Thursday, 18 April 2024

Te Hui o Te Kaunihera ā-Rohe o Heretaunga

Hastings District Council

Council Meeting

Kaupapataka

Supplementary Attachment

Long Term Plan 2024 Supporting Information

Te Rā Hui: Meeting date:	**Thursday, 18 April 2024**
Te Wā: Time:	**1.00pm**
Te Wāhi: Venue:	**Council Chamber** **Ground Floor** **Civic Administration Building** **Lyndon Road East** **Hastings**

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HASTINGS DISTRICT COUNCIL
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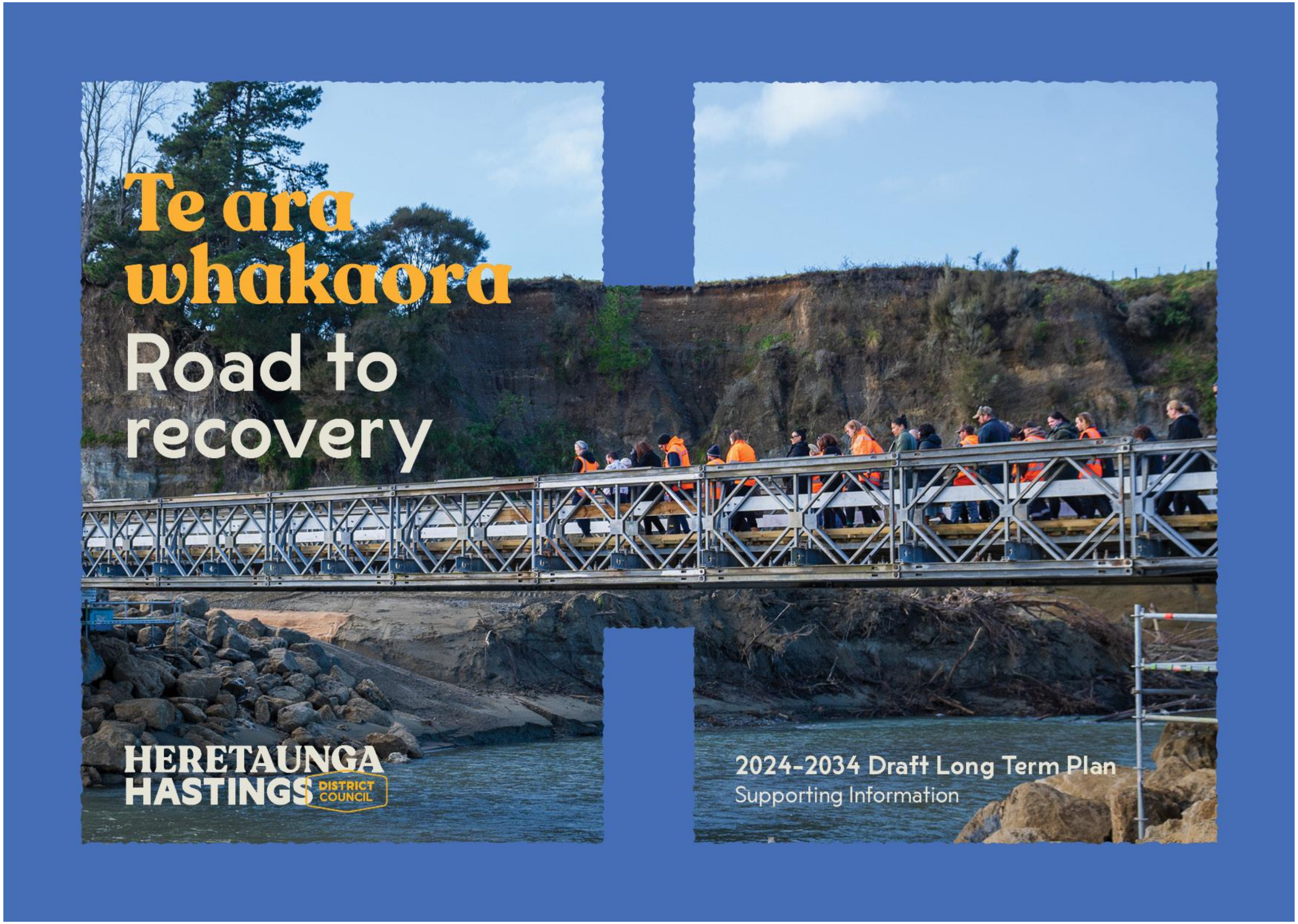
TE KAUNIHERA Ā-ROHE O HERETAUNGA

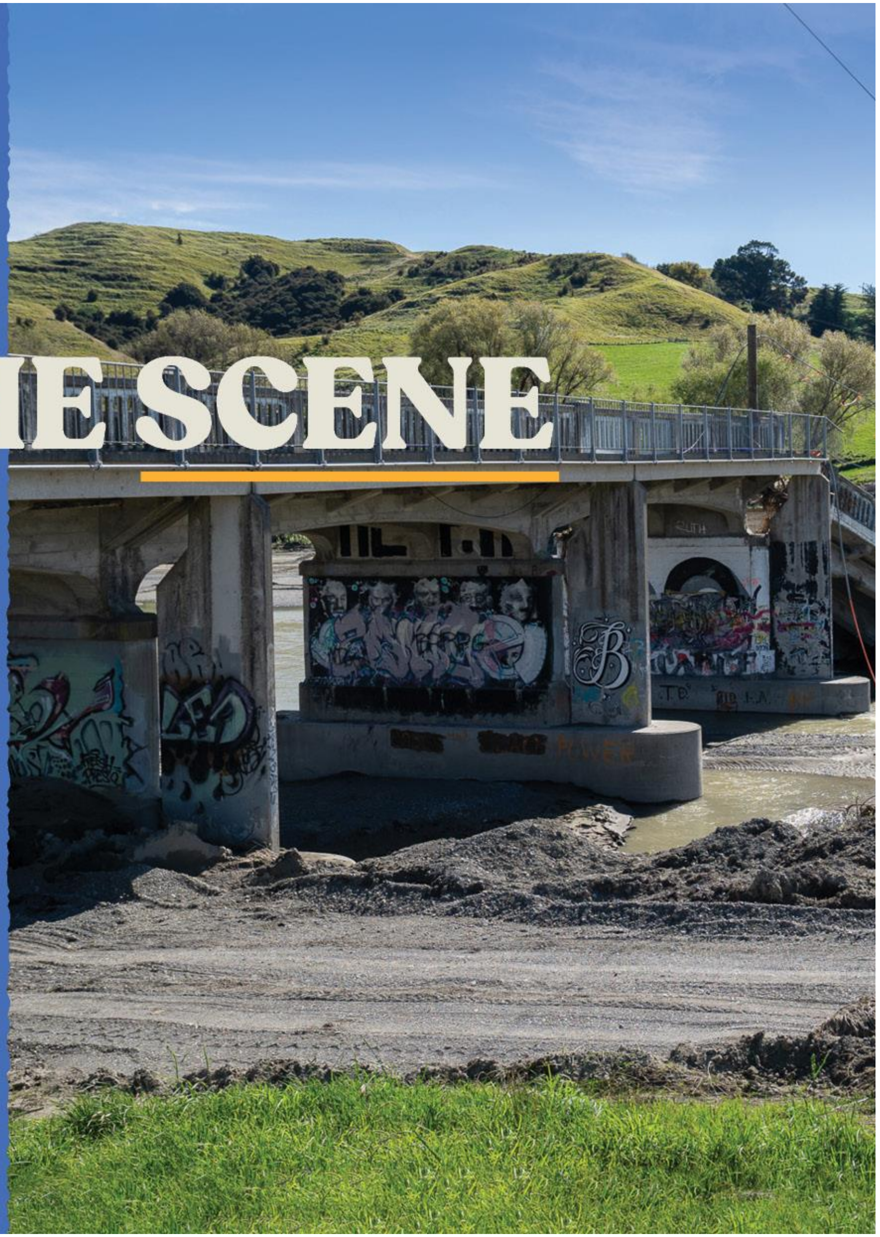
HERETAUNGA HASTINGS DISTRICT COUNCIL


Te ara whakaora
Road to recovery
HERETAUNGA HASTINGS
DISTRICT COUNCIL
2024-2034 Draft Long Term Plan
Supporting Information

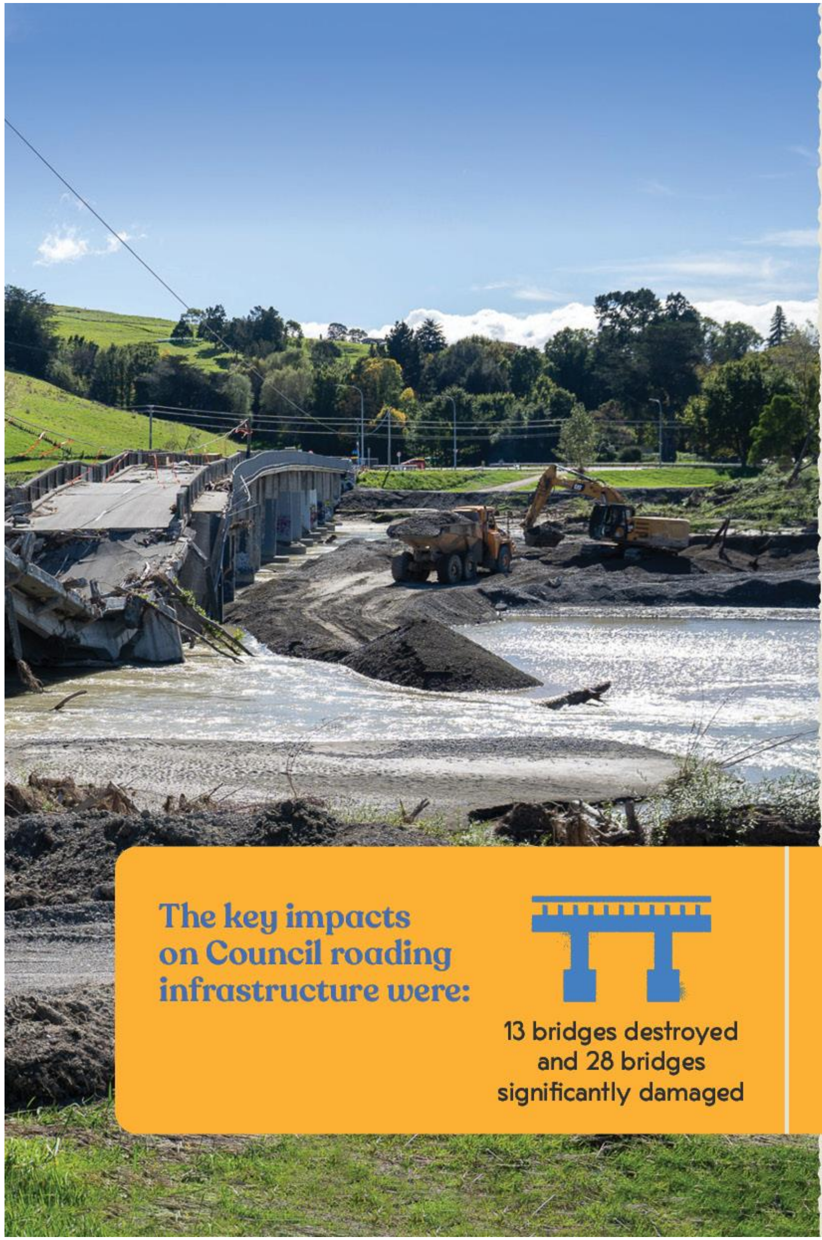
Contents

Part One
LONG TERM PLAN OVERVIEW

SETTING THE SCENE



2023 certainly changed the context with which the Council will operate over the next few years. The impacts of Cyclone Gabrielle will remain with us for some time. Along with central government reviews and managing the ongoing impacts of climate change and growth, it will be a challenging time.



Cyclone Gabrielle

Cyclone Gabrielle caused significant damage across large areas of the North Island during 13-14 February 2023 and resulted in the declaration of a National State of Emergency. Here in Hawke's Bay, this declaration remained in place until 14 March.

Cyclone Gabrielle has permanently changed the landscape and lives of residents in the Hastings District. Described as the most significant weather event in New Zealand this century, it caused:

- Loss of life,
- Displacement of hundreds of residents from their homes,
- Hundreds of millions of dollars in damage to Council infrastructure,
- Billions of dollars of negative consequences to the regional economy in respect of damage to production capacity and lost revenue,
- Social, economic, and mental health trauma for many in our communities.

The voluntary property buyout of category 3 properties (in conjunction with the Crown) is in full swing also.

The key impacts on Council roading infrastructure were:

- 13 bridges destroyed and 28 bridges significantly damaged
- 2000+ culverts needed repairing or replacement
- 100km+ roads to be repaired or rebuilt
- 800+ large slips needed repair

Three waters repeal and reform

With the recent change in government the previous proposed reform of Three Waters is being repealed. Replacement legislation will become clearer during 2024, but for the time being the delivery of services and responsibility for assets remains with Councils.

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 continues to grow with demand for various types of housing and the need to address existing pinch points.

New wastewater infrastructure that will take some of our urban wastewater around the city, instead of though it, will provide future capacity for growth. However, with a potentially slowing economy the Council's risk exposure (paying for infrastructure before growth pays for it) is a key issue to manage.

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

Our vision for the Hastings District represents the foundations of our community: land and people.

HERETAUNGA WHENUA HOUKURA, HERETAUNGA HAPORI ORA
FERTILE LAND, PROSPEROUS 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.

Item 9

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

Note: A summary of the Cyclone Recovery Framework can be found on the next page.

VISION	**Heretaunga whenua houkura, Heretaunga hapori ora** **Fertile land, prosperous people**			
COMMUNITY WELLBEING	Economic	Enviromental	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	

CYCLONE GABRIELLE RECOVERY FRAMEWORK

The key linkages with the budgets and programmes and contained in the 2024–2034 Long Term Plan are:

Whanau Community resilience

- With funding support 35 Community Emergency Hubs are in development across the district. 2 mobile emergency trailers that can be filled with resources and towed or lifted by helicopter are also available.
- Civil Defence centres have been set-up at the Hastings Sports Centre and Flaxmere Community Centre.

Infrastructure Resilience

Three Waters

- Esk Water resilience project including rebuild and options assessment.
- Havelock Streams – Funding for long-term strategy development and action plan and ongoing maintenance and operations.

Roading

- Comprehensive 6-year recovery programme covering road pavement, bridges, culverts and slips.

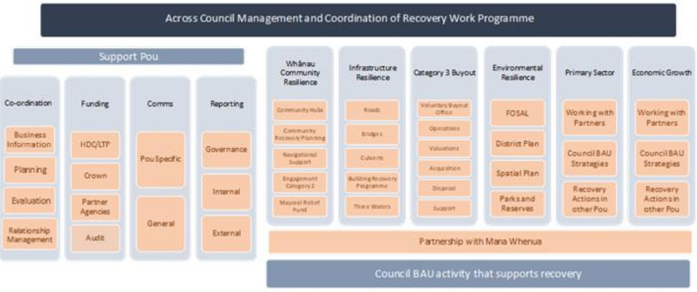
Category 3 Buyout

- Dedicated Voluntary Buyout Office (VBO) established to administer the property buyout process.

Environmental Resilience

- The Council's Growth Unit is working on the Future Development Strategy (FDS) looking at future settlement and targeted work is occurring to address cyclone damage in some of our parks such as Tainui Reserve.

Below is the HDC Cyclone Gabrielle Recovery Framework. Dedicated teams are working to advance the actions in this framework as are external stakeholders.



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Economic
Enviromental
Social
Cultural
STRATEGIC
PRIORITY
AREAS

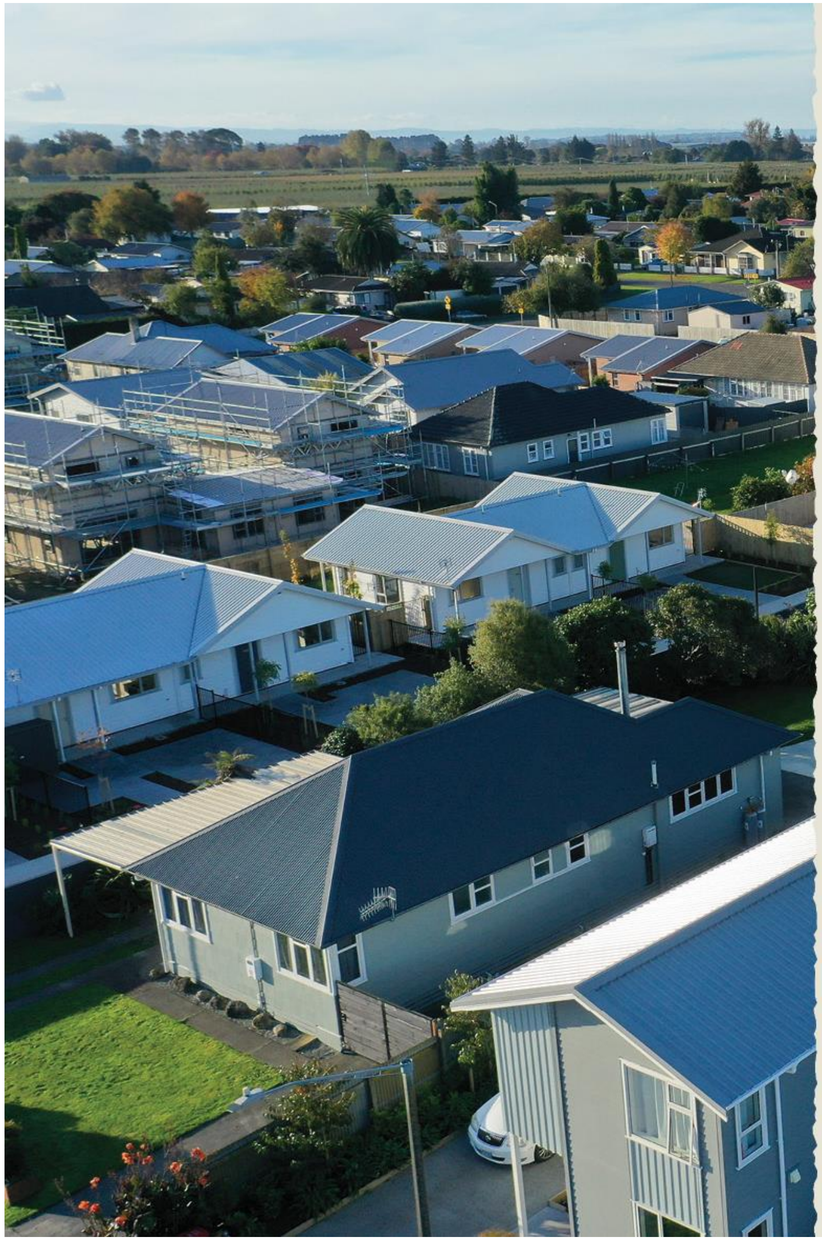
Economic

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



Economic

Social

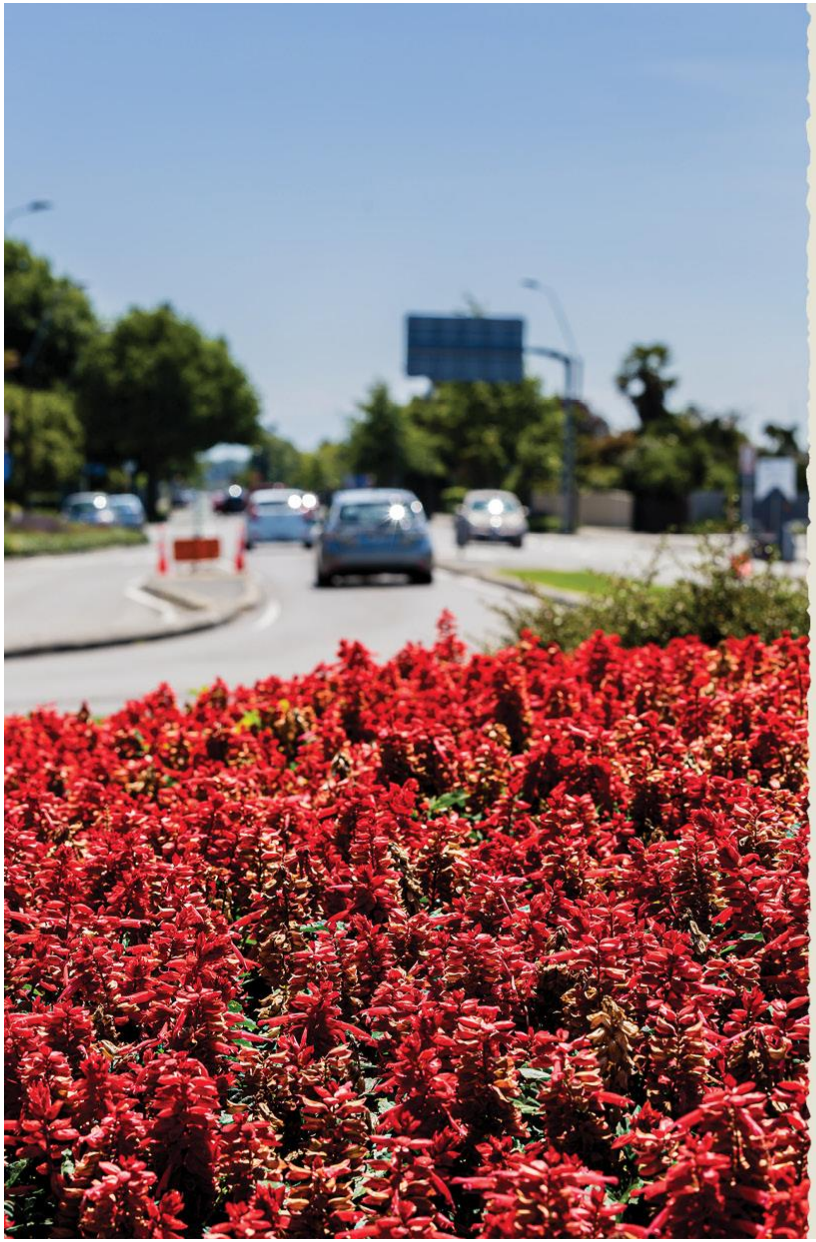
HOMES FOR OUR PEOPLE

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



Economic
Cultural

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

Economic

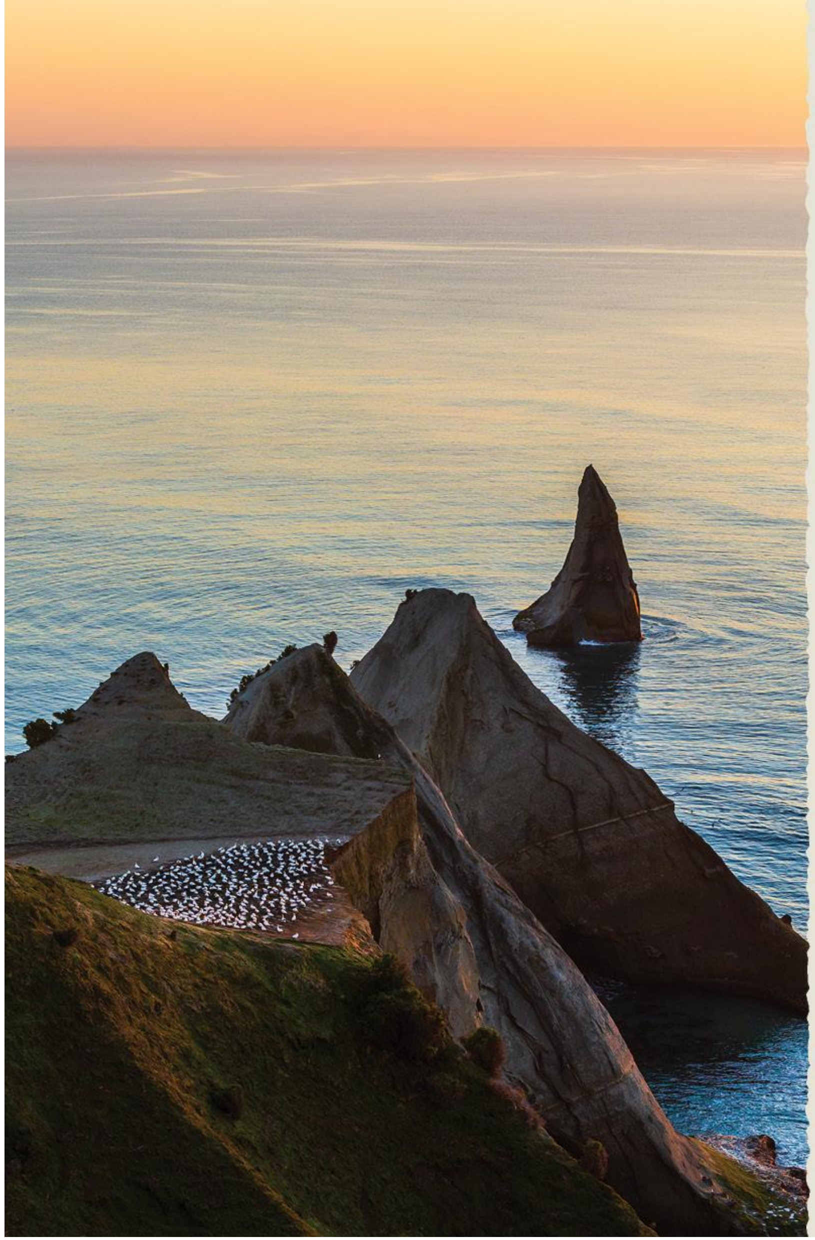
Social

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)



Enviromental

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

CITY CENTRE REVITALISATION

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

Social

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

Item 9

Cultural Social

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).

CHOICES

Cyclone targeted rate

Cyclone Gabrielle has left the district with a large bill to pay – despite the government funding secured. These costs have been ringfenced and as a community we now need to decide the fairest way to pay.

Managing growth

Hastings District is experiencing ongoing demand for housing. This places pressure on Council to supply the infrastructure to service land for new development. The financial pressure created from funding cyclone costs means we have had to make choices about which areas are able to be developed and which areas will remain constrained from development.

Nice-to-have projects

Managing debt is a key issue for the 2024 Long term Plan. Part of the strategy to manage debt means tough choices need to be made with" nice to have projects" which we simply cannot afford for some time.

Overall rates and debt plan

The Councils financial challenge is significant. Two key indicators form the backbone of the Council's Financial Strategy. Those indicators are the debt to revenue ratio and the balanced budget.

There are choices as to how to manage the overall fiscal plan.

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 be best be addressed by catching them early and scaling up our investment in a staffed 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. Our treatment plan also requires a range of renewal work.

Drinking water

We have now completed significant investment into safe drinking water (circa $100m) however there are further 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.

Refuse

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


LONG TERM PLAN 2021-2031 HASTINGS DISTRICT COUNCIL // 25

Part Two
POLICIES

Item 9

Policies

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

This plan includes some policy updates. The Revenue and Financing Policy includes an update for the introduction of the Cyclone Recovery Targeted Rate. The Financial Strategy includes updates to give effect to the Council's strategy for navigating its financial challenges post Cyclone Gabrielle. The Treasury Policy also includes updates to various ratios as a consequence of Cyclone Gabrielle, particulary the debt to revenue ratio.

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.

LEVEL OF SIGNIFICANCE

Not of Significance → Moderate Significance → High Degree 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.

LEVEL OF PARTICIPATION

Inform Consult Participate

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 of 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 practical 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
- Infrastructure assets relating to water, stormwater, and wastewater (See Note 2 Below);
- The network of parks, sports parks, sports centres and other recreational facilities;
- The district's 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 (Toitoi); 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 1: Some individual decisions within asset groups may however be significant after having regard to other criteria in this policy.

Note 2: Three Water reform is currently in a period of uncertainty. However, it is possible that over the first 3 years of this plan that the assets and responsibility for the delivery of Three Water services will be transferred to a new entity. Should that occur then these assets will cease to be strategic Council assets for the purpose of 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	• 2021 Long Term Plan and Amendments • 2022/23 Annual Plan	• Various Community Plans • Various Reserve Management Plans • Fluoride Referendum • Te Ara Kahikatea 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)

Table of Contents

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 effected.

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) C, schedule 7 the power to borrow money,or purchase or dispose of assets, other than in accordance with the Long Term Plan (for example, the voluntary buyout activity below) remains the sole responsibility of Council and 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.

- Voluntary Buyout Activity – The Council has established a new unit (Voluntary Buyout Office) to administer voluntary residential property purchases from initial offer to final settlement as a result of Cyclone Gabrielle. For administrative efficiency and to ensure affected property owners receive the quickest resolution possible the Council has delegated this activity and the associated decisions to the Voluntary Buyout Office and its Officers.

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	<250%
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%

Income is defined as regular ongoing 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)) and any one-off revenues to support capital expenditure or a short-term operational project. .

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 and debt capacity within agreed macro limits.

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 guarantor to financial institutions on loans or enter into incidental arrangements of organisations, clubs, Trust, or Business 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 amounts 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 and 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, and analysis showing the long-term impacts on Council's key debt ratios, 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 are used to repay council debt. This includes proceeds from any land that is acquired through the cyclone Gabrielle voluntary property purchases.

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. This includes voluntary residential property purchases as the result of Cyclone Gabrielle.

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.

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.

Interest income from financial investments is credited to general funds, except for income from investments for special funds and sinking funds where interest is credited 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.

Circumstances where Council may have previously held surplus funds other than for cash management purposes are listed below.

Specific Bequests & Donations

> No cash investments are held to support bequests and donations. Any cash received is used to support Copuncil's wider treasury management objectives.

Council Created and Other Reserves

Council policy is to only hold a reserve fund in very limited circumstances, such as where there are legal restrictions on the use of funds. Apart from a limited number of exceptions Council will apply any surplus debt against the retirement of debt, rather than to create a separate reserve fund.

To achieve the goal of closing most existing reserves the following process will be followed.

If a council reserve is in surplus, and there is no legal reason to hold funds in a reserve, it shall closed with the funds utilised internally, to reduce debt associated with the activity linked to the purpose of that reserve

IF a council reserve is in deficit it shall be closed with that deficit converted to debt related to the activity linked to the purpose of that reserve.

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.

4.2.7 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 instruments may be used for foreign exchange risk management activity.

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

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

- The Council shall not borrow or enter into incidental arrangements, within or outside New Zealand, in currency other than New Zealand currency.
- Contingent Liabilities
- Unless the possibility of an outflow is remote, contingent liabilities must be identified 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 include 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 forecast external 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. Counterparties 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 error (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 to 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 standard 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 banks 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)	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.	Based on Land Value Same approach as outlined for operational expenditure for any rate requirement for Capital Expenditure.
Use of Differentials	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.	
Uniform Targeted Rate Uniform Annual General Charge (UAGC)	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.	
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. The 2024 Long Term Plan also proposes the introduction of a targeted rate to fund the costs associated with recovery from Cyclone Gabrielle.	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,

Funding Source	Application to Operating Expenditure	Application to Capital Expenditure
		development contributions or targeted rates on those persons or properties directly benefiting.
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 Supply	Yes	Yes	Fees & Charges	Connection fees are charged to individual beneficiaries for water supply connections.

WATER & ROADS

Outcome Group	Who Benefits		Funding Sources	Conclusion (who creates a need and funding choices)
Activity Description	Community (Public)	Individuals (Private)		
	Low	High		
			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.

SAFE, HEALTHY & LIVEABLE COMMUNITIES

Outcome Group	Who Benefits		Funding sources	Conclusion (who creates a need and funding choices)
Activity Description	Community (Public)	Individuals (Private)		
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 property's 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.
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.

SAFE, HEALTHY & LIVEABLE COMMUNITIES

Outcome Group	Who Benefits		Funding sources	Conclusion (who creates a need and funding choices)
Activity Description	Community (Public)	Individuals (Private)		
			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.
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

SAFE, HEALTHY & LIVEABLE COMMUNITIES

Outcome Group	Who Benefits		Funding sources	Conclusion (who creates a need and funding choices)
Activity Description	Community (Public)	Individuals (Private)		
				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.
Environmental Consents	Yes Low- Med	Yes Med - High	Fees & Charges	Individual beneficiaries are charged actual and reasonable cost recoveries for resource consents and other miscellaneous fees and charges.
			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.

SAFE, HEALTHY & LIVEABLE COMMUNITIES

Outcome Group	Who Benefits		Funding sources	Conclusion (who creates a need and funding choices)
Activity Description	Community (Public)	Individuals (Private)		
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: Hastings Sports Centre	Yes Med - High	Yes Low - Med	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 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	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 kerbside refuse collection 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 differentials.
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.
CYCLONE GABRIELLE RECOVERY				
	Yes Med - High	Yes Low	Subsidies & Grants	The Crown have set the policy parameters (which differ from the Christchurch earthquake approach) and determined the 50/50 cost share arrangement with local authorities on the property buyout process. Note: The private benefit to property owners is covered via the proposed policy and its criteria in respect of the offers to purchase. – therefore, this Revenue and Financing Policy only addresses the remaining costs & beneficiaries. The Crown agreement also includes funding to meet part of the cost of transportation recovery costs from Cyclone Gabrielle and this is interrelated with the funding for propert buyout..

ECONOMIC & COMMUNITY DEVELOPMENT

Outcome Group	Who Benefits		Funding Sources	Conclusion (who creates a need and funding choices)
Activity Description	Community (Public)	Individuals (Private)		
			Targeted Rate	The benefits net of grants and subsidies are considered to be district wide in nature , extending over time and not easily differentiated among identifiable groups or individuals. The magnitude of the recovery cost is another consideration in respect of the overall liability for revenue needs. The costs are proposed to be allocated to the two rating groups on land value and then via a targeted rate set 50% on a uniform basis within both Rating Areas and 50% on land value set within both Rating Areas.

(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		
Economic and Social Development	UAGC – 86.20% Other – 93.28%	UAGC 13.80% Other – 6.72%

	Rating Area One	Rating Area Two
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%
Cyclone Gabrielle Recovery		
Cyclone Gabrielle Recovery (property buyout,transport recovery, other)	Land Value 67%	Land Value 33%

*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.

Section 101 Anaylsis – Cyclone Gabrielle recovery working paper.

The following is an analysis of funding needs for Cyclone Recovery (including residential property purchase, roads and bridges reinstatement, Whirinaki/Esk Water Supply, Parks and Buildings, community hubs and associated cyclone support costs)

Local Government Act - *Section 101 Financial management*

(1) A local authority must manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future e interests of the community.

(2) A local authority must make adequate and effective provision in its long-term plan and in its annual plan (where applicable) to meet the expenditure needs of the local authority identified in that long-term plan and annual plan.

(3) The funding needs of the local authority must be met from those sources that the local authority determines to be appropriate, following consideration of,—

a. in relation to each activity to be funded,—

i. the community outcomes to which the activity primarily contributes; and

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

iii. the period in or over which those benefits are expected to occur; and

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

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

b. the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community.

(3) a. i. The community outcomes to which the activity primarily contributes.

"Safe and Inclusive Place" (p. 9 Long Term Plan 2021-31).

Relevant strategic goals within this Community Outcome are:

1) "Our communities are safe and resilient".

Climate change is increasing the intensity and frequency of rainfall and this is impacting on the places where people can live without undue risk. The incidence of flooding to properties and risk to our community is worsening.

The compensation of the residential share of people's property rights is an acknowledgement that, in some situations, the risk of flooding cannot be reasonably mitigated through flood protection. As a final measure, the remaining mechanism is to remove residential dwellings from areas of high risk.

Safety and resilience are core functions of Council which are also fundamental to our transportation network significantly devastated by the cyclone, particularly (but not solely) in our rural areas of the district.

(3) a. ii. The distribution of benefits between the community as a whole, any identifiable part of the community, and individuals.

Whilst the cyclone recovery activity covers several functions of Council the costs lay primarily with the property buyout scheme and significant damage to the transportation network.

The agreement with the crown effectively nets of Council's contribution to the property purchase scheme via additional roading subsidy toward the cost of Councils 7-year transportation recovery programme. **Therefore, this benefit analysis is focused on the transportation recovery programme.** (In any case the primary beneficiaries from the property buyout scheme are being compensated for the loss of residential property rights, which may have otherwise required more expensive flood protection mitigation to protect those properties at risk).

<u>Current Funding Policy</u>

The Council's current policy in respect of the funding of roads is that the costs fall in each of the two rating areas based on their location – in other words Rating Area One (RA1) pays for their roads and Rating Area Two (RA2) pay for their roads. This system has been in place since 1989 and reflects the rating transparency the rural sector wanted at the time of the 1989 Local Government Amalgamation. It puts aside any of the obvious cross usage and benefit judgements.

A high-level analysis of the damage to the transport network shows that on the existing policy split the circa $680m of forecast transport recovery expenditure would fall as follows:

Rating Area 1 - 20% (Brookfields and Redclyffe bridges)

Rating Area 2 - 80% (Balance of the programme)

<u>Cyclone Gabrielle Specific Beneficiary Analysis</u>

The impacts of Cyclone Gabrielle go well beyond the direct location specific maintenance and renewal needs of the roading network (upon which the original rating split was established) – therefore the existing policy split is considered inappropriate.

The Hawkes Bay economy has suffered significant disruption (and therefore by association all HB residents are impacted) and will benefit by the reinstatement of routes that facilitate regional economic activity. Likewise access to recreational routes disrupted by the cyclone also have wider regional benefits if they are reinstated.

Whilst rural communities suffered direct accessibility challenges, disruption to key routes and the associated works required will benefit HB residents and tourists more generally.

Limitations on Local Authority funding powers mean that tourists cannot be pragmatically charged for any share of cyclone recovery costs.

Whilst its easily argued that Napier City residents should bear a significant portion of the cost (given the proximity of the damage located to the north of its territorial boundary) – the vagaries of Local Government structures and legislation means that this is unlikely.

The unprecedented magnitude of this event, the range of beneficiaries (including out of district) and the inappropriateness of existing policy settings has led Council to determining that the starting point for any benefit analysis (and fundamental principle) should be on a districtwide basis i.e., **"we are all in it together".** This could be assessed two ways based on current Council Policy

<u>Approach One – Land Value Apportionment</u>

Distributing the costs based on the relative land value of each rating area gives the following result:

Rating Area 1 – 67%

Rating Area 2 - 33%

<u>Approach Two – Per Property Apportionment</u>

Distributing the costs based on the number of rateable properties in each rating group gives the following result:

Rating Area 1 – 86%

Rating Area 2 - 14%

<u>Is there an argument for some differentiation between the rating groups?</u>

A high-level assessment of the nature of the costs of Cyclone Gabrielle would indicate that the primary impacts are on;

(a) Key routes impacting the broader HB economy;
(b) Key routes disrupting access to recreational opportunities;
(c) Localised specific rural accessibility benefits to rural communities and clusters of individual farms

On the basis of above there could be an argument for a greater share to be allocated to the rural area. However, this is difficult to quantify but could underpin an allocation being set somewhere between the Land Value and Per Property apportionments (recognising that rural properties are inherently disadvantaged due to the nature of land holdings to form economic farming units – if reliance was based purely on the Land value apportionment approach)

It is therefore assessed that an initial principal be established that apportionment of cost falls between 20% and 35% to Rating Area Two.

Other Considerations - See also section 3b in respect to equity and fairness of rating and how the incidence of rates is distributed across our community.

(3) a. iii. The period in or over which those benefits are expect to occur.

Action now will result in increased safety and resilience to our transportation network from any potential future flooding event. The nature of the infrastructure being rebuilt (i.e., bridges with multi-generation asset lives) means that the benefit is assessed as long-term. The normal loan funding duration of 20 years is typically used for new assets. Whilst it can be argued new assets are being created, their purpose is to bring the district back to where it was before the cyclone.

Having regard to this and balancing the intergenerational nature of the investment and the need to avoid prolonged exposure to debt servicing costs a modified loan funding period of 16 years has been calculated.

(*3) a. iv. The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity.*

The increasing frequency in weather extremes creates risks for our community. In areas prone to flooding, debris from upstream exacerbates the ability to rebuild safely.

However, other natural events also come with risks that can manifest in different ways in different parts of our community. Indeed, a slightly different rainfall event could have impacted different communities to those that were impacted by Cyclone Gabrielle.

These events of this scale are difficult to predict and no particular group (or action/inaction has been identified). Note: The Council's Revenue and Financing Policy contains rationale to underpin a commercial differential on the general rate (based partly on the assessed additional demand on the roading network from commercial vehicles). That rationale includes:

- A road replacement ratio of 2 to 1 between CBD and outer areas;
- The roading specifications on urban arterial and collector roads to tolerate heavier vehicle types;
- CBD costs having a greater direct benefit to businesses located in that area;
- The ratio of CBD and suburban road sweeping costs compared to residential areas of 3 to 1.

The rationale above was not considered overly relevant or applicable to the nature of the Cyclone event and damage incurred predominantly in our rural areas. Some argument can be made that the commercial/industrial sector gains more directly from the restoration of routes supporting our economy and that some level of differentiation could be warranted which would be a judgement to be made.

Properties that were impacted had the right to build and live in impacted areas and cannot be identified separately in this regard (other than via the property buyout process and policy settings in respect of that).

These views reinforce the conclusion within this analysis that cyclone recovery has to be broadly based on an all of district approach, with some potential for differentiation between the two rating groups, and some consideration of differentiation by land use.

(*3) a. v. The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.*

The impact of the cyclone was significant, damaging or destroying residential and commercial buildings, roading, water, and other infrastructure. Recovery is an activity distinct from business as usual and is recognised by the Crown for joint funding purposes.

The fiscal impact of the above is significant for Hastings District Council and existing funding mechanisms are not considered to be appropriate. For example, the assessment of benefits would not fit with the composition of the general rate (calculated on various formula and differentiated across various land use types) when no discernible difference in benefit is able to be identified across these groups for the cyclone.

For transparency and to separate the funding approach regarding cyclone recovery from business as usual it is assessed that a targeted rate (set on either a fixed basis, a land value basis, or a mix of both) within each of the rating groups is the most transparent and equitable. ***(see the next section also)*** in terms of overall allocation of liability for revenue needs.

The basis of Rating

(a) Fixed uniform targeted rate in each Rating Area.
(b) Targeted rate set on land value in each Rating Area (or incorporated in general rate)
(c) Mixed combination of the above in each Rating Area

(Note: Capital value was not considered given the timeframes for implementation, and the fact that the Council's current rating system does not use capital value for the recovery of transport related costs).

(Note: Amalgamation of the rating groups was not considered given the timeframes for implementation and broader implications and considerations – however the Council is signalling that this could form a piece of work for Council's Rating Review Working Party, particularly in light of the ongoing funding challenges for the maintenance and renewal of the rural roading network).

(3) b. The overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community.

The reality of an event like Cyclone Gabrielle is that it does not respect nor reflect the methodology of existing territorial boundaries or rating systems designed for business-as-usual activities and their cost allocations.

To expect the rural rating area (Rating Area 2) to fund the impact of the event purely on the basis of the locality within which it occurred would have a drastic effect on the wellbeing of rural property owners. That Rating Area has 5,200 rateable units as opposed to the full district which has 32,000 rating units.

The only pragmatic and fiscally sustainable approach is a funding approach which shares broadly the responsibility for the cyclone across the district. As outlined earlier the Hastings District Council does not have a mechanism to charge Napier City ratepayers/beneficiaries.

The use of a targeted rate (with perhaps some differentiation by land use and within Rating Areas) would reflect that shared responsibility.

1. There is a limit (s.21 Local Government (Rating) Act to the amount of fixed rates Council can employ (30% of total revenue from rates - excluding water supply or sewerage). Hastings District Council is currently under this limit. The addition of a new fixed rate (with some differentiation between the two rating groups) would not put Council over the maximum. Council however is mindful of the overall impact of uniform charges on lower valued properties.
2. The two rating groups work independently of each other with differing priorities over differing time horizons. By setting a Cyclone Targeted Rate for each area, the rate can be calculated to include consideration of these unique factors without breeching the legislative cap.
3. The overall incidence of rates. With the properties in Rating Area Two being primarily high value farming blocks it does raise the consideration of how equitable a flat charge would be on a farming block compared to that of an urban residential property. Fixed uniform targeted rates can have a regressive impact in % terms on more lower valued properties. The counter argument could be that a significant proportion of the rate take is still calculated on the value of a property and therefore the principle of rates being primarily a tax on land is not being compromised. Other relevant context might be that fixed charges for Water Supply and Wastewater are forecast to increase considerably, which will impact on the incidence of rate in the urban area.

Based on the rationale above Officers modelled a number of scenarios which attempt to find the balance between transparency, equity, and the wider overall incidence of rates considerations. They consisted of variations of the allocation of cost across the two rating groups as well as variations of how the targeted rate would be set (solely on a uniform basis, solely on a land value basis or a hybrid approach consisting of 50% uniform charge and 50% based on land value), and differing recovery periods.

After Council consideration of these scenarios the following stood out as the preferred option when considering the overall incidence of rates and its impacts on various categories of property across the district.

Preferred Option – (Hybrid)

Key Components:

- Cyclone Apportionment 67% RA1 – 33% RA2 (Land Value split)
- 16 Year cyclone recovery funding period
- Hybrid mixed targeted rate (50% per property uniform charge, 50% per property on Land Value).

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 2024/25 financial year will be based upon the district revaluation dated October 2022.

Targeted rates are levied in the areas where the works and services are being provided. In 2024/25 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 2024/25 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 2024/25 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.

Cyclone Gabrielle Recovery Targeted Rate

In 2024/25 the Council is proposing the introduction of a Cyclone Gabrielle targeted rate to recover the costs associated with the recovery, including voluntary property buyouts, transport recovery, building, parks and other community resilience costs. The targeted rates are proposed to be levied within each of the rating areas and be made up of a rate based 50% as a uniform charge and 50% based on the land value of rating units.

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 2024 and, if still unpaid, again in January 2025.

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 2024 and, if still unpaid, again in January 2025.

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.

[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.

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.

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 register 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 register.

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 register.

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 26 or fewer 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 Māori2;
- 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;

Governance and support services; and

Cyclone Recovery

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 April 2024. 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 early adopted, and which are relevant to the Council and group are:

2022 Omnibus Amendments to PBE Standards, issued June 2022

The 2022 Omnibus Amendments include several general updates and amendments to several Tier 1 and Tier 2 PBE accounting standards. The revised PBE standards are effective from the year ending 30 June 2024. They are not expected to have significant impact on the financial statements.

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.

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.

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.

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.

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.

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.

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.

Comparative Figures

The 2023/24 Annual Plan comparative figures have been used.

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 conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received 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.

Revenue from insurance claims is recognised when a claim is notified as approved by the insurance provider.

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.

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.

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.

Receivables

Short-term receivables are recorded at the amount due, less an allowance for Expected Credit Losses (ECL).

The Council and group apply the simplified ECL model of recognising lifetime ECL for short-term receivables.

In measuring ECLs, receivables have been grouped into rates receivables, and other receivables, and assessed on a collective basis as they possess shared credit risk characteristics. They have then been grouped based on the days past due. A provision matrix is then established based on historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

Rates are 'written-off':

- When remitted in accordance with the Council's rates remission policy; and
- In accordance with the write off criteria of sections 90A (where rates cannot be reasonably recovered) and 90B (in relation to Māori freehold land) of the Local Government (Rating) Act 2002.

Investment in Associates

An associate is an entity over which the Council has significant influence and that is neither a subsidiary nor an interest in a joint arrangement. The Council's associate investment is accounted for in the Group financial statements using the equity method. The investment in an associate is initially recognised at cost and the carrying amount in the Group financial statements is increased or decreased to recognise the Group's share of the surplus or deficit of the associate after the date of acquisition. Distributions received from an associate reduce the carrying amount of the investment.

If the share of deficits of an associate equals or exceeds its interest in the associate, the Group discontinues recognising its share of further deficits. After the Group's interest is reduced to zero, additional deficits are provided for, and a liability is recognised, only to the extent that the Council has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports surpluses, the Group will resume recognising its share of those surpluses only after its share of the surpluses equals the share of deficits not recognised.

Where the group transacts with an associate, surpluses or deficits are eliminated to the extent of the group's interest in the associate.

The investment in the associate is carried at cost in the Council's parent entity financial statements.

Other Financial Assets

Other financial assets (other than shares in subsidiaries) are initially recognised at fair value. They are then classified as, and subsequently measured under, the following categories:

- Amortised cost;
- Fair value through other comprehensive revenue and expense (FVTOCRE); and
- Fair value through surplus and deficit (FVTSD).

Transaction costs are included in the value of the financial asset at initial recognition unless the asset has been designated at FVTSD, in which case it is recognised in surplus or deficit.

The classification of a financial asset depends on its cash flow characteristics and the Council and group's management model for managing them.

A financial asset is classified and subsequently measured at amortised cost if it gives rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal outstanding and is held within a management model whose objective is to collect the contractual cash flows of the asset.

A financial asset is classified and subsequently measured at FVTOCRE if it gives rise to cash flows that are SPPI and held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Financial assets that do not meet the criteria to be measured at amortised cost of FVTOCRE are subsequently measured at FVTSD. However, the Council and group may elect at initial recognition to designate an equity investment not held for trading as subsequently measured at FVTOCRE.

Subsequent measurement of financial assets at amortised cost

Financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest method, less any expected credit losses (ECL). Where applicable, interest accrued is added to the investment balance. Instruments in this category include term deposits and LGFA Borrower notes.

Subsequent measurement of financial assets at FVTOCRE

Financial assets in this category that are debt instruments are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense, except ECL and foreign exchange gains and losses are recognised in surplus or deficit. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified to surplus and deficit. The Council has no instruments in this category.

Financial assets in this category that are equity instruments designated as FVTOCRE are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense. There is no assessment for impairment when fair value falls below the cost of the investment. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to accumulated funds within equity. The Council and group designate into this category all equity investments that are not held for trading as they are strategic investments that are intended to be held for the medium to long-term.

Subsequent measurement of financial assets at FVTSD

Financial assets in this category are subsequently measured at fair value with fair value gains and losses recognised in surplus or deficit.

Interest revenue and dividends recognised from these financial assets are separately presented within revenue.

Other than for derivatives, the Council and group has no instruments in this category.

Expected Credit Loss allowance (ECL)

The Council and group recognise an allowance for ECLs for all debt instruments not classified as FVTSD. ECLs are the probability-weighted estimate of credit losses, measured at the present value of cash shortfalls, which is the difference between the cash flows due to Council and group in accordance with the contract and the cash flows it expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

ECLs are recognised in two stages. ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). However, if there has been a significant increase in credit risk since initial recognition, the loss allowance is based on losses possible for the remaining life of the financial asset (Lifetime ECL).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Council and group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Council and group's historical experience an informed credit assessment and including forward-looking information.

The Council and group consider a financial asset (excluding receivables, refer to Note 6) to be in default when the financial asset is more than 90 days past due. The Council and group may determine a default occurs prior to this if internal or external information indicates the entity is unlikely to pay its credit obligations in full.

Council measure ECLs on loan commitments at the date the commitment becomes irrevocable. If the ECL measured exceeds the gross carrying amount of the financial asset, the ECL is recognised as a provision.

Subsidiaries

The Council consolidates in the Group financial statements all entities where the Council has the capacity to control their financing and operating policies so as to obtain benefits from the activities of the subsidiary. The power exists where the Council controls the majority voting power on the governing body or where such policies have been irreversibly predetermined by the Council or where the determination of such policies is unable to materially affect the level of potential ownership benefits that arise from the activities of the subsidiary.

Investments in subsidiaries are carried at cost in the Council's parent entity financial statements.

The interest in the Te Mata Park Trust Board has been reflected in the consolidated financial statements and accounted for using the purchase method. This involves adding corresponding assets, liabilities, revenues and expenses on a line-by-line basis.

The interest in the Hawke's Bay Regional Sports Park Trust has been reflected in the consolidated financial statements and accounted for using the purchase method. This involves adding corresponding assets, liabilities, revenues and expenses on a line-by-line basis.

Hastings District Holdings Limited is 100% owned by the Council and provides Council with an extra layer of governance and a monitoring structure for Council's other CCOs which include Hawke's Bay Opera House Limited and Hastings District Properties Limited.

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.

(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.

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits or service potential are expected from its use or disposal.

(d) 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.

(e) 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
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.

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

Property, plant and equipment

Property, plant, and equipment are reviewed for impairment at each balance date and whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. 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.

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. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit. For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss on a revalued asset is credited to other comprehensive revenue and expense and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit. For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in the surplus or deficit.

Value in use for non-cash generating assets

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return. The majority of the Council and Groups assets are non-cash generating. For non-cash-generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, a restoration cost approach, or a service units approach.

The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

Value in use for cash-generating assets

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return.

The value in use for cash-generating assets and cash-generating units is the present value of expected future cash flows.

Impairment of Intangible assets

Intangible assets subsequently measured at cost that have an indefinite useful life, or are not yet available for use, are not subject to amortisation and are tested annually for impairment.

The same approach outlined above for impairment of property, plant and equipment applies to the impairment of intangible assets.

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.

Payables and Deferred Revenue

Short term creditors and other payables are recorded at their face value.

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:

- Likely 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.

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.

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. In accordance with its treasury policy, Council does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance date with the resulting gain or loss recognised in the surplus or deficit. 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.

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.

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 2025 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;
- The annual cost of aftercare for Valley A and D is $27,500; and
- For the purposes of this plan, the provision reported for the Council’s share only (63.68%).

Estimating the fair value of 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.

Buildings (operational and restricted)

Land and Buildings were revalued in June 2021 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 Park Trust Board assets are recorded at cost less accumulated depreciation to date.

Infrastructural asset classes: water supply, wastewater, stormwater, parks and roading

Infrastructure assets for Roading were valued at June 2023 by Kevin Dunn of Beca, using the depreciated replacement cost method. Future revaluations (excluding land) will take place at two yearly intervals.

Infrastructure assets for water (excluding land) were valued at June 2022 at depreciated replacement cost by the Council’s engineers and independently reviewed by Ms Jennifer Fox of Waugh Infrastructure Management Ltd. These values were determined by calculation of the current cost of replacement adjusted by the estimated remaining useful life of the asset. Future revaluations (excluding land) will take place at two yearly intervals.

Parks assets replacement cost values were completed by Council's staff in June 2023 and independently reviewed by Pauline True (BE Civil) 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 (excluding land) will take place at two yearly intervals.

Other property, plant, and equipment

Library Collections are valued at depreciated replacement cost in accordance with guidelines established by the New Zealand Libraries Association. Library valuations are performed through a model created by an independent valuer, Dr Robin Watt MA (Hons.) PhD of R.J. Watt & Associates. The last valuation was performed as at June 2023.

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

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

Charles Tongue of Webb's valued the heritage assets in June 2023, 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.

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.

Other Investments – fair value

Term deposits

The carrying amount of term deposits approximates their fair value.

Unlisted shares and borrower notes

The fair value of the unlisted shares has been determined as follows:

- If an active market is present for unlisted shares, the fair value of such shares is determined by their market value.
- If an active market is absent for unlisted shares, the fair value of such shares is determined by their redemption value.

Estimating retirement and long service leave obligations

The present value of retirement and long service leave obligations depends on a number of factors that are determined on an actuarial basis. Two key assumptions used in calculating this liability include the discount rate and the salary inflation factor. Any changes in these assumptions will affect the carrying amount of the liability.

Expected future payments are discounted using forward discount rates derived from the yield curve of New Zealand government bonds. The discount rates used have maturities that match, as closely as possible, the estimated future cash outflows. The salary inflation factor has been determined after considering historical salary inflation patterns. A weighted average discount rate of 4.30% (2022: 6.0%) and an inflation factor of 2.00% (2022: 2.0%) were used.

Part Three
GROUPS OF ACTIVITIES

Groups of Activities

The Council groups its 26 key activities into six 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. • Cyclone Gabrielle Recovery- inclusive of property buyouts and transport recovery	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)

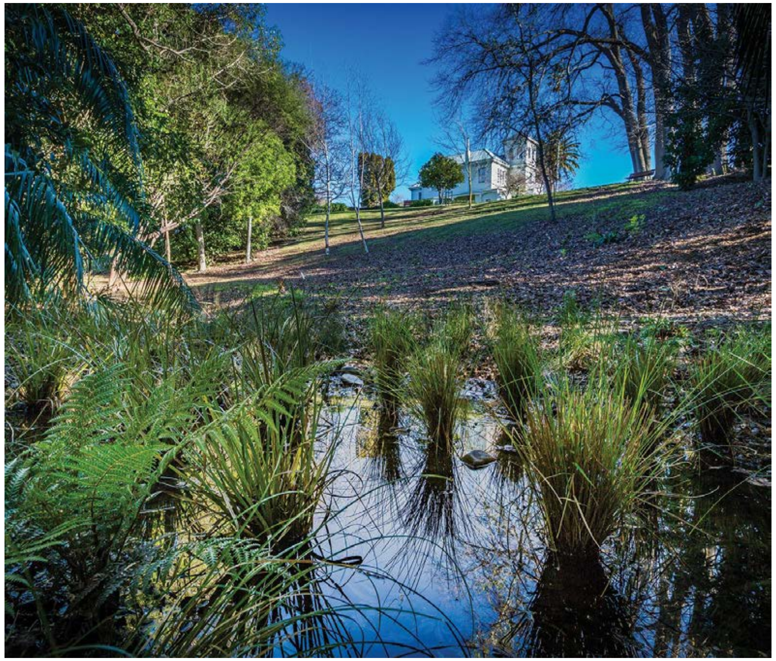
We have 26 activities which have been consolidated into five broad groups of activities:

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
- Cyclone Gabrielle Recovery

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 2024-34 (WHOLE OF COUNCIL)

	Annual Plan 23/24 $'000	Year 1 24/25 $'000	Year 2 25/26 $'000	Year 3 26/27 $'000	Year 4 27/28 $'000	Year 5 28/29 $'000	Year 6 29/30 $'000	Year 7 30/31 $'000	Year 8 31/32 $'000	Year 9 32/33 $'000	Year 10 33/34 $'000
SOURCES OF OPERATING FUNDING											
General Rates, uniform annual general charge, rates penalties	82,493	90,808	98,803	108,971	112,776	118,223	125,880	134,833	144,051	153,593	163,163
Targeted Rates	30,111	48,873	64,349	71,799	77,354	81,962	84,403	85,815	87,385	89,128	91,537
Subsidies and grants for operating purposes	8,386	19,262	8,223	8,159	8,215	8,388	8,564	8,743	9,006	9,184	9,354
Fees and charges	38,791	47,898	48,681	50,553	52,036	53,454	54,684	55,828	57,026	58,201	59,291
Interest and dividends from investments	13	27	27	28	28	29	29	30	30	31	31
Local authorities fuel tax, fines , infringement fees and other receipts	943	5,270	1,144	1,168	1,191	1,214	1,237	1,259	1,282	1,305	1,328
TOTAL OPERATING FUNDING (A)	**160,737**	**212,137**	**221,227**	**240,678**	**251,601**	**263,269**	**274,797**	**286,509**	**298,780**	**311,442**	**324,705**
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	115,866	134,699	130,207	132,173	133,788	136,391	139,568	141,684	144,816	147,301	150,939
Finance costs	10,024	21,277	26,608	29,870	30,823	34,092	36,148	37,446	36,678	35,180	33,616
Other operating funding applications	8,679	21,133	9,214	9,106	9,269	9,716	9,585	9,739	10,203	10,055	10,210
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	**134,569**	**177,109**	**166,030**	**171,149**	**173,879**	**180,198**	**185,300**	**188,869**	**191,697**	**192,537**	**194,765**
Surplus (deficit) of operating funding (A-B)	**26,168**	**35,028**	**55,198**	**69,529**	**77,722**	**83,071**	**89,497**	**97,640**	**107,083**	**118,905**	**129,940**
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	36,617	133,325	115,790	102,948	89,650	113,251	156,916	75,412	27,071	30,875	26,374
Development and financial contributions	11,895	8,676	9,267	11,465	19,242	19,431	19,742	18,534	18,722	18,208	18,380
Increase (decrease) in debt	76,227	123,734	74,565	40,523	16,770	22,385	21,904	(21,986)	(44,332)	(43,215)	13,869
Gross proceeds from sale of assets	714	2,883	6,231	4,973	4,356	389	711	906	432	733	800
Lump sum contributions	244	49	50	52	53	55	56	58	59	60	62
Other dedicated capital funding											
TOTAL SOURCES OF CAPITAL FUNDING (C)	**125,697**	**268,666**	**205,903**	**159,961**	**130,071**	**155,510**	**199,329**	**72,923**	**1,952**	**6,662**	**59,485**
APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
To meet additional demand	55,176	67,407	22,054	13,500	11,626	10,948	9,237	6,202	3,888	5,895	50,302
To improve the level of service	38,968	43,835	50,059	32,569	28,398	26,398	27,392	20,178	27,870	35,758	42,088
To replace existing assets	57,317	188,461	187,224	182,424	167,072	200,240	251,040	144,046	77,277	83,914	95,179
Increase (decrease) in reserves											
Increase (decrease) of investments	404	3,992	1,763	998	696	995	1,156	137			1,856
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	**151,865**	**303,694**	**261,101**	**229,490**	**207,793**	**238,581**	**288,826**	**170,563**	**109,035**	**125,567**	**189,425**
Surplus (deficit) of Capital funding (C-D)	**(26,168)**	**(35,028)**	**(55,198)**	**(69,529)**	**(77,722)**	**(83,071)**	**(89,497)**	**(97,640)**	**(107,083)**	**(118,905)**	**(129,940)**
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 2022/23 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.

Note: Some targets are under review considering new standards and will be updated for the Final Long Term Plan in June 2024.

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	15 complaints per 1000 connections.	15	15	15

STORMWATER

Community Outcomes	Level of Service Statement	Performance Measure	Year 1 Target	Year 2 Target	Year 3 Target	Year 4-10 Target
		The number of complaints received by Council about the performance of its stormwater system, expressed per 1000 properties connected to the Councils stormwater system.	NB: This is a baseline figure for stormwater related complaints received in the past eight years.			

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 sewage 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 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.	a) 1 hour response time to site (attendance time) b) 1 day Permanent Repair Completed (resolution time)	1 hour 1 day	1 hour 1 day	1 hour 1 day
		DIA Non-Financial Performance Measure 4: (customer satisfaction)				

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
		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 Losses 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: a) Attendance for urgent call-outs: from the time the local authority receives notification to the time that service personnel reach the site, and	Overall 95% Achievement Rate.			

WATER SUPPLY

Community Outcomes	Level of Service Statement	Performance Measure	Year 1 Target	Year 2 Target	Year 3 Target	Year 4-10 Target
		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 – 1 Hour response time to site.	1 hour	1 hour	1 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	Urgent – 2 Hour restoration of service.	2 hour	2 hour	2 hour
		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 – 3 days response time to site.	3 days	3 days	3 days
			Non-urgent – 7 days call resolution	7 days	7 days	7 days
		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

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-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 2024-34 FOR WATER SUPPLY

	Annual Plan 23/24 $'000	Year 1 24/25 $'000	Year 2 25/26 $'000	Year 3 26/27 $'000	Year 4 27/28 $'000	Year 5 28/29 $'000	Year 6 29/30 $'000	Year 7 30/31 $'000	Year 8 31/32 $'000	Year 9 32/33 $'000	Year 10 33/34 $'000
SOURCES OF OPERATING FUNDING											
General Rates, uniform annual general charge, rates penalties	167	163	167	172	177	181	186	190	195	199	204
Targeted Rates	15,137	18,532	21,084	23,867	26,686	28,071	28,706	29,264	29,931	30,429	31,057
Subsidies and grants for operating purposes	649										
Fees and charges	264	751	772	796	819	841	862	882	904	924	946
Internal charges and overheads recovered	5,283	6,539	6,654	6,806	6,925	7,066	7,197	7,332	7,482	7,609	7,745
Local authorities fuel tax, fines , infringement fees and other receipts											
TOTAL OPERATING FUNDING (A)	**21,500**	**25,984**	**28,677**	**31,640**	**34,607**	**36,159**	**36,951**	**37,668**	**38,512**	**39,162**	**39,952**
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	10,180	11,502	11,714	12,010	12,310	12,596	12,872	13,144	13,431	13,704	13,987
Finance costs	2,684	6,044	7,125	7,947	7,922	8,541	8,691	8,820	8,994	9,042	9,195
Internal charges and overheads applied	4,275	4,953	5,131	5,262	5,340	5,440	5,564	5,647	5,780	5,874	5,978
Other operating funding applications	3	40	41	42	44	45	46	47	48	49	50
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	**17,142**	**22,540**	**24,011**	**25,262**	**25,616**	**26,621**	**27,173**	**27,658**	**28,252**	**28,670**	**29,211**
Surplus (deficit) of operating funding (A-B)	**4,358**	**3,444**	**4,666**	**6,378**	**8,991**	**9,537**	**9,778**	**10,010**	**10,260**	**10,492**	**10,741**
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	2,723										
Development and financial contributions	2,331	2,672	1,405	1,704	2,732	2,761	2,806	2,661	2,690	2,428	2,450
Increase (decrease) in debt	590	17,638	24,320	7,059	6,288	6,072	576	3,576	200	(1,778)	15,769
Gross proceeds from sale of assets	148	136	71	129	145	75	106	152	113	112	159
Lump sum contributions		25	26	26	27	28	29	29	30	31	31
Other dedicated capital funding											
TOTAL SOURCES OF CAPITAL FUNDING (C)	**5,793**	**20,471**	**25,821**	**8,919**	**9,192**	**8,936**	**3,516**	**6,419**	**3,034**	**792**	**18,409**
APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
To meet additional demand	5,256	2,763	4,626		4,349	6,546	2,409	2,719	3,074	455	9,317
To improve the level of service	1,017	7,890	12,017	3,484	2,414	3,262	1,623	1,074	1,101	1,371	5,433
To replace existing assets	3,879	13,262	13,844	11,813	11,420	8,665	9,263	12,636	9,119	9,457	14,401
Increase (decrease) in reserves											
Increase (decrease) of investments											
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	**10,151**	**23,915**	**30,487**	**15,297**	**18,183**	**18,473**	**13,294**	**16,429**	**13,293**	**11,284**	**29,150**
Surplus (deficit) of Capital funding (C-D)	**(4,358)**	**(3,444)**	**(4,666)**	**(6,378)**	**(8,991)**	**(9,537)**	**(9,778)**	**(10,010)**	**(10,260)**	**(10,492)**	**(10,741)**
FUNDING BALANCE ((A-B)+(C-D))	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

HASTINGS DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 2024-34 FOR SEWERAGE AND THE TREATMENT AND DISPOSAL OF SEWAGE

	Annual Plan 23/24 $'000	Year 1 24/25 $'000	Year 2 25/26 $'000	Year 3 26/27 $'000	Year 4 27/28 $'000	Year 5 28/29 $'000	Year 6 29/30 $'000	Year 7 30/31 $'000	Year 8 31/32 $'000	Year 9 32/33 $'000	Year 10 33/34 $'000
SOURCES OF OPERATING FUNDING											
General Rates, uniform annual general charge, rates penalties	395	746	811	881	931	970	990	1,014	1,041	1,098	1,171
Targeted Rates	8,746	12,838	17,006	21,284	23,606	26,412	27,652	28,507	29,234	30,212	31,498
Subsidies and grants for operating purposes											
Fees and charges	2,890	3,366	4,058	4,785	5,355	5,756	6,138	6,398	6,575	6,891	7,099
Internal charges and overheads recovered	2,794	3,741	4,425	5,145	5,712	6,116	6,500	6,765	6,951	7,270	7,485
Local authorities fuel tax, fines , infringement fees and other receipts											
TOTAL OPERATING FUNDING (A)	**14,826**	**20,691**	**26,301**	**32,094**	**35,604**	**39,254**	**41,279**	**42,684**	**43,801**	**45,470**	**47,253**
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	5,223	5,950	6,113	6,293	6,473	6,642	6,805	6,963	7,132	7,290	7,458
Finance costs	1,943	3,599	5,242	6,685	7,432	8,426	9,140	9,493	9,675	10,167	10,936
Internal charges and overheads applied	5,136	6,725	7,491	8,283	8,907	9,369	9,830	10,142	10,405	10,786	11,063
Other operating funding applications	7	107	109	113	116	119	122	125	128	131	134
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	**12,311**	**16,381**	**18,956**	**21,374**	**22,928**	**24,556**	**25,897**	**26,723**	**27,340**	**28,373**	**29,591**
Surplus (deficit) of operating funding (A-B)	**2,515**	**4,310**	**7,345**	**10,720**	**12,676**	**14,698**	**15,382**	**15,961**	**16,461**	**17,097**	**17,662**
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	14,795	6,532									
Development and financial contributions	5,251	2,708	3,686	4,684	8,159	8,238	8,365	8,212	8,291	8,151	8,225
Increase (decrease) in debt	32,829	63,230	33,551	22,261	7,310	6,179	(1,418)	(6,133)	(3,225)	2,345	51,040
Gross proceeds from sale of assets											
Lump sum contributions	244	24	25	25	26	27	28	28	29	30	30
Other dedicated capital funding											
TOTAL SOURCES OF CAPITAL FUNDING (C)	**53,119**	**72,493**	**37,261**	**26,970**	**15,495**	**14,444**	**6,975**	**2,107**	**5,095**	**10,526**	**59,295**
APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
To meet additional demand	36,153	41,907	8,532	5,401	6,486	2,742	2,351	2,700		381	35,869
To improve the level of service	1,355	1,973	4,033	1,814	2,090	801	2,424	953	2,178	872	11,592
To replace existing assets	18,126	32,923	32,041	30,476	19,596	25,600	17,581	14,414	19,378	26,369	29,496
Increase (decrease) in reserves											
Increase (decrease) of investments											
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	**55,634**	**76,803**	**44,606**	**37,690**	**28,172**	**29,143**	**22,357**	**18,068**	**21,556**	**27,622**	**76,957**
Surplus (deficit) of Capital funding (C-D)	**(2,515)**	**(4,310)**	**(7,345)**	**(10,720)**	**(12,676)**	**(14,698)**	**(15,382)**	**(15,961)**	**(16,461)**	**(17,097)**	**(17,662)**
FUNDING BALANCE ((A-B)+(C-D))	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

HASTINGS DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 2024-34 FOR STORMWATER DRAINAGE

	Annual Plan 23/24 $'000	Year 1 24/25 $'000	Year 2 25/26 $'000	Year 3 26/27 $'000	Year 4 27/28 $'000	Year 5 28/29 $'000	Year 6 29/30 $'000	Year 7 30/31 $'000	Year 8 31/32 $'000	Year 9 32/33 $'000	Year 10 33/34 $'000
SOURCES OF OPERATING FUNDING											
General Rates, uniform annual general charge, rates penalties	4,029	5,967	6,653	7,277	7,589	7,869	8,124	8,307	8,479	11,124	12,094
Targeted Rates	23	23	23	23	23	23	23	23	23	23	23
Subsidies and grants for operating purposes											
Fees and charges	73	124	127	131	135	139	142	146	149	153	156
Internal charges and overheads recovered	14	14	14	15	15	16	16	16	17	17	18
Local authorities fuel tax, fines , infringement fees and other receipts											
TOTAL OPERATING FUNDING (A)	**4,139**	**6,128**	**6,818**	**7,446**	**7,762**	**8,047**	**8,306**	**8,492**	**8,668**	**11,317**	**12,291**
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	1,526	2,094	2,105	2,168	2,231	2,290	2,347	2,402	2,462	2,517	3,210
Finance costs	674	1,244	1,655	1,966	2,051	2,192	2,261	2,307	2,353	2,421	2,537
Internal charges and overheads applied	1,108	1,705	1,746	1,787	1,820	1,854	1,896	1,925	1,968	2,003	2,038
Other operating funding applications	5	75	77	79	81	83	85	87	90	92	94
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	**3,313**	**5,118**	**5,583**	**6,000**	**6,182**	**6,420**	**6,589**	**6,722**	**6,873**	**7,032**	**7,880**
Surplus (deficit) of operating funding (A-B)	**826**	**1,010**	**1,235**	**1,446**	**1,580**	**1,627**	**1,716**	**1,770**	**1,796**	**4,285**	**4,411**
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure		1,000	4,112	5,295							
Development and financial contributions	785	894	1,131	1,374	2,281	2,303	2,343	2,081	2,103	2,062	2,083
Increase (decrease) in debt	3,709	12,322	7,871	4,506	(408)	588	213	313	1,003	6,242	1,873
Gross proceeds from sale of assets											
Lump sum contributions											
Other dedicated capital funding											
TOTAL SOURCES OF CAPITAL FUNDING (C)	**4,494**	**14,216**	**13,114**	**11,175**	**1,873**	**2,891**	**2,556**	**2,394**	**3,107**	**8,304**	**3,956**
APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
To meet additional demand	1,546	6,184	3,480	1,409	281	516	574	235	722	4,127	
To improve the level of service	2,532	7,074	9,286	9,925	1,918	2,371	2,019	1,843	2,045	6,285	5,980
To replace existing assets	1,243	1,968	1,583	1,287	1,254	1,632	1,680	2,086	2,135	2,177	2,387
Increase (decrease) in reserves											
Increase (decrease) of investments											
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	**5,321**	**15,226**	**14,349**	**12,621**	**3,453**	**4,519**	**4,273**	**4,164**	**4,902**	**12,589**	**8,367**
Surplus (deficit) of Capital funding (C-D)	**(826)**	**(1,010)**	**(1,235)**	**(1,446)**	**(1,580)**	**(1,627)**	**(1,716)**	**(1,770)**	**(1,796)**	**(4,285)**	**(4,411)**
FUNDING BALANCE ((A-B)+(C-D))	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

CAPITAL EXPENDITURE SUMMARY WATER SUPPLY

	LTP (Yr1) 24/25 *$'000*	LTP (Yr2) 25/26 *$'000*	LTP (Yr3) 26/27 *$'000*	LTP (Yr4) 27/28 *$'000*	LTP (Yr5) 28/29 *$'000*	LTP (Yr6) 29/30 *$'000*	LTP (Yr7) 30/31 *$'000*	LTP (Yr8) 31/32 *$'000*	LTP (Yr9) 32/33 *$'000*	LTP (Yr10) 33/34 *$'000*	Total
CAPITAL EXPENDITURE											
To meet additional demand	**2,763**	**4,626**		**4,349**	**6,546**	**2,409**	**2,719**	**3,074**	**455**	**9,317**	**36,257**
Water Supply New Works	2,763	4,626		4,349	6,546	2,409	2,719	3,074	455	9,317	36,257
To improve the level of service	**7,890**	**12,017**	**3,484**	**2,414**	**3,262**	**1,623**	**1,074**	**1,101**	**1,371**	**5,433**	**39,670**
Water Supply New Works	7,890	12,017	3,484	2,414	3,262	1,623	1,074	1,101	1,371	5,433	39,670
To replace existing assets	**13,262**	**13,844**	**11,813**	**11,420**	**8,665**	**9,263**	**12,636**	**9,119**	**9,457**	**14,401**	**113,880**
Plant Machinery & Vehicles Renewals	242	120	217	275	133	173	279	186	202	300	2,127
Water Supply Renewals	13,020	13,724	11,596	11,145	8,532	9,090	12,356	8,932	9,256	14,101	111,753
Vested Infrastructural Assets	**250**	**257**	**265**	**273**	**280**	**287**	**294**	**301**	**308**	**315**	**2,827**
TOTAL CAPITAL EXPENDITURE	**24,265**	**33,725**	**15,562**	**18,456**	**18,753**	**13,581**	**16,722**	**13,594**	**11,591**	**29,465**	**195,715**

OVERVIEW OF MAJOR CAPITAL PROJECTS – WATER SUPPLY

	LTP (Yr1) 24/25 *$'000*	LTP (Yr2) 25/26 *$'000*	LTP (Yr3) 26/27 *$'000*	LTP (Yr4) 27/28 *$'000*	LTP (Yr5) 28/29 *$'000*	LTP (Yr6) 29/30 *$'000*	LTP (Yr7) 30/31 *$'000*	LTP (Yr8) 31/32 *$'000*	LTP (Yr9) 32/33 *$'000*	LTP (Yr10) 33/34 *$'000*	Total
Collection Network Planned Renewals	100	2,570	2,648	2,725	2,798	2,868	2,935	3,008	3,075	3,148	25,873
Drinking Water Capex Overhead	1,100	1,131	1,165	1,199	1,231	1,262	1,291	1,323	1,353	1,385	12,440
Havelock Hills - Tauroa link to Burbury				2,970	4,700	1,147					8,817
Collection Network Reactive Renewals	500	514	530	545	560	574	587	602	615	630	5,655
Kaiapo/Maraekakaho Loop main - Growth portion									86	5,540	5,626
Toby Replacements	600	617	635	654	671	688	704	241	246	252	5,309
Havelock Hills: New Reservoir and Pumpstation				1,379	1,846	1,262					4,487
Expressway Loop Main - Growth Portion										3,777	3,777
Irongate/Prison BPS & Storage - Growth Portion								3,074			3,074
Backflow Preventers & New Water Meter	1,000	1,028	424	218							2,670
Maraekakaho Rd to Mangaroa & Stock Rd - Grow							2,367				2,367
Waipatu Water Supply Trunkmain - Growth		2,056									2,056
Romanes Drive Improvements	1,500	514									2,014
Reservoir Upgrades	500	514	530			115	235				1,893
Expressway Loop Main - Non Growth										1,605	1,605
Romanes Dr - Thompson Rd link road		1,542									1,542
Treatment Plant Upgrades	350			545	560						1,455

CAPITAL EXPENDITURE SUMMARY STORMWATER DRAINAGE

	LTP (Yr1) 24/25 $'000	LTP (Yr2) 25/26 $'000	LTP (Yr3) 26/27 $'000	LTP (Yr4) 27/28 $'000	LTP (Yr5) 28/29 $'000	LTP (Yr6) 29/30 $'000	LTP (Yr7) 30/31 $'000	LTP (Yr8) 31/32 $'000	LTP (Yr9) 32/33 $'000	LTP (Yr10) 33/34 $'000	Total
CAPITAL EXPENDITURE											
To meet additional demand	**6,184**	**3,480**	**1,409**	**281**	**516**	**574**	**235**	**722**	**4,127**		**17,526**
Stormwater New Works	6,184	3,315	1,363	281	448	574		602	4,127		16,893
Stormwater Renewals		164	46		68		235	120			633
To improve the level of service	**7,074**	**9,450**	**9,970**	**1,918**	**2,439**	**2,019**	**2,078**	**2,165**	**6,285**	**5,980**	**49,380**
Land & Buildings New Works									2,460	2,518	4,978
Stormwater New Works	7,074	9,450	9,970	1,918	2,439	2,019	2,078	2,165	3,825	3,462	44,402
To replace existing assets	**1,968**	**1,419**	**1,241**	**1,254**	**1,563**	**1,680**	**1,851**	**2,015**	**2,177**	**2,387**	**17,555**
Stormwater Renewals	1,968	1,419	1,241	1,254	1,563	1,680	1,851	2,015	2,177	2,387	17,555
Vested Infrastructural Assets	**250**	**257**	**265**	**273**	**280**	**287**	**294**	**301**	**308**	**315**	**2,827**
TOTAL CAPITAL EXPENDITURE	**15,526**	**14,606**	**12,885**	**3,725**	**4,798**	**4,559**	**4,457**	**5,203**	**12,897**	**8,682**	**87,339**

OVERVIEW OF MAJOR CAPITAL PROJECTS – STORMWATER DRAINAGE

	LTP (Yr1) 24/25 $'000	LTP (Yr2) 25/26 $'000	LTP (Yr3) 26/27 $'000	LTP (Yr4) 27/28 $'000	LTP (Yr5) 28/29 $'000	LTP (Yr6) 29/30 $'000	LTP (Yr7) 30/31 $'000	LTP (Yr8) 31/32 $'000	LTP (Yr9) 32/33 $'000	LTP (Yr10) 33/34 $'000	Total
Havelock North Streams 2C works	1,000	4,112	5,295								10,407
Collection Network Planned Renewals	300	308	530	654	783	918	1,057	1,203	1,353	1,511	8,616
Kaiapo Rd - Increase size of detention p								602	3,813		4,415
Stormwater Capex Overhead	320	350	381	305	448	459	470	481	492	504	4,209
Brookvale Road Development	1,000	1,028	1,059								3,087
Lyndhurst Extension	1,000	1,028			448	574					3,049
Flaxmere Urban Development	2,000	1,028									3,028
Havelock North Dam Break Analysis			2,118								2,118
Stormwater quality - Improvements	600	308	106	109	112	115	117	120	123	126	1,837
Collection Network Reactive Renewals	105	108	111	114	112	115	120	120	123	126	1,154
Network Modelling and Analysis	150	62	64	44	45	46	47	48	492	50	1,047
Havelock North Streams CMP	1,000										1,000

CAPITAL EXPENDITURE SUMMARY SEWERAGE AND THE TREATMENT AND DISPOSAL OF SEWAGE

	LTP (Yr1) 24/25 $'000	LTP (Yr2) 25/26 $'000	LTP (Yr3) 26/27 $'000	LTP (Yr4) 27/28 $'000	LTP (Yr5) 28/29 $'000	LTP (Yr6) 29/30 $'000	LTP (Yr7) 30/31 $'000	LTP (Yr8) 31/32 $'000	LTP (Yr9) 32/33 $'000	LTP (Yr10) 33/34 $'000	Total
CAPITAL EXPENDITURE											
To meet additional demand	**41,907**	**8,532**	**5,401**	**6,486**	**2,742**	**2,351**	**2,700**		**381**	**35,869**	**106,369**
Wastewater New Works	41,907	8,532	5,401	6,486	2,742	2,351	2,700		381	35,869	106,369
To improve the level of service	**1,973**	**4,033**	**1,814**	**2,090**	**801**	**2,424**	**953**	**2,178**	**872**	**11,592**	**28,731**
Wastewater New Works	1,973	4,033	1,814	2,090	801	2,424	953	2,178	872	11,592	28,731
To replace existing assets	**32,923**	**32,041**	**30,476**	**19,596**	**25,600**	**17,581**	**14,414**	**19,378**	**26,369**	**29,496**	**247,874**
Wastewater Renewals	32,923	32,041	30,476	19,596	25,600	17,581	14,414	19,378	26,369	29,496	247,874
Vested Infrastructural Assets	**250**	**257**	**265**	**273**	**280**	**287**	**294**	**301**	**308**	**315**	**2,827**
TOTAL CAPITAL EXPENDITURE	**77,053**	**44,863**	**37,955**	**28,444**	**29,423**	**22,644**	**18,362**	**21,857**	**27,930**	**77,272**	**385,801**

OVERVIEW OF MAJOR CAPITAL PROJECTS – SEWERAGE AND THE TREATMENT AND DISPOSAL OF SEWAGE

	LTP (Yr1) 24/25 $'000	LTP (Yr2) 25/26 $'000	LTP (Yr3) 26/27 $'000	LTP (Yr4) 27/28 $'000	LTP (Yr5) 28/29 $'000	LTP (Yr6) 29/30 $'000	LTP (Yr7) 30/31 $'000	LTP (Yr8) 31/32 $'000	LTP (Yr9) 32/33 $'000	LTP (Yr10) 33/34 $'000	Total
Inland Trunk Sewer Renewals	2,850	2,930	3,018	2,180	2,238	2,294	2,348	2,406	2,460	2,518	25,242
Outfall PS Manifold	8,000	8,224	8,472								24,696
Raureka to Pepper St - Growth Portion										21,151	21,151
Pumpstation accelerated Cap Imp(Enabling Infrast	100	514	530	2,180	3,357				7,380	6,421	20,481
Rising Main Renewals	500	514	530	654	2,909	2,007	1,409	602	615	3,525	13,265
Pumpstation Renewal	500	771	794	927	3,077	3,154	881	902	923	944	12,873
Paharakeke Wastewater Main (Omahu Rd to Cov	11,500										11,500
Louie/Ada/Hood Wastewater upgrades - Growth		103	4,236	4,360	1,679	57	939				11,374
Collection Network Planned Renewals	900	1,028	1,059	1,090	1,119	1,147	1,174	1,203	1,230	1,259	11,209
Urban Trunks Renewal - Domestic	500	514	530	1,090	1,119	1,147	1,174	1,203	1,230	1,259	9,766
Karamu/Waipatu/Otene Pump Station and WW Tru	9,500										9,500
Wastewater Capex Overhead	840	864	890	916	940	963	986	1,011	1,033	1,058	9,500
Flaxmere PS capacity Improvement - Growth Port	4,450	3,392									7,842
Outfall - Emergency Beach overflow							117	4,812	2,460		7,389
Iona-Middle Road	2,924					2,294	1,761				6,979
Park RD North PS Capacity Improvement - Growth	4,300	2,056									6,356
Hastings Medium density (Enabling works) - Grov	100	103	1,059	1,090						3,777	6,129
Collection Network Reactive Renewals	500	514	530	545	560	574	587	602	615	630	5,655
Flaxmere Urban Development	3,400	2,056									5,456

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.

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%

HASTINGS DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 2024-34 FOR ROADS AND FOOTPATHS

	Annual Plan 23/24 $'000	Year 1 24/25 $'000	Year 2 25/26 $'000	Year 3 26/27 $'000	Year 4 27/28 $'000	Year 5 28/29 $'000	Year 6 29/30 $'000	Year 7 30/31 $'000	Year 8 31/32 $'000	Year 9 32/33 $'000	Year 10 33/34 $'000
SOURCES OF OPERATING FUNDING											
General Rates, uniform annual general charge, rates penalties	20,873	24,332	25,820	27,378	28,683	30,252	31,871	33,460	34,908	36,414	37,691
Targeted Rates	575	616	686	643	691	641	690	637	691	650	826
Subsidies and grants for operating purposes	7,559	7,804	7,951	8,130	8,185	8,357	8,533	8,711	8,973	9,151	9,320
Fees and charges	1,620	2,208	2,254	2,301	2,347	2,392	2,439	2,484	2,528	2,575	2,618
Internal charges and overheads recovered	3,438	4,990	5,175	5,296	5,384	5,482	5,609	5,689	5,818	5,918	6,019
Local authorities fuel tax, fines , infringement fees and other receipts	320	522	533	544	555	565	576	587	597	608	619
TOTAL OPERATING FUNDING (A)	**34,386**	**40,472**	**42,418**	**44,291**	**45,846**	**47,690**	**49,718**	**51,567**	**53,516**	**55,316**	**57,093**
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	17,321	18,247	18,794	19,011	19,236	19,588	20,274	20,397	21,017	21,374	22,148
Finance costs	1,146	1,749	1,808	1,788	1,717	1,815	1,846	1,855	1,794	1,840	1,901
Internal charges and overheads applied	5,917	7,335	7,683	7,894	8,033	8,189	8,414	8,533	8,757	8,920	9,088
Other operating funding applications	13	17	17	18	18	18	19	19	20	20	20
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	**24,396**	**27,348**	**28,303**	**28,711**	**29,005**	**29,610**	**30,552**	**30,805**	**31,587**	**32,154**	**33,158**
Surplus (deficit) of operating funding (A-B)	**9,990**	**13,125**	**14,115**	**15,581**	**16,842**	**18,080**	**19,165**	**20,763**	**21,929**	**23,162**	**23,935**
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	13,884	13,020	14,285	16,953	17,456	19,349	22,006	20,635	24,587	28,450	23,907
Development and financial contributions	2,648	1,836	2,228	2,630	4,031	4,067	4,133	3,459	3,495	3,394	3,427
Increase (decrease) in debt	11,221	12,066	3,745	1,913	(2,970)	(1,967)	(2,372)	(4,181)	(2,147)	848	193
Gross proceeds from sale of assets	75	70	41	40	74	18	42	105	19	44	83
Lump sum contributions											
Other dedicated capital funding											
TOTAL SOURCES OF CAPITAL FUNDING (C)	**27,828**	**26,991**	**20,299**	**21,536**	**18,591**	**21,468**	**23,809**	**20,017**	**25,955**	**32,736**	**27,609**
APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
To meet additional demand	10,777	14,163	3,608	3,798	149	1,047	84	323	93	721	4,876
To improve the level of service	8,406	5,120	7,959	8,372	8,735	10,470	13,213	9,059	14,847	20,460	11,242
To replace existing assets	18,635	20,833	22,848	24,946	26,549	28,030	29,677	31,398	32,944	34,717	35,426
Increase (decrease) in reserves											
Increase (decrease) of investments											
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	**37,818**	**40,116**	**34,414**	**37,117**	**35,433**	**39,548**	**42,974**	**40,780**	**47,883**	**55,898**	**51,544**
Surplus (deficit) of Capital funding (C-D)	**(9,990)**	**(13,125)**	**(14,115)**	**(15,581)**	**(16,842)**	**(18,080)**	**(19,165)**	**(20,763)**	**(21,929)**	**(23,162)**	**(23,935)**
FUNDING BALANCE ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-

CAPITAL EXPENDITURE SUMMARY ROADS AND FOOTPATHS

	LTP (Yr1) 24/25 $'000	LTP (Yr2) 25/26 $'000	LTP (Yr3) 26/27 $'000	LTP (Yr4) 27/28 $'000	LTP (Yr5) 28/29 $'000	LTP (Yr6) 29/30 $'000	LTP (Yr7) 30/31 $'000	LTP (Yr8) 31/32 $'000	LTP (Yr9) 32/33 $'000	LTP (Yr10) 33/34 $'000	Total
CAPITAL EXPENDITURE											
To meet additional demand	**14,163**	**3,608**	**3,798**	**149**	**1,047**	**84**	**323**	**93**	**721**	**4,876**	**28,863**
New Footpath Construction		201	94								295
Subdivision Support	14,163	3,271	3,652	149	1,047	56	57	93	721	4,876	28,085
Minor Safety Improvements		2					2				4
Major Safety Improvements		5				28	264				297
Kerb & Channel Renewals		130	52								182
To improve the level of service	**5,120**	**8,088**	**8,424**	**8,735**	**10,470**	**13,213**	**9,059**	**14,847**	**20,460**	**11,242**	**109,659**
Land & Buildings New Works		2,553									2,553
Cycleways & Pathways	91	230	26	27	27	28	28	29	30	30	545
New Roads	1,975	1,938	4,276	3,531	4,222	5,849	540	5,563	10,402		38,295
CBD Redevelopment	500	510	522	534	546	557	568	580	591	602	5,508
Public Transport Infrastructure	72	73	75	77	24	25	25	38	38	39	487
Street Lighting - New	30	31	31	32	33	33	34	35	35	36	330
New Footpath Construction	20										20
Information & Directional Signs & Kiosks	32										32
Resillience				320	655	1,003	1,363	1,739	2,128	2,408	9,615
Public Transport infrastructure	100	102	104	107	109	111	114	116	118	120	1,102
Minor Safety Improvements	2,300	2,652	3,390	4,108	4,855	5,608	6,387	6,748	7,119	8,006	51,173
To replace existing assets	**20,833**	**22,718**	**24,894**	**26,549**	**28,030**	**29,677**	**31,398**	**32,944**	**34,717**	**35,426**	**287,186**
Office Furniture & Fittings Renewals	8	8	8	9	9	9	9	9	9	9	87
Other Machinery & Equipment Renewals	10	10	10	22	11	11	11	11	25	12	134
Plant Machinery & Vehicles Renewals	133	75	78	137	44	72	197	35	94	146	1,012
Maintenance Seals (Sealed Road Surfacing)	4,979	5,458	5,993	6,362	6,732	7,106	7,483	7,876	8,279	8,433	68,701
Footpath Renewals	1,044	1,146	1,255	1,284	1,313	1,341	1,367	1,395	1,422	1,449	13,015
Kerb & Channel Renewals	190	194	198	203	207	212	216	220	225	229	2,093
AWPT - Sealed (Pavement Rehabilitation)	7,583	8,307	9,130	9,824	10,521	11,231	11,949	12,699	13,467	13,718	108,431
Advance Fees - Investigation & Options Rep	484	519	559	592	624	657	689	724	759	773	6,380
Street Light Renewals	132	145	158	162	166	169	173	176	180	183	1,643
Unsealed Road Metalling	1,068	1,168	1,286	1,413	1,540	1,672	1,805	1,944	2,087	2,126	16,109
Drainage Renewals	1,953	2,141	2,351	2,496	2,640	2,787	2,935	3,089	3,247	3,308	26,947
Structural Component Replacement	761	834	909	963	996	1,056	1,083	1,152	1,175	1,225	10,153
Traffic Services Renewals	1,633	1,791	1,962	2,038	2,113	2,188	2,262	2,340	2,418	2,462	21,207
Associated Improvements	857	922	994	1,046	1,113	1,166	1,218	1,273	1,329	1,354	11,272
TOTAL CAPITAL EXPENDITURE	**40,116**	**34,414**	**37,117**	**35,433**	**39,548**	**42,974**	**40,780**	**47,883**	**55,898**	**51,544**	**425,708**

OVERVIEW OF MAJOR CAPITAL PROJECTS ROADS AND FOOTPATHS

	LTP (Yr1) 24/25 $'000	LTP (Yr2) 25/26 $'000	LTP (Yr3) 26/27 $'000	LTP (Yr4) 27/28 $'000	LTP (Yr5) 28/29 $'000	LTP (Yr6) 29/30 $'000	LTP (Yr7) 30/31 $'000	LTP (Yr8) 31/32 $'000	LTP (Yr9) 32/33 $'000	LTP (Yr10) 33/34 $'000	Total
Footpath Renew als - Maintenance	1,038	1,140	1,249	1,278	1,307	1,334	1,361	1,388	1,416	1,442	12,955
Havelock Corridor Development								4,172	4,255		8,428
Brookvale Road Development	2,450	1,479	209						236	3,371	7,745
Iona - Iona Road	4,541										4,541
CBD & Suburban Commercial Development	400	408	417	427	436	446	454	464	473	482	4,406
Lyndhurst - Stage 2 Lyndhurst Rd Roundabout			2,816								2,816
206 Queen Street West		2,553									2,553
How ard Street	2,280										2,280
Omahu Industrial Development	1,216	721									1,937
Kaiapo Rd - Harding to End								35	426	1,445	1,905
Nottingley Roundabout (30% Subdivision Support	1,870										1,870
CBD Havelock North Development	100	102	104	107	109	111	114	116	118	120	1,102
Lyndhurst Extension				96	993						1,089
Omahu Stage II - Jarvis to Kirkw ood		1,020									1,020

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 2022/23 targets, which were achieved or substantially achieved and reported in the Annual Report.

Monitoring Performance

LEVELS OF SERVICE COUNCIL PROVIDES

Community Outcomes	Performance Measure	Baseline Performance 2022/23	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.	A District Plan current at all times within statutory timeframes	Achieved	Achieved	Achieved	Achieved	Achieved

LEVELS OF SERVICE COUNCIL PROVIDES

Community Outcomes	Performance Measure	Baseline Performance 2022/23	Year 1 Target	Year 2 Target	Year 3 Target	Year 4-10 Target
▪ The natural environment is enhanced and protected ▪ Water and land resources are used wisely						
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%
	% 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

LEVELS OF SERVICE COUNCIL PROVIDES

Community Outcomes	Performance Measure	Baseline Performance 2022/23	Year 1 Target	Year 2 Target	Year 3 Target	Year 4-10 Target
	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	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)

LEVELS OF SERVICE COUNCIL PROVIDES

Community Outcomes	Performance Measure	Baseline Performance 2022/23	Year 1 Target	Year 2 Target	Year 3 Target	Year 4-10 Target
▪ There are great spaces for all people	% 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
	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%)*

HASTINGS DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 2024-34 FOR SAFE,HEALTHY AND LIVEABLE COMMUNITIES

	Annual Plan 24/24 $'000	Year 1 24/25 $'000	Year 2 25/26 $'000	Year 3 26/27 $'000	Year 4 27/28 $'000	Year 5 28/29 $'000	Year 6 29/30 $'000	Year 7 30/31 $'000	Year 8 31/32 $'000	Year 9 32/33 $'000	Year 10 33/34 $'000
SOURCES OF OPERATING FUNDING											
General Rates, uniform annual general charge, rates penalties	43,306	53,019	54,320	55,244	56,766	58,199	58,893	59,515	60,301	60,765	60,348
Targeted Rates	6,721	7,354	7,764	8,032	8,192	8,343	8,513	8,658	8,820	8,981	9,146
Subsidies and grants for operating purposes	78	2,369	29	29	30	31	31	32	32	33	33
Fees and charges	33,181	39,556	40,562	41,719	42,542	43,364	44,233	45,033	45,854	46,740	47,539
Internal charges and overheads recovered	15,123	18,475	18,944	19,351	19,668	20,049	20,436	20,807	21,207	21,582	21,939
Local authorities fuel tax, fines , infringement fees and other receipts	53	29	30	30	31	32	32	33	33	34	34
TOTAL OPERATING FUNDING (A)	**98,461**	**120,802**	**121,648**	**124,406**	**127,229**	**130,016**	**132,139**	**134,077**	**136,246**	**138,135**	**139,040**
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	55,187	63,045	63,800	65,129	66,355	67,668	68,952	70,184	71,490	72,843	74,066
Finance costs	3,416	5,730	6,467	6,564	6,234	6,512	6,482	6,395	6,270	6,171	6,098
Internal charges and overheads applied	23,986	29,077	30,229	31,004	31,594	32,162	32,878	33,378	34,109	34,674	35,269
Other operating funding applications	5,779	5,792	5,868	5,989	6,105	6,215	6,331	6,441	6,551	6,667	6,777
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	**88,368**	**103,644**	**106,365**	**108,686**	**110,288**	**112,557**	**114,643**	**116,398**	**118,420**	**120,355**	**122,210**
Surplus (deficit) of operating funding (A-B)	**10,093**	**17,158**	**15,283**	**15,720**	**16,941**	**17,459**	**17,496**	**17,679**	**17,826**	**17,780**	**16,830**
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	5,215	13,854	1,429	1,459	1,488	1,516	1,546	1,574	1,602	1,631	1,659
Development and financial contributions	879	567	817	1,074	2,039	2,060	2,095	2,122	2,143	2,174	2,196
Increase (decrease) in debt	20,764	11,673	(2,159)	(5,136)	406	(4,865)	(2,843)	(7,464)	(6,402)	(8,423)	(4,050)
Gross proceeds from sale of assets	323	2,598	5,963	4,593	4,028	190	340	500	187	313	465
Lump sum contributions											
Other dedicated capital funding											
TOTAL SOURCES OF CAPITAL FUNDING (C)	**27,181**	**28,692**	**6,051**	**1,990**	**7,960**	**-1,098**	**1,138**	**-3,269**	**-2,471**	**-4,305**	**269**
APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
To meet additional demand	1,445	2,390	1,808	2,892	361	97	3,820	225		211	240
To improve the level of service	25,658	35,476	13,273	7,932	13,241	9,494	8,113	7,248	7,607	6,768	7,841
To replace existing assets	10,172	7,984	6,253	6,887	11,299	6,769	6,701	6,938	7,748	6,496	9,018
Increase (decrease) in reserves											
Increase (decrease) of investments											
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	**37,274**	**45,850**	**21,334**	**17,710**	**24,901**	**16,361**	**18,634**	**14,411**	**15,356**	**13,475**	**17,099**
Surplus (deficit) of Capital funding (C-D)	**(10,093)**	**(17,158)**	**(15,283)**	**(15,720)**	**(16,941)**	**(17,459)**	**(17,496)**	**(17,679)**	**(17,826)**	**(17,780)**	**(16,830)**
FUNDING BALANCE ((A-B)+(C-D))	-	-	-		-	-	-	-	-	-	-

OVERVIEW OF MAJOR CAPITAL PROJECTS SAFE HEALTHY AND LIVEABLE COMMUNITIES

	LTP (Yr1) 24/25 *$'000*	LTP (Yr2) 25/26 *$'000*	LTP (Yr3) 26/27 *$'000*	LTP (Yr4) 27/28 *$'000*	LTP (Yr5) 28/29 *$'000*	LTP (Yr6) 29/30 *$'000*	LTP (Yr7) 30/31 *$'000*	LTP (Yr8) 31/32 *$'000*	LTP (Yr9) 32/33 *$'000*	LTP (Yr10) 33/34 *$'000*	Total
Landfill Valley Development B & C	4,726	4,826	2,271	2,316	2,360	2,406	2,449	2,493	2,539	2,582	28,968
Landfill Valley Development A & D	2,315	2,038	1,483	1,310	238	243	247	251	256	260	8,642
Splash Planet Attractions	100	102	104	2,685	108	110	112	114	117	119	3,672
Hastings Library		52	1,355	1,346	217	99				90	3,158
Swansea Flats	583	437	171	252	178	140	143	513	148	322	2,886
Hawkes Bay Opera House Complex	150		52				62	1,169		1,004	2,437
Hastings Town Clock		823								1,185	2,008
Hastings Art Gallery		20		1,575	217		13	8		107	1,941
Splash Planet	534	46	129	134	211	260	228	153	174		1,869
Waterworld	12	317	110		302		103	29	5	882	1,760
Central Office Building	100	258	15		141	460	174	529		12	1,688
Parkhaven Flats	437	363	66	67	68	56	202	114	59	60	1,493
Cambridge Flats	65	254	130	371	70	58	79	60	163	62	1,313
Duart House	5	183		69		806		202		1	1,266
Flaxmere Sportsground Changing Rooms	233				1,018		4				1,255
Elm Flats	62	267	123	96	67	55	56	57	58	373	1,212
Tui Flats	246	71	73	74	240	194	63	64	65	70	1,162
Hastings Sports Centre	78	123		714			48			182	1,146
Akina Sportsground Changing Room No 2		26				35	528	503			1,092

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 2022/23 targets, which were achieved or substantially achieved and reported in the Annual Report.

Monitoring Performance

Levels of Service Council Provides

Community Outcomes	Performance Measure	Baseline Performance 2022/23	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

HASTINGS DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 2024-34 FOR ECONOMIC AND COMMUNITY DEVELOPMENT

	Annual Plan 23/24 $'000	Year 1 24/25 $'000	Year 2 25/26 $'000	Year 3 26/27 $'000	Year 4 27/28 $'000	Year 5 28/29 $'000	Year 6 29/30 $'000	Year 7 30/31 $'000	Year 8 31/32 $'000	Year 9 32/33 $'000	Year 10 33/34 $'000
<u>SOURCES OF OPERATING FUNDING</u>											
General Rates, uniform annual general charge, rates penalties	10,881	12,042	12,631	13,246	13,578	13,789	14,243	14,494	14,829	15,094	15,342
Targeted Rates	436	469	469	469	469	469	469	469	469	469	469
Subsidies and grants for operating purposes	100	292	243								
Fees and charges	435	346	353	360	368	375	382	389	396	403	410
Internal charges and overheads recovered											
Local authorities fuel tax, fines , infringement fees and other rece											
TOTAL OPERATING FUNDING (A)	**11,853**	**13,148**	**13,696**	**14,075**	**14,415**	**14,633**	**15,094**	**15,352**	**15,693**	**15,966**	**16,221**
<u>APPLICATIONS OF OPERATING FUNDING</u>											
Payments to staff and suppliers	11,176	9,520	9,937	9,136	9,396	9,543	9,906	10,106	10,346	10,550	10,729
Finance costs	44	15	15	14	13	13	13	13	12	12	11
Internal charges and overheads applied	1,924	2,992	3,155	3,241	3,306	3,362	3,444	3,489	3,576	3,629	3,691
Other operating funding applications	1,708	1,639	1,634	1,649	1,664	1,678	1,693	1,707	1,722	1,737	1,751
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	**14,851**	**14,166**	**14,740**	**14,040**	**14,379**	**14,596**	**15,057**	**15,314**	**15,656**	**15,928**	**16,182**
Surplus (deficit) of operating funding (A-B)	**(2,999)**	**(1,018)**	**(1,044)**	**35**	**36**	**36**	**37**	**37**	**38**	**38**	**39**
<u>SOURCES OF CAPITAL FUNDING</u>											
Subsidies and grants for capital expenditure											
Development and financial contributions											
Increase (decrease) in debt	3,192	1,067	1,064	(6)	39	(16)	(6)	18	(16)	19	20
Gross proceeds from sale of assets	32	18	27	19	45	28	20	20	30	49	21
Lump sum contributions											
Other dedicated capital funding											
TOTAL SOURCES OF CAPITAL FUNDING (C)	**3,224**	**1,085**	**1,090**	**13**	**84**	**13**	**14**	**39**	**14**	**68**	**41**
<u>APPLICATIONS OF CAPITAL FUNDING</u>											
Capital expenditure											
To meet additional demand											
To improve the level of service											
To replace existing assets	225	68	46	48	120	49	51	76	51	106	80
Increase (decrease) in reserves											
Increase (decrease) of investments											
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	**225**	**68**	**46**	**48**	**120**	**49**	**51**	**76**	**51**	**106**	**80**
Surplus (deficit) of Capital funding (C-D)	**2,999**	**1,018**	**1,044**	**(35)**	**(36)**	**(36)**	**(37)**	**(37)**	**(38)**	**(38)**	**(39)**
FUNDING BALANCE ((A-B)+(C-D))	**-**	**-**	**-**			**()**	**()**	**()**	**()**	**-**	

CAPITAL EXPENDITURE SUMMARY ECONOMIC & COMMUNITY DEVELOPMENT

	LTP (Yr1) 24/25 $'000	LTP (Yr2) 25/26 $'000	LTP (Yr3) 26/27 $'000	LTP (Yr4) 27/28 $'000	LTP (Yr5) 28/29 $'000	LTP (Yr6) 29/30 $'000	LTP (Yr7) 30/31 $'000	LTP (Yr8) 31/32 $'000	LTP (Yr9) 32/33 $'000	LTP (Yr10) 33/34 $'000	Total
CAPITAL EXPENDITURE											
To replace existing assets	**68**	**46**	**48**	**120**	**49**	**51**	**76**	**51**	**106**	**80**	**694**
Plant Machinery & Vehicles Renewals	68	46	48	120	49	51	76	51	106	80	694
TOTAL CAPITAL EXPENDITURE	**68**	**46**	**48**	**120**	**49**	**51**	**76**	**51**	**106**	**80**	**694**

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 2022/23 targets, which were achieved or substantially achieved and reported in the Annual Report.

LEVELS OF SERVICE COUNCIL PROVIDES

Community Outcome	Performance Measure	Baseline Performance 2022/23	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 2024-34 FOR GOVERNANCE AND SUPPORT

	Annual Plan 23/24 $'000	Year 1 24/25 $'000	Year 2 25/26 $'000	Year 3 26/27 $'000	Year 4 27/28 $'000	Year 5 28/29 $'000	Year 6 29/30 $'000	Year 7 30/31 $'000	Year 8 31/32 $'000	Year 9 32/33 $'000	Year 10 33/34 $'000
SOURCES OF OPERATING FUNDING											
General Rates, uniform annual general charge, rates penalties	2,751	(5,459)	(1,598)	4,773	5,051	6,963	11,573	17,853	24,298	28,898	36,313
Targeted Rates	(1,528)	151	156	159	162	166	169	172	175	178	182
Subsidies and grants for operating purposes											
Fees and charges	328	442	554	461	470	587	488	497	620	515	524
Internal charges and overheads recovered	19,474	22,592	23,530	24,202	24,684	25,084	25,751	26,030	26,715	27,111	27,568
Local authorities fuel tax, fines , infringement fees and other receipts	583	596	609	621	634	645	658	670	682	694	706
TOTAL OPERATING FUNDING (A)	**21,608**	**18,321**	**23,250**	**30,217**	**31,001**	**33,445**	**38,639**	**45,222**	**52,490**	**57,397**	**65,292**
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	15,162	15,757	16,470	16,976	17,311	17,567	18,092	18,231	18,664	19,023	19,340
Finance costs	117	697	910	731	501	198	(415)	(1,429)	(2,875)	(4,672)	(7,004)
Internal charges and overheads applied	5,334	5,273	5,481	5,617	5,731	5,841	5,956	6,061	6,193	6,287	6,396
Other operating funding applications	1,164	1,167	1,468	1,216	1,241	1,557	1,289	1,312	1,644	1,360	1,383
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	**21,778**	**22,894**	**24,329**	**24,541**	**24,784**	**25,163**	**24,922**	**24,175**	**23,627**	**21,998**	**20,115**
Surplus (deficit) of operating funding (A-B)	**(170)**	**(4,573)**	**(1,079)**	**5,675**	**6,217**	**8,282**	**13,718**	**21,047**	**28,864**	**35,398**	**45,178**
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure											
Development and financial contributions											
Increase (decrease) in debt	3,921	(7,998)	5,048	(1,734)	(4,413)	(6,330)	(11,729)	(19,832)	(26,615)	(34,607)	(42,692)
Gross proceeds from sale of assets	136	61	129	192	65	78	203	129	82	214	72
Lump sum contributions											
Other dedicated capital funding											
TOTAL SOURCES OF CAPITAL FUNDING (C)	**4,057**	**-7,937**	**5,177**	**-1,542**	**-4,348**	**-6,252**	**-11,526**	**-19,703**	**-26,532**	**-34,392**	**-42,620**
APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
To meet additional demand											
To improve the level of service (note 1)		(20,000)							92		
To replace existing assets	3,484	3,499	2,335	3,135	1,172	1,035	1,036	1,207	2,240	1,006	702
Increase (decrease) in reserves											
Increase (decrease) of investments	404	3,992	1,763	998	696	995	1,156	137			1,856
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	**3,888**	**(12,510)**	**4,098**	**4,133**	**1,868**	**2,030**	**2,192**	**1,344**	**2,331**	**1,006**	**2,558**
Surplus (deficit) of Capital funding (C-D)	**170**	**4,573**	**1,079**	**(5,675)**	**(6,217)**	**(8,282)**	**(13,718)**	**(21,047)**	**(28,864)**	**(35,398)**	**(45,178)**
FUNDING BALANCE ((A-B)+(C-D))	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Note 1. This actvity included a $20m adjustment to the size of capital programme to reflect the fact that it is unlikely the whole programme will be completed.

CAPITAL EXPENDITURE SUMMARY GOVERNANCE AND SUPPORT SERVICES

	LTP (Yr1) 24/25 $'000	LTP (Yr2) 25/26 $'000	LTP (Yr3) 26/27 $'000	LTP (Yr4) 27/28 $'000	LTP (Yr5) 28/29 $'000	LTP (Yr6) 29/30 $'000	LTP (Yr7) 30/31 $'000	LTP (Yr8) 31/32 $'000	LTP (Yr9) 32/33 $'000	LTP (Yr10) 33/34 $'000	Total
CAPITAL EXPENDITURE											
To improve the level of service	**-20,000**							**92**			**-19,908**
Land & Buildings New Works	-20,000							92			-19,908
To replace existing assets	**3,499**	**2,335**	**3,135**	**1,172**	**1,035**	**1,036**	**1,207**	**2,240**	**1,006**	**702**	**17,366**
Computer & Office Equipment Renewals	3,400	2,136	2,838	1,067	911	722	1,006	2,110	675	585	15,451
Plant Machinery & Vehicles Renewals	99	199	296	105	123	314	201	130	331	117	1,916
TOTAL CAPITAL EXPENDITURE	**-16,502**	**2,335**	**3,135**	**1,172**	**1,035**	**1,036**	**1,207**	**2,331**	**1,006**	**702**	**-2,542**

- Note: Year One contains an organisation wide capital delivery assumption

OVERVIEW OF MAJOR CAPITAL PROJECTS GOVERNANCE AND SUPPORT SERVICES

	LTP (Yr1) 24/25 $'000	LTP (Yr2) 25/26 $'000	LTP (Yr3) 26/27 $'000	LTP (Yr4) 27/28 $'000	LTP (Yr5) 28/29 $'000	LTP (Yr6) 29/30 $'000	LTP (Yr7) 30/31 $'000	LTP (Yr8) 31/32 $'000	LTP (Yr9) 32/33 $'000	LTP (Yr10) 33/34 $'000	Total
GIS	10		10		11		11		12		54
Technology One systems	2,630	817	31	32	32	33	34	34	35	36	3,714
Server Infrastructure			1,563					1,144			2,707
PC / Laptop Replacements	220	225	229	234	238	243	247	252	256	261	2,405

Cyclone Gabrielle Recovery

This group of Council activities is focused on the ongoing cost of recovery from Cyclone Gabrielle inclusive of property buy-outs and transport recovery costs.

OUR JOB IS TO

- Administer the property buyout process from initial offer to final settlement.
- Ensure that communities have appropriate accessibility, and that the transport network facilitates economic activity across the district.

WHAT WE DO

- Use systems and processes to administer property applications through to final settlement.
- Administer any other matters associated with the activity such building demolitions and future maintenance costs.
- Continued rollout of the Cyclone Gabrielle transport recovery plan in conjunction with New Zealand Transport Agency (NZTA). (Note: The management of the activity resides in the Roads and Footpaths group of activity – the net recovery cost resides here for funding purposes and transparency).

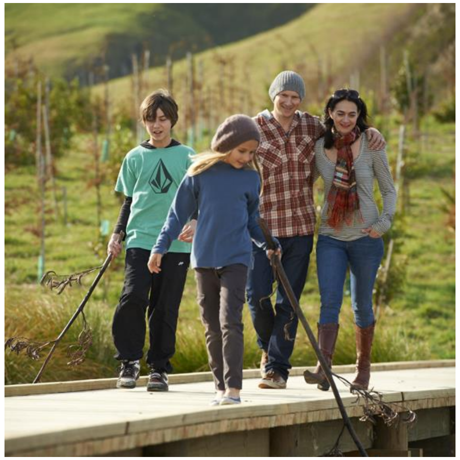
COMMUNITY OUTCOMES WE AIM TO ACHIEVE

SAFE AND INCLUSIVE PLACE (SOCIAL WELLBEING)

- Our communities are safe and resilient

SUFFICIENT AND SUPPORTIVE ECONOMY (ECONOMIC WELLBEING)

- The transport network links people, goods and opportunities



ABOUT THE PERFORMANCE TARGETS

This is a new activity of Council, which will be in existance for the duration of the Cyclone Gabrielle recovery programme. Whilst numerous measures are informing Council at an operational level in terms of progress, the following are some high level metrics to be reported in the Council's Annual Report.

Levels of Service Council Provides

Community Outcomes	Performance Measure	Baseline Performance 2022/23	Year 1 Target	Year 2 Target	Year 3 Target	Year 4-10 Target
SAFE AND INCLUSIVE COMMUNITIES	**Property Buyout**					
	% of Category 3 buyouts completed	N/A	90%	100%	N/A	N/A
	Transport					
▪ Communities are safe and resilient.	% of roading recovery programme completed	N/A	15%	30%	45%	100%
	Building Control					
	% of stickered properties reassessed	17% actual to date	30%	50%	70%	100%

HASTINGS DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 2024-34 FOR CYCLONE RECOVERY

	Annual Plan 23/24 $'000	Year 1 24/25 $'000	Year 2 25/26 $'000	Year 3 26/27 $'000	Year 4 27/28 $'000	Year 5 28/29 $'000	Year 6 29/30 $'000	Year 7 30/31 $'000	Year 8 31/32 $'000	Year 9 32/33 $'000	Year 10 33/34 $'000
SOURCES OF OPERATING FUNDING											
General Rates, uniform annual general charge, rates penalties	90										
Targeted Rates		8,890	17,161	17,323	17,525	17,837	18,181	18,085	18,042	18,187	18,337
Subsidies and grants for operating purposes		8,798									
Fees and charges		1,105									
Internal charges and overheads recovered											
Local authorities fuel tax, fines , infringement fees and other rece		4,149									
TOTAL OPERATING FUNDING (A)	**90**	**22,942**	**17,161**	**17,323**	**17,525**	**17,837**	**18,181**	**18,085**	**18,042**	**18,187**	**18,337**
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	90	8,585	1,275	1,450	475	496	318	257	275		
Finance costs		2,199	3,385	4,173	4,953	6,395	8,131	9,992	10,455	10,200	9,942
Internal charges and overheads applied		1,281	920	920	920	920	920	920	920	920	920
Other operating funding applications		12,296									
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	**90**	**24,360**	**5,580**	**6,544**	**6,348**	**7,811**	**9,369**	**11,169**	**11,650**	**11,120**	**10,862**
Surplus (deficit) of operating funding (A-B)		**(1,419)**	**11,582**	**10,780**	**11,177**	**10,026**	**8,812**	**6,916**	**6,391**	**7,066**	**7,475**
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure		98,919	95,964	79,240	70,706	92,386	133,364	53,203	883	794	809
Development and financial contributions											
Increase (decrease) in debt		13,736	1,126	11,659	10,518	22,723	39,482	11,716	(7,131)	(7,860)	(8,284)
Gross proceeds from sale of assets											
Lump sum contributions											
Other dedicated capital funding											
TOTAL SOURCES OF CAPITAL FUNDING (C)		**112,655**	**97,090**	**90,900**	**81,224**	**115,109**	**172,846**	**64,919**	**-6,248**	**-7,066**	**-7,475**
APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
To meet additional demand											
To improve the level of service		6,302	3,492	1,042							
To replace existing assets		104,934	105,180	100,637	92,402	125,135	181,658	71,835	143		
Increase (decrease) in reserves											
Increase (decrease) of investments											
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)		**111,237**	**108,671**	**101,679**	**92,402**	**125,135**	**181,658**	**71,835**	**143**		
Surplus (deficit) of Capital funding (C-D)	**-**	**1,419**	**(11,582)**	**(10,780)**	**(11,177)**	**(10,026)**	**(8,812)**	**(6,916)**	**(6,391)**	**(7,066)**	**(7,475)**
FUNDING BALANCE ((A-B)+(C-D))	**-**	**-**	**-**	**-**	**-**		**-**	**-**	**-**	**-**	**-**

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Capital Expenditure Summary Cyclone Recovery

	LTP (Yr1) 24/25 $'000	LTP (Yr2) 25/26 $'000	LTP (Yr3) 26/27 $'000	LTP (Yr4) 27/28 $'000	LTP (Yr5) 28/29 $'000	LTP (Yr6) 29/30 $'000	LTP (Yr7) 30/31 $'000	LTP (Yr8) 31/32 $'000	LTP (Yr9) 32/33 $'000	LTP (Yr10) 33/34 $'000	Total
CAPITAL EXPENDITURE											
To improve the level of service	**6,302**	**3,492**	**1,042**								**10,836**
Land & Buildings New Works	5,702										5,702
Park Assets New Works	500	511	1,042								2,053
Water Supply New Works	100	2,981									3,081
To replace existing assets	**104,934**	**105,180**	**100,637**	**92,402**	**125,135**	**181,658**	**71,835**	**143**			**781,923**
Structures	33,245	38,335	15,645	9,393	48,403	73,435	71,795	143			290,393
AWPT - Sealed (Pavement Rehabilitation)	5,000	9,690	38,685	30,463	29,195	39,658					152,691
Advance Fees - Investigation & Options Report	4,156	5,684	3,468	490	842	388	40				15,067
Recovery - Slips	40,036	38,006	29,072	32,637	37,749	55,254					232,754
Recovery - Culverts	22,448	13,464	13,768	19,419	8,946	12,922					90,968
Stormwater Renewals	50										50
TOTAL CAPITAL EXPENDITURE	**111,237**	**108,671**	**101,679**	**92,402**	**125,135**	**181,658**	**71,835**	**143**			**792,759**

Overview of Major Capital Projects Cyclone Recovery

	LTP (Yr1) 24/25 $'000	LTP (Yr2) 25/26 $'000	LTP (Yr3) 26/27 $'000	LTP (Yr4) 27/28 $'000	LTP (Yr5) 28/29 $'000	LTP (Yr6) 29/30 $'000	LTP (Yr7) 30/31 $'000	LTP (Yr8) 31/32 $'000	LTP (Yr9) 32/33 $'000	LTP (Yr10) 33/34 $'000	Total
HDC Cyclone Recovery - Slips Tier 2 & 3	7,750	15,810	17,731	32,544	37,749	55,254					166,838
HDC Cyclone Recovery - Roads and associated 73%			29,819	30,463	29,195	39,658					129,136
Bridge 816 Redclyffe - Replacement	1,000	3,060			10,910	42,332	36,352				93,654
HDC Cyclone Recovery - Culvert Replacements - Recovery	13,200	13,464	13,768	19,419	8,946	12,922					81,720
Bridge 805 Brookfield - Replacement Construction	329	1,844	3,442			26,179	35,443	143			67,380
Bridge 144 Ellis Wallis - Replacement Construction	953	20	21	377	14,672	5,040	40				21,122
Bridge 210 Follies - Replacement - Construction	440	128	5	64	16,007	45					16,688
Bridge 122 Moeangiangi - Replacement Construction	184	94		49	6,529	205					7,060
Bridge 225 Mangatutu Low Level - Replacement Construction	260	265	5,966								6,491
Whirinaki/Esk - Supply Resilience	100	2,981									3,081
Pohokura Rd T2 slip - RP 23700 Construction			2,669								2,669
Matahoura Rd T2 slip - RP 11840 Construction			2,051								2,051
Pohokura Rd T2 slip - RP 12500 Construction		1,980									1,980
Maraetotara Rd T2 slip - RP 3148 Construction			1,822	93							1,915
Matahoura Rd T2 slip - RP 9990 Construction			1,808								1,808
Esk valley reserve reinstatement		511	1,042								1,553

Part Four
FINANCE

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

Forecasting assumption and effect of uncertainty	Risk / Level of Uncertainty	Risk Mitigation
POPULATION GROWTH Over the next ten years (2024/25 – 2033/34) it is projected that the District's population will grow from approximately 93,400 to 102,900 (9,500 more residents) using a medium to high scenario. 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. Risk - Population growth (either up or down over forecast) can impact on infrastructure servicing forecasts and forward demand for various Council services. Council considers that this assumption carries with it a low to medium risk to the integrity of the LTP as forecasts are regularly monitored and don't change drastically over small-time horizons, giving the Council ability to respond.	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 18.3% of the population to 21.7% of the total district population by 2034. 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 Council's 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 Cyclone Gabrielle recovery costs and renewal funding but the Financial Strategy shows how this is proposed to be managed.
HOUSEHOLD NUMBERS It is projected that the District's household numbers will grow from approximately 34,650 to 38,400 (3750 new homes) by 2034. These projections take into account planned new housing developments within the district and uptake rates. Risk - The risk is that demand for housing is either less or more than that projected which could place Council at some risk of having provided additional infrastructure and services, with a slowdown in development contributions to pay for it, or alternatively growth could be stifled due to the lack of availability of housing in the marketplace forcing up house prices, rents, overcrowding and demand for emergency and transitional housing. Council does not control the market so is subject to external influences. Risk control is paramount for this activity of Council. Decisions to progress with infrastructure, however need to be made 1-2 years ahead of need which exposes Council to some residual risk of unforeseen changes in market conditions and slower uptake	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.

Forecasting assumption and effect of uncertainty	Risk / Level of Uncertainty	Risk Mitigation
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 nodes. b) Residential The programme sees the opening of the Howard Street development in Hastings in Year 1 with the Irongate/York development starting in year 2 and the Lyndhurst Extension in Yr 5 followed by Kaiapo/Murdoch in Yr 8 and Copeland Road being triggered around Year 11. In Havelock North the Iona/Middle Road area is the first priority in Yr 1 with further development in the Havelock North Hills and further stages of Brookvale in Years 4 and 6. Some initial developer driven development in Brookvale/Arataki is also anticipated along with new housing continuing 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 The Heretaunga Plains Urban Development Strategy does not forecast the need for any further commercial land over the life of the strategy.	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.
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 2025/26 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

Year	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34
Road	2.0	2.3	2.3	2.2	2.1	2.0	2.0	2.0	1.9
Water	2.8	3.0	2.9	2.7	2.5	2.4	2.4	2.3	2.3
General Adjustor	2.1	2.1	2.0	1.9	1.9	1.8	1.8	1.8	1.7
Staff adjustor	2.2	2.1	2.1	2.0	1.9	1.9	1.9	1.8	1.8

Forecasting assumption and effect of uncertainty	Risk / Level of Uncertainty	Risk Mitigation
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 is forecast to average between 5.0% to 5.5% over the first 3 years of the plan, gradually dropping down to 4% in the later years. (Note: this is an average and there will be variation within individual years). Risk – The risk is that the overall financial market conditions worsen, and future interest rates are higher than the current forecasts impacting on Council's overall financial forecast.	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.
REVENUE STREAMS – NZTA The Council has made assumptions in respect to NZTA funding support for its investment programme. **Risk** - Continued under funding is a risk to the long-run needs of the network leading to the deterioration of roads, with potential road safety implications and escalating maintenance costs. These issues will need to be managed through programme changes and level of service discussions with our community. **TRANSPORT REVENUE STREAMS – CYCLONE GABRIELLE** The Council received a government commitment of $197m towards the transport recovery programme. Risk - The risks would be full or partial loss of that funding or changes in timing which would impact on Councils forward fiscal forecasts and the completion of critical works on our transport network.	Medium/High	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	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

Forecasting assumption and effect of uncertainty	Risk / Level of Uncertainty	Risk Mitigation
Assumptions have been made on forecast revenue streams for various tourism facilities such as Splash Planet and the HB Opera House (Toitoi). 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.		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 – INFRASTRUCTURE ACCELERATION FUND AND CROWN CONTRIBUTION TO CYCLONE GABRIELLE PROPERTY PURCHASE An LTP Amendment in 2023 assumes $18.5m of government funding toward new growth infrastructure in 2023/24. An LTP Amendment for Cyclone Gabrielle Voluntary Residential Property Purchase assumes $50m of government funding. The risks would be full or partial loss of that funding or changes in timing.	Low	Binding contracts and agreements are in place and in progress. The Council will monitor the timing of cashflow and adjust as necessary.
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 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. 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, earthquake strengthening projects and now recovery from Cyclone Gabrielle has constrained level of service choices.	Low/Medium	This LTP is premised on taking a breather from any level of service improvement unless necessary. 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.	Unquantified	A significant abnormal environmental event would prompt Council to reassess its budget priorities. Financial headroom exists within the Financial

Forecasting assumption and effect of uncertainty	Risk / Level of Uncertainty	Risk Mitigation
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 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 another 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.		Strategy to respond if required but not until outer years of the plan. . 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. 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.
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 (Toitoi), which has now been strengthened and completed and Heretaunga House which has recently been demolished. The balance of the programme is scheduled in this LTP.	Low/Medium	Any cost variations or programming timing changes will be addressed in respective Annual Plans or LTP's.
FUNDING OF GROWTH The Council's approach to funding growth is outlined in the Development Contributions Policy. An update to the Policy is proposed in 2024. 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	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

Forecasting assumption and effect of uncertainty	Risk / Level of Uncertainty	Risk Mitigation
Continuing to landfill waste 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.		manner in advance of the need for the additional capacity.
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 of 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 2024/34 was calculated using insurance forecast information provided by qualified insurance brokers. A general inflation 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.
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 up to 5 days (by the coast) and 20 days (inland) by 2040, and up to 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; ▪ 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.	Medium	Climate Change Adaptation 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 creates funding capacity in outer years to address emerging climate change action plans. Coastal Communities 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 regional discussion as to the most appropriate funding solution is still to be agreed.

Forecasting assumption and effect of uncertainty	Risk / Level of Uncertainty	Risk Mitigation
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 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 Hawke's Bay coastline. There are likely to be far reaching funding impacts for our community over time. The 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 Councils and is likely to form a separate consultation process after the 2024-2034 Long Term Plan.	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 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 outside this band but are influenced by Cyclone Gabrielle Recovery work which has bespoke delivery processes in place. 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 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.	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 year by $20.0m. This brings the capital programme into line with what Council anticipates can be delivered when those externalities are considered. 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 year 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.

Revaluation of Plant, Property and Equipment (PPE)

PPE assets will be revalued using the following cycles:

- Land and Buildings (3 yearly – 2026/27, 2029/30, 2032/33)
- 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)
- Heritage assets (5 yearly – 2027/28 and 2032/33)

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

	Expected Life (Years)		Expected Life (Years)
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	Roading Land	Not Depreciated
Services	30 – 80	Bridges & Culverts	85
Structures	6 – 100		
Buildings	6 – 100		

Financial Strategy

What is a Financial Strategy

The financial strategy explains how the Hastings District Council proposes to manage its finances. It sets out how Council will manage competing priorities for funding and explains the effects of its proposed expenditure programmes on Council's services rates and debt.

The Detail

Context and Challenges

Much has changed since Council last prepared a 10-year plan in 2021.

Compared to the 2021-31 plan the broader economic landscape in New Zealand has changed with higher inflation and higher interest rates significantly impacting on Council's finances. Several new projects were also funded or committed to, leveraging off significant external funding.

Compounding our challenges going forward the financial impact of cyclone Gabrielle will be felt for some time as Council rebuilds damaged roads and bridges, funds its cyclone response and its share of property buy outs. In addition, the proposed Three Waters reforms have been halted meaning Council must continue to fund the significant forward investments needed for water, wastewater and stormwater networks. All of this is now placing pressure on our finances.

Our starting point for this plan sees Council with projected external debt of $396 million as at June 2024 compared to a peak debt projection of $291 million in the 2021-31 LTP. Current interest rates of 5.5% are significantly higher than the average assumption of 3.5% in the last LTP which means finance costs, and the current and future debt levels will constrain what Council is able to aspire to and achieve over the next 10 years.

Managing debt levels and competing priorities

Following cyclone Gabrielle Council needs to fund circa $950m of transport response and recovery costs in addition to its capped $50m share of property buy out costs and other recovery costs for other assets and community support. The Government has agreed to fund 100% of $227m worth of transport projects leaving Council to fund its local share of the remaining cost. NZTA Waka Kotahi has already provided funding support for the immediate response with a 93% subsidy covering a $108m of expenditure. Assuming NZTA Waka Kotahi provides 73% funding on the balance the net amount Council needs to fund to recover from Cyclone Gabrielle, including property costs, is $230m.

In addition, significant new expenditure is required for our water, wastewater and, to a lesser extent, stormwater networks. This is needed to replace assets close to the end of their service life and to also provide for growth.

Unfortunately, much of the required expenditure is needed in the first few years of this plan and this will stretch Council's financial capacity.

A delicate juggling act is needed to balance the large infrastructure needs with community affordability without breaching debt limits.

Large rate increases are needed at a time when many in the community are facing a cost of living crisis. This is a common theme across local government in New Zealand. The challenge for Hastings is exacerbated by the need to fund cyclone recovery costs.

This draft 10 year plan includes a proposed total capital spend of over $2 billion over 10 years. $800m of this relates to cyclone recovery with the other $1.2 billion relating to asset renewals and improvements, including providing $201m of new infrastructure for growth. Total Council debt is projected to peak at $701m in year 6 (2029-30). The strategy on managing and funding debt of this magnitude is a key feature of this financial strategy.

Key changes to our approach to funding

Managing finances in a constrained environment requires a clear focus on priorities and the timing of key expenditures. All expenditure impacts on Council's debt levels unless we have a revenue source to fund it.

Part of our strategy to manage debt more effectively is to simplify the approach to funding expenditures.

The age-old practice of setting aside funds in reserves and using these "reserves" to fund projects is no longer fit for purpose. Council does not have any separate investments to support its reserves, so any use of reserves results in an increase in external borrowings.

In the past Council has used a mixture of debt and reserves to fund Council projects. Tis approach allowed some of these reserves to go into deficit on the basis that, over time, the reserve balances would slowly recover. Unfortunately, the previous approach did not allow for any finance costs on negative reserve balances. In addition, despite Council's best intentions, increased costs to deliver services and replace assets have resulted in reserve balances being depleted. The impact of the depletion in reserves has been an increase in Council debt and an increase in finance costs (interest).

Going forward it is proposed that Council will only create and hold reserve funds where:

1. There is a legal requirement to do so (restricted reserves such as trusts and bequests).
2. There is a need to manage separate funds such as selected targeted rates and reserves for the Joint Landfill committee.

And no reserve balance shall be allowed to go into deficit. If a reserve fund does not have sufficient funds to cover proposed expenditure the expenditure will be funded from borrowings- not reserves.

[4] Measured as net external debt divided by revenue (excluding revenues received to fund the purchase of new assets). Referred to as revenue from continuing operations.

As part of the introduction of this revised approach most existing reserve accounts will be closed and any deficit balances with be converted to debt with interest costs incorporated in budgets.

Key changes to financial limits and how they are calculated

Going forward the Council cannot manage within the previous debt to revenue limit of 175%. The maximum limit accepted by our funder (LGFA) over the medium term is a debt to income of 280% however Council must retain some capacity for any future event or financial shock.

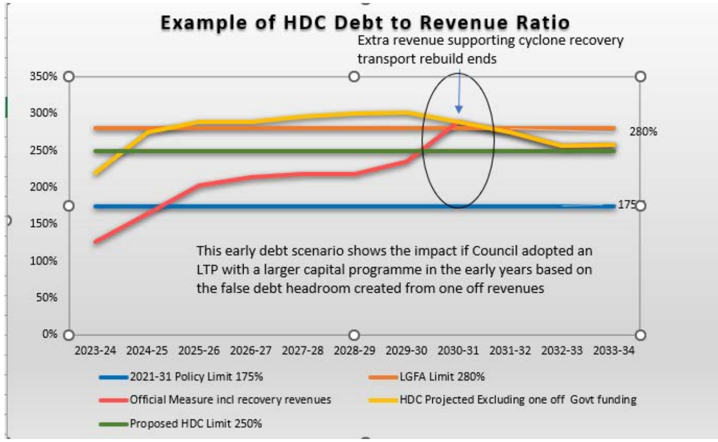
Proposed debt to revenue Limit[4] 250%

This proposed new debt limit will measure debt against revenue from continuing operations (see footnote).

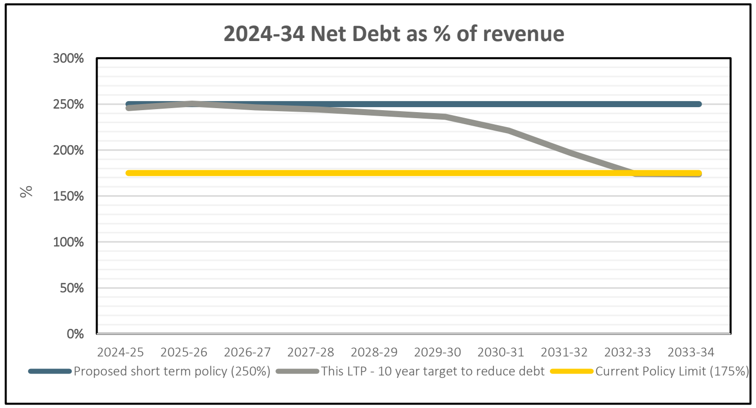
The official measure takes all revenues, except for Development contributions. This measure includes all of the additional subsidies Council will receive to support the transport cyclone recovery programme. The extra subsidies and grants for one-off projects is not an ongoing revenue source.

Council has decided it is more prudent to exclude these one-off or non-recurring revenues from the debt to revenue calculation. This will ensure that the additional, false, debt headroom this creates is not consumed as this would result in potential breaches of the limits once these one-off revenues are removed.

The following graph shows the dramatic impact on the official measure when the extra subsidies supporting the cyclone recovery transport programme end in a situation where the proposed capital programme was not adjusted in the early years of this LTP. By using the modified ratio Council has reduced the proposed capital spend to more manageable levels



The following graph shows the projected debt to revenue ratio based on the draft LTP budgets. This shows the Council has no spare capacity over the first 3 years if it wants to stay within its 250% limit. This is based on the proposed rate increases of 25%, 15% and 10% and the proposed capital programme.



Balanced budget and funding depreciation

Council is required to collect sufficient revenues to fund its operating expenditure each year. This is referred to balancing the budget.

Balancing the budget is about ensuring todays ratepayers pay the correct amount for the services they receive each year, ensuring that future ratepayers are not required to pay to much (to make up for any shortfalls in funding due to the failure of previous ratepayers to pay their fair share).

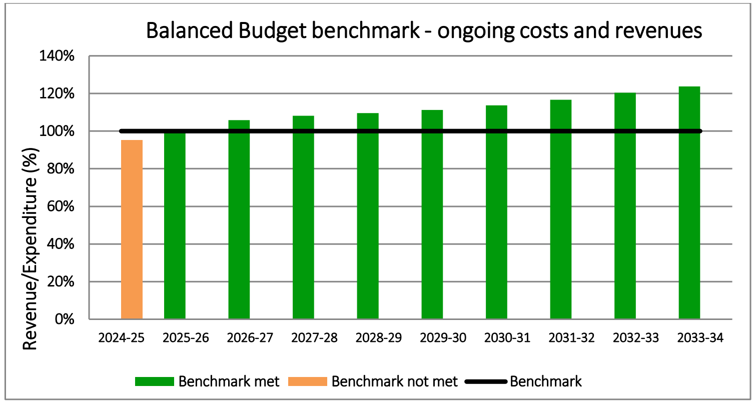
Council can set its revenue levels differently (not balance the budget) provided Council determines that it is financially prudent to do so.

The calculation of the Balanced Budget Ratio is set out in the Local Government Financial Reporting and Prudence) Regulations 2014. The calculation divides revenue (excluding development contributions and non-cash adjustments) by operating expenditure. As with the debt to revenue ratio this has the unintended consequence of distorting the ratio when a Council has an abnormal level of one-off revenues (such as the extra subsidies HDC will receive to support the cyclone recovery). This distortion also occurs when a Council receives donations, subsidies and grants for a major new project such as the new Museum Archives Storage facility.

The inclusion of these one-off revenues can give the impression that a Council is collecting sufficient annual revenues when, in reality, it is not.

As part of this Financial Strategy Council proposes to introduce a new balanced budget measure that excluded the effect of one-off variations in revenues. This will enable Council to monitor its annual revenues, from <u>continuing operations</u>, against its budgeted expenditure.

The following graph shows the balanced budget calculation for Council. This is Council's modified measure of a balanced budget on continuing operations.



Each year Council's budgeted operating expenditure includes the estimated depreciation expense for the year. This is the portion of the value of assets consumed each year (the assessed value todays ratepayers should fund). As the balanced budget ratio includes depreciation balancing the budget means that Council is collecting sufficient revenues to "fund" depreciation.

Level of depreciation funded in particular activities

Council's previous financial strategy discussed our approach to funding depreciation on separate asset categories. A modified approach has been applied in the past on the basis that the annual depreciation expense does not always match the actual level of asset renewal expenditure needed.

While there is debate as to which number is correct (depreciation vs renewals spend) Council's approach going forward will be to aim to fully fund depreciation by having a balanced budget each year. Variations can occur at an asset class or network level as a pricing mechanism however Council should still strive to balance the budget at an organisation-wide level.

Where the level of asset renewals is lower than the annual depreciation expense the cash generated from funding depreciation is to be used to retire debt, thus increasing Council's future financial capacity.

The following table shows Council's past (2021-31 LTP) approach and the proposed approach for this LTP to funding depreciation for key Council activities.

Activity	2021-31 LTP policy	2024-34 LTP policy	Explanation
Roading	Fully fund depreciation	Fully fund depreciation	No change to approach
Wastewater	Move to fully fund depreciation with escalations from year 4	Move to fully fund depreciation with escalations from year 1 onwards	Due to large asset value increase the proportion of depreciation funded has declined so significant increases in wastewater targeted rates are required
Stormwater	Fund $655,000 p.a.	Progressively increase the %age of depreciation funded	Stormwater assets are aging so funding levels need to increase
Water Supply	Fully fund depreciation from year 3	Fully fund depreciation	No change to approach
Parks	Fully fund depreciation	Fully fund depreciation	No change to approach

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	Key responses to changes in population and land use
• A medium to high rate of population growth is expected (approx. 9,500 more residents by 2034), with 3,750 new homes. • Increase in the age of the population over time. • Housing changes – The Council's Growth Strategy current demand and Council sequencing priorities forecasts the need for a number of new development areas and mixed housing types.	Capital Expenditure • Core infrastructure investment to make serviced land available predominantly in 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. 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	Key responses to network infrastructure needs
• 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 • The need for new growth infrastructure investment (particularly wastewater) • Cyclone Gabrielle	• A significant period of road renewal escalations is provided for in stages over 9 years. • The remaining years of an investment package in bridge strengthening (now overlaps with Cyclone Recovery) • 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 • An LTP Amendment in 2023 outlines the growth wastewater response in detail which involves a multi year investment of $230m.- adjustments have been made in the 2024 LTP to the pace of this programme. • A circa $800m transport recovery programme from Cyclone Gabrielle

Other significant factors

WHAT WE NEED TO RESPOND TO	OUR RESPONSE
Other significant factors	Key responses to other significant factors
Buildings • Earthquake strengthening of Council buildings **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 Landfill expansion • Outcomes of the HB Regional Coastal Strategy • Climate Change	• Ongoing programme of earthquake strengthening on remaining Council buildings in the strengthening programme. • Continuing renewal escalations in the Parks area to bring renewal base to appropriate level, and to look after new assets built during a 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 Omarunui 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. Note: The Hawkes Bay Regional Council is leading and consulting on the Regional Coastal Strategy and the 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.

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.

In this 10 year plan Council proposes to spend $201m on new infrastructure to support growth. This is supported by budgeted revenues from Development Contributions of $161m. The timing of when Council invests in the new infrastructure is crucial to ensuring it is the growth community, not existing ratepayers, who pay for this additional growth infrastructure. If the budgeted revenues to support growth do not materialise, Council will need to reduce its planned spend otherwise council debt and compounding finance costs could significantly increase the level of required development contributions.

Ultimately it is ratepayers who could be asked to fund some of these finance costs if too much is invested in growth infrastructure and Council is unable to recover it all from growth.

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 **Cyclone Recovery** A circa $800m transport recovery programme from Cyclone Gabrielle **Higher Service Level Expectations** Higher service expectations on our parks and public spaces and the forward renewal of those new assets **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 (LGCI) General Adjustor for each respective year, plus 4% from year 4 onwards. Due to the significant financial pressure in the first 3 years rate increases, and the rates limit, need to be much higher. The proposed rate increases for the first 3 years are 25% for year 1, 15% for year 2 and 10% for year 3. The rates limit for each of these years is the forecast increase plus LGCI. These higher rates and limits are needed to cover costs related to cyclone recovery, the delivery of core services including 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 revenue and rate increases in this plan (inclusive of inflation allowances):

	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34
Total Rates Forecast	139.6m	$163.2m	$180.8m	$190.1m	$200.2m	$210.3m	$220.6m	$231.4m	$242.7m	$254.7m
Rate Increase %	25%	15%	10%	4.3%	4.4%	4.1%	4.1%	4.0%	4.0%	4.0%

Note: The rate increase % reflects the average increase in rates charged to ratepayers. It excludes location specific targeted rates and includes growth in the rating base of 0.95% per annum. The rates revenue differs from the rates requirement used for the rates increase and the rate increase needs to allow for forecast remissions that are netted off from rates revenues and excludes water by meter rates. 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	<250%
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%

Prospective Financial Statements

PROSPECTIVE STATEMENT OF REVENUE AND EXPENSE FOR THE 10 YEARS TO 30 JUNE 2034

Annual Plan 23/24 $'000		Notes	LTP (Yr1) 24/25 $'000	LTP (Yr2) 25/26 $'000	LTP (Yr3) 26/27 $'000	LTP (Yr4) 27/28 $'000	LTP (Yr5) 28/29 $'000	LTP (Yr6) 29/30 $'000	LTP (Yr7) 30/31 $'000	LTP (Yr8) 31/32 $'000	LTP (Yr9) 32/33 $'000	LTP (Yr10) 33/34 $'000
	Revenue will be derived from:											
112,603	Rates	1	139,681	163,152	180,771	190,130	200,185	210,283	220,649	231,436	242,721	254,700
39,164	Fees and charges		48,448	49,243	51,126	52,621	54,050	55,292	56,447	57,656	58,842	59,944
12,139	Development and financial Contributions		8,725	9,318	11,517	19,295	19,486	19,798	18,591	18,781	18,269	18,442
41,625	Subsidies and Grants		147,318	124,010	111,104	97,862	121,635	165,476	84,151	36,073	40,055	35,724
3,378	Donations		5,269	3	3	3	3	4	4	4	4	4
	Finance revenue		1	1	1	1	1	1	1	1	1	1
583	Other revenue		4,745	609	621	634	645	658	670	682	694	706
1,000	Vested Infrastructural Assets		1,000	1,026	1,055	1,084	1,112	1,139	1,165	1,192	1,218	1,245
210,492	**TOTAL REVENUE**		**355,187**	**347,361**	**356,198**	**361,630**	**397,118**	**452,650**	**381,676**	**345,824**	**361,804**	**370,766**
	Expenditure will be incurred on:											
126,099	Operational Costs	2	158,822	142,517	144,473	146,318	149,431	152,545	154,879	158,538	160,943	164,819
52,671	Depreciation and amortisation	3	63,641	65,168	66,842	68,542	70,168	71,757	73,281	74,887	76,445	78,030
10,024	Finance Costs		21,277	26,608	29,870	30,823	34,092	36,148	37,446	36,678	35,180	33,616
188,794	**TOTAL OPERATING EXPENDITURE**		**243,741**	**234,292**	**241,185**	**245,682**	**253,691**	**260,450**	**265,606**	**270,103**	**272,568**	**276,465**
21,698	**NET SURPLUS (DEFICIT)**		**111,446**	**113,069**	**115,013**	**115,948**	**143,427**	**192,200**	**116,070**	**75,721**	**89,235**	**94,301**
	Other comprehensive revenue:											
75,235	Gains (Losses) on Infrastructural revaluations		52,259	84,770	75,235	87,315	48,521	117,666	55,752	100,733	98,322	117,129
75,235	**Other comprehensive revenue:**		**52,259**	**84,770**	**75,235**	**87,315**	**48,521**	**117,666**	**55,752**	**100,733**	**98,322**	**117,129**
96,933	**TOTAL COMPREHENSIVE REVENUE**		**163,705**	**197,839**	**190,248**	**203,264**	**191,948**	**309,866**	**171,822**	**176,454**	**187,558**	**211,431**
	Net Surplus (Deficit) attributable to:											
	Hastings District Council		111,446	113,069	115,013	115,948	143,427	192,200	116,070	75,721	89,235	94,301
	Minority Interest											
			111,446	**113,069**	**115,013**	**115,948**	**143,427**	**192,200**	**116,070**	**75,721**	**89,235**	**94,301**
	Total Comprehensive revenue attributable to:											
96,933	Hastings District Council		163,705	197,839	190,248	203,264	191,948	309,866	171,822	176,454	187,558	211,431
	Minority Interest											
96,933			**163,705**	**197,839**	**190,248**	**203,264**	**191,948**	**309,866**	**171,822**	**176,454**	**187,558**	**211,431**

RECONCILIATION BETWEEN FORECAST FUNDING IMPACT STATEMENTS AND THE PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

Annual Plan 23/24 $'000		Notes	LTP (Yr1) 24/25 $'000	LTP (Yr2) 25/26 $'000	LTP (Yr3) 26/27 $'000	LTP (Yr4) 27/28 $'000	LTP (Yr5) 28/29 $'000	LTP (Yr6) 29/30 $'000	LTP (Yr7) 30/31 $'000	LTP (Yr8) 31/32 $'000	LTP (Yr9) 32/33 $'000	LTP (Yr10) 33/34 $'000
	Revenue will be derived from:											
	Economic and Community development											
11,883	Operating funding		13,362	13,696	14,075	14,415	14,633	15,094	15,352	15,693	15,966	16,221
	Capital funding*											
	Safe, Healthy & liveable Communities											
98,521	Operating funding		121,692	122,532	125,803	127,229	130,016	132,139	134,077	136,246	138,135	139,039
6,094	Capital funding*		14,421	2,247	2,533	3,527	3,577	3,641	3,695	3,745	3,805	3,855
	Roads and Footpaths											
34,386	Operating funding		47,400	53,455	67,703	68,937	81,856	99,250	71,377	53,971	55,443	57,204
16,532	Capital funding*		113,775	112,477	98,824	92,193	115,802	159,503	77,297	28,964	32,638	28,142
	Water Supply											
21,500	Operating funding		26,084	31,658	31,640	34,607	36,159	36,951	37,668	38,512	39,162	39,952
5,055	Capital funding*		2,697	1,430	1,731	2,759	2,789	2,834	2,691	2,720	2,458	2,481
	Stormwater											
4,139	Operating funding		6,178	6,818	7,446	7,762	8,047	8,306	8,492	8,668	11,317	12,291
785	Capital funding*		1,894	5,243	6,669	2,281	2,303	2,343	2,081	2,103	2,062	2,083
	Wastewater											
14,826	Operating funding		20,691	26,301	32,094	35,604	39,254	41,279	42,684	43,801	45,470	47,253
20,290	Capital funding*		9,263	3,710	4,709	8,185	8,265	8,393	8,240	8,320	8,180	8,255
	Governance & Support											
21,608	Operating funding		18,321	23,250	30,217	31,001	33,445	38,639	45,222	52,490	57,397	65,292
	Capital funding*											
255,619	**Total funding as per Funding Impact Statements**		395,777	**402,818**	423,443	**428,500**	476,145	**548,371**	448,875	**395,235**	412,032	**422,068**
	Items excluded from Funding Impact Statements											
1,000	Vested Infrastructural Assets		1,000	1,026	1,055	1,084	1,112	1,139	1,165	1,192	1,218	1,245
	Items excluded from Comprehensive Revenue Statement											
-46,126	Internal Recoveries		-64,532	-73,645	-85,624	-85,480	-97,978	-115,041	-86,449	-68,644	-69,634	-70,885
210,493	**TOTAL REVENUE**		**332,245**	**330,199**	**338,874**	**344,105**	**379,280**	**434,468**	**363,590**	**327,782**	**343,616**	**352,429**

	Expenditure will be incurred on:										
14,881	Economic and Community development	14,379	14,740	14,040	14,379	14,596	15,057	15,314	15,656	15,928	16,182
88,428	Safe, Healthy & liveable Communities	104,035	106,739	109,042	110,288	112,557	114,643	116,398	118,420	120,355	122,210
24,396	Roads and Footpaths	28,310	30,124	30,725	30,400	31,027	31,791	31,982	32,782	33,074	34,078
17,142	Water Supply	22,540	24,011	25,262	25,616	26,621	27,173	27,658	28,252	28,670	29,211
3,313	Stormwater	5,118	5,583	6,000	6,182	6,420	6,589	6,722	6,873	7,032	7,880
12,311	Wastewater	16,381	18,956	21,374	22,928	24,556	25,897	26,723	27,340	28,373	29,591
21,778	Governance & Support	22,894	24,329	24,541	24,784	25,163	24,922	24,175	23,627	21,998	20,115
182,249	**Total application of funding as per Funding Impact Statements**	213,656	**224,482**	230,984	**234,577**	240,940	**246,072**	248,972	**252,950**	255,430	**259,266**
	Items excluded from Funding Impact Statements										
52,671	Depreciation	63,641	65,168	66,842	68,542	70,168	71,757	73,281	74,887	76,445	78,030
	Items in/excluded from Comprehensive revenue Statement										
-46,126	Internal recovery	-64,532	-73,645	-85,624	-85,480	-97,978	-115,041	-86,449	-68,644	-69,634	-70,885
	Internal Interest										
	Interest on Internal Reserves										
188,793	**TOTAL OPERATING EXPENDITURE**	**212,765**	**216,005**	**212,202**	**217,639**	**213,130**	**202,787**	**235,804**	**259,193**	**262,242**	**266,411**
21,700	**TOTAL**	**119,480**	**114,194**	**126,672**	**126,466**	**166,149**	**231,681**	**127,786**	**68,590**	**81,375**	**86,017**
	Other comprehensive revenue:										
75,233	Gains on property revaluations	52,259	84,770	75,235	87,315	48,521	117,666	55,752	100,733	98,322	117,129
	Gains on Infrastructural revaluations										
75,233	**OTHER COMPREHENSIVE REVENUE**	**52,259**	**84,770**	**75,235**	**87,315**	**48,521**	**117,666**	**55,752**	**100,733**	**98,322**	**117,129**
96,933	**TOTAL COMPREHENSIVE REVENUE**	**171,738**	**198,964**	**201,906**	**213,781**	**214,670**	**349,347**	**183,538**	**169,323**	**179,697**	**203,146**
96,933	**TOTAL STATEMENT OF COMPREHENSIVE REVENUE**	**163,705**	**197,839**	**190,248**	**203,264**	**191,948**	**309,866**	**171,822**	**176,454**	**187,558**	**211,431**
	Variance	-8,033	-1,125	-11,659	-10,518	-22,723	-39,481	-11,716	7,132	7,861	8,284

* Includes development contributions,subsidies,grants and lump sum contributions

NOTES TO FINANCIAL STATEMENTS

Annual Plan 23/24 $'000		Notes	LTP (Yr1) 24/25 $'000	LTP (Yr2) 25/26 $'000	LTP (Yr3) 26/27 $'000	LTP (Yr4) 27/28 $'000	LTP (Yr5) 28/29 $'000	LTP (Yr6) 29/30 $'000	LTP (Yr7) 30/31 $'000	LTP (Yr8) 31/32 $'000	LTP (Yr9) 32/33 $'000	LTP (Yr10) 33/34 $'000
	1. Rates revenue											
59,770	General Rate		63,966	71,264	80,743	83,761	88,524	95,677	104,264	112,943	122,094	131,572
16,164	Community & Resource Rate		19,623	20,098	20,451	21,049	21,561	21,901	22,118	22,484	22,686	22,571
6,554	Uniform Annual General Charge		7,215	7,433	7,641	7,824	7,991	8,150	8,294	8,460	8,647	8,848
	Targeted Rates											
	Cyclone Recovery rate		8,890	17,161	17,323	17,525	17,837	18,181	18,085	18,042	18,187	18,337
143	Havelock North Business Association		149	149	149	149	149	149	149	149	149	149
152	Swimming Pools		151	156	159	162	166	169	172	175	178	182
175	Havelock North Parking		216	278	226	264	205	244	183	228	177	344
293	Hastings City Marketing		320	320	320	320	320	320	320	320	320	320
457	Security Patrols		440	456	469	479	488	498	506	518	526	546
320	CBD Hastings		320	326	334	341	349	356	364	371	378	385
80	CBD Havelock North		80	82	83	85	87	89	91	93	95	96
23	Waimarama Seawall		23	23	23	23	23	23	23	23	23	23
7,478	Wastewater		10,105	14,017	18,017	20,143	22,802	23,969	24,734	25,359	26,113	27,109
53	Waipatiki Wastewater Operational		53	55	56	58	59	61	62	64	65	67
	Waipatiki Wastewater Capital											
1,215	Wastewater Levy (80%)		2,680	2,935	3,211	3,405	3,551	3,622	3,711	3,811	4,033	4,323
13,645	Water Supply - Rating Area One		16,766	19,269	21,997	24,762	26,095	26,681	27,191	27,807	28,197	28,834
3,946	Kerbside Refuse Collection		4,471	4,764	4,966	5,064	5,156	5,264	5,351	5,452	5,552	5,647
2,238	Kerbside Recycling		2,364	2,464	2,514	2,565	2,613	2,664	2,712	2,760	2,811	2,859
79	Waimarama Refuse Collection		79	81	82	84	86	87	89	90	92	94
	Whirinaki Water Supply - Capital											
	Water meter Charges											
1,492	Water Supply - Rating Area One		1,766	1,815	1,870	1,925	1,976	2,025	2,073	2,124	2,232	2,223
-1,675	Change in Targeted Rates Reserves		5	8	136	142	147	152	157	163	167	172
112,602	**Total Rates Revenue**		**139,681**	**163,152**	**180,771**	**190,130**	**200,185**	**210,283**	**220,649**	**231,436**	**242,721**	**254,700**
26%	Level of Uniform Charges (30% Maximum)		24%	22%	20%	19%	19%	18%	18%	17%	17%	16%

Annual Plan 23/24 $'000		Notes	LTP (Yr1) 24/25 $'000	LTP (Yr2) 25/26 $'000	LTP (Yr3) 26/27 $'000	LTP (Yr4) 27/28 $'000	LTP (Yr5) 28/29 $'000	LTP (Yr6) 29/30 $'000	LTP (Yr7) 30/31 $'000	LTP (Yr8) 31/32 $'000	LTP (Yr9) 32/33 $'000	LTP (Yr10) 33/34 $'000
	3. Total Operating Expenditure includes:											
1,029	Councillors Remuneration		1,058	1,080	1,102	1,124	1,145	1,167	1,189	1,210	1,232	1,253
44,731	Contracted Service Costs		47,539	48,249	49,130	50,320	51,335	52,861	53,609	54,765	55,854	57,229
7,002	Consultancy Services		6,337	6,112	5,828	5,738	5,754	5,972	6,012	6,387	6,428	7,271
553	Lease Payments (Operating)		674	628	641	654	667	679	692	704	717	729
106	- fees to Audit New Zealand for audit of the Council's financial statements		247	252	257	262	267	272	277	282	287	292
95	- fees to Audit New Zealand for other services				99			105			111	
10,024	Finance Costs		21,277	26,608	29,870	30,823	34,092	36,148	37,446	36,678	35,180	33,616
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	36	37	38	39	39	40	41	41
52,671	Depreciation Expense		63,641	65,168	66,842	68,542	70,168	71,757	73,281	74,887	76,445	78,030
	Loss on Sale of Property, Plant & Equipment											
8,142	Maintenance and Asset Costs		17,376	11,819	12,120	12,386	12,632	12,892	13,135	13,387	13,639	13,891
3,924	Energy Costs		4,241	4,330	4,419	4,508	4,593	4,682	4,767	4,852	4,941	5,025
44,507	Salary and Wages		50,412	50,227	50,758	51,458	52,507	53,486	54,488	55,560	56,563	57,588
1,511	Defined Contribution Plan - Employer Contributions		1,675	1,680	1,693	1,729	1,765	1,797	1,831	1,867	1,901	1,935
226	Increase/Decrease in Employee Entitlements/Liabilities		268	267	270	274	279	284	290	295	301	306
1,577	Administration Costs		1,578	1,610	1,644	1,676	1,707	1,741	1,772	1,803	1,837	1,868
4,163	Sponsorships and Grants		14,548	2,923	2,678	2,709	3,030	2,769	2,798	3,136	2,858	2,887
	Donations											
8,497	Other Costs		12,835	13,302	13,795	13,441	13,709	13,795	13,979	14,248	14,230	14,499
188,794	**Total Operating Expenditure**		**243,741**	**234,292**	**241,185**	**245,682**	**253,691**	**260,450**	**265,606**	**270,103**	**272,568**	**276,465**
	4. Depreciation Expense includes:											
1,319	Operational Buildings		1,401	1,431	1,460	1,490	1,518	1,548	1,576	1,604	1,634	1,662
2,901	Restricted Buildings		3,082	3,147	3,213	3,278	3,340	3,405	3,467	3,529	3,594	3,656
196	Library Collection		223	228	233	237	242	247	251	255	260	265
1,482	Plant, Equipment and Motor Vehicles		1,588	1,622	1,651	1,684	1,716	1,749	1,781	1,813	1,846	1,878
168	Furniture and Fittings		178	182	185	189	193	196	200	204	207	211
1,138	Landfill		1,183	1,208	1,233	1,258	1,282	1,307	1,330	1,354	1,379	1,402
1,246	Computers and Office Equipment		456	525	151	585	833	1,249	1,352	1,572	1,663	1,528
8,450	Total Property, Plant and Equipment		8,112	8,342	8,126	8,721	9,123	9,700	9,957	10,331	10,583	10,601
5,189	Water Supply network		7,800	8,018	8,260	8,502	8,728	8,947	9,157	9,383	9,594	9,820
13,529	Wastewater Disposal Network		15,225	15,651	16,123	16,595	17,037	17,463	17,874	18,316	18,727	19,168
5,867	Stormwater Disposal Network		6,993	7,189	7,406	7,622	7,825	8,021	8,210	8,413	8,601	8,804
17,135	Roading Foundations and Bridges		20,703	21,117	21,593	22,090	22,587	23,063	23,518	23,994	24,471	24,926
1,993	Parks		3,164	3,231	3,297	3,364	3,427	3,493	3,557	3,620	3,686	3,750
43,713	Total Infrastructural Assets		53,885	55,206	56,679	58,173	59,604	60,987	62,316	63,726	65,079	66,468
	Amortisation											
509	Intangible Assets - Computer software		1,645	1,620	2,037	1,648	1,442	1,069	1,008	830	784	961
52,672	**Total Depreciation Expense**		**63,641**	**65,168**	**66,842**	**68,542**	**70,168**	**71,757**	**73,281**	**74,887**	**76,445**	**78,030**

PROSPECTIVE STATEMENT OF FINANCIAL POSITION FOR THE 10 YEARS TO 30 JUNE 2034

Annual Plan 23/24 $'000		Notes	LTP (Yr1) 24/25 $'000	LTP (Yr2) 25/26 $'000	LTP (Yr3) 26/27 $'000	LTP (Yr4) 27/28 $'000	LTP (Yr5) 28/29 $'000	LTP (Yr6) 29/30 $'000	LTP (Yr7) 30/31 $'000	LTP (Yr8) 31/32 $'000	LTP (Yr9) 32/33 $'000	LTP (Yr10) 33/34 $'000
	ASSETS											
	Current Assets											
6,000	Cash & cash equivalents		999	-	-	2,710	1,429	-	917	2,307	2,110	5,240
16,839	Debtors and other receivables		35,519	34,736	35,620	36,163	39,712	45,265	38,168	34,582	36,180	37,077
76	Inventories		76	76	76	76	76	76	76	76	76	76
22,915			36,594	34,812	35,696	38,949	41,217	45,341	39,160	36,966	38,366	42,392
	Non Current Assets											
-	Derivative Financial Instruments											
5,790	Investments in associates		1,063	1,063	1,063	1,063	1,063	1,063	1,063	1,063	1,063	1,063
15	Investments in Council Controlled Organisations		15	15	15	15	15	15	15	15	15	15
30	Other Investments		11,550	13,313	14,312	15,008	16,003	17,159	17,296	17,296	17,296	19,152
-	Other Non Current Assets		-	-	-	-	-	-	-	-	-	-
5,835			12,628	14,391	15,390	16,086	17,081	18,237	18,374	18,374	18,374	20,230
410,491	Plant, property and equipment		486,208	496,840	503,047	510,583	511,551	515,697	516,142	518,159	519,392	524,809
2,933,766	Infrastructural Assets		2,913,224	3,173,270	3,396,432	3,608,636	3,821,226	4,148,083	4,297,414	4,427,714	4,570,888	4,788,756
509	Intangible Assets		1,645	1,620	2,037	1,648	1,442	1,069	1,008	830	784	961
3,373,516	Total Assets Employed		3,450,299	3,720,933	3,952,601	4,175,902	4,392,517	4,728,426	4,872,098	5,002,043	5,147,803	5,377,148
	LIABILITIES & EQUITY											
	Current Liabilities											
-	Bank Overdraft		-	4,155	1,117	-	-	876	-	-	-	-
23,959	Creditors and other payables		52,953	47,016	45,938	45,308	47,577	50,825	45,519	43,325	44,725	48,751
3,761	Employee Benefit Liabilities		5,057	5,057	5,057	5,057	5,057	5,057	5,057	5,057	5,057	5,057
501	Derivative Financial Liabilities											
32,204	Public Debt		51,473	58,930	63,482	65,659	67,898	70,088	67,889	63,456	59,135	60,522
60,425			109,483	115,158	115,594	116,024	120,531	126,845	118,466	111,838	108,917	114,330
	Non Current Liabilities											
1,559	Provisions		2,336	2,336	2,336	2,336	2,336	2,336	2,336	2,336	2,336	2,336
684	Employee Benefit Liabilities		760	772	785	799	814	829	845	862	879	898
10,251	Derivative Financial Liabilities		3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
289,835	Public Debt		463,260	530,369	571,340	590,933	611,079	630,793	611,005	571,107	532,213	544,696
302,329			469,856	536,977	577,961	597,568	617,729	637,458	617,686	577,805	538,929	551,429
	Public Equity											
1,335,834	Retained Earnings		1,500,239	1,612,436	1,726,547	1,841,564	1,984,030	2,175,240	2,290,289	2,364,959	2,453,112	2,546,299
4,119	Restricted Reserves		6,538	7,411	8,312	9,243	10,204	11,194	12,215	13,266	14,349	15,463
1,670,809	Revaluation Reserves		1,364,182	1,448,952	1,524,187	1,611,502	1,660,023	1,777,689	1,833,442	1,934,175	2,032,497	2,149,626
3,010,762			2,870,959	3,068,798	3,259,046	3,462,309	3,654,257	3,964,123	4,135,945	4,312,400	4,499,958	4,711,388
3,373,516	Total Funds Employed		3,450,299	3,720,933	3,952,601	4,175,902	4,392,517	4,728,426	4,872,098	5,002,043	5,147,803	5,377,148

PROSPECTIVE STATEMENT OF CHANGES IN NET ASSETS/EQUITY FOR THE 10 YEARS TO 30 JUNE 2034

Annual Plan 23/24 $'000		Notes	LTP (Yr1) 24/25 $'000	LTP (Yr2) 25/26 $'000	LTP (Yr3) 26/27 $'000	LTP (Yr4) 27/28 $'000	LTP (Yr5) 28/29 $'000	LTP (Yr6) 29/30 $'000	LTP (Yr7) 30/31 $'000	LTP (Yr8) 31/32 $'000	LTP (Yr9) 32/33 $'000	LTP (Yr10) 33/34 $'000
2,913,828	Public Equity at the Start of the Period		2,707,254	2,870,959	3,068,798	3,259,046	3,462,309	3,654,257	3,964,123	4,135,945	4,312,400	4,499,958
96,933	Total Comprehensive Revenue		163,705	197,839	190,248	203,264	191,948	309,866	171,822	176,454	187,558	211,431
3,010,761	Public Equity at the End of the Period		2,870,959	3,068,798	3,259,046	3,462,309	3,654,257	3,964,123	4,135,945	4,312,400	4,499,958	4,711,388
	Total Comprehensive revenue attributable to:											
96,933	Hastings District Council		163,705	197,839	190,248	203,264	191,948	309,866	171,822	176,454	187,558	211,431
96,933	Total comprehensive revenue		163,705	197,839	190,248	203,264	191,948	309,866	171,822	176,454	187,558	211,431

PROSPECTIVE STATEMENT OF CASHFLOWS FOR THE 10 YEARS TO 30 JUNE 2034

Annual Plan 23/24 $'000		Notes	LTP (Yr1) 24/25 $'000	LTP (Yr2) 25/26 $'000	LTP (Yr3) 26/27 $'000	LTP (Yr4) 27/28 $'000	LTP (Yr5) 28/29 $'000	LTP (Yr6) 29/30 $'000	LTP (Yr7) 30/31 $'000	LTP (Yr8) 31/32 $'000	LTP (Yr9) 32/33 $'000	LTP (Yr10) 33/34 $'000
	Cash Flows from Operating Activities											
	Cash will be provided from											
112,603	Rates Received		139,681	163,152	180,771	190,130	200,185	210,283	220,649	231,436	242,721	254,700
51,886	Receipts from Customers		61,918	59,952	62,381	72,007	70,633	70,195	82,806	80,704	76,207	78,196
45,003	Subsidies Grants & Donations Received		152,587	124,013	111,107	97,865	121,639	165,479	84,154	36,077	40,059	35,728
	Goods and services tax (net)											
209,492			354,187	347,117	354,259	360,003	392,457	445,958	387,609	348,217	358,988	368,625
	Cash was applied to											
126,099	Payments to Suppliers and Employees		158,822	148,453	145,551	146,948	147,163	149,297	160,184	160,733	159,542	160,792
10,024	Interest Paid		21,277	26,608	29,870	30,823	34,092	36,148	37,446	36,678	35,180	33,616
136,123			180,099	175,061	175,421	177,771	181,254	185,445	197,630	197,411	194,723	194,408
73,369	Net Cash Flows from Operating Activities		174,088	172,056	178,839	182,232	211,203	260,513	189,979	150,807	164,265	174,217
	Cash Flows from Investing Activities											
	Cash was provided from											
714	Sale of Plant, property & equipment		2,883	6,231	4,973	4,356	389	711	906	432	733	800
-	Investments Withdrawn		-	-	-	-	-	-	-	-	-	-
714			2,883	6,231	4,973	4,356	389	711	906	432	733	800
	Cash was applied to											
149,907	Purchase of Property, Plant & Equipment and Infrastructural Assets		296,712	256,243	225,298	203,835	234,261	284,277	166,970	105,516	121,981	183,900
404	Purchase of Investments		3,992	1,763	998	696	995	1,156	137	-	-	1,856
150,311			300,704	258,006	226,296	204,531	235,257	285,433	167,107	105,516	121,981	185,756
(149,597)	Net Cash Flows from Investing Activities		(297,821)	(251,776)	(221,323)	(200,175)	(234,868)	(284,722)	(166,201)	(105,085)	(121,248)	(184,956)
	Cash Flows from Financing Activities											
	Cash was provided from											
83,089	Loans Raised		133,788	99,686	75,237	52,849	55,313	55,713	12,473	(9,453)	(7,942)	49,925
	Cash was applied to											
6,862	Loans repaid		15,054	25,121	29,713	31,080	32,928	33,809	34,459	34,878	35,273	36,056
76,227	Net Cash Flows from Financing Activities		118,734	74,565	45,523	21,770	22,385	21,904	(21,986)	(44,332)	(43,215)	13,869
	Reconciliation of Cash Flows											
(1)	Net Increase (Decrease) in Cash Held		(5,000)	(5,154)	3,039	3,826	(1,280)	(2,305)	1,792	1,391	(198)	3,130
6,000	Add Cash at Start of Year		5,999	999	(4,155)	(1,117)	2,710	1,429	(876)	917	2,307	2,110
5,999	Cash at End of Year		999	(4,155)	(1,117)	2,710	1,429	(876)	917	2,307	2,110	5,240

GROSS PUBLIC DEBT SUMMARY

Annual Plan 23/24 $'000		Notes	LTP (Yr1) 24/25 $'000	LTP (Yr2) 25/26 $'000	LTP (Yr3) 26/27 $'000	LTP (Yr4) 27/28 $'000	LTP (Yr5) 28/29 $'000	LTP (Yr6) 29/30 $'000	LTP (Yr7) 30/31 $'000	LTP (Yr8) 31/32 $'000	LTP (Yr9) 32/33 $'000	LTP (Yr10) 33/34 $'000
269,339	Opening Balance		396,000	514,734	589,299	634,822	656,592	678,977	700,881	678,895	634,563	591,348
83,089	Plus New Debt Requirement		133,788	99,686	75,237	52,849	55,313	55,713	12,473	(9,453)	(7,942)	49,925
(6,862)	Less Debt Repayment		(15,054)	(25,121)	(29,713)	(31,080)	(32,928)	(33,809)	(34,459)	(34,878)	(35,273)	(36,056)
345,566	Gross Debt Closing Balance		514,734	589,299	634,822	656,592	678,977	700,881	678,895	634,563	591,348	605,218
	Comprises:											
322,039	External Debt	4	514,734	589,299	634,822	656,592	678,977	700,881	678,895	634,563	591,348	605,218
23,527	Internal Debt											
345,566	Gross Public Debt		514,734	589,299	634,822	656,592	678,977	700,881	678,895	634,563	591,348	605,218
	External Debt Comprises:											
32,204	Current Portion Term Debt		51,473	58,930	63,482	65,659	67,898	70,088	67,889	63,456	59,135	60,522
289,835	Non Current portion Term Debt		463,260	530,369	571,340	590,933	611,079	630,793	611,005	571,107	532,213	544,696
322,039			514,734	589,299	634,822	656,592	678,977	700,881	678,895	634,563	591,348	605,218

SUMMARY OF FINANCIAL STATISTICS

Annual Plan 23/24 $'000		Notes	LTP (Yr1) 24/25 $'000	LTP (Yr2) 25/26 $'000	LTP (Yr3) 26/27 $'000	LTP (Yr4) 27/28 $'000	LTP (Yr5) 28/29 $'000	LTP (Yr6) 29/30 $'000	LTP (Yr7) 30/31 $'000	LTP (Yr8) 31/32 $'000	LTP (Yr9) 32/33 $'000	LTP (Yr10) 33/34 $'000
10.24%	Public Debt to Total Assets		14.92%	15.84%	16.06%	15.72%	15.46%	14.82%	13.93%	12.69%	11.49%	11.26%
89.25%	Equity to Total Assets		83.21%	82.47%	82.45%	82.91%	83.19%	83.84%	84.89%	86.21%	87.42%	87.62%
	Treasury Policy Limits											
10.70%	Net Debt as a percentage of equity *(<20%)*		17.93%	19.20%	19.48%	18.96%	18.58%	17.68%	16.41%	14.71%	13.14%	12.85%
152.99%	Net Debt as a percentage of revenue *(<250%)*		245.64%	250.51%	246.44%	244.06%	240.27%	236.17%	221.06%	196.26%	174.00%	173.62%
4.76%	Net Interest as a percentage of revenue *(<15%)*		6.16%	7.90%	8.69%	9.03%	9.05%	8.37%	10.35%	11.26%	10.28%	9.57%
8.90%	Net Interest as a percentage of rates revenue *(<20%)*		15.23%	16.31%	16.52%	16.21%	17.03%	17.19%	16.97%	15.85%	14.49%	13.20%
152.49%	Liquidity (Term Debt + Committed Loan Facilities to existing debt) *(>110%)*		119%	119%	119%	119%	119%	119%	119%	119%	119%	119%
345,566	Gross Debt		514,734	589,299	634,822	656,592	678,977	700,881	678,895	634,563	591,348	605,218
23,527	Less: Internal Borrowings		-	-	-	-	-	-	-	-	-	-
322,039	External Net Debt		514,734	589,299	634,822	656,592	678,977	700,881	678,895	634,563	591,348	605,218

Reserves

The Council's Financial Strategy is signalling a review of the use of reserve funding and the likely rationalisation of the suite of current reserves in place. Many of these are historical and are not fit for purpose. Reserves will be retained where there is a specific obligation, for Trusts/Bequests and some other bespoke situations. The final adopted Long Term Plan 2024/34 will contain the schedule and results of this review.

Mandatory Financial Disclosure Statement

Long-term plan disclosure statement for period commencing 1 July 2024

The purpose of this statement is to disclose the council's planned financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its 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)

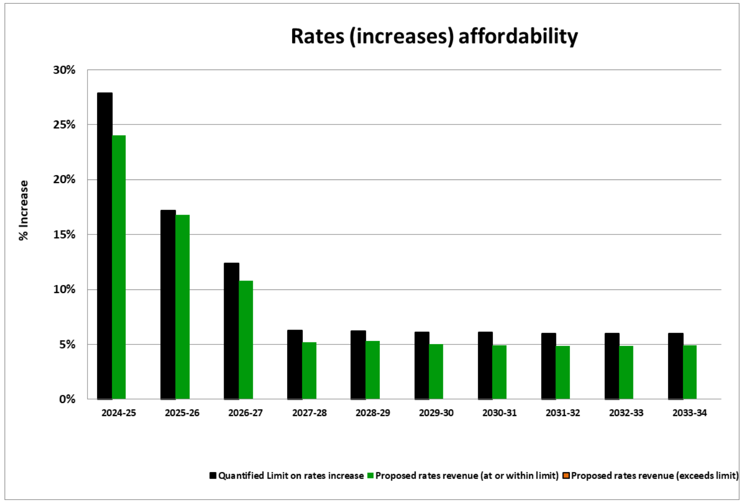
Rates (income) affordability

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

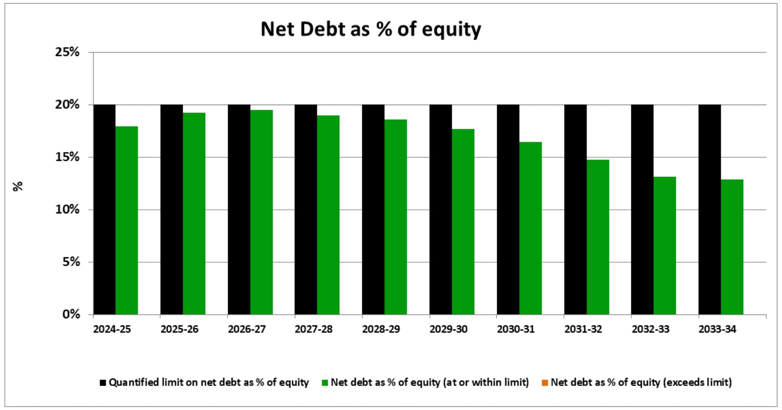
The following graph compares the council's planned rates increases with a quantified limit on rates increases contained in the financial strategy included in this long-term plan. The quantified limit will be limited to the movement in the Local Government Cost Index (LGCI) for the financial year, plus 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.



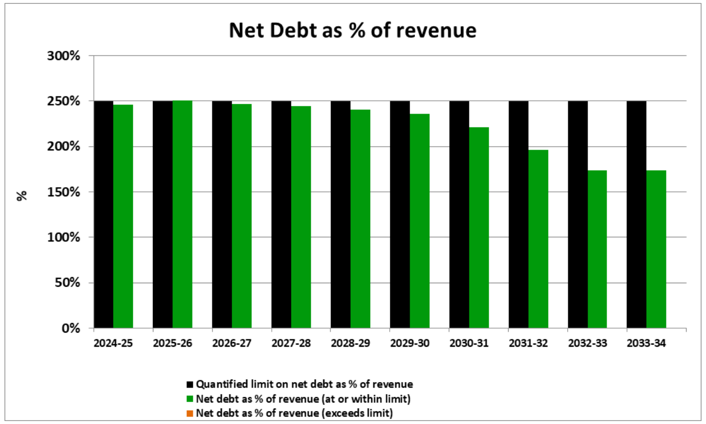
Debt affordability benchmark

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.

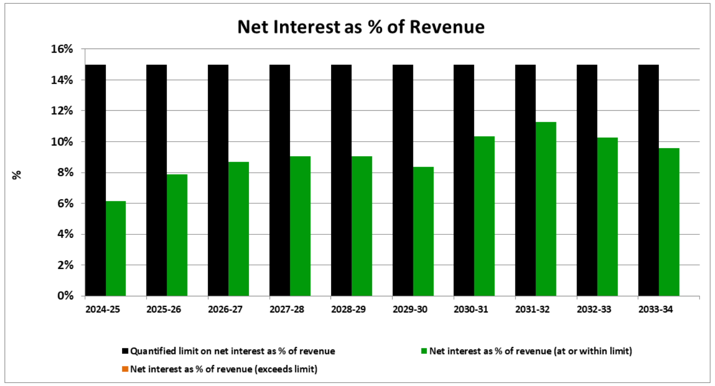
The quantified limit for this graph is that net debt must not exceed 20% of equity.



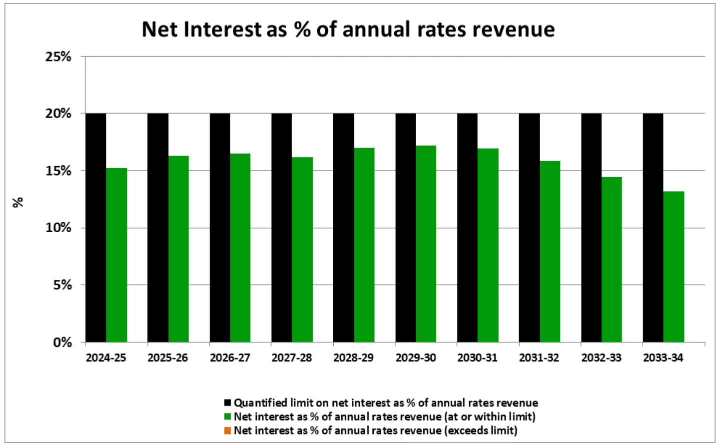
The quantified limit for this graph is that net debt must not exceed 250% of income. Note: this excludes non-recurring revenue



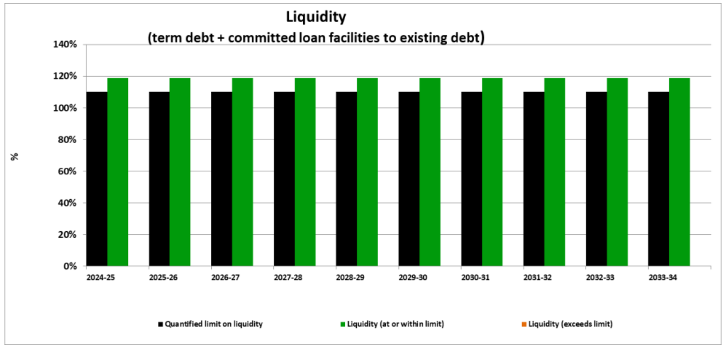
The quantified limit for this graph is that interest must not exceed 15% of income.



The quantified limit for this graph is that net interest must not exceed 20% of annual rates income.

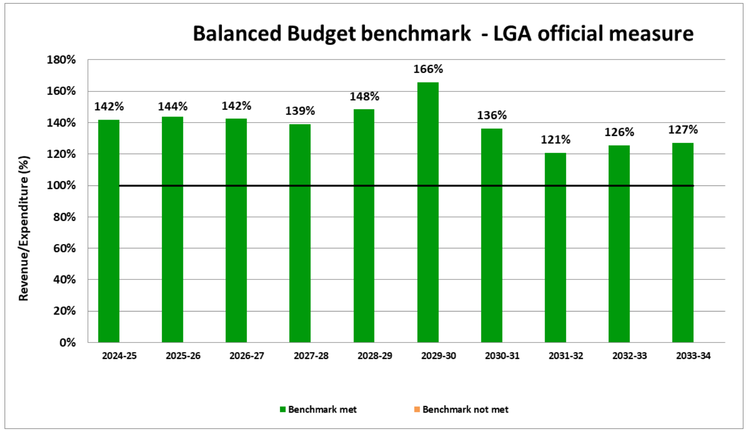


The quantified limit for this graph is that Council's liquidity must be between 110% and 170%.



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.

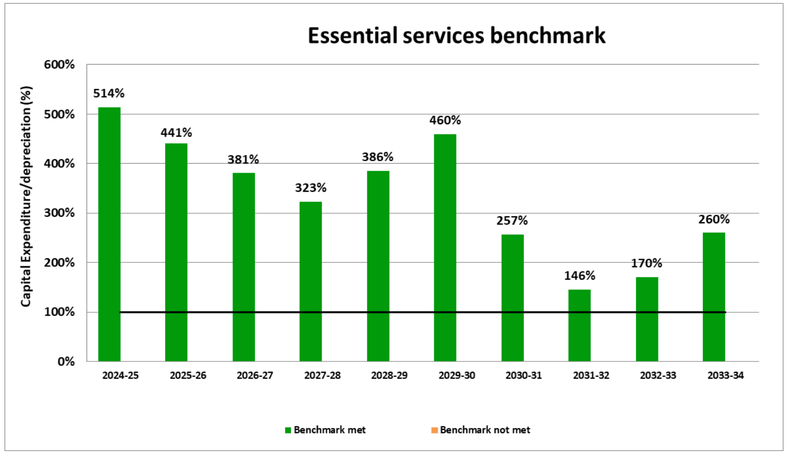


Note: See the consultation document for the modified Balanced Budget Ratio (which excludes non-recurring revenue). This is the measure the Council has incorpoarted within its Financial Strategy and will be working to.

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.

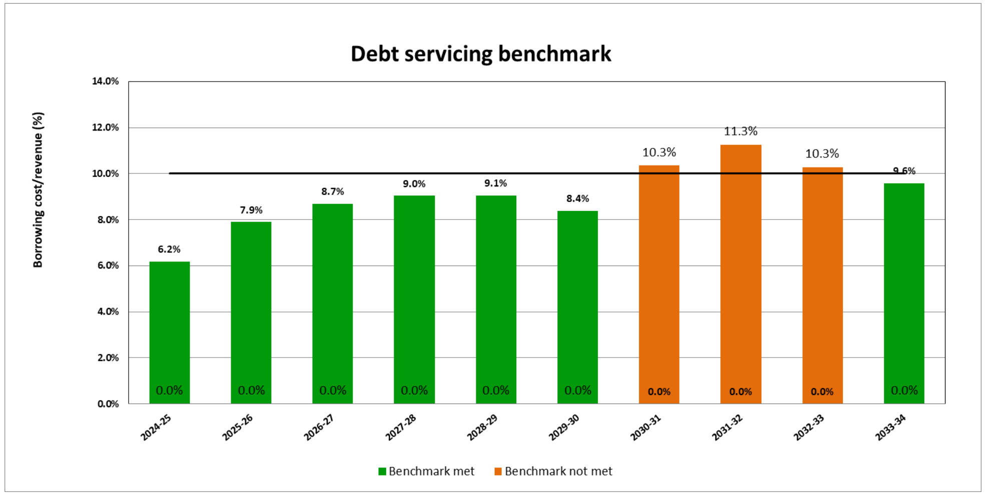


Council's 10 year average for the essential services benchmark is well above the benchmark of 100%. The 2021-31 Long Term Plan is heavily loaded in the early years of the plan with a number of large capital expenditure items programmed.

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

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 23/24 $'000		Notes	LTP (Yr1) 24/25 $'000	LTP (Yr2) 25/26 $'000	LTP (Yr3) 26/27 $'000	LTP (Yr4) 27/28 $'000	LTP (Yr5) 28/29 $'000	LTP (Yr6) 29/30 $'000	LTP (Yr7) 30/31 $'000	LTP (Yr8) 31/32 $'000	LTP (Yr9) 32/33 $'000	LTP (Yr10) 33/34 $'000
	1. Rates revenue											
59,770	General Rate		63,966	71,264	80,743	83,761	88,524	95,677	104,264	112,943	122,094	131,572
16,164	Community & Resource Rate		19,623	20,098	20,451	21,049	21,561	21,901	22,118	22,484	22,686	22,571
6,554	Uniform Annual General Charge		7,215	7,433	7,641	7,824	7,991	8,150	8,294	8,460	8,647	8,848
	Targeted Rates											
	Cyclone Recovery rate		8,890	17,161	17,323	17,525	17,837	18,181	18,085	18,042	18,187	18,337
143	Havelock North Business Association		149	149	149	149	149	149	149	149	149	149
152	Swimming Pools		151	156	159	162	166	169	172	175	178	182
175	Havelock North Parking		216	278	226	264	205	244	183	228	177	344
293	Hastings City Marketing		320	320	320	320	320	320	320	320	320	320
457	Security Patrols		440	456	469	479	488	498	506	518	526	546
320	CBD Hastings		320	326	334	341	349	356	364	371	378	385
80	CBD Havelock North		80	82	83	85	87	89	91	93	95	96
23	Waimarama Seawall		23	23	23	23	23	23	23	23	23	23
7,478	Wastewater		10,105	14,017	18,017	20,143	22,802	23,969	24,734	25,359	26,113	27,109
53	Waipatiki Wastewater Operational		53	55	56	58	59	61	62	64	65	67
	Waipatiki Wastewater Capital											
1,215	Wastewater Levy (80%)		2,680	2,935	3,211	3,405	3,551	3,622	3,711	3,811	4,033	4,323
13,645	Water Supply - Rating Area One		16,766	19,269	21,997	24,762	26,095	26,681	27,191	27,807	28,197	28,834
3,946	Kerbside Refuse Collection		4,471	4,764	4,966	5,064	5,156	5,264	5,351	5,452	5,552	5,647
2,238	Kerbside Recycling		2,364	2,464	2,514	2,565	2,613	2,664	2,712	2,760	2,811	2,859
79	Waimarama Refuse Collection		79	81	82	84	86	87	89	90	92	94
	Whirinaki Water Supply - Capital											
	Water meter Charges											
1,492	Water Supply - Rating Area One		1,766	1,815	1,870	1,925	1,976	2,025	2,073	2,124	2,232	2,223
-1,675	Change in Targeted Rates Reserves		5	8	136	142	147	152	157	163	167	172
112,602	**Total Rates Revenue**		**139,681**	**163,152**	**180,771**	**190,130**	**200,185**	**210,283**	**220,649**	**231,436**	**242,721**	**254,700**
26%	Level of Uniform Charges (30% Maximum)		24%	22%	20%	19%	19%	18%	18%	17%	17%	16%

Part B: Summary of Rating Requirements

SUMMARY OF RATING REQUIREMENTS

Activity	2024/25 YR1 LTP			2025/26 YR2 LTP			2026/27 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	**761**	609	152	**761**	609	152
Administration Buildings	**866,009**	692,807	173,202	**887,867**	710,294	177,573	**874,462**	699,570	174,892
Land Subdivision	**20,919**	20,919	0	**21,066**	21,066	0	**21,504**	21,504	0
Rural Community Board	**51,600**	5,310	46,290	**52,684**	5,421	47,262	**53,767**	5,533	48,235
Community Services (65%)	**30,372,393**	27,725,163	2,647,230	**31,068,661**	28,352,081	2,716,580	**31,625,653**	28,868,506	2,757,147
Economic & Social Dev (35%)	**1,101,599**	1,027,571	74,027	**1,126,521**	1,050,818	75,702	**1,151,115**	1,073,760	77,355
Resource Management (65%)	**6,069,865**	5,098,599	971,265	**6,256,983**	5,256,909	1,000,074	**6,354,401**	5,339,575	1,014,826
Strategic Development	**3,695,702**	2,956,561	739,140	**4,091,326**	3,273,061	818,265	**4,417,023**	3,533,618	883,405
Engineering Services	**412,579**	384,854	27,725	**423,560**	395,097	28,463	**434,020**	404,854	29,166
Refuse Collection	**-117,686**	-109,778	-7,909	**-106,778**	-99,602	-7,175	**-111,415**	-103,928	-7,487
Regional Landfill	**0**	0	0	**0**	0	0	**0**	0	0
Transportation	**24,259,150**	14,398,605	9,860,545	**25,745,743**	15,248,266	10,497,478	**27,302,307**	16,117,376	11,184,931
Stormw ater	**5,917,661**	5,841,583	76,079	**6,602,648**	6,524,884	77,764	**7,225,365**	7,146,209	79,155
Contingency Fund	**-2,347,800**	-1,878,240	-469,560	**-2,399,664**	-1,919,731	-479,933	**-2,448,968**	-1,959,174	-489,794
Rate Remissions	**1,950,000**	1,308,450	641,550	**612,600**	411,055	201,545	**468,900**	314,632	154,268
	72,251,991	57,472,405	14,779,586	74,383,977	59,230,227	15,153,751	77,368,895	61,462,644	15,906,251
Less Additional Funding									
Petrol Tax Credit	**-570,000**	-486,710	-83,290	**-581,970**	-496,931	-85,039	**-593,940**	-507,152	-86,788
Provision for Doubtful Debts	**35,000**	0	35,000	**35,735**	0	35,735	**36,470**	0	36,470
Increase in Investments	**0**	0	0	**0**	0	0	**0**	0	0
Other Expenditure	**371,600**	371,600	0	**420,200**	420,200	0	**452,300**	452,300	0
Rate Penalties	**-500,000**	-449,000	-51,000	**-510,500**	-458,429	-52,071	**-521,000**	-467,858	-53,142
Budgeted Rating Deficit RA1	**-3,344,675**	-3,344,675	0	**921,800**	921,800	0	**6,020,250**	6,020,250	0
Budgeted Rating Deficit RA2	**-2,828,288**	0	-2,828,288	**-3,303,030**	0	-3,303,030	**-2,072,130**	0	-2,072,130
General Rate	**65,415,628**	**53,563,620**	**11,852,008**	**71,366,212**	**59,616,867**	**11,749,345**	**80,690,845**	**66,960,184**	**13,730,661**

	2024/25 YR1 LTP			2025/26 YR2 LTP			2026/27 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
Community & Resource Rate									
Community Services (35%)	**16,354,366**	14,928,934	1,425,432	**16,729,279**	15,266,505	1,462,774	**17,029,198**	15,544,580	1,484,618
Resource Management (35%)	**3,268,389**	2,745,400	522,989	**3,369,145**	2,830,643	538,501	**3,421,600**	2,875,156	546,445
	19,622,754	**17,674,334**	**1,948,421**	**20,098,424**	**18,097,149**	**2,001,275**	**20,450,798**	**18,419,736**	**2,031,062**
Uniform Annual General Charge (UAGC)									
Economic & Social Dev (65%)	**2,045,826**	1,763,502	282,324	**2,092,110**	1,803,399	288,711	**2,137,785**	1,842,771	295,014
Civil Defence (50%)	**91,137**	78,560	12,577	**92,398**	79,647	12,751	**92,256**	79,525	12,731
Wastewater Levy (20%)	**656,740**	656,740	0	**719,105**	719,105	0	**786,673**	786,673	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%)	**1,133,191**	990,523	142,669	**1,154,060**	1,008,764	145,296	**1,177,849**	1,029,557	148,291
Leadership (100%)	**3,285,513**	2,871,867	413,646	**3,372,402**	2,947,816	424,585	**3,444,095**	3,010,483	433,612
	7,214,964	**6,361,192**	**853,771**	**7,432,630**	**6,558,731**	**873,899**	**7,641,214**	**6,749,010**	**892,204**
Total General & UAGC Rate	**92,253,346**	**77,599,146**	**14,654,200**	**98,897,266**	**84,272,746**	**14,624,520**	**108,782,857**	**92,128,930**	**16,653,928**
Cyclone Targeted rate									
Cyclone rate - Land value	**4,445,000**	2,978,150	1,466,850	**8,580,675**	5,749,053	2,831,623	**8,661,607**	5,803,276	2,858,330
Cyclone rate - Per property	**4,445,000**	2,978,150	1,466,850	**8,580,675**	5,749,053	2,831,623	**8,661,607**	5,803,276	2,858,330
Total Cyclone Recovery Rate	**8,890,000**	**5,956,300**	**2,933,700**	**17,161,351**	**11,498,105**	**5,663,246**	**17,323,213**	**11,606,553**	**5,716,660**
Targeted Rates									
Swimming Pools	**150,679**	140,358	10,322	**155,618**	144,958	10,660	**159,085**	148,187	10,897
Hasting District Parking									
Water Supply	**16,766,052**	16,766,052	0	**19,269,412**	19,269,412	0	**21,996,887**	21,996,887	0
Refuse Collection	**4,471,306**	4,450,459	20,847	**4,763,720**	4,742,102	21,618	**4,966,424**	4,944,279	22,145
Kerbside Recycling	**2,364,000**	2,345,984	18,016	**2,463,673**	2,444,898	18,775	**2,514,346**	2,495,185	19,161
Waimarama Refuse Collection	**79,000**	0	79,000	**80,659**	0	80,659	**82,318**	0	82,318
Wastewater	**10,104,847**	10,104,847	0	**14,016,947**	14,016,947	0	**18,016,755**	18,016,755	0
CBD Hastings (80% phase in over 8 years)	**320,000**	320,000	0	**326,400**	326,400	0	**333,760**	333,760	0
CBD Havelock North (80% phase in over 8 years	**80,000**	80,000	0	**81,600**	81,600	0	**83,440**	83,440	0
Wastewater Levy (80%)	**2,680,355**	2,680,355	0	**2,934,884**	2,934,884	0	**3,210,650**	3,210,650	0
Change in Targeted Rates Reserves	**0**	0	0	**0**	0	0	**0**	0	0
Total Targeted Rates	**37,016,238**	**36,888,054**	**128,184**	**44,092,914**	**43,961,202**	**131,712**	**51,363,664**	**51,229,142**	**134,522**
TOTAL RATING REQUIREMENT	**138,159,584**	**120,443,500**	**17,716,084**	**160,151,530**	**139,732,053**	**20,419,478**	**177,469,734**	**154,964,625**	**22,505,110**

Overall Average Rate increase	2024/25 YR1 LTP			2025/26 YR2 LTP			2026/27 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	**109,780,152**	95,626,544	14,153,608	**138,159,584**	120,443,500	17,716,084	**160,151,530**	139,732,053	20,419,478
Amount of Increase	**28,379,432**	24,816,956	3,562,476	**21,991,946**	19,288,553	2,703,393	**17,318,204**	15,232,572	2,085,632
% Increase	**25.85%**	25.95%	25.17%	**15.92%**	16.01%	15.26%	**10.81%**	10.90%	10.21%
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	**24.9%**	**25.1%**	**25.1%**	**15.0%**	**15.2%**	**15.2%**	**9.9%**	**10.1%**	**10.1%**

Other Targeted Rates									
Havelock North Business Association	**148,720**	148,720	0	**148,720**	148,720	0	**148,720**	148,720	0
Hastings City marketing	**320,000**	320,000	0	**320,000**	320,000	0	**320,000**	320,000	0
Havelock North parking	**216,164**	216,164	0	**277,641**	277,641	0	**225,871**	225,871	0
Mall Security	**439,849**	439,849	0	**455,907**	455,907	0	**468,948**	468,948	0
Waimarama Seawall (90%)	**23,001**		23,001	**23,001**		23,001	**23,001**		23,001
Waimarama Domain	**0**		0	**0**		0	**0**		0
Waipatiki Sewers Operational	**53,023**	0	53,023	**54,588**	0	54,588	**56,201**	0	56,201
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	**0**	0	0	**0**	0	0	**0**	0	0
Total Other Targeted Rates	**1,200,758**	**1,124,734**	**76,024**	**1,279,856**	**1,202,268**	**77,589**	**1,242,741**	**1,163,539**	**79,202**

Part C: Rates Statement for 2024/25

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 2024/25 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 2024. 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 2024/25:

Differential Group Name	Factor	Cents per Dollar of $ LV
Differential Rating Area One		
Residential	1	0.336065
Residential Clive	0.81	0.272213
Residential Non-Urban (Including Townships and Small Settlements)	0.76	0.255410
Horticulture / Farming	0.68	0.228524
CBD Commercial	3.00	1.008196
Other Commercial	2.75	0.924180
Commercial Non-Urban – Peripheral	2.35	0.789754
Differential Rating Area Two		
Residential	0.85	0.140314
Lifestyle / Horticulture / Farming	1	0.165076
Commercial	1.65	0.272375

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 $233 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 2024/25 are:

Differential Category	Factor	$ per SUIP
Differential rating area one		
Residential	1	$705
CBD Commercial	1	$705
Other Commercial	1	$705
Residential Clive	0.75	$528
Residential Non-Urban (Including Townships & Small Settlements)	0.75	$528
Horticulture / Farming	0.75	$528
Commercial Non-Urban (Peripheral)	0.75	$528
Differential rating area two		$ per SUIP
Residential	1	$434
Lifestyle / Horticulture / Farming	1	$434
Commercial	1	$434

Cyclone Recovery Rate

Two targeted rates will be set and assessed for the purposes of funding the costs of Cyclone Gabrielle recovery. The first as a rate in the dollar of land value and the second as a fixed amount.

A differential targeted rate will be set and assessed in accordance with Section 16, Schedule 2 Clause 6, and Schedule 3 Clause 3 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:

Location	Factor	Cents per Dollar of $ LV
Rating Area One	1	0.020477
Rating Area Two	1	0.020280

A differential targeted rate will be set and assessed in accordance with Section 16, Section 18 (2) and Schedule 2 Clause 6 of the Local Government (Rating) Act 2002, as a fixed amount per rating unit. The rate shall be set on a differential basis, based on the location of the land within the district:

Location	Factor	$ per Rating Unit
Rating Area One	1	$127
Rating Area Two	1	$323

More detailed information relating to Council's differential categories can be found under Part B.

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 2024/25 year is 0.092638 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 2024/25 year is $88.00 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 2024/25 per separately used or inhabited part is:

Differential Category	Factor	$ per SUIP
Residential	1	$35
CBD Commercial/Other Comm	3	$105
All others	1	$35

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 2024/25 year is 0.199507 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 2024/25 year is 0.141267 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 2024/25 year is 0.049832 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 2024/25 is 0.087726 cents per dollar of land value.

The rate for Havelock North Security Patrol Area for 2024/25 is 0.042130 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 2024/25 year are:

Category	Factor	$ per SUIP
(1) Connected	1	$400
(2) Serviceable	0.5	$200

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	$52
Chartered Clubs / Rest Homes / Prisons / Commercial Accommodation providers / Hospitals / Child Care Centres	0.40	$160
HB Racing Centre / A&P Showgrounds / Regional Sports Park	0.25	$100
All other Non-Residential	0.80	$320

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 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.

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 2024/25 year are:

Category	Factor	$ per SUIP
(1) Connected	1	$800
(2) Serviceable	0.5	$400

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	$104
Chartered Clubs / Rest Homes / Prisons / Commercial Accommodation providers / Hospitals / Child Care Centres	0.40	$320
HB Racing Centre / A&P Showgrounds / Regional Sports Park	0.25	$200
All other Non-Residential	0.80	$640

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 2024/25 year are:

Category	Factor	$ Per SUIP
(1) Connected	1	$107
(2) Serviceable	0.5	$53.50

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	$13.91
Chartered Clubs / Rest Homes / Prisons / Commercial Accommodation providers / Hospitals / Child Care Centres	0.40	$42.80
HB Racing Centre / A&P Showgrounds / Regional Sports Park	0.25	$26.75
All other Non-Residential	0.80	$85.60

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 2024/25 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)	$700	$350

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 $1.17 per cubic metre 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 2024/25 is $110 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 (120l) collection whilst commercial rating units within the Hastings CBD and Havelock North CBD area currently receive a twice weekly (120l) collection. Pending further consultation with CBD commercial ratepayers, the nature of the service provided may change to a weekly (240l) collection. A factor of two would remain as those commercial rating units would still receive twice the level of service of a residential rating unit.

The Rate for 2024/25 is:

Differential Category	Factor	$ Per SUIP
Residential	1	$200
Commercial CBD	2	$400

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 2024/25 is $170 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 2024/25 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 23rd August 2024, 22nd November 2024, 21st February 2025, and 23rd May 2025.

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	23 August 2024	28 August 2024
2	22 November 2024	27 November 2024
3	21 February 2025	26 February 2025
4	23 May 2025	28 May 2025

Any portion of rates assessed in previous years (including previously applied penalties) which are unpaid on 04 July 2024 will have a further 10% added, firstly on 20 July 2021, and if still unpaid, again on 08 January 2025.

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	24 October 2024	30 October 2024
2	24 January 2025	29 January 2025
3	24 April 2025	30 April 2025
4	25 July 2025	30 July 2025
Instalment	6 Monthly Invoicing Due Date	Penalty Date
1	24 January 2025	29 January 2025
2	25 July 2025	30 July 2025

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 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

	2022 Land Value	2023/24 Rates	Proposed 2024/25 Rates
Urban Residential			
Flaxmere	200,000	2,586	3,294
Hastings	510,000	3,528	4,399
Havelock North	660,000	4,014	4,969
Townships			
Whakatu	280,000	2,478	3,177
Clive	470,000	2,988	3,780
Haumoana	550,000	2,762	3,415
Commercial/Industrial			
Hastings CBD Retail	730,000	17,866	20,242
Havelock Nth CBD Retail	1,070,000	17,699	20,456
Suburban	1,020,000	12,055	14,361
Commercial Non-Urban	1,410,000	11,641	13,519
Horticulture/Farming			
Small	980,000	2,677	3,328
Medium	2,110,000	5,013	6,142

Rating Area Two

	2022 Land Value	2023/24 Rates	Proposed 2024/25 Rates
Coastal Residential			
Whirinaki	660,000	2,323	3,059
Waimarama	660,000	2,168	2,919
Waipatiki	440,000	3,917	5,363
Commercial/Industrial			
Small	130,000	923	1,370
Large	450,000	1,776	2,306
Lifestyle/ Horticulture / Farming			
Lifestyle	540,000	1,449	1,990
Small Hort / Farming	1,550,000	3,081	3,862
Medium Hort / Farming	3,270,000	5,861	7,050
Large Hort / Farming	6,760,000	12,078	14,509

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

	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34
Total Rating Units Forecast	32,244	32,550	32,859	33,171	33,486	33,804	34,125	34,449	34,776	34,690
% Increase	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 2024/25 are detailed below.

Trade Waste Charges For The Period 1 July 2024 To 30 June 2025		
a)	Permitted charge	Based on Equivalent Households.
b)	Approved non-separated charge	Based on Equivalent Households.
c)	Approved separated charge	Annual Fee – $5,205 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 2024/25.
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 2024/25.
l)	Biochemical oxygen demand charge/ chemical oxygen demand charge	No charge for 2024/25.
m)	Metals charge	No charge for 2024/25.
n)	Transmissivity charge	No charge for 2024/25.
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 $5,205.

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	$1,500.00
Resource Consent Land Use – Restricted Discretionary Activity	$1,800.00
Resource Consent Land Use – Discretionary Activity	$2,200.00
Resource Consent Land Use Consent – Non-Complying Activity	$2,500.00
Permitted Boundary Activity	$700.00
Subdivision Consents: • Freehold and Leasehold • Amendment to Existing Leasehold Titles	 $2,200.00 $1,500.00
Rights of Way Survey Plans	$1,200.00
Resource Consents and Designations: • Fully Notified • Limited Notified • Hearing Only	 $20,000.00 $10,000.00 $4,000.00
Resource Consent Variation of Conditions	$2,200.00
Resource Consent Extension of Lapse Date (s.125)	$2,000.00
RMA Certificate of Compliance, Existing Use Right Certificate and Overseas Investment Certificate	$1,500.00
Monitoring fee for permitted activity relocated buildings	$750.00
Outline Plan Processing	$1,500.00
Outline Plan Waiver	$600.00
Private Plan Change	$48,000.00
Consent Notice (section 221 of RMA)(per document)	$220.00
Section 223 certification only – Subdivisions	Hourly rates
Section 224 certification – Subdivisions (This will also apply when 223 and 224 certification are applied for together).	Refer to hourly rates section

1. Planning: Resource Consents, Subdivisions and Associated Processes	Deposit (unless otherwise stated) (inc GST)
No deposit required. Actual processing costs will be invoiced prior to issue of certification.	
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
Pre -application meeting	$500.00
Resource Management Act Section 226 certificate	$1,500.00
Certificate of Transfer and other legal documents	$360.00
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)	$1,200.00
Bond Administration fee	$1,700.00
Monitoring Deposit – Resource Consents	
Hastings (i.e. sites located within a 3km radius of the HDC Administration Building, Lyndon Road East, Hastings)	$250.00
Havelock North, Flaxmere, Plains (i.e. sites located between a 3-20km radius of the HDC Administration Building, Lyndon Road East, Hastings)	$280.00
Rural (i.e. sites located beyond a 20km radius of the HDC Administration Building, Lyndon Road East, Hastings)	$300.00
Gambling Act 2003	
Class 4 Gambling Venue Consent	$2,160.00

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 $1.75 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	$290.00
Project Information Memorandum (PIM) only	$465.00
Minor variations hourly rate	$260.00
Extension of Time (Work not complete, work not started)	$120.00
Code Compliance Certificates (2nd and subsequent CCC applications only, plus zone inspection fees if required)	$200.00
Section 73 & section 77 Certificates (Building Act 2004) (each) – plus inspection costs, if any	$325.00
Compliance Schedule (Building Act 2004)	$380.00
Compliance Schedule Amendment	$270.00
Building Act Compliance Certificates	$130.00
Issuing Certificates for Public Use	$325.00
Demolition Consent Fee (Hourly rate)	$260.00
Certificates of Acceptance Deposit	

Building Consent Applications	Fee (inc GST)
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 $900.00
Solid Fuel Heaters	
Standard Application including one inspection (additional inspections charged at fixed building inspection zone fee rate) Effective 1 August 2020	$475.00
Solar Water Heaters	
Standard Application including one inspection (additional inspections charged at fixed building inspection zone fee rate)	$475.00
Building Consent Authority Accreditation Fee	
Solar water heaters, solid fuel heaters (including fixed fees)	$6.00
Residential consents	$23.00
Commercial consents	$45.00

	Fee (inc GST)
Administration, Lapsing and CC Processing Fees	
</= $10,000 value (incl CCC costs)	$200.00
>$10,000 (incl CCC costs)	$255.00
GoGet Fee (per consent excluding solid fuel heaters)	$175.00
Content Management Fee (per consent excluding solid fuel heaters)	$80.00
Consents prior to 2009	$75.00
Lapsed consent reinstatement fee	$190.00
Pre-Consent Meeting Fee	
Residential	$225.00
Commercial	$350.00
Plansmart Assessments	
Residential	$170.00
Commercial	$232.00
Standard Charges	
Building officers (Hourly Rate) - Residential	$260.00
Building officers (Hourly Rate) - Commercial	$290.00
Building Technicians (Hourly Rate) - Residential	$200.00
Building Technicians (Hourly Rate) - Residential	$220.00
External Building Consent Authority administration fee (hourly rate)	$260.00
Building Inspections	

Notes:
Zone boundaries are based on the following outbound travel times
Failed inspections will incur the relevant zone inspection fixed fee

	Fee (inc GST)
• Zone 1 (~7 minutes)	$215.00
• Zone 2 (~15 minutes)	$250.00
• Zone 3 (~30 minutes)	$355.00
• Zone 4 (~45 minutes)	$475.00
• Zone 5 (~60 minutes)	$610.00
Building Consent Activity Reports	
Weekly (per month)	$105.00
Monthly (per month)	$80.00
Independently Qualified Persons	
New Registrations	$395.00
Amendment Registrations	$210.00
Optional Yearly Renewal	$145.00
Other	
Building Warrant of Fitness (Administration and Inspection)	$210.00
Earthquake Prone Building Exemption Applications (Hourly rate)	$260.00
Swimming Pool Inspections	$88.00
Relocating Buildings	$975.00
RAPID Numbers	$25.00

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)	$452.00
• Part A only Standard (7-10 work days)	$364.00
Vacant Land (All Properties)	
• Part A & B Standard (7-10 working days)	$364.00
• Part A only Standard (7-10 working days)	$188.00
Horticulture and Farming Properties	
• Part A & B Standard (7-10 work days)	$452.00
• Part A only Standard (7-10 work days)	$364.00
Commercial	
• Part A & B Standard (7-10 working days)	$541.00
• Part A only Standard (7-10 working days,)	$485.00

3. Land Information Memorandums (LIM's)	Fee (inc. GST
Copy and Delivery Options	
Electronic reports sent by email or link	No Charge
Printed LIM report	$53.00

4. Printing and Copying	Fee (inc GST)
GIS Printouts	
Ratepayer	
• A4 (per sheet)	$2.20
• A3 (per sheet)	$3.90
Commercial Operation	
• A4 (per sheet)	$14.00
• A3 (per sheet)	$26.00
Plan Prints	$6.00 per sheet
Microfilm and Electronic File Printouts	
• A4/copy	$1.10
• A3/copy	$2.20
• A2/copy	$4.40
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	$44.00 per application
Photocopying:	
• A4 (per copy)	$0.25
• A3 (per copy)	$0.60
• Colour A4 (per copy)	$1.70
• Colour A3 (per copy)	$2.70
Note: 10 – 20 copies 25% discount; over 20 copies 50% discount)	
Certificates of Title	$22.00

5. District Plan	Fee (inc GST)
Reserves, Facilities, Roading and Development Contributions (Development Contributions Policy)	As per Development Contributions Policy

6. Environmental Health	Fee (inc GST)
Hairdressers	$226.00

6. Environmental Health	Fee (inc GST)
Funeral Directors	$226.00
Offensive Trades	$226.00
Sale Yards	$142.00
Camping Grounds	$336.00
Stall Holders	$79.00
Farmers Market (20+) stalls	$1,470.00
Shop Front Strip/Footpath Dining Application Fee:	$320.00
Plus a Licence Fee – Either	
1) Other than liquor licensed premises	$79.00 annual fee
2) Liquor Licensed premises outside a liquor ban area	$163.00 annual fee
3) Liquor Licensed premises inside a liquor ban area	$320.00 annual fee
Mall space (other) – per day	$17.00
Food Barrows and other Barrow	
• Per week site rental	$74.00
• Per week with power	$105.00
Noise Control: Stereo Seizure	$289.00
Cycles and Skateboards confiscated	
• 1st Impounding	$11.00
• 2nd Impounding	$22.00
Licences required under the Hastings District Council Bylaws for which fees or charges are not otherwise prescribed by statute or by Council resolution	$226.00
Hawkers	
• Without food	$126.00
• Operating under Food Control Plan/ National programme	
- Application fee	$189.00
- Annual registration fee	$100.00
Mobile Shops	
• Without food	$221.00
• Operating under Food Control Plan/ National programme	
- Application fee	$221.00
- Annual registration fee	$100.00
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	

6. Environmental Health	Fee (inc GST)
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 the territorial 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	$280.00
Per hour spent processing application	$188.00
Renewal of Template Food Control Plan Registration	
Per application	$126.00
Per hour spent processing application	$188.00
Renewal of Template Food Control Plan Registration – multi site (plus $58 for each additional site)	$126.00
Amendment of Food Control Plan Registration	
Per application	$179.00

Per hour spent processing application	$188.00
New National Programme Registration	
Per application	$170.00
Per hour spent processing application	$188.00
Renewal of National Programme Registration	
Per application	$126.00
Per hour spent processing application	$188.00
Renewal of National Programme Registration – multi site (plus $58 for each additional site)	$126.00
Amendment of National Programme Registration	
Per application	$126.00
Per hour spent processing application	$188.00
Verification	
Food Control Plan based on template or MPI	
• Fixed Fee	$595.00
• Per hour spent on verification activity	$188.00
Verification of National Programme	
• Fixed Fee	$525.00
• Per hour spent on verification activity	$188.00
Food Control Plan (mobileshop or less complex setup) + $161/hr	$444.00
Followup verification issues – per hour	$188.00
Compliance	
	Fee (Inc GST)
Issue of improvement notice, including development of the notice	
• Per notice	$188.00
• Per hour spent issuing and developing notice	$188.00
Application for the review of an improvement notice	
• Per application	$188.00
• Per hour processing the application	$188.00
Monitoring for food safety and suitability – per hour	$188.00
General	
All other costs recoverable activities under the Act – per hour	$188.00

Vehicle rate – per km	$0.95

8. Dog Registration and Control

Dog Control Act Fees	Fee (Inc. GST)
Dog Registration Fees	
• Full Fee (before 1 August)	$132.00
• Full Fee (after 1 August)	$198.00
Selected Owner Policy (before 1 August)	$90.00
Selected Owner Policy (after 1 August)	$135.00
Rural/Working Dog (before 1 August)	$64.00
Rural/Working Dog (after 1 August)	$96.00
Dog Control Fees	
Impounding Fees (Registered Dogs)	
• First impounding	$101.00
• Second impounding	$146.00
• Third impounding	$208.00
Recovery of Costs	
Micro-chipping fees (including chip)	$50.00
Sustenance Fee (per day)	$9 .50
Relinquishment Fee	$56.00
Replacement Tags	$7.00
Seizure Fee	$67.00
Destruction Fee	$67.00
Adoption Fee	$297.00

Dog Control Bylaw Fees (Set pursuant to Local Government Act 2002)

Charge Type	Charge (inc GST)
Application to keep more than two dogs	$34.00
Application for a Selected Owner Policy	$34.00

Note: The Dog Control and Stock Control fees set out in this schedule were set by Council for the 2024/25 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	$50.00	Actual Costs
Horses	$50.00	Actual Costs
Cattle	$50.00	Actual Costs
Pigs	$27.00	Actual Costs
Goats	$17.00	Actual Costs
Sheep	$17.00	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	$2.50 per hour
• Pay & Display	$2.00 per hour
• Leased Parking (per month)	$130.00
• All-Day Parking Off-street (Flat rate)	$10.00
• Permit (per day)	$15.00
• Skip Bin (per day)	$15.00
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	

10. Parking	Fee (inc GST)
• 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	$252.00
• Roading/Traffic/Water/Wastewater	$210.00
• Team Leader Environmental Planning	$288.00
• Senior Environmental Planner	$270.00
• Environmental Planning Officer	$240.00
• EP (Grad)	$192.00
• Environmental Planning Assistant	$174.00
Customer. Administrative Support Officers	$84.00
Building Officers - Residential	$260.00
Building Officers - Commercial	$290.00
Building Technicians - Residential	$200.00
Building technicians - Commercial	$220.00
LIM Officers	$160.00
Emergency Management Officers	$126.00
Animal Control Officer	$126.00
Environmental Health Officers	$188.00

12. Vehicle Rates

A vehicle rate of $0.95/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.

6. 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	TBA	TBA
Minimum	TBA	TBA

Note: These are currently under review and the new rate will form part of the final approved Long Term Plan in June 2024.

Transportation Fees and Charges

Charge/Fee Type	Charge (inc GST)
Corridor Access Request (CAR) Applications:	
A) CAR application (including Traffic Management Plan approval)	$121.00
B) CAR application (Road Opening)	$462.00
Inspections:	
C) Inspections (per hour)	$121.00
Inspections:	
C) Inspections (per hour)	$121.00
Temporary Road Closures:	
A) Temporary Road Closure (application and administration charge)	$410.00
Inspections:	
B) Inspections (per hour)	$121.00
License to Occupy Road Reserve:	
Application and Administration	$257.00
Annual Licence Fee (up to one acre (4000m2)	$68.00
Annual Licence Fee (larger than one acre (4000m2)	$137.00
Vehicle Crossing:	

Charge/Fee Type	Charge (inc GST)
Application and Administration	$205.00
Inspections (per hour)	$121.00

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	$670.00
• Tournaments	$145.00
• Casual bookings per ground	$110.00
• High school 20-week season	$277.00
Cricket – per pitch for 20-week season	
• Senior pitches	$3,430.00
• Practice turf pitches	$1,132.00
Cricket – casual per game	
• Turf pitches per day (including ground marking)	$335.00
• Tournament rate per wicket / per day	$335.00
• Saturday marking rate – 2 hours	Direct charge – Recreational Services
• Artificial pitches (including ground marking)	$115.00
Cricket – commercial per game	
• Commercial school cricket tournaments yr5-9 per day	$178.00
• Commercial school cricket tournaments yr11-13 per day	$335.00
• Commercial cricket camps yr 4-13 per day	$58.00
• Cricket camps crease marking	$35.00
Touch Rugby	
• Per ground for 20-week season	$595.00
• Pre-season permit per field	$92.00
Football	
• Per ground for 20-week season	$1,241.00

Charge type	Charge (inc GST)
• Pre and after season games	$127.00
• Casual games	$127.00
• High school training rate – 20-week season	$686.00
• Installation of goal posts (additional per ground)	Actual cost Recreational Services
• Summer Football per field for 20 week season	$810.00
Rugby	
• Per ground for 20-week season	$1,241.00
• Pre and after season games	$127.00
• Casual games	$127.00
• High school training rate – 20-week season	$686.00
• Installation of goal posts (additional per ground)	$629.00
Rugby League	
• Per ground for 20-week season	$1,241.00
• Pre and after season games	$127.00
• Casual games	$127.00
• High school training rate – 20-week season	$686.00
• Installation of goal posts (additional per ground)	$629.00
Miscellaneous Sports Tournament	
• Commercial Sports Tournament	$346.00
• Local Community Sport – Not for Profit	$86.00
• Sports Tournament High School	$86.00
• Sports Tournamnet Primary and Intermediate	No Charge
• Miscellaneous Tournament requiring HDC services	Actual costs oncharged
Commercial Hire and Ticketed/Registered Events	
• Event – Ground Hire per day	$330.00
• Upto 5 days (est $2,000 bond)	$300.00
• 6-9 days (est $2,000 bond)	$285.00
• 10+ days ($2,000 bond)	$270.00
• Setup 1 Day / Pack Down 1 day (max 2 days per event)	$170.00
Permits to book parks Local Community	
Setup 1 Day / Pack Down 1 day (max 2 days per event)	$170.00

Charge type	Charge (inc GST)
Per Day	$330.00
For 5+ days per day	$230.00
Per Hour	$45.00
Food Stall Holder / Mobile Traders	
Vendor Permit per day	$40.00
Vendor Permit 20 week sport season	$360.00
Penalties and Miscellaneous Fees	
After Hours Open Gate Fee	85.00
For Non notification of cancellation	$205.00
Stage Hire	
Commercial Hard Surface/Marque – Premium Space	$330.00
Not for Profit Stage Hire	$22.00
Commercial Stage Hire	$45.00
Penalties	
• For non-notification of cancellation of pre and after season games and casual games and unauthorised use	$215.00
Other Services	
• Rubbish bin supply and removal	Actual Cost
• Other service required including reline marking, cleaning rubbish removal (actual cost)	Actual Cost
Miscellaneous Fees	
Power Charges	$25.00
Hot water for showers in changing facilities	Actual charge for electricity
Key Bond	$100 .00
Weddings	No charge
After Hours Open Gate Fee	$90.00
Havelock North Pavillion	
Community Use (upto 2 hours)	$25.00
Community Use Half Day	$50.00
Community Use Full Day	$100.00
Private Use (up to 2 hours)	$50.00

Charge type	Charge (inc GST)
Private Use Half Day	$100.00
Private Use Full Day	$200.00
Commercial Use (up to 2 hours)	$75.00
Commercial Use Half Day	$150.00
Commercial Use Full Day	$270.00
Cleaning Fee	$100.00
Key Bond	$100.00
Hall Bond	$175.00
Cornwall Park Te Makatamu	
Community Use (upto 2 hours)	$30.00
Community Use Half Day	$60.00
Community Use Full Day	$120.00
Private Use (up to 2 hours)	$60.00
Private Use Half Day	$120.00
Private Use Full Day	$240.00
Commercial Use (up to 2 hours)	$90.00
Commercial Use Half Day	$180.00
Commercial Use Full Day	$300.00
Cleaning Fee	$100.00
Key Bond	$105.00
Hall Bond	$250.00

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	$60.00
Casual rate per hour	$74.00
Off Peak Rate per hour	$45.00
School Charge	$45.00
Commercial rate per hour	$120.00

Description	Normal Fee (inc GST)
Function Room	
Regular / Seasonal Rate per hour	$33.00
Casual Rate per hour	$45.00
Kitchen	
Kitchen (by itself) per hour	$11.00
Kitchen (with meeting room or function room) per day	$22.00
Additional Charges	
Changing Rooms Charge per day	$22.00
Electronic scoreboard per booking	$56.00
Stackable chair charge – per chair per booking	$2.00
Trestle table charge	$15.00
Extra bleacher seating charge	$56.00
Dividing curtain per booking	$56.00
Cleaning – large public event/tournament	$410.00
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 (Note: Excluding GST)

Waste Type	Normal Fee (excl GST)
Minimum charge for municipal refuse (excludes all special wastes)	$431.00
Municipal refuse (per tonne or part thereof)	$233.00
Whole tyres (per tonne or part thereof) – *under review*	$690.00
Processed tyres – *under review*	$540.00
Expanded polystyrene (EPS) / Poly Panel (per tonne)	$1,490.00
Minimum charge for polystyrene	$340.00
Out of Hastings District (per tonne or part thereof)	$370.00
Special wastes (per tonne of part thereof)	
Semi liquid	$281.00
Offal	$281.00
Putrescrible	$281.00
Vehicle parts	$281.00
Minimum charge for special waste listed above	$422.00
Skins/pelts or similar waste	$447.00
Chromium contaminated waste	$447.00
Hydrogen sulphide contaminated waste	$447.00
Minimum charge for special waste listed above	$671.00

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	$37.00
Inspection and Auditing	$147.00
Total Fee	$184.00
Connection to HDC Water Network	
Actual cost	Actual Cost

Cemetery and Cremation

Schedule of Fees and Charges

Description	Normal Fee (inc GST)
Cremation	
Adults	$935.00
Child (3 to 11 years)	No charge
Infant (1 month up to 3 years old)	No charge

Description	Normal Fee (inc GST)
Pre-term, Stillborn and infant (up to 1 month old)	No charge
Chapel	
Full service (1 hour)	$290.00
Committal (30 minutes)	$145.00
Extension of service time per 30 minutes, or part thereof	$145.00
Penalty Fee – Chapel Service running overtime	$250.00
Chapel booked for service only – no other service used	$500.00
Cremation Overtime	
Cremation (4pm to 5pm Monday to Friday and 8am to 12 noon Saturday	$158.00
Cremation taking place from Saturday 9.00am to 12 noon	$467.50
Cremation taking place from Saturday 12 noon to 3pm Saturday	$935.00
Cremation taking place on Sundays or public holidays	Closed
Sundry	
Removal of liner from presentation coffin per cremation	$27.00
Cremation Certificate	$37.00
Registered scattering of ashes	$60.00
Genealogical research - first two names are free of charge	$60.00
Interment or placement of ashes	$195.00
Disinterment of ashes	$220.00
Council Assisted Fee	$225.00
Cremation Memorials	
Memorial wall - niche spaces	$220.00
Granite columbarium	$1,245.00
Above ground ashes vault	$1,815.00
Cremation Headstone plots	$1,215.00
Cremation Shrub Garden plots	$1,025.00
Cremation burial plaques plot	$1,245.00
Granite memorial birdbath plaque	$580.00
Granite memorial book plaque	$295.00
New Burial Plots	
Hastings Cemetery	$4,220.00

Description	Normal Fee (inc GST)
Havelock North Cemetery	$4,715.00
Puketapu Cemetery	$3,480.00
Mangaroa A & D sections	$3,480.00
Mangaroa B & C sections	$3,750.00
Mangaroa Natural Burials (1x Interment per plot only)	$3,995.00
Interment	
Adult	$990.00
Couch Casket surcharge	$165.00
Pre-term, stillborn & Infant up to 2 years of age	$75.00
Child under 15 years of age	$220.00
Ashes	$195.00
Burial Overtime	
Burial taking place from 4pm to 5pm Monday to Friday.	$380.00
Burial taking place between 10am to 12 noon Saturday.	$380.00
Burial taking place from Saturday 12 noon to 5pm Saturday.	$610.00
Burial taking place on Sundays or public holidays from 1am to 2pm	$990.00
Reserve Plots	
Burial Plot Mangaroa A and D sections	$4,175.00
Burial Plot Mangaroa B and C sections	$4,385.00
Burial Plot Puketapu	$4,175.00
Burial Plot Hastings	$5,920.00
Burial Plot Havelock North	$6,900.00
Cremation Plot Shrub gardens	$1,140.00
Cremation Plot headstone gardens	$1,140.00
Cremation Rose gardens	$1,300.00
Cremation burial plaque plots - Havelock North only	$1,300.00
Disinterment	
Full burial - subject to the relevant licence being granted	$5,480.00
Ashes	$220.00
Sundry Charges	
Out of district fee	$585.00

Description	Normal Fee (inc GST)
Permit to place memorial	$75.00
Registered scattering of ashes	$60.00
Total loss of grave shoring	$290.00
Transfer of burial rights	$95.00

Part Six
IMPORTANT INFORMATION

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.

Note: The Severe Weather Emergency Legislation provides for the Council to outline a modified Infrastructure Strategy from that required by the Local Government Act 2002. In part, the Council have utilised those modified provisions, with the focus of this strategy on the next 10 years.

30 Year Infrastructure Strategy – Contents

Infrastructure Strategy

The Severe Weather Emergency Legislation provides for the Council to outline a modified Infrastructure Strategy from that required by the Local Government Act 2002. In part, the Council have utilised those modified provisions, with the focus of this strategy on the next 10 years.

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:

- Impacts of Cyclone Gabrielle (particularly on our roading network (see later sections);
- Ageing roading and water infrastructure;
- Modest levels of forecast population and economic growth in addition to known shortages in parts of the housing sector (particularly impacting on the need for new wastewater growth infrastructure);
- An aging population that may place different demands on infrastructure;
- 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
- Wastewater Eastern Interceptor Upgrade and growth capacity infrastructure
- Wastewater Treatment Plant critical renewals

Financial sustainability:

- The timing of forecast peaks in asset renewal is different for different assets enabling Council to manage annual expenditure levels.
- 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 10 years the Council plans to:

- Complete the recovery from Cyclone Gabrielle;
- 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;
- Complete earthquake strengthening works on key buildings;
- Supporting Hawkes Bay Regional Council (the lead agency) with planning and implementation of the Regional Coastal Strategy.

The most likely scenario for key infrastructure responses is set out below:

Years 1 – 3	Years 4 – 10
Havelock North streams/dams investigations/strategy	Accelerated sewer pump station renewals
Scada/Telemetry upgrades – Three Waters	Accelerated sewer rising main renewals
Flaxmere sewer pump station & rising main	3rd Biological Trickling FilterPlant
Inland trunk sewer renewals	Wastewater Teatment Plant infrastructure renewals
Wastewater Treatment Plant – outfall manifold and other componants	Havelock Hills reservoir and pump station – drinking water
Back flow preventers – drinking water	Drinking Water upgrades for growth
Flaxmere drinking water pump station and treatment upgrade	Landfill Development
Omahu drinking water main renewal and ridermain renewals	Later years of Cyclone recovery
Wastewater – Growth ready projects (partly government funded)	Roading renewal escalations
Landfill Development	
Transport – Cyclone recovery and general road pavement 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 10 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), Future Development Strategy (FDS), 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	**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
Council services are green and healthy	**Water Supply:** Sustainable Water Resource Management	Water Source Resource Consent compliance Aquifer assessment and management in collaboration with HBRC
We enable employment and growth	**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: Protection 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 , the Future Development Strategy, HDC Constrainst Report and Council priorities

Council objectives	Transport objectives	Key activities
We enable employment and growth	Assisting economic development	Provision of transport networks that link goods to markets Growth planning and investment based on HPUDS forecast, Future Development Strategy and Council priorities
Council services are green and healthy	Ensuring environmental sustainability	Focus on sustainable transport modes such as walking and cycling (subject to funding constraints) Infrastructure that supports the public transport system Rollout of LED technology
The transport network links people and opportunities	Protecting and promoting public health	Focus on walking and cycling infrastructure and uptake (subject to funding constraints)
	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 Cyclone Gabrielle recovery 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 performing well (despite bumps along the way via the Covid-19 pandemic, recent droughts and Cyclone Gabrielle) 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), however a recent focus on this issue has considerably improved the situation. 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.

CYCLONE GABRIELLE – A NEW CONTEXT

Cyclone Gabrielle caused significant damage across large areas of the North Island during 13-14 February 2023. It resulted in the declaration of a National State of Emergency on 14 February.

Cyclone Gabrielle has permanently changed the landscape and lives of residents in the Hastings District. It is one of the major disasters in our history, causing;

- Loss of life,
- Displacement of hundreds of residents from their homes,
- Hundreds of millions of dollars in damage to Council infrastructure,
- Billions of dollars of negative consequences to the regional economy in respect of damage to production capacity and foregone revenues,
- Social, economic, and mental health trauma for many in our communities.

The key impacts on Council infrastructure are summarised below:

Road and Bridge Works • 16 bridges destroyed and 28 bridges significantly damaged • 600+ culverts need replacement • 100km+ roads to be rebuilt • 1000+ slips need remediation	Local and regional roads suffered extensive damaged following the Cyclone. Many rural communities were isolated as a result. This long term contains funding over a 6year recovery time period to address these issues..
Waste Recovery (Estimated Quantities) • Silt – 3.5 million m^3 • Household waste – 20,000 tonnes • Rural waste – 138,000 tonnes • Demolition waste – 25,000 tonnes • Greenwaste – Not quantified.	Flooding from Cyclone Gabrielle resulted in large amounts of waste requiring disposal. A significant component of this was silt brought by rivers breaching their banks. The Landfill and Transfer Station were closed for several days following the event and when reopened, it was placed under considerable strain with demand far exceeding usual levels. The increased waste following the flood will bring forward the requirement for a new valley at Ōmarunui Landfill which is contained in this long-term plan.
3 Waters • Drinking Water Supplies • Wastewater • Stormwater	Drinking Water Some of the district's small drinking water supplies were impacted by the Cyclone, in particular, Te Pohue, Whirinaki and Esk. All three are now back online. Whilst other 3 water services were impacted no ongoing significant issues need to be provided for within this plan.

CYCLONE GABRIELLE – PLANS AND PROGRESS

Recovery activity is ongoing across a number of aspects of Council activity including the clearing of streams, the work of the silk taskforce, building inspections and the administering of voluntary property buyouts for category 3 properties.

The update below is focussed on the ongoing recovery of our transportation network which is the standout infrastructure issue left from the cyclone.

Transport Recovery Summary			
Recovery Work Area	**Achievement**	**Status**	**Indicative completion**
Bridge Repairs	Moeangiangi Bridge	On track	2026+
	Aropaoanui Bridge	On track	Q1 + Q2 2024
	Ellis Wallace Bridge	On track	2026+
	Redclyffe Bridge	On track	2026+
	Brookfields Bridge	On track	2026+
	Rissington Bridge	On track	2026+
	Puketapu Bridge	On track	Q3 + Q4 2024
	Whanawhana Bridge	On track	2026+
	Matapiro Bridge	On track	2025
	Mangatutu Low Level Bridge	On track	2026+
	Dartmoor Bridge	On track	2026+
Culvert Repairs	Kereru Gorge No.3	On track	Q1 + Q2 2024
	McVicars Culvert	On track	
	Kahika Culvert	On track	
	Crystal Twin culvert	On track	
Road Repairs	Kahuranaki Road (4 Tier 2-3 dropouts)	On Track– design underway	Q1 + Q2 2024
	Waimarama Road (6 Tier 2-3 dropouts)	On Track– design underway	
	Kereru Road (4 Tier 2-3 dropouts)	On Track– design underway	
	Glengarry road (6 Tier 2-3 dropouts)	On Track– design underway	
	Puketitiri Road (12 Tier 2-3 dropouts)	On Track– design underway	
	Taihape Road programme (tier 2&3 dropouts)	On Track– design underway	
	Dartmoor Road Slip/Dropout (8 Tier2-3 dropouts)	On Track– design underway	
Slip Repairs Tier 0 & 1 slips (~1000)	392 of 590 slips have been remediated.	On Track – remainder expected to be completed by November 2023	2026+
Slip Repairs Tier 2 & 3 slips (~150)	Design for slip remediation complete Remediation works complete.	On Track – designs for 211 slips underway	2026+

(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 and the more recent Infrastructure Constainst Report.

Looking forward - Review of the urban growth strategy via the Future Development Strategy and, spatial plan development are planning priorities to address the challenges ahead.

The National Policy Statement on Urban Development 2020 to facilitate housing and business growth needs to be balanced with the National Policy Statement on Highly Productive Soils. This tension between the two is particularly evident in Hastings and the current Future Development Strategy process currently underway will attempt to strike an acceptable balance. Potential implications could be the bringing forward of some greenfield growth areas for servicing, but also potentially a need to service more difficult areas away from fertile plains land (i.e. hills and remote settlements), as well as upgrades and renewals expenditure in urban intensification areas. The National Policy Statement for Freshwater Management may have implications on new water efficiency measures, on storage to manage within limits and in stormwater quality improvement, whilst an impending policy statement on Biodiversity also needs to be factored into long term planning.

(B) Three Waters Reform

With the most recent national election the government has commenced the repeal of previous Three Water legislation. What the final shape of replacement legislation will look like is still unclear at this time, but for the purposes of this plan the retention of Three Waters service delivery with Council has been assumed.

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 $100m has been completed);
- Significant ongoing renewal of the three trunk sewer mains;
- Ongoing renewal requirements for the Wastewater Treatment Plant;
- Upgrade and improvements to the stormwater network to improve stormwater quality outcomes along with the commencement of the renewal cycle within the first 10 years;
- Additional wastewater capacity to address current constraints.

(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.

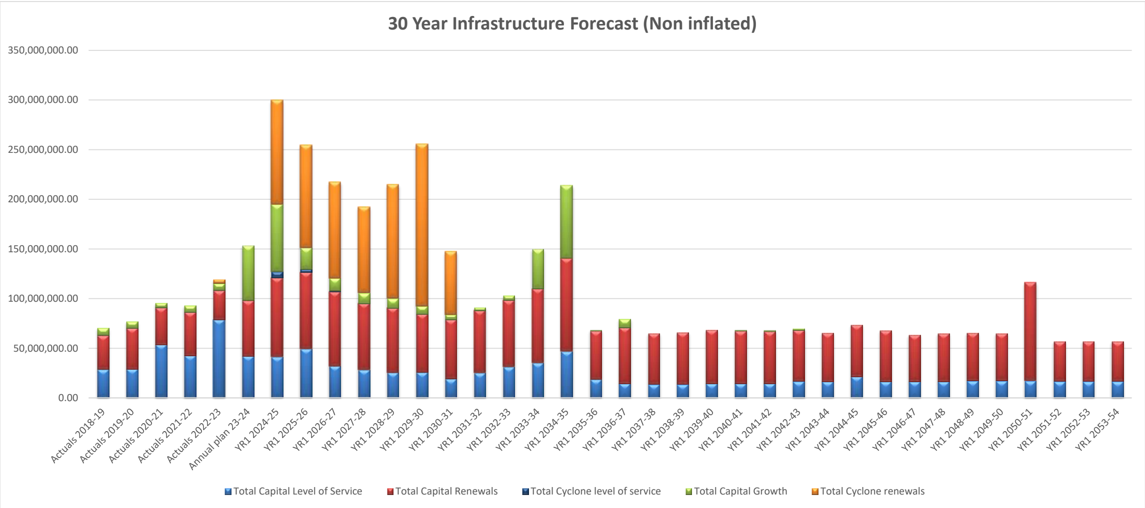
An assessment of the deliverability of the programme has been undertaken with the key points as follows:

- Council has also been successful in obtaining external funding for a number of projects which will need to be delivered within agreed timeframes – The Major Capital Projects Delivery Group is dedicated to the delivery of these projects;
- In response to this elevated capital programme (brought about predominantly by Cyclone Gabrielle) the Council has an enlarged delivery group along with external contractor resource focussed on the delivery of the work programme over the next 6 years ;
- An escalation in roading renewals is another driver of the increased capital programme. It is unclear at this time if this will be fully supported by our funding partner (New Zealand Transport Agency, NZTA). Irrespective 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. 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.
- Despite the above a $20m capital plan underdelivery assumption is contained in Year One of the Plan.

30 Year Capital Profile



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 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 Environmental Resileince 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 Future Development Strategy (FDS).

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).

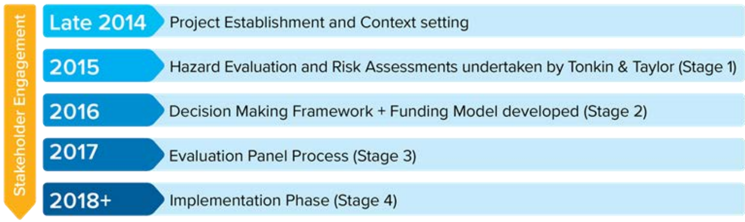
Other climate change impacts

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 had 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 (Note: various factors including Cyclone Gabrielle have pushed the timeframe out to 2024/2025).

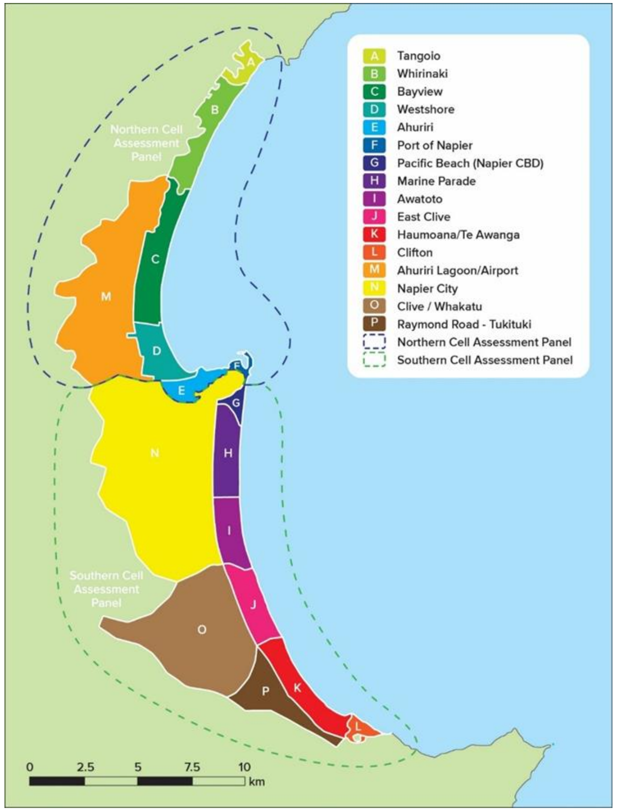


A suite of coastal hazard studies and assessments have been undertaken, informed by the latest climate science to arrive at a position of preferred adaptation pathways for the various coastal cells that make up the study area (as depicted in the diagram opposite).

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 Contributory 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:

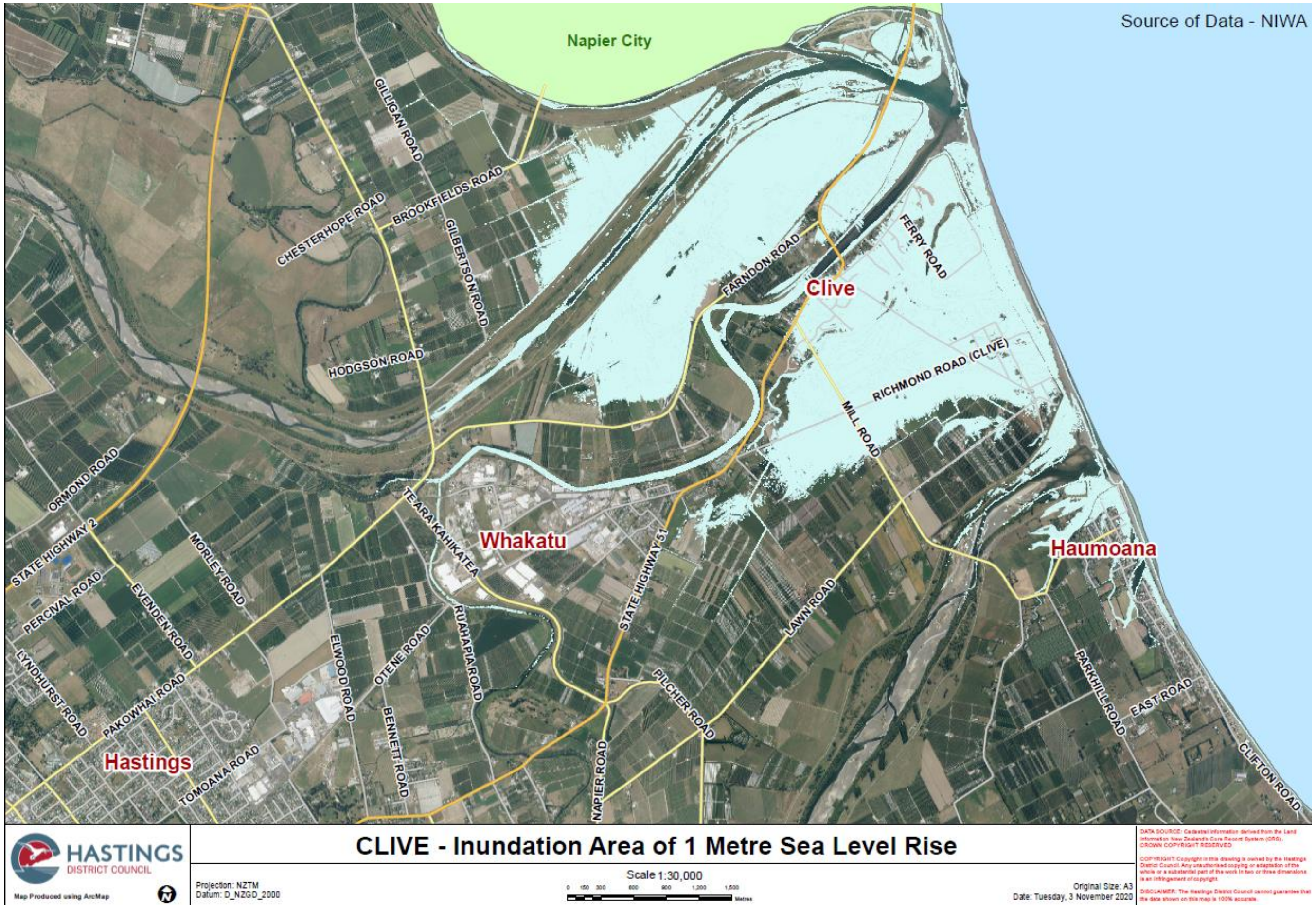
Impact	When Felt	Description	Groups Identifying Impacts
Impact on Water Demand	Now	Consents to extract harder to obtain	Asset Management
	10-20	Increased demand causes sector tension	
	30+	Cost to augment supply	
Drought and Irrigation Water	Now -20	Landuse Change	Planning and Regulatory, Finance
		Subdivision 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	

Impact	When Felt	Description	Groups Identifying Impacts
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
GILLIGAN ROAD
BROOKFIELDS ROAD
CHESTERHOPE ROAD
GILBERTSON ROAD
HODGSON ROAD
FARNDON ROAD
FERRY ROAD
RICHMOND ROAD (CLIVE)
MILL ROAD
ORMOND ROAD
STATE HIGHWAY 2
PERCIVAL ROAD
EVENDEN ROAD
MORLEY ROAD
TE ARAKAHIKATEA
STATE HIGHWAY 51
LAWN ROAD
LYNDHURST ROAD
PAKOWHAI ROAD
ELWOOD ROAD
OTENE ROAD
RUAHAPIA ROAD
PILCHER ROAD
PARKHILL ROAD
EAST ROAD
CLIFTON ROAD
TOMOANA ROAD
BENNETT ROAD
NAPIER ROAD
HASTINGS
DISTRICT COUNCIL
Map Produced using ArcMap
CLIVE - Inundation Area of 1 Metre Sea Level Rise
Projection: NZTM
Datum: D_NZGD_2000
Scale 1:30,000
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 has constructed 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 was undertaken on the wall to maintain the integrity of the structure. This work is primarily funded from property owners receiving the benefit from the protection works with some recognition of the wider community benefits. Coastal protection has also been undertaken at Clifton.

Allowances for rainfall intensification

Stormwater

The 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

Cyclone Gabrielle has had a significant impact on Council finances and previous financial headroom the Council had to respond to future climate uncertainty. The Council’s Financial Strategy looks to fund the “Cyclone Hump” in the first 5 years and then build back financial headroom in years 5-10 so that Council’s debt to revenue ration gets back to previous policy of circa 175%.

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 Hawke’s 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	Option Implemented
Wastewater Capacity to service growth. A response to the Infrastructure Constraints Report" that shows that the wastewater network is either at or reaching capacity.	Completion by 2034	The options formed part of an Amendment to the 2021-31 Long Term Plan as follows: a) **Provide new growth capacity via new greenfield pipes and connecting infrastructure –** This involves new wastewater mains conveying waste around the city to connect with the Wastewater Treatment Plant along with the connecting infrastructure to link growth nodes to those new arterial mains. b) **Do Nothing** - This option was discounted as it left the Community without any future development capacity. c) **Build Brownfields Infrastructure** – This involves significant upsizing of pipes and pump stations to the existings Hastings Network. This option was analysed and was forecast to cost significantly more, as well as the disadvantages of disruption to consumers and the public and would result in significant time delays in delivering these projects which are needed now.	**Option A being implemented.** The total project which spans 10+ years has a total cost of $230m. <u>Wastewater Componants</u> The key investments relate to wastewater infrastructure investment as follows: • Stage 1 Wastewater Pump Station and Rising Main (Irongate Development) • Stage 2 Wastewater Gravity Main (Ōmahū Rd to No.3 Trunk Sewer) • Karamū/Waipatu/Ōtene Rd Pump Station and Trunk Sewer Main In addition to these major new pipes, further wastewater investment is required to connect new development areas and areas of the existing urban wastewater network to the new capacity. This investment is made up of the following broad components: • Southern wastewater link $36.4M • Medium density $78.0M • Inner City upgrades $14.2M • Hood Street upgrade $ 9.6M • Havelock North investigations $ 1.0M • East Clive WWTP $29.0M • Kohupatiki solution $1.18M

Key Decision	Indicative Timeframe	Principal Options and Implications	Option Implemented
			The balance of the investment relates to various water supply and roading works $29.0m Funding Implications Due to the Council's financial position post Cyclone Gabrielle many of the linking/ enabling works have been delayed. The core Infrastructure (partly funded through the Infrastructure Acceleration Fund) is primarily funded via Development Contributions.
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 their 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 district's 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 and the 2021 LTP brought this investment package close to final completion. Funding Implications This plan contains modest investment to work toward completion of the programme.

2.2.2 Significant decisions – New to the 2024 LTP (to be made now)

Key Decision	Indicative Timeframe	Principal Options and Implications	Most Likely Scenario
Cyclone Gabrielle Recovery The key infrastructural response relates to the pace of recovery (and recovery options) post the damage assessment on the roading network.	Completion by 2029/30	This is a complex programme of work coinsisting of temporary bridges (transitioning to bridge replacements), culvert and slip repairs, and sealed pavement prioritiisation. Council is working on the optimised programme in conjunction with the New Zealand Transport Agency (and bespoke solutions and options at some locations). The pathway forward	**2024 Long Term Plan Programme –** The total collective gross programme (response and recovery) is circa $950m. Several identified projects for 100% funding support from our funding partners are the focus of the early years of the plan.

Key Decision	Indicative Timeframe	Principal Options and Implications	Most Likely Scenario
		for much of the programme is contained within funding agreements with the crown and its agencies.	Funding Implications The Council's local funding share after various subsidies is circa $170m. These costs have been ring fenced and debt funded to be recovered by a Cyclone Targeted Rate across the district.

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. Ongoing uplift in renewal spending I signaledin this plan. Substantive smoothing of the programmein Rating Area Two has occurred to reflect the realities of the co-funding relationship with NZTA.
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. Funding Implications This investment is debt funded and recovered via the Wastewater Targeted Rate and Trade Waste Charging regime.

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 $37.6m 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.
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 Kahikatea 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 (Next 10 Years)

The highlights in brief are:

- Residential growth is accommodated predominantly via Howard Street, Iona, Irongate and Brookvale growth areas.
- Industrial growth is based on projected uptake and centred on the Omahu, Irongate and Whakatu industrial areas.
- The age of our stormwater network sees the need to provide funding for renewals which will escalate after Year 10 subject to investigative work on condition and performance of the assets (in the first 3 years).
- 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 10, with funding provided to maintain the existing BTF's in the next 10 years. Critical renewals at the Wastewater Treatment plant are provided for in the early years of the plan.
- The Cyclone Gabrielle recovery transportation programme is forecast to be completed by 2029/30.
- 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.
- Investment in solid waste disposal facilities will be required as the landfill reaches capacity in about 5 years' time. This plan contains funding to enable future landfill development over the next 10 years.
- 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.

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)	54,000m^2

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 Assurance Committee. Assets..

In the event of a major disaster or catastrophe the cost of replacing water, sewerage 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.

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.

Council also has public liability and professional indemnity insurance 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 smooths 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 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.

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 copper laterals) areas, Asset Manegement Plans are signalling the need for a forward investment plan which has been incorporated in this Long Term Plan. In Rating Area Two however, transport renewals are lagging behind due to the investment plan approved by NZTA.

The service risk is being managed whilst managing affordability and deliverability realities. The cumalative depreciation versus cumalative 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.

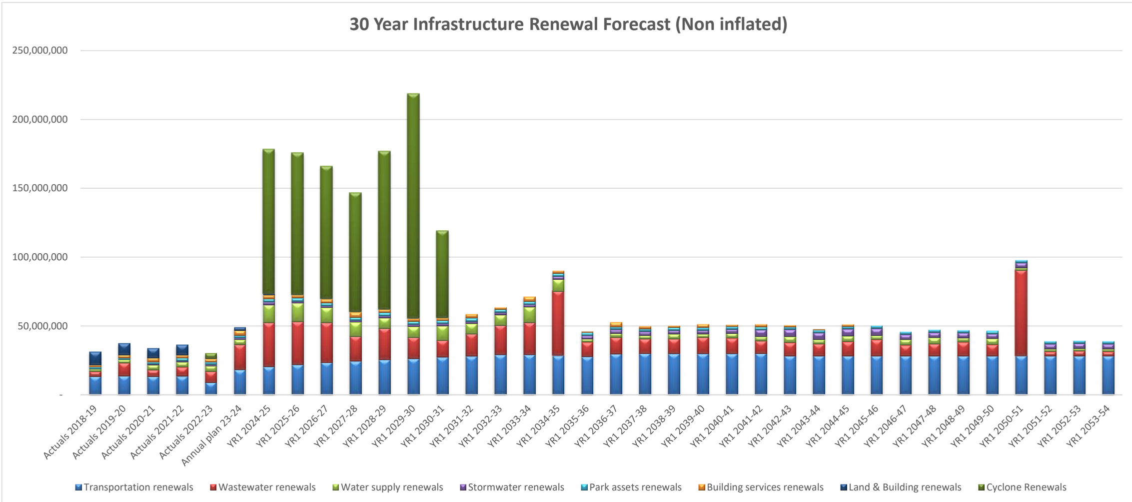
The sections that follow discuss each asset area in more detail.

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.



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 has been completed.

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 years 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.

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 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. 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. .

Although the Council's building stocks overall are in good condition, it has been identified that significant renewal and rehabilitation works are needed for our Senior Housing stock. The required building works include major service and structure renewals and building weather-tightness improvement.

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 House Complex, and a consideration for major community buildings, particularly the Hastings Library and Hastings City Art Gallery.

Strengthening of the Hawke's Bay Opera House Complex is 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 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. Funding for strategy work in this area is included in the first year of the plan.

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 Kahikatea (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. This LTP contains funding for some key intersection improvements..

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. Due to funding constraints this programme of work has had to be substantially reduced.

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 $100m investment in infrastructure spend which is now completed.

In the transport area levels of service materially meet standard in the urban rating area but are slipping behind in our rural area.

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. .

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 has for sometime informed 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. A Future Development Strategy is currently in development to guide future investment decisions and the development of a spatial plan.

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 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.

Funding constrainst are requiring Council to review its exposure to growth infrastructure investment which will prompt further review of the sequencing of growth infrastructure and potentially how and when it is paid for.

Refer to the "Significant Decisions Section" for an overview of the investment required in wastewater capacity to service future growth – as outlined in the Long-Term Plan Amendment consulted with the community during 2023.

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 10 years

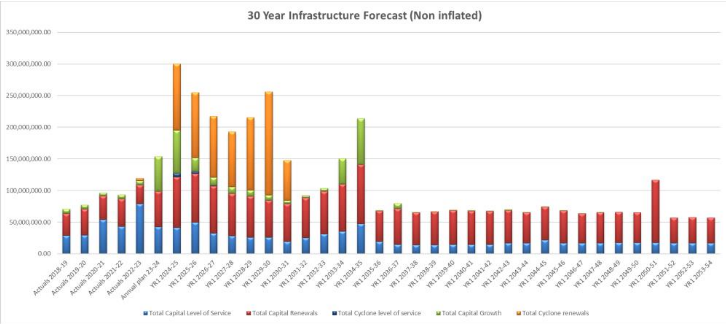
June to June	Indicative Yeid	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Brookvale Stage 1b	70										
Brookvale 2	250										
Brookvale 3	130										
Brookvale 4	125										
Howard	350										
Iona 1b Triangle	195	Stage 1		Stage 2							
Iona Terraces	130										
Havelock Plateau	20										
Lyndhurst Ext	170										
Irongate	500		Stage 1		Stage 2			Stage 3		Stage 4	
Kaiapo	350								Stage 1		Stage 2
Copeland	300										
Areas Open at the Same Time		*3*	*4*	*2*	*3*	*4*	*3*	*3*	*2*	*2*	*2*
Key	*2590*	*Planning*		*ReZoning*		*Land*		*Services*		*Develop*	

2.6 The Financial Strategy Connection

2.6.1 30 Year Investment Profile

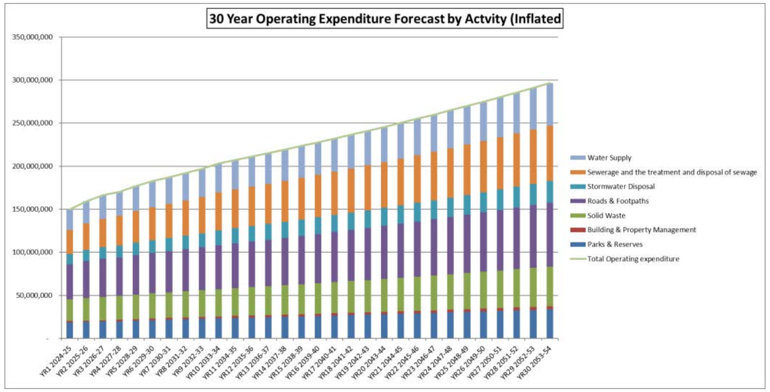
The graphs below provide a snapshot of total capital expenditure and operating expenditure over the 30 years, both non-inflated and with inflation included (total line).

30 Year Infrastructure Capital Expenditure Forecast



Operating Expenditure

10 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

Please refer to the Financial Strategy for all information on Funding Depreciation and the various fiscal ratios the Council is working to.

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 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 capacity realignment has been incorporated in Year 1 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 currently under review by government). 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.

The constraints of the wastewater network to service future development are being addressed via the rollout of new infrastructure.

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 Kahikatea (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 Kahikatea 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. Due to funding constraints further development of the network is on hold.

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 show 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 but at reduced levels to previous Long Term Plans due to funding constraints.

Actions within the Hastings City Centre Strategy also outline changes and potential increases in service levels which again are provided for but at lower levels than previous Long Term Plans due to funding constraints.

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 shareholder'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 (Toitoi) 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 HDC Tangata Whenua Wastewater Joint 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.
- Te Aranga Design – These principles adopted by Council have been applied and continue across multiple Council projects and initiatives from housing projects through to reserve management plans, urban landscape and design, and new builds and or refits such as the Municipal Buildings and Waiaroha.
- Maori Wards: A significant milestone was the establishment of Maori Wards in 2021. Three new Maori Councillors now fill the three Maori Ward seats.
- Hui are held periodically to give the opportunity for hapu whanui to discuss with Council a range of issues of importance.

Statement regarding severe weather emergency legislation and audit report

The Severe Weather Emergency Recovery Legislation Act 2023 (and a specific order made under that Act in respect of Long-Term Plans) was passed to recognise the disruption that Cyclone Gabrrielle has had on the forward planning of several Council's across New Zealand.

The order makes modifications to several of the full Long Term Plan requirements as set out in the Local Government Act 2002.

Hastings District Council has chosen to use this discretion in part for the 2024-2034 Long Term Plan. In some cases, the Council has gone beyond the minimum disclosure requirements to enable the reader to gain the most comprehemsive understanding of the Council's fiscal position.

A key modification the Council has adopted for the 2024-2034 Long Term Plan is the exemption from all formal audit requirements as set out in the Local Government Act 2002. This has enabled Council to dedicate the maximum time to developing a fit for purpose plan for our community. Several internal audit checks have however been undertaken during the development of the plan.