

Monday, 5 September 2022

Te Hui o Te Kaunihera ā-Rohe o Heretaunga

Hastings District Council

Hastings District Rural Community Board Meeting

Kaupapataka

Agenda

Te Rā Hui:
Meeting date: **Monday, 5 September 2022**

Te Wā:
Time: **2.00pm**

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

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

Te Āpiha Matua:
Responsible
Officer: **Transportation Manager - Jag Pannu**

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HASTINGS DISTRICT COUNCIL
207 Lyndon Road East, Hastings 4122 | Private Bag 9002, Hastings 4156
Phone **06 871 5000** | www.hastingsdc.govt.nz
TE KAUNIHERA Ā-ROHE O HERETAUNGA

Hastings District Rural Community Board – Terms of Reference

The Community Board is a separate entity to the Council. The role of the Community Board is set out in Section 52 of the Local Government Act 2002. The Council is authorised to delegate powers to the Community Board.

Membership (6 members)

Chair (elected by the Board)

Deputy Chair (elected by the Board)

4 Elected Community Board Members

1 Mohaka Ward Councillor

1 Kahuranaki Ward Councillor

Quorum – 4 members

DELEGATED POWERS

General

1. To maintain an overview of services provided by the Council within the Community Board's area.
2. To represent, and act as an advocate for, the interests of the community represented.
3. To consider and report on all matters referred to the Board by the Council, or any matter of interest or concern to the Community Board.
4. To communicate with community organisations and special interest groups within the community;
5. To undertake any other responsibilities that are delegated to it by the Council.
6. To appoint a member of the Community Board to organisations approved by the Council from time to time.

LONG TERM PLAN/ANNUAL PLAN/POLICY ISSUES

7. Authority to make a submission to the Long Term Plan/Annual Plan process on activities, service levels and expenditure (including capital works priorities) within the Board's area or to make a submission in relation to any policy matter which may have an effect within the Board's area.

ROADING AND TRAFFIC

8. Authority to exercise the Council's powers and functions in relation to roads within the Board's area under the following sections of the Local Government Act 1974:
 - Section 335 (vehicle crossings);
 - Section 344 (gates and cattle stops);
 - Section 355 (overhanging trees).
9. Authority to exercise the Council's statutory powers (including any relevant powers conferred by bylaw) over roads within the Board's area in respect of:
 - (i) Road user behaviour at intersections;
 - (ii) Controls on stopping or overtaking
 - (iii) Controls on turning
 - (iv) Pedestrian safety,
 - (v) Footpath maintenance and improvements.
 - (vi) Accident investigation studies, lighting and other safety works
10. For the avoidance of doubt, nothing in this delegation authorises a Community Board to deal with a matter, in the exercise of delegated authority, in a manner which is conflict with any policy or decision of the Council or any standing committee of the Council in relation to the same matter.

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Hastings District Council

Hastings District Rural Community Board Meeting

Kaupapataka

Agenda

Heamana

Chair: Nick Dawson

Mematanga:

Committee Members:

Marcus Buddo, Sue Maxwell and Jonathan Stockley
Councillors Tania Kerr (Deputy Chair) and Sophie Siers

Youth Council appointee: William Duncan

Tokamatua:

Quorum:

4 members

Apiha Matua:

Officer Responsible:

Kaiwhakahaere Rōpū

Transportation Manager: Jag Pannu

Te Rōpū Manapori me te

Kāwanatanga:

Democracy &

Governance Services:

Louise Stettner (Ext 5018)

Te Rārangī Take

Order of Business

1.0 Apologies – *Ngā Whakapāhatanga*

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

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

2.0 Conflict of Interest – *He Ngākau Kōnatunatu*

Members need to be vigilant to stand aside from decision-making when a conflict arises between their role as a Member of the Council and any private or other external interest they might have. This note is provided as a reminder to Members to scan the agenda and assess their own private interests and identify where they may have a pecuniary or other conflict of interest, or where there may be perceptions of conflict of interest.

If a Member feels they do have a conflict of interest, they should publicly declare that at the start of the relevant item of business and withdraw from participating in the meeting. If a Member thinks they may have a conflict of interest, they can seek advice from the General Counsel or the Manager: Democracy and Governance (preferably before the meeting).

It is noted that while Members can seek advice and discuss these matters, the final decision as to whether a conflict exists rests with the member.

3.0 Confirmation of Minutes – *Te Whakamana i Ngā Minitī*

Minutes of the Hastings District Rural Community Board held Monday 27 June 2022.
(Previously circulated)

4.0 Chairman's Report

7

5.0 Rural Community Recycling Stations Update

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6.0 Rural Transportation Activity Report

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7.0 Transport Network Resilience Program Business Case

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8.0	Forestry Compliance Update	21
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9.0	Rating Area 2 Financial Result for the Year Ending 30 June 2022	23
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10.0	Minor Items – <i>Ngā Take Iti</i>	
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11.0	Urgent Items – <i>Ngā Take Whakahihiri</i>	
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Monday, 5 September 2022

Item 4

Te Hui o Te Kaunihera ā-Rohe o Heretaunga

Hastings District Council: Hastings District Rural Community Board

Te Rārangi Take

Report to Hastings District Rural Community Board

Nā:
From: Nick Dawson, Chairman

Te Take:
Subject: Chairman's Report

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

- 1.1 This report provides a high-level overview of how the Rural Community Board (RCB) and Council have supported the Hastings District rural community and contributed to Council's strategic priorities over the last triennium. The report also notes how the RCB has supported the rural community through the impacts of Covid-19 and other events.
- 1.2 During this triennium, a member of the RCB was appointed to the Eco-District, Great Communities and District Development Subcommittees of Council. This enabled a rural perspective to be included in the development of Council's strategy and policy matters.
- 1.3 Set out below are highlights of the last triennium; grouped according to some of Council's strategic priorities.
- 1.4 **RURAL LIVING**
 - Investment in rural halls via the Rural Halls Fund - \$204,659 for maintenance and \$70,000 for seismic assessments.
 - Made it easier to apply to the Rural Halls Fund by removing the requirement for the community to contribute 50% of the funding sought.
 - Input into dog control fees that impact rural communities.
 - Support for the development of community plans, e.g. Te Pōhue.

1.5 OUR NATURAL TREASURES

- Rural recycling
 - A new recycling station in Waipātiki
 - Less contamination of rural recycling stations due to community champions and community ownership
- Forestry submission to the Ministry of Business Innovation and Employment
- Water community treatment and storage facility upgrades were completed and are now supplying drinking water to properties in rural areas including Te Pōhue and Waimārama

1.6 GETTING AROUND

1.7 The last three years 2019 – 2022 was challenging for the transport sector. A global pandemic put New Zealand into lock down for an extended period during 2020. Covid had an impact on the workforce and now the economic fallout of the pandemic together with a northern hemisphere war has seen diesel and bitumen prices climb to new heights and the economic impact on the cost of inputs across the economic spectrum. Despite all these challenges Council managed to complete to a large extent what was set out to achieve. Key areas are listed below:

- **Resealing:** – over the period a total length of 187km of reseals were completed. This was challenging as the covid impact on sealing crews limited the amount of work that could be completed during the annual summer sealing window. Other challenges such as sealing chip supply issues and high bitumen price escalation also hampered progress and increased costs.
- **Sealed road reconstruction:** over the three-year period 11.6 km of pavement renewal on roads across the district were completed including Kahurānaki Road, Kereru Road, Middle Road, Mt Erin Road and Raratū Road.
- **Unsealed reconstruction:** Reconstruction work on logging routes completed 19.2km of structural rehabilitation of Glenross, Hukanui and Ridgemount roads.
- Across our **bridge network** great improvements were made:
 - Kms inaccessible by Class 1 reduced from 12.13% to 0.53%
 - Number of restricted bridges have reduced from 30 to 17 with the view of having seven bridges permanently restricted
 - Kms accessible to HPMV increased from 2.85% to 20.96%
 - Programme includes 86 bridges:
 - 56 didn't require strengthening
 - 9 bridges strengthened – Avey's, Kawera, Ohara, Riggirs, Moeangiāngi, Kuripapango, Rissington, Blacks and Tois
 - 1 bridge replaced – Mangatahi Low Level
 - 20 more to go (mixture of construction and further investigations).
- **Provincial Growth funding** allowed some additional work on the rural network to be undertaken. With pavement work on Tukituki road, passing lanes added to Taihape Road, bridge guard rail improvements on Runanga bridge on Taihape Road and installation of guard rails at several locations on Taihape Road.
- **Minor safety improvements** – targeting high risk rural roads with work ongoing on the following roads:
 - Crash reduction studies completed for Waimārama, Taihape, Puketapu, Tukituki roads. Quick wins resulting in signs and markings improvements implemented
 - Taihape Road – Various sites and a further three bridges identified for guard rail upgrades

- Maraekākaho/Stock intersection – Right turn bay and associated improvements completed
 - Kererū Road – various improvements identified in crash reduction study ongoing, traffic calming through the village completed
 - Dartmoor Road – various improvements identified in crash reduction study – work to follow 2022/23
 - Kahurānaki Road - various improvements identified in crash reduction study - work to follow 2022/23
 - Network wide – Identification of delineation improvements following outcome of delineation review – work to follow 2022/23.
- **Flood Damage** – During the three-year period, the network got hit by a number of storm events. In summary the total repair and recovery costs relating to these events amounted to \$2,291,639. A summary of these events are listed below:
 - From Tuesday 4 September 2019 to Saturday 8 September 2019 the Hastings District Councils rural network was severely affected by heavy rain, high winds and resulting flooding in many areas. Some roads were affected by multiple slips with Puketitiri road affected by slips in 13 different places. Total repair and recovery costs \$681,830
 - During the 14 - 16 October 2019 heavy rainfall between 75 and 110mm over three days fell in the Hawkes Bay transportation network area. Areas of the Hastings District Council roading network were severely affected by flooding and slips (Maraekākaho, Tūtira and Kaweka wards) Initial recovery during and immediately after the event were to clear debris off road surfaces, cleaning up slips and make safe a number of under slips. Total repair and recovery costs were \$314,978
 - On the 11th of November 2020 persistent heavy rain fell in the central northern parts of the network. Damage was mainly through flooding causing minor slips and scouring. This event was described in the media as the 1:250 year rain event that flooded Napier. The system tracked north west from Napier, dumping heavy rain on a small area of the network causing mostly minor slips and debris falling on roads. Total repair and recovery costs were \$128,016
 - February and March 2022 rainfall leading up to the event of 23-25 March 2022 was high. The rainfall volumes available from the National Climate Database (snip below) shows more than 200mm in Tūtira and 150mm in Maraekākaho during the event period. Anecdotally the water levels in Puhokio Stream (Waimārama) were above those witnessed during Cyclone Bola in the 1980's. Civil Defence was not activated for the Hastings District. Calls through to our after-hours service were unable to be attended to at times due to the volume of calls from across Hawke's Bay and Gisborne who use the same service. Areas of flooding over main roads have not been witnessed by experienced practitioners who have been working on this network for over 25 years (Taihape at Rūnunga overflow, and Middle Road at Te Aute Trust intersection). Total repair and recovery costs were \$1,166,815

1.8 The Economic Powerhouse

- Economic activity has put pressure on the labour supply. In response Council facilitated and supported recruitment events, across multiple sectors, including horticulture. Council also worked closely with the horticulture sector to develop a labour plan that secured RSE workers.

1.9 Covid-19

- Council helped secure \$290,000 investment (through the Provincial Growth Fund) to maintain and renovate seven of the district's halls and \$9.6m to renovate up to 51 marae in Heretaunga and Ahuriri
- On top of Covid-19, our district's farmers faced a devastating drought in the Summer of 2019/20 and Council contributed \$200,000 to a Mayoral Drought Relief Fund to support the farming sector

2.0 Recommendations - *Ngā Tūtohunga*

That the Hastings District Rural Community Board receive the Chairman's Report dated 5 September 2022.

Attachments:

There are no attachments for this report.

Monday, 5 September 2022

Item 5

Te Hui o Te Kaunihera ā-Rohe o Heretaunga

**Hastings District Council: Hastings District Rural
Community Board**

Te Rārangi Take

Report to Hastings District Rural Community Board

Nā: **Danny McClure, Solid Waste Operations & Contract Manager**

From:

Te Take: **Rural Community Recycling Stations Update**

Subject:

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

- 1.1 The purpose of this report is to provide an update on the rural recycling stations including community participation and new initiatives.
- 1.2 This is to ensure the Rural Community Board members are up to date with what is working and what is not in their respective community areas.

2.0 Recommendations - *Ngā Tūtohunga*

- A) That the Hastings District Rural Community Board receive the report titled Rural Community Recycling Stations Update dated 5 September 2022.
- B) That the Rural Community Board note the initiatives outlined in this report and provide feedback.
- C) That the Rural Community Board note that officers are continuing to work with the rural communities to identify suitable recycling site options and reinforce community education about recycling.

3.0 Site Updates

- 3.1 Rural recycling stations provide a drop off service for common recyclables; glass, plastics, cans, paper and cardboard.
- 3.2 No contact or requests have been received from rural communities on any initiatives.
- 3.3 The Waipātiki Beach Community now has a permanent site established.



- The Community are proactively reporting when the bin is becoming full and an HDC officer is in contact with the Camp site managers who are now monitoring the site
- The Waipātiki Beach Community have embraced this service.

3.4 Active Rural Recycling Stations update:

- 3.4.1 Maraekākaho – The community are proactively reporting contamination, with very little issues occurring since the last update.
- 3.4.2 Pukehamoamo – The rural community are proactively reporting any/all issues, with HDC being in regular contact with the community champion. No significant issues to report.
- 3.4.3 Poukawa – No issues to report.
- 3.4.4 Waimārama – No significant issues to report on this site and it continues to be well used.
 - The site will continue to be reviewed and updates provided at the next Rural Community Board meeting.
 - The Community continuing to report full bins more regularly and taking a more proactive interest in their site.
- 3.4.5 Blackbridge continues to see increased usage from the Havelock North community and continues to see a slight increase in levels of contamination which will be monitored.
 - The site will continue to be reviewed and an update provided at the next Rural Community Board meeting.
 - The contractor onsite has been proactively monitoring public when onsite, and there has

been an increase of soft plastics being placed into the bins. Members of the public have been made aware that these soft plastics do not go into these containers and other options highlighted.

3.4.6 Tūtira site remains very good with only one significant issue reported.

- Illegal dumping of rubbish onsite was reported and imagery provided. Vehicle registration was not clear enough to ascertain who the culprit was, but good to see the prompt action from the community in reporting this.
- The site will continue to be monitored and an update provided at the next Rural Community Board meeting.

3.4.7 Henderson Road recycling station continues to be well used, based on the location within a manned Refuse Transfer Station environment, however some minor contamination was reported. This occurs when the site becomes busy and staff are occupied with other activities.

4.0 National Updates and Changes

- 4.1 Officers will continue to keep the board informed of any new announcements that will have an effect on the recycling services for rural residents.
- 4.2 Earlier this year the Government undertook the Transforming Recycling consultation which included a proposed Container Return Scheme. To date there has been no further updates or new consultations announced.

Attachments:

There are no attachments for this report.

Monday, 5 September 2022

Item 6

Te Hui o Te Kaunihera ā-Rohe o Heretaunga

Hastings District Council: Hastings District Rural Community Board

Te Rārangi Take

Report to Hastings District Rural Community Board

Nā:
From: Adam Jackson, Transportation Operations Manager

Te Take:
Subject: Rural Transportation Activity Report

1.0 Executive Summary – Te Kaupapa Me Te Whakarāpopototanga

- 1.1 This report is to update the Rural Community Board with the Rural Transportation Programmed Project Status and Activities Report.
- 1.2 This report concludes by recommending that the report be received.

2.0 Recommendations - Ngā Tūtohunga

That the Hastings District Rural Community Board receives the report titled Rural Transportation Activity Report dated 5 September 2022.

3.0 2022/2023 Major Works Programme

- 3.1 The 2022/23 financial year is the second portion of the 2021-24 Long Term Plan programme.
- 3.2 The following is the status of the final Area Wide Pavement Treatment programme for the 2022/23 financial year and beyond.

Road	Section	Status/Impact
Kererū Road	Kererū Road – Section 3	Designed – to be done pending confirmation of available funds.
Mt Erin Road	School Road to Te Aute Road	Construction to start in September and expected to be complete by February 2023.
Kahurānaki Road	Km7 to km9	AWPT project. Survey is complete and design is underway. Build now likely to be in 2023/24.
Waimārama Road	Before quarry hill	AWPT project. Survey is complete and design is underway. To be tendered in late 2022.

- 3.3 The following is the status of the low cost/low risk (old minor safety) programme for the 2021/22 financial year.

Road	Section	Status/Impact
Taihape Road	Various sites	Three bridges are designed for guardrail. To be delivered through maintenance contracts.
Kererū Road	Various	Crash reduction study complete. Quick wins* being delivered through maintenance contract.
Dartmoor Road	Various	Crash reduction study complete. Quick wins* being delivered through maintenance contract.
Kahurānaki Road	Various	Crash reduction study complete. Quick wins* being delivered through maintenance contract.

*Quick wins are a variety of very low cost items that require no design. Examples are the replacement of edge marker posts, replacing faded signs, road marking etc

4.0 Bridge Update

- 4.1 Tawa Bridge and Heays Gorge Bridge strengthening onsite works have commenced and the critical bridge closure periods are to finish by end of September with minor completion works expected to finish by end of October.
- 4.2 Peach Gully Bridge strengthening works on Waimārama Road (near Waitangi Road intersection) are to commence in November and will be complete in December. There is some traffic disruption expected but no closure is required as the majority of the work is underneath the bridge deck.
- 4.3 The Overweight Permit Memorandum is underway and is planned to be implemented mid-September.

5.0 Unsealed Roads – Modelling

- 5.1 Work is being done to collate information on all gravel roads to better understand the needs on the network, and model the future demand and costs. Outputs will feed into the next LTP and will assist in having evidence based data to form future business cases.
- 5.2 Information that will feed into the model will look at the proportion of road showing potholes, corrugations, shape issues, and drainage issues.

6.0 Maintenance Contract

- 6.1 The existing maintenance contract with Fulton Hogan expires on 30 June 2023. HDC officers are working on the next contract and will be implementing learnings from the last 4+ years as well as incorporating industry changes.

- 6.2 Throughout New Zealand, very large increases are being seen across all contract types when being tendered. We expect between 25%-50% increase in tender rates for various aspects of work.
- 6.3 Key proposed changes to future term maintenance contracts are:
- 6.3.1 Increased term – 5+3+2 up to a maximum of 10 years. Longer initial terms mean contractors invest with confidence in the contract (people/plant/resources etc). We are working with Waka Kotahi to gain approval to extend the contracts past a maximum of 5 years which is currently prescribed in their Procurement Manual.
- 6.3.2 Department of Conservation roads included.
- 6.3.3 National initiative changes – i.e. CoPTTM, REG guidelines (closures, One Network Framework etc).
- 6.3.4 Progressive Procurement, i.e. Investment into future generations. We intend to incorporate compulsory embedment of cadets into the contracts. Opportunities exist to provide training and exposure of HDC cadets into the contracting fraternity which is welcomed by the incumbent contractors. Other progressive procurement opportunities are being considered that are aligned with HDC's progressive procurement toolkit.

7.0 Waka Kotahi Update

- 7.1 Verbal update provided by Waka Kotahi staff.

8.0 Works Update

- 8.1 Attachment 1 will provide the Board with a photographic snapshot of activities undertaken between May 2022 and August 2022.

Attachments:

1⇒	Transport - Roads General - RCB Photos - May 2022 to July 2022	TR-8-22-10105	Under Separate Cover
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Summary of Considerations - *He Whakarāpopoto Whakaarohanga*

Fit with purpose of Local Government - *E noho hāngai pū ai ki te Rangatōpū-ā-Rohe*

The Council is required to give effect to the purpose of local government as set out in section 10 of the Local Government Act 2002. That purpose is to enable democratic local decision-making and action by (and on behalf of) communities, and to promote the social, economic, environmental, and cultural wellbeing of communities in the present and for the future.

Link to the Council's Community Outcomes – *Ngā Hononga ki Ngā Putanga ā-Hapori*

This report promotes the performance of regulatory functions for the purpose of providing safe, reliable and efficient transport networks.

Māori Impact Statement - *Te Tauākī Kaupapa Māori*

No known impacts for tangata whenua over and above the impact on the rural district as a whole.

Sustainability - *Te Toitūtanga*

This is a progress report and sustainability issues are not addressed.

Financial considerations - *Ngā Whakaarohanga Ahumoni*

The works identified within this report are within existing budgets.

Significance and Engagement - *Te Hiranga me te Tūhonotanga*

This report has been assessed under the Council's Significance and Engagement Policy as being of minor significance. Individual projects will have been addressed under the significance and engagement policy during the planning and decision making phase of those projects.

Consultation – internal and/or external - *Whakawhiti Whakaaro-ā-roto / ā-waho*

No consultation is required as part of this report.

Risks

Risk management and mitigation issues have been addressed in project planning and organisational health and safety policies. The major risk noted in this report is the potential for increase in tender costs in the maintenance contract rewrite. There are many ways to manage this risk such as decreased level of service, increased funding (and rate take), loan funding projects and negotiations with successful tenderer.

Rural Community Board – *Te Poari Tuawhenua-ā-Hapori*

The Rural Community Board will have an interest in the operations and transportation activities within the DRA2 rating area.

Monday, 5 September 2022

Item 7

Te Hui o Te Kaunihera ā-Rohe o Heretaunga

Hastings District Council: Hastings District Rural Community Board

Te Rārangi Take

Report to Hastings District Rural Community Board

Nā:
From: **Marius van Niekerk, Transportation Asset Manager**

Te Take:
Subject: **Transport Network Resilience Program Business Case**

1.0 Executive Summary – *Te Kaupapa Me Te Whakarāpopototanga*


- 1.1 The purpose of this report is to inform the Board about the work being done on the resilience business case for the Hastings District Council (HDC) transport network, the findings to date and request feedback that will inform the shaping of the business case.
- 1.2 Hastings District Council (HDC) maintains 1652 km of local roads. The network of roads is essential for the safe and efficient movement of people and goods through and around the district.
 - The network is susceptible to weather and natural hazard events such as heavy rain, high winds, and extreme temperatures with broad impacts on the network, affecting access for communities and business and may cause significant infrastructure damage.
 - Climate change is increasing the frequency and severity of these events
- 1.3 HDC is developing a Programme Business Case with the aim of confirming the appropriate level of investment and actions that HDC can take to improve the resilience and management of the transport network when these events occur
 - Actions arising from the business case are yet to be defined but will include maintenance, renewals, and more targeted studies to inform larger scale improvements and investment for particular corridors or locations.
- 1.4 We would appreciate your feedback on the information provided in this summary report. The following questions could be considered in your feedback.
 - 1.4.1 How has transport system resilience impacted you, your business or your community in the past and how has this changed over time?

- 1.4.2 Some locations have been identified as vulnerable to damage and closures in this summary report. In your experience, are these locations correct and are there any other locations where you find transport system resilience impacts you, your business or your community?
- 1.4.3 How much of a priority should HDC consider transport system resilience in regard to level of investment, where this may come at the expense of other Council priorities?

2.0 Recommendations - *Ngā Tūtohunga*

- A) That the Hastings District Rural Community Board receive the report titled Transport Network Resilience Program Business Case dated 5 September 2022
- B) That the Board provide feedback on the Business Case.

Attachments:

1  HDC Resilience Programme Business Case summary PRJ14-87-0088

Under
Separate
Cover

Monday, 5 September 2022

Item 8

Te Hui o Te Kaunihera ā-Rohe o Heretaunga

Hastings District Council: Hastings District Rural Community Board

Te Rārangi Take

Report to Hastings District Rural Community Board

Nā:
From: Tony Manunui, Compliance Manager

Te Take:
Subject: Forestry Compliance Update

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

- 1.1 The purpose of this report is to advise that Pete Gimblett, Forestry Compliance Officer HB Regional Council, will give a presentation to the Board meeting on Forestry Compliance and answer questions.
- 1.2 The report concludes by recommending that it be received.

2.0 Recommendations - *Ngā Tūtohunga*

That the Rural Community Board receive the report titled Forestry Compliance Update dated 5 September 2022.

Attachments:

There are no attachments for this report.

Monday, 5 September 2022

Item 9

Te Hui o Te Kaunihera ā-Rohe o Heretaunga

Hastings District Council: Hastings District Rural Community Board

Te Rārangi Take

Report to Hastings District Rural Community Board

Nā:
From: Aaron Wilson, Financial Controller

Te Take:
Subject: Rating Area 2 Financial Result for the Year Ending 30 June 2022

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

- 1.1 The purpose of this report is to inform the Hastings District Rural Community Board (RCB) of the indicative rating result for the year ended 30 June 2022.
- 1.2 The indicative result for Rating Area 2 (RA2) for the 2021/22 year is favourable to budget and is a \$25,938 rating surplus. The results are unaudited and indicative at this stage and consequently there may be some variation to the figures in the final result. This RA2 rating surplus is in the context of \$571,693 overall rating surplus for Council.
- 1.3 This report concludes by recommending that the Hastings Rural Community Board recommend to the Operations and Monitoring Committee that given the small size of 2021/22 the RA2 surplus that any allocation of that surplus should align with the overall allocation resolved by the Operations and Monitoring Committee. That could see one of the following options adopted:
 - 1). Repay Debt (Heretaunga House)
 - 2). Allocate to the General Purpose Reserve
 - 3). Allocate to the Contingency Reserve
- 1.4 The unaudited result for the year ended 30 June 2022 will be presented to the Operations and Monitoring Committee on 15 September 2022.
- 1.5 This report sets out the indicative rating result for the year ended 30 June 2022 for Rating Area 2.

2.0 The Rating Result

- 2.1 The indicative rating result for the 2021/22 financial year is a positive result for Rating Area 2, a \$25,938 surplus.
- 2.2 A more detailed breakdown of this result is available in **Attachment 1**.
- 2.3 Whilst there were challenges in terms of Council's operational activities, due to COVID impacts, inflation and resourcing pressures, the RA2 small rating surplus was due to savings across higher rates penalties and lower rates remissions, along with a favourable adjustment in the provision for doubtful debts.
- 2.4 The net rating result is shown in the attached schedule "Analysis of Year End Result for 2021/22 for Rating Area 2". This shows the budgeted and actual cost for the various activities and the amount requested to be carried forward. The final column shows the rating surplus or deficit (negative) for the activities.
- 2.5 The allocation of the 2021/22 Rating Area 2 surplus is recommended to be dependent on the Operations and Monitoring Committee resolution and could be either of:

	\$
RA2 Surplus on General Rate	25,938
<u>Allocation of Surplus:</u>	
Council General Purpose Reserve RA2	
Contingency Reserve (80:20 rating split)	
Repay Heretaunga House Debt (80:20 rating split)	
Allocated Surplus	25,938

- 2.6 There is still a great deal of uncertainty with regards the ongoing impact on Council by market inflationary pressures and ensuring resourcing availability, which is why the options outlined in 1.3 are presented. Officers believe this is in keeping with a prudent financial management approach.

3.0 Transport Reserve

- 3.1 Prior to arriving at the RA2 rating surplus of \$25,938, officers transferred to the Transport Reserve in RA2 \$357k.
- 3.2 This was the local share of transport work budgeted at the time the LTP was adopted, along with the expectation that this would be subsidised by the Waka Kotahi share. Late in budget process Waka Kotahi then advised their share would be less than the amount budgeted. Council kept the local share in the budget, with the expectation that at some stage further work may be agreed with Waka Kotahi and that additional unspent local share would be put to the Transport Reserve to be used as the opportunity arises.

4.0 Landfill

- 4.1 In addition to the rating surplus, the Council has received, revenue from the surpluses generated at the Landfill totalling \$1,277,548. Last year the Landfill surplus of \$1.997m was recommended that *"while the Landfill surplus is allocated to the Landfill Development Reserve, it is acknowledged that for the balance of the 2021/22 financial year this landfill surplus is available for Council to meet any requirements to meet the delivery of the 2021/22 budget and any unforeseen Covid-19 related impacts."*

- 4.2 On the 9th December 2021 Council resolved to transfer the 2020/21 Landfill surplus from the Landfill Development reserve to Growth & Urban Planning Reserve to meet increasing demand for growth and related planning work.
- 4.3 With development about to commence on the new Landfill Valley there are no options available for distribution of the Landfill Surplus as funds will be required for the imminent development works.

5.0 Rating Area 2 (RA2) Debt Update

- 5.1 RA2 Debt as at 30th June 2022 is sitting at \$2,984,439, the balance as at the 30th June 2021 was \$2,452,515.

6.0 Rural Flood and Emergency Reserve Update

- 6.1 The Rural Flood and Emergency Event Reserve has a balance of \$1,202,555 as at 30 June 2022. The balance as at 30 June 2021 was \$1,313,794.
- 6.2 The following table summarises the cost of recent flood and emergency events and how they were funded

RA2 Rural Flood and Emergency Event Reserve as at 30-June-2022

Forecast Reserve balance	
Opening Reserve balance 1 July 2021	\$ 1,313,794
Surplus from Landfill	\$ -
2020-21 Rating surplus	\$ 311,814
	<u>\$ 1,625,608</u>
Flood damage Costs	
Actual 2021-22 Flood costs	\$ 1,259,619
Less 2021-22 Budget for Major reinstatement	<u>\$ 302,808</u>
Unbudgeted Flood costs	\$ 956,811
Waka kotahi Subsidy @ 54%	\$ 516,678
Unbudgeted Local share @ 46 %	<u>\$ 440,133</u>
	\$ 956,811
	\$ -
Unbudgeted Local share transferred from Flood Damage reserve	<u>\$ 440,133</u>
	<u>\$ 1,185,475</u>
Interest on reserve	<u>\$ 17,080</u>
Closing reserve balance 30-June 2022	<u>\$ 1,202,555</u>

7.0 Rating Area 2 Reserve Balances

7.1 The Rating Area 2 reserve balances as at 30 June 2022 are as follows:

Reserve Description <i>(Interest bearing Y/N)</i>	Balance (\$)
Rural Flood and Emergency Event Reserve (Y)	1,202,555
Rural Fire Contingency Fund (N)	6,457
General Purpose Reserve - Rating Area 2 (N)	628,617
Capital Reserve - Rating Area 2 (N)	1,903,967
Transportation NZTA Fund Reserve Rating Area 2 (N)	1,217,401

8.0 Allocation of Surplus

8.1 The allocation of the 2021/22 Rating Area 2 surplus is recommended to be dependent on the Operations and Monitoring Committee resolution and could be either of:

2021/22 RA2 Rating	Surplus
RA2 Surplus on General Rate	\$25,938
<ul style="list-style-type: none"> - Allocation to General Purpose Reserve RA 2 - Contingency Reserve (80:20 rating split) - Repay Heretaunga House Debt (80:20 rating split) 	

9.0 Recommendations - Ngā Tūtohunga

- A) That the Hastings District Rural Community Board receive the report titled Rating Area 2 Financial Result for the Year Ending 30 June 2022 dated 5 September 2022
- B) That the Board recommends to Council that the allocation of the Rating Area 2 Rating Surplus of \$25,938 be dependent on the Operations and Monitoring Committee resolution and could be one of the following options, noting that the value of the surplus available may change due to this being an unaudited result.

2021/22 RA2 Rating	Surplus
RA2 Surplus on General Rate	\$25,938
<ul style="list-style-type: none"> - Allocation to the Council General Purpose Reserve RA2 - Contingency Reserve (80:20 rating split) - Repay Heretaunga House Debt (80:20 rating split) 	

Attachments:

- 1 [Financial Management - Reports - Quarterly Reports - 2022 Financial Rating Result RA2](#) FIN-09-01-22-205

GENERAL RATE 2021/22 YEAR-END ANALYSIS BY RATING GROUPS		Rating Area Two		
Activity				
	Budgeted Net Cost	Actual Net Cost	C\Forwards to 22/23	22/23 Result Surplus(deficit)
Corporate and Customer Services	760,625	744,064	13,600	2,961
Rural Community Board	50,776	40,582	0	10,194
Finance Services	136,415	140,633	0	-4,217
Community Facilities and Programmes	1,477,103	1,561,970	6,384	-91,251
Marketing & Communcation	322,713	318,882	12,023	-8,193
Planning and Regulatory Services	1,061,178	991,279	0	69,899
Economic Growth & Organisation Improvement	726,761	706,648	25,419	-5,307
Parks and Property Management	982,152	974,204	6,720	1,228
Transportation	6,709,458	6,809,291	73,600	-173,433
Landfill	0	-5,499	0	5,499
Stormwater	97,172	36,242	0	60,930
Water Services	0	0	0	0
Cemeteries/Crematorium	45,093	42,350	0	2,743
Recycling Depot & Trsfr Stn	42,628	29,888	4,000	8,740
Contingency Fund	10,000	14,081	0	-4,081
Gross Requirement	12,422,075	12,404,615	141,747	-124,287
Surplus on General Rate				(\$124,287)
Plus Other Revenue & Expenditure Adjustments				
Other Expenditure	0.00	0.00	0.00	0
General Purpose Reserve (Surplus Allocation)	0.00	0.00	0.00	0
Petrol Tax	-75,983.96	-81,953.61	0.00	5,970
2020/21 Brought Forwards	-160,579.50	-160,579.50	0.00	0
	-236,563.46	-242,533.11	0.00	5,969.65
Rates Revenue Surplus				
Provn for Doubtful Debts	35,000.00	-25,756.64	0.00	60,757
Rates Penalties	-36,720.00	-92,760.54	0.00	56,041
Rate Remissions	49,350.00	4,071.29	0.00	45,279
Rates Revenue (after Remissions)	-12,356,400.35	-12,514,157.66	0.00	157,757
Less extra rates levied for Separate Rates & UAC's	0.00	0.00	0.00	-177,216
Rates Revenue Surplus	-12,308,770.35	-12,628,603.54	0.00	142,617.61
Total General Rates Surplus				25,938