considered on a project by project basis but the community good component would generally be funded by the wider community from the general rate.

The balance of the works after the above funding sources would be funded from the individuals benefiting from the services.

Public Toilets, Cemeteries and Crematoria

Assessment Scope

This assessment includes:

An assessment of the current provision of public toilets provided by the Hastings District Council and to a limited extent, other parties in the Hastings District.

An assessment of the current provisions of cemeteries and crematoria provided by the Hastings District Council.

An assessment of future demand and options for meeting that demand for public toilets, cemeteries and crematoria.

Recommendations for future actions by the Hastings District Council to meet that demand.

Assessment Methodology

Assessments for public toilets have had to be made without hard data on usage. Current demand has been assumed to be related to the facilities present in the areas. Where complaints or requests have been received these have been factored into the demand. Future development of playscape and reserve have also been considered.

Toilets contained in buildings (whether the buildings are public or not) have not been included in the assessments other than those in sportsground changing rooms. Some notes on public toilets in commercial areas have been included in the bulk of the report.

Priorities for recommended actions have been set using the following matrix:

Table 1 Priority Matrix

	Demand		
Meets requirements	Low	Medium	High
Completely	Ok	Ok	Ok
Partially	Priority 4	Priority 3	Priority 2
Does Not	Priority 3	Priority 2	Priority 1

Recommended Actions

The following actions were recommended for the consideration of Council in the short to medium term:

Physical Projects

Location	Project	Progress to date
New Work Priority 1		
Hastings CBD	Construct a new public toilet between Stortford Lodge and the Hastings CBD.	A single toilet has been constructed in King Street and a further toilet is will be considered if a suitable site becomes available.
Havelock North CBD	Construct a new public toilet in the Havelock North Domain adjacent to the proposed key urban playscape.	New toilets were installed as part of the playground upgrade completed in 2017.
New Work Priority 2		
Tainui Reserve	Construct a new public toilet in Tainui Reserve.	The Reserve Management Planning did not identify any need for an additional toilet facility.
Clifton Beach	Subject to consultation construct a new public toilet close to the public car park at Clifton Beach.	Work completed 2009
New Work Priority 3		
Cornwall Park	Construct a new public toilet in Cornwall Park adjacent to the proposed key urban or premier playscape.	Work completed as part of the playground upgrade in 2019
New Work Priority 4		
Guthrie Sportsground	Construct a new public toilet in Guthrie Sportsground.	A New Toilet for Guthrie Park/Romanes Drive Reserve completed in 2015
Replacements, Improvements and Extensions Priority 2.		
Akina Sportsground	Replace the existing public toilets in the old changing room with a new public toilet adjacent to the proposed key urban playscape.	Work deferred, now planned for 2021-22 to be integrated into Softball Club extensions

Physical Projects

Location	Project	Progress to date
Duart	Restore the existing public toilet. The toilet shall be accessible to the disabled.	Work programmed for 2021-22 as part of the earthquake strengthening project.
Replacements, Improvements and Extensions Priority 3.		
Akina Sportsground	Alter the existing public toilet in the newer changing room to be accessible for the disabled.	New toilet now planned to allow additional showers to be constructed in the old toilet space. Planned for 2022-23
Frimley Sportsground	Alter the existing public toilets in the changing room to be accessible for the disabled.	Work programmed for 2023-24
Windsor Sportsground	Replace the existing public toilets by the Splash Planet carpark with a new public toilet adjacent to the proposed key urban playscape.	New toilet completed in 2016 alongside the new playscape
	Alter or replace the existing sportsground toilet to be accessible for the disabled.	New sportsground toilet constructed in 2019
St Leonard's Sportsground	Alter the existing public toilet in the changing room to be accessible for the disabled.	Work completed 2010
Chatham Sportsground	Extend the existing public toilet to include a unisex toilet accessible for the disabled.	Work programmed for 2032-33
Flaxmere Park	Replace the existing public toilet with a new public toilet adjacent to the proposed key urban playscape.	New Toilets completed in 2012. Upgrading of changing room toilets to be disable accessible programmed for 2020-21 as part of earthquake strengthening project.
Anderson Sportsground	Extend the existing public toilets in the changing room by the rugby clubrooms to be accessible for the disabled.	Replacement changing rooms and public toilets completed in 2018

Physical Projects

Location	Project	Progress to date
Puketapu Park	Alter the existing public toilet to be accessible for the disabled.	Work Programmed for 2023-24
Te Awanga Domain	Alter the existing public toilet to be accessible for the disabled.	Replace with new toilets 2021-22
Ocean Beach	Alter the existing public toilet to be accessible for the disabled.	Work programmed for 2026-27
Harper Road Reserve	Replace the existing public toilet with a new public toilet.	Work programmed for 2027-28
Mangaroa Cemetery	Alter the existing public toilet to be accessible for the disabled.	Work programmed for 2024/25
Te Pohue	Consider options for the provision of public toilets in State Highway 5.	Replaced with a new Toilet located at Tarawera in 2011
Replacements, Improvements and Extensions Priority 4.		
Kirkpatrick Sportsground	Alter the existing public toilet in the changing room to be accessible for the disabled.	New toilet programmed for 2024/25 as part of the earthquake strengthening project
Eskdale Park	Replace the two existing public toilets with a new public toilet.	Extent of this work will be considered in the Reserve Management Plan planned but replacement scheduled for 2025/26
Whirinaki Beach	Replace the existing public toilet with a new public toilet in a location clear of the coastal hazard zone.	New replacement toilet completed in 2017.
Airini Road Reserve	Replace the existing public toilet with a new public toilet.	Toilet washed away April 2011 and will not be replaced.



Variations to Waste Management & Minimisation Plan

Why Have a Plan?

The Waste Management and Minimisation Plan (WMMP) is a joint document with Hastings District and Napier City Councils. The plan details the Councils' vision, goals and targets with respect to waste management and minimisation.

Under the Waste Minimisation Act 2008, every Council must have a WMMP in place. The current 2018-2024 document was reviewed and adopted in 2018. The next review must be completed by 1 July 2024.

This new plan sets out how the Councils will manage waste more efficiently over the next 6 – 10 years.

Changes to Kerbside Collections

The Joint WMMP detailed using an 80L wheelie bin for the collection of household rubbish via a weekly kerbside service. The size of the bin was increase to 120L after changes to the international recycling market which reduced the types of plastics that can be sustainably recycled down to grades 1, 2 & 5. Currently HDC is only accepting grades 1 & 2. The increased size of the bin was reconfirmed through a waste composition survey in March 2019 to ensure it was sufficient. .

Landfill

Based on the recent rate of waste generation, the current consented valley at Omarunui is projected to be full by the end of 2025. Planning is underway and a resource consent application lodged to extend the landfill operation into the adjoining area. This requires a significant investment from the Councils and the community. Supported by the WMMP, Hastings District and Napier City Council believe it is best to promote more efficient waste management in order to extend Omarunui Landfill's space and life as much as possible.

Council Controlled Organisation

In order to achieve its objectives for Hastings, the Council has established several organisations and trusts. These organisations were set up to independently manage Council facilities, or to deliver significant services on behalf of the Hastings District community. Where necessary, the Council funds the organisations. The following table explains what the organisations do and how their performance is measured

Organisation	Why it Exists	What it Does	Performance Measures
Hawke's Bay Museum Trust	The Hawke's Bay Museum Trust exists to manage Arts, Culture and Heritage issues on an integrated regional basis.	1) Cares for the regional collection and ensures it is accessible to all people of Hawke's Bay; 2) Provides Art, Culture and Heritage services and programmes to the people of Hawke's Bay; 3) Advocates on Arts, Culture and heritage issues; 4) Educates and informs the Hastings District community on Arts, Culture and heritage issues;	The Trust reports to Council on key performance indicators under the following categories: collection protection, quality – including conservation, access – including exhibitions, research and archives, development – including fundraising, reserves management and relationship development.
Hawke's Bay Airport Limited	The Hawke's Bay Airport Limited is owned 50% by the crown, 24% HDC and 26% NCC and provides a regional airport with quality facilities reflecting its strategic importance to the region while enhancing shareholder value.	1) Operation of the airport as a regional domestic facility; 2) Generates appropriate returns on assets employed and shhareholder's equity; 3) Positions the airport for aviation growth over the long term; 4) Supports regional economic development through strategic infrastructure;	1) Six monthly reporting on objectives contained within the HB Airport strategic plan. 2) Six monthly reporting against financial performance targets, business park development, passenger growth, customer satisfaction, health and safety, and sustainability.
NZ Local Government Funding Agency Limited	The LGFA is owned by 30 local authority Councils (80%) and the crown (20%) for the purpose of collective borrowing.	1) Raise debt and provide funding to New Zealand authorities.	Reporting by the LGFA is focussed on the level of lending to participating councils and the effectiveness of the funds utilised.

Notes:

1) The Te Mata Park Trust Board has been exempted by Council under section 7 (3) of the Local Government Act 2002 from being a CCO.
2) Due to its previous inactivity Hawke's Bay Opera House Limited (Toi Toi) has been exempted by Council from being a CCO under section 7 (3) of the Local Government Act 2002. It has been reopened but is now operating as a business unit of Hastings District Council and not in a separate entity.
3) Hastings District Properties Limited is not trading and has been exempted by Council from being a CCO under section 7 (3) of the Local Government Act 2002.
4) Hastings District Holdings currently oversees two not active entities and has been exempted by Council from being CCO under section 7 (3) of the Local Government Act 2002. The exemption will be lifted once either Hawke's Bay Opera House Limited or Hastings District Properties Limited become active.
5) HBLASS is now in remission.

Exercising Partnership – Council, Tangata Whenua, Mana Whenua

Hastings District Council remains steadfast in its commitment to nurturing and strengthening processes to enable tangata whenua and mana whenua to exercise partnership in decision making across a range of contexts here at Council and in the wider Hastings District.

Titiro ake au ki te hāro o te kāhu tui, tui, tui, tuia. Tuia te rangi e tū nei, tuia te papa e takoto nei. Tuia te here tangata o Heretaunga takoto noa, ka rongo te pō, ka rongo te ao. Tuia te muka tangata i takea mai i Hawaiki-nui, Hawaiki-roa, Hawaiki-pāmaomao. Te hono i wairua ki te whai-ao ki te ao mārama, tihei Heretaunga!

Kei ngā mana, kei ngā reo, kei ngā pari kārangaranga o tēnā pito, o tēnā marae, o tēnā hapū o te rohe whānui o Heretaunga, anei ngā kupu whakamiha ki a koutou katoa.

E tika ana kia tukuna atu ngā whakaaro ki a rātau mā ko ngā rau-o-piopio kua purea atu e ngā hau maiangi, e ngā hau pūkerikeri ki tua o te ārai. Kāti, rātau te tira mātai pō ki a rātau, waiho ake ko tātau te tira mātai ao ki a tātau.

Tēnā rā tātau katoa kei te hapori whānui o Heretaunga e whakamana nei i tō tātau reo rangatira i raro i te āhua o ngā kupu kōrero ā kui mā, ā koro mā me ngā tāhuhu kōrero o te rohe whānui o Heretaunga; tō tēnā hapū, tō tēnā hapū, tō tēnā hapū.

Kei ngā marae rua tekau mā whā o Te Kaunihera ā-Rohe o Heretaunga, kei ngā hapū kārangaranga, kei ngā Taiwhenua o te takiwā nei, kei ngā Rōpū Tiriti o Waitangi, nei anō te maioha ki a koutou, ā nō mātau hoki te whakamīharo ki te tukua nei ngā mihi ki a koutou otirā, ki a tātau katoa.

Heoi anō, Heretaunga-ara-rau, Heretaunga-haukū-nui, Heretaunga-hāro-o-te-kāhu, Heretaunga-raorao-haumako, Heretaunga-ringahora, Heretaunga takoto noa; tihei Heretaunga!



The Council undertakes a number of activities to provide for opportunities for contribution to decision making. These are detailed over the page:

Partnerships and Responsiveness

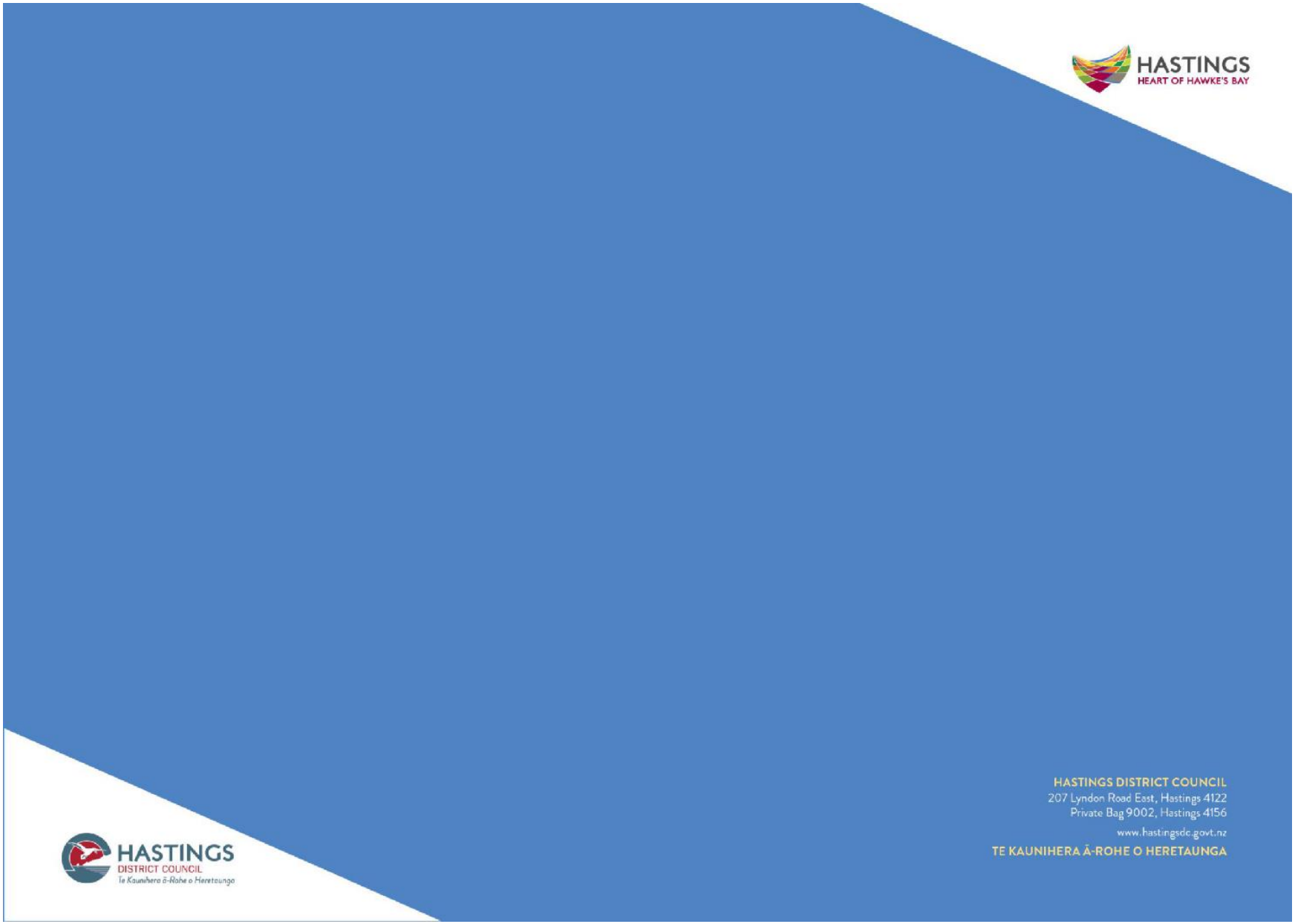
- The Council has the **Hastings District Council Heretaunga Takoto Noa Māori Joint Committee** to focus on strategic priorities for tangata whenua in the District. The Committee comprises six tangata whenua appointments and six Councillors. The Committee's terms of reference include input to the LTP, the Annual Plan and the District Plan.
- **The roles of Pou Ahurea** – Principal Advisor/Advisor: Relationships, Responsiveness and Heritage engage with multiple layers and contexts across our wide and diverse community. Relationship building with mana whenua and community to enhance strategic relationships between whānau, marae, hapū, Taiwhenua, Post Settlement Governance Entities (PSGEs) including Ngāti Pāhauwera Development Trust, Maungaharuru Tangitū Trust, Hineuru Iwi Trust, Mana Ahuriri Trust, Heretaunga Tamatea Settlement Trust, and Ngāti Kahungunu Iwi Incorporated alongside Te Taiwhenua o Heretaunga and Te Taiwhenua o Te Whanganui-a-Orotū, and the Council is ongoing.
- **The Tangata Whenua Wastewater Committee** continues to provide sound governance to Council through the development of wastewater solutions integrating tikanga Māori (customary values) alongside the provisions of the Resource Management Act.
- The refreshed **Te Kura Nui - Māori Relationships Framework** and its implementation will allow officers, Council and the Heretaunga Takoto Noa Māori Standing Committee to monitor the organisation's cultural responsiveness to Māori; to mana whenua, to tangata whenua. The key focus moving forward will be the continuous journey towards Council's goal for all staff to grow their cultural responsiveness to kaupapa Māori (Māori position and or viewpoint on issues concerning Māori) and to 'te ao Māori', a Māori worldview.
- This last year has also seen the adoption by Council of Heretaunga Ararau, the Hastings District Council Te Reo Māori Policy and the development of the **Heretaunga Ararau Te Reo Māori Action Plan** to support the place and use of te reo Māori across the whole Council and its facilities. The **Heretaunga Ararau Te Reo Māori Policy** was launched during Te wiki o te reo Māori 2019, which also saw Council celebrate a number of initiatives to champion te reo Māori; both during the week, and ongoing throughout the year.
- Hui are held periodically to give the opportunity for hapu whanui to discuss with Council a range of issues of importance.



AUDIT NEW ZEALAND
Mana Arotake Aotearoa

To the reader:

Independent auditor's report on Hastings District Council's 2021-31 Long-Term Plan


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