ORDINARY MEETING OF COUNCIL

Supplementary Agenda – Item 6

Meeting Date:	Thursday 8 April 2021
Time:	1.00pm
Venue:	Council Chambers Hawke's Bay Regional Council 159 Dalton Street Napier

Council Members	Mayor Wise, Deputy Mayor Brosnan, Councillors Boag, Browne, Chrystal, Crown, Mawson, McGrath, Price, Simpson, Tapine, Taylor, Wright
Officer Responsible	Chief Executive
Administrator	Governance Team
	Next Council Meeting **Thursday 22 April 2021**

ORDER OF BUSINESS

Agenda items

6 Adoption of the Long Term Plan 2021-31 Consultation Document 2

AGENDA ITEMS

6. ADOPTION OF THE LONG TERM PLAN 2021-31 CONSULTATION DOCUMENT

Type of Report:	Legal and Operational
Legal Reference:	Local Government Act 2002
Document ID:	1302789
Reporting Officer/s & Unit:	Adele Henderson, Director Corporate Services

6.1 Purpose of Report

This report recommends that Council adopt the Consultation Document for Napier City Council's Long Term Plan 2021-31, along with certain supporting documents required to be adopted by the Local Government Act 2002.

Officer's Recommendation

That Council:

a. Adopt the following documents as supporting information for consultation on Napier City Council's Long Term Plan 2021-31:
    1. Vision, Community Outcomes and Strategic Goals
    2. Significant Forecasting Assumptions
    3. Activity Group Statements (including Funding Impact Statement for each Group)
    4. Infrastructure Strategy
    5. Financial Strategy
    6. Significance and Engagement Policy
    7. Council Funding and Financial Policies:
        - Investment Policy
        - Rates Postponement Policy
            1. Capital Programme
            2. Prospective Financial Statements:
                - Statement of Accounting Policies
                - Prospective Statement of Financial Position
                - Prospective Statement of Cash Flows
                - Prospective Statement of Changes Net Assets/Equity
                - Prospective Statement of Comprehensive Revenue and Expense
                - Prospective Statement of Changes in Reserve Funds
            3. Funding Impact Statement (whole of Council)
            4. Financial Prudence Benchmark
            5. Statement about Council Controlled Organisations

6. Schedule of Fees and Charges

b. Adopt the Consultation Document for Napier City Council's 2021-31 Long Term Plan for public consultation (final version containing the audit report from Audit New Zealand to be circulated at the meeting).

c. Note that these policies and supporting documents are subject to minor corrections and any changes arising from the consultation and audit process.

d. Note that several supporting documents have already been adopted as prior items, including:

- Revenue and Financing Policy (draft adopted for consultation)
- Liability Management Policy (adopted by Council on 25 March 2021)
- Rates Remission Policy (draft adopted for consultation)
- Policy on Remission and Postponement of Rates on Māori Freehold Land (reviewed version adopted)
- Rating Policy (adopted for consultation)
- Financial and Development Contributions Policy (adopted for consultation)

6.2 Background Summary

Napier City Council is required to prepare a Long Term Plan (LTP) under section 93 of the Local Government Act 2002 (the LGA). The LTP sets out Council's vision, direction, work plan and budgets for the next 10 years.

To enable the preparation of the plan, Elected Members have attended facilitated workshops over the course of 2020/21 in order to set direction for the LTP. This direction was then confirmed through a formal Council meeting on 11 March 2021.

The LGA requires Council to use a special consultative procedure to test its intentions with the community before adopting the final plan. This process involves Council adopting a Consultation Document which summarises proposed projects and services over the next 10 years. The Consultation Document also summarises Council's Infrastructure and Financial Strategies. Consultation will be open for four weeks, during which anyone who is interested can submit their feedback on the plan to Council.

6.3 Supporting Documents

Per section 93G of the LGA, Council is required to prepare and adopt the information that is providing the basis for preparation of the plan. These documents are provided in full (as attachments to this report under separate cover) for Council's consideration and adoption.

6.4 LTP Consultation document

The Consultation Document for this LTP review is included as an attachment to this report. Adoption of the Consultation Document will trigger the start of the formal LTP consultation period on 12 April 2021. The window for making a submission closes on 12 May 2020. The Consultation Document details the consultation events planned during this period to encourage the community to give feedback in a variety of different ways.

6.5 Financial and Development Contributions Policy Consultation

Napier City Council's Financial and Development Contributions Policy will be undergoing separate but concurrent consultation with the LTP. Adoption of this draft policy for consultation is recommended in a separate report.

6.6 Revenue and Financing Policy Consultation

Napier City Council's Financial and Development Contributions Policy will be undergoing separate but concurrent consultation with the LTP. Adoption of this draft policy for consultation is recommended in a separate report.

6.7 Issues

Note that the Consultation Document must legally contain a report from the Auditor General. This report was not available at the time the agenda was circulated, so a final version of the Consultation Document containing this report will be made available at the meeting.

6.8 Significance and Engagement

Consultation on the LTP will be undertaken in accordance with section 83 of the LGA for a period of at least one month (12 April to 12 May 2021). Concurrent consultation will take place on the Development and Financial Contributions Policy and the Revenue and Financing Policy. Members of the community will be able to submit online, in writing or by video. After the feedback has been analysed, Council will have the opportunity to hear from submitters in person and deliberate on any changes necessary to the LTP.

6.9 Implications

Financial

Full financial information is available in the financial statements available as part of the Long Term Plan underlying information and within the Consultation document on specific consultation matters.

Social & Policy

Preparation of the Long Term Plan must meet the requirements of the Local Government Act 2002 and adhere to Council's own Significance and Engagement Policy.

Risk

Under section 93(3) of the LGA, Council is required to adopt its Long Term Plan before 1 July 2021. The recommendation to adopt the Consultation Document at this meeting means that sufficient public consultation can be undertaken before the final LTP is adopted in June. Delaying the adopting of the Consultation Document until after this meeting may risk that adoption of the final LTP cannot take place until after the statutory deadline.

6.10 Options

The options available to Council are as follows:

a. Adopt the Consultation Document for Long Term Plan 2021-31
b. Direct changes to be made to the Consultation Document, to be adopted as soon as practicable in order to meet the legislative deadline of 30 June 2021.

6.11 Development of Preferred Option

N/A

6.12 Attachments

A Vision, Community Outcomes and Strategic Goals (Supporting Document) ⇩
B Significant Forecasting Assumptions (Supporting Document) ⇩
C Activity Group Statements (Supporting Document) ⇩
D Infrastructure Strategy (Supporting Document) ⇩

E Financial Strategy (Supporting Document) ⇩
F Significance and Engagement Policy (Supporting Document) ⇩
G Council Funding and Financial Policies (Supporting Document) ⇩
H Capital Programme (Supporting Document) ⇩
I Prospective Financial Statements, including Financial Impact Statement and Prudence Benchmark (Supporting Document) ⇩
J Statement about Council Controlled Organisations (Supporting Document) ⇩
K Schedule of Fees and Charges ⇩
L Long Term Plan 2021-31 Consultation Document ⇩

Strategic Direction

Supporting documentation for the
2021-31 Long Term Plan Consultation Document

NAPIER
CITY COUNCIL
Te Kaunihera o Ahuriri

STRATEGIC DIRECTION

Napier City Council is continuing to work towards our long-term strategic vision for the city: A vibrant and sustainable city for all.

Achieving this vision would see us providing facilities, services, leadership and opportunity to our community to make Napier the best city in Napier in which to live, work raise a family, and enjoy a safe and satisfying life.

You'll notice a common theme underpinning this plan as you read through it – we're rolling up our sleeves and doing the mahi (work) to bring Napier's infrastructure up to standard and cater for our steadily growing city.

Water remains our number one priority. We're investing and planning ahead to:

- resolve colour and taste issues with our drinking water;
- ensure our stormwater network can withstand more frequent severe weather events expected as a result of our changing climate, and lessen environmental effects of stormwater discharge into the Ahuriri Estuary; and
- address aging elements of our wastewater network, like our 1.5km outfall pipe in Awatoto.

working on what matters

doing the mahi.

It's not all pipes and pumps...

Napier City Council is uniquely positioned to focus on enhancing the wellbeing of our community, whether that be by helping with the basics like housing and community safety, or places to visit including museums, sports facilities and beautiful outdoor spaces. We've planned for projects in this space too to improve our people's connectedness and resilience, like building the Te Pihinga Community Centre in Maraenui.

MISSION

To provide the facilities and services, the environment and leadership, plus encouragement for economic opportunities to make Napier the best city in New Zealand in which to work, raise a family and enjoy a safe and satisfying life.

VISION

Napier City Council is continuing to work towards our long-term strategic vision for the city:

A vibrant and sustainable city for all .

OUTCOMES AND GOALS

Council has reviewed our community outcomes as we've developed this plan. The community outcomes provide a link between our vision and the Activities we carry out on a day-to-day basis to improve outcomes for our city.

Our outcomes for LTP 2021-31 are set out in this table, along with strategic goals which elaborate further on what we want to achieve under each outcome.

COMMUNITY OUTCOMES	STRATEGIC GOALS			
OUR WATER IS CLEAN AND SAFE	The water we supply will be clear and meet health standards	We will improve the quality of our stormwater, including water discharged to the Estuary	We will enhance our wastewater treatment, and improve our infrastructure to reduce wastewater overflow discharges	We will explore all practical options for removing chlorination with our community and our health experts
OUR SERVICES AND INFRASTRUCTURE MEET OUR COMMUNITY'S NEEDS	We plan for growth in a proactive, managed and resilient way	We will maintain our assets and facilities wisely in order to meet the long term performance expectations of our community		
OUR COMMUNITY IS CONNECTED, SAFE, HEALTHY AND RESILIENT	Our neighbourhoods will be safe, well connected, and have good access to urban amenities	We enable the supply of affordable living solutions in our city	Our services and facilities provide for the social, cultural and recreational needs of our community	We will enhance our resilience to the effects of emergencies, pandemics, and climate change to ensure we can respond and recover quickly
WE ARE A CITY THAT THRIVES WITH ITS COMMUNITY	We will use our influence and resources to advocate for economic growth	Our community's wellbeing and city vibrancy will be enhanced through our encouragement of sport, culture and events		
WE TREASURE OUR CULTURE, OUR HERITAGE, OUR ENVIRONMENT	We will provide and encourage arts, education and celebration of our cultural heritage	We will be guided by mana whenua to uplift our knowledge of wāhi taonga, pūrākau, taiao; treasured places, stories, indigenous environment		
OUR COMMUNITY AND COUNCIL ARE ONE	We will be customer service focussed	We will actively listen, engage and communicate with our community to guide the direction of our city	Our commitment to the Treaty of Waitangi will underpin our mana whenua partnerships and the activities we undertake to improve Māori outcomes	

COMMUNITY WELLBEINGS

Council's role and responsibilities are set out in Local Government Act 2002 (the LGA).

In 2010, the LGA was amended to clarify Council's core role as the provision of three main functions: providing local infrastructure, local public services and performing regulatory enforcement.

In 2019, the Government repealed this focus on core services, and instead reverted to the previous purpose statement:

"The purpose of local government is.... to promote the social, economic, environmental and cultural well-being of communities in the present and for the future"

This change recognises that every council is different and that there is no one-size-fits-all approach. Every council needs discretion and flexibility to decide in consultation with their community the nature and level of services they should provide to improve quality of life.

Decisions no longer need to be based around the question "are we allowed to do this?", but instead "should we do this?".



SOCIAL WELLBEING



ECONOMIC WELLBEING



ENVIRONMENTAL WELLBEING



CULTURAL WELLBEING

Significant Planning Assumptions

Supporting documentation for the
2021-31 Long Term Plan Consultation Document

NAPIER CITY COUNCIL
Te Kaunihera o Ahuriri

SIGNIFICANT PLANNING ASSUMPTIONS

Introduction

In order to plan for the long term, it is imperative to make assumptions about various aspects in the future. The significant assumptions made about the future form an important part of the planning framework.

Schedule 10 of the Local Government Act 2002 requires that the Council identifies the significant forecasting assumptions and risks underlying the financial information set out in the LTP. Where there is a high level of uncertainty the Council is required to state the reason for that level of uncertainty and provide an estimate of the potential effects on the financial assumptions. The level of uncertainty is determined by reference to both the likelihood of occurrence and the financial materiality.

The significant planning assumptions are listed on the following pages.

Assumption	Level of Uncertainty	Risk	Risk Likelihood	Consequence of uncertainty/ risk on the integrity of the LTP	Mitigation
INFLATION					
<table><tr><th rowspan="2">Year</th><th colspan="2">Annual Cost Adjustors</th></tr><tr><th>LGCI Operating</th><th>LGCI Capital</th></tr><tr><td>2022/23</td><td>2.9</td><td>3.0</td></tr><tr><td>2023/24</td><td>2.5</td><td>2.6</td></tr><tr><td>2024/25</td><td>2.5</td><td>2.6</td></tr><tr><td>2025/26</td><td>2.5</td><td>2.7</td></tr><tr><td>2026/27</td><td>2.5</td><td>2.6</td></tr><tr><td>2027/28</td><td>2.6</td><td>2.8</td></tr><tr><td>2028/29</td><td>2.7</td><td>2.8</td></tr><tr><td>2029/30</td><td>2.7</td><td>2.9</td></tr><tr><td>2030/31</td><td>2.6</td><td>2.7</td></tr></table>	Low Inflation rates have been estimated using the BERL Local Government Cost Adjustor Forecasts (September 2020). We also assume that the Reserve Bank will use monetary controls to keep CPI within the 1.5 percent to 3 percent range.	Actual inflation rates and industry movements will vary from these forecasts.	Unlikely	Minor to Moderate Incorrect adjustor forecasts could result in Council over or underfunding operational and capital costs. At the point in time of writing the LTP, construction i.e., year on year adjustments for capital movements were higher than inflation which may impact on the capital budget requirements set out in the plan.	Preparing an annual budget and resetting rates combined with a triennial review of the LTP mitigates this risk and effect aging

Assumption	Level of Uncertainty	Risk	Risk Likelihood	Consequence of uncertainty/ risk on the integrity of the LTP	Mitigation
POPULATION GROWTH					
Council are considering potential options for future long-term growth in and around Napier as part of the Heretaunga Plains Urban Development Strategy (HPUDS) review. The review of HPUDS will commence in 2021 and expected to finalise in early 2022. The review of HPUDS will provide opportunity for stakeholders and interested parties to provide their views on any options that are within the agreed scope of the review. The outcomes of the review will be used for informing the Infrastructure Strategy and capital programme for the LTP 2024-2034. HPUDS objective is to preserve the fertile soils in the Heretaunga Plains and therefore promotes intensification rather than greenfield development.					
<table><tr><th>Year</th><th>Total Napier City</th><th>Annual Growth Rate</th></tr><tr><td>2020</td><td>63,500</td><td></td></tr><tr><td>2021</td><td>63,900</td><td>0.63</td></tr><tr><td>2022</td><td>64,300</td><td>0.63</td></tr><tr><td>2023</td><td>64,700</td><td>0.62</td></tr><tr><td>2024</td><td>65,050</td><td>0.54</td></tr><tr><td>2025</td><td>65,400</td><td>0.54</td></tr><tr><td>2026</td><td>65,750</td><td>0.54</td></tr><tr><td>2027</td><td>66,100</td><td>0.53</td></tr><tr><td>2028</td><td>66,450</td><td>0.53</td></tr><tr><td>2029</td><td>66,750</td><td>0.45</td></tr><tr><td>2030</td><td>67,050</td><td>0.45</td></tr><tr><td>2031</td><td>67,350</td><td>0.45</td></tr><tr><td colspan="3">Year 11 to 30</td></tr><tr><td>2036</td><td>68,610</td><td>0.32</td></tr><tr><td>2041</td><td>69,620</td><td>0.27</td></tr><tr><td>2046</td><td>70,540</td><td>0.26</td></tr><tr><td>2051</td><td>71,140</td><td>0.11</td></tr></table>	Moderate Projections are based on Statistics NZ population estimates from 2013 census data given the delays in analysis of the 2018 census data.	The actual population growth and its composition could differ	Possible It is possible that the population estimates from Stats NZ based on the 2018 census data will somewhat differ from the estimates based on the 2013 census data.	Moderate Development of Council's Capital Plan and Infrastructure Strategy take into account population growth; unless the population growth is substantially above or below the medium high scenario there are no major impacts on the capital plan. A slower than projected rate of growth could see lower than anticipated revenue generation (from development levies, resource consents and financial contributions). Growth assumptions also affect planned levels of service for Council activities and influence asset management planning (particularly in terms of new growth-related infrastructure and renewals). Significantly higher growth would mean that activities and infrastructure face unsustainable pressure and may fail to deliver levels of service.	Forecasted growth can be accommodated within the levels of service outlined in this plan. Where higher levels of growth create demand for new infrastructure, Council can collect financial contributions to meet a portion of the costs of new or upgraded investment.

Assumption	Level of Uncertainty	Risk	Risk Likelihood	Consequence of uncertainty/ risk on the integrity of the LTP	Mitigation
HOUSEHOLD GROWTH					
The projected increased in household units for the LTP 2021-2031 period are 1,853. The projections are halfway between Medium and High Statistics NZ projections from 2016.	Moderate Projections are based on Statistics NZ population estimates from 2013 census data given the delays in analysis of the 2018 census data.	Actual physical growth could differ	Possible	Variations in population growth could impact upon the demand for community facilities and level of service for infrastructure over time. Changes may require acceleration or slow-down of growth-related projects. Council's Financial Strategy outlines how such projects are to be funded. Impacts on individual ratepayers will not be significant unless growth is significantly above or below that forecast	Close monitoring of population growth through the National Policy Statement on Urban Development Capacity will mitigate expected risks.

Year	Total household numbers	Development Split		
		Infill	Greenfield	Rural
2020	25929	20236	4845	848
2021	26093	20306	4932	855
2022	26256	20376	5019	861
2023	26419	20445	5106	868
2024	26562	20484	5207	871
2025	26705	20523	5309	873
2026	26848	20562	5410	876
2027	26991	20600	5511	879
2028	27573	20973	5703	896
2029	27697	21003	5795	899
2030	27822	21032	5888	902
2031	27946	21062	5980	905
Year 11 to 30				
2036	28587	21241	6428	918
2041	28888	21166	6804	918
2046	30669	22310	7387	972
2051	30530	22155	7404	971

Napier City Council is preparing the development of a Napier Spatial Plan in preparation of the Heretaunga Plains Urban Development Strategy (HPUDS) review which is due later in 2021 early 2022. The HPUDS review will provide the opportunity to assess new greenfield areas for development as well as identifying the priority areas for intensification or infill. The forecast mix of residential growth is as follows:

Development type	Napier City	HPUDS – regional target split by 2045
Intensification (infill and brownfields)	73%	60%
Greenfield	24%	35%
Rural	4%	5%

Assumption	Level of Uncertainty	Risk	Risk Likelihood	Consequence of uncertainty/ risk on the integrity of the LTP	Mitigation
AGEING POPULATION					
Napier's population is ageing, with 28% of the population projected to be 65 years or over by 2033 (compared to 22.9% in 2023).	Moderate This is the medium projection from Stats NZ. These projections have the estimated resident population of the area at 30 June 2013 as a base in lieu of the updated statistics from the 2018 census.	Actual population aged over 65 years could differ	Possible	Minor If the population ages at a faster rate than anticipated, this could create unanticipated demand for services for older people, higher demand for secure housing for older persons, and result in a higher than anticipated proportion of ratepayers on a fixed income.	Council will monitory demographic changes through census information and other economic indicators. Planned project related to retirement housing and implementing Napier City Council's Positive Ageing Strategy can be delayed or brought forward as updated demographic projections become available.
GROWTH IN RATING BASE					
Growth in the rating base (number of properties from which council collects rates) is driven by growth in the number of households and industrial\commercial expansion Based on historic data and the growth assumptions in this LTP an allowance of 0.3% per annum has been included for additional rates revenue as a result of growth in the rating base. This represents a conservative estimate relative to the potential income from the projected increase in households. 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. These projections can be found in the table below:	Moderate The growth allowance represents a conservative estimate relative to the potential income from the projected increase in households.	Actual growth in the rating base could differ.	Possible	Moderate The rate of growth will impact on the average rates increase for existing ratepayers	Income from rating will be reviewed and adjusted as population projections become more certain.

NCC Projected Rating Units

Year Beginning June	Rating Units	% Change
2020	26325	
2021	26516	0.73%
2022	26709	0.73%
2023	26902	0.72%
2024	27074	0.64%
2025	27246	0.64%
2026	27418	0.63%
2027	27590	0.63%
2028	27762	0.62%
2029	27914	0.55%
2030	28066	0.54%

Assumption	Level of Uncertainty	Risk	Risk Likelihood	Consequence of uncertainty/ risk on the integrity of the LTP	Mitigation
CAPITAL PROGRAMME DELIVERABILITY					
Programmes and projects are assumed to be delivered within budget and on time. The plan includes a significant increase in capital expenditure, particularly in the first two years as this is supported by the availability of Government funding.	Moderate Unforeseen interruptions to business as usual, such as that experienced during the COVID19 lockdown, can result in overspend or slippage of timeframes for Council projects.	The risk is that the capital programme is not able to be delivered on time and within the budget available.	Possible The risk of falling short on delivery of the Capital Plan will remain relatively low as long as NCC is able to hire and engage the right employees and contractors with the capacity to deliver (discussed in assumption 7 below).	The implication of any shortfall in project delivery are: • Projects may cost more than planned due to inflation • Less funds will need to be borrowed in the short term. Delaying new borrowing will impact on the timing of financing costs • Delays in proposed improvements to services	Council will be working proactively to plan for the delivery of major projects proposed in the plan. A greater lead time will improve the chances of delivery on time and on budget. Council does have an in-house civil works capability that will be utilised to deliver projects wherever possible. Where projects are not able to be completed as scheduled within any given year Council will carry forward the budget and funding.
CONTRACTOR AVAILABILITY					
That Council will be able to find skilled contractors to undertake the work programmed in this plan. Currently there is very little surplus capacity in the contracting market due to the housing boom and the increased level of capital works proposed my many local authorities.	Moderate	The risk is that there is not sufficient contractor capacity to deliver the capital programme on time or that contract prices increase significantly so that works cannot be delivered within the budget available.	Possible	Challenges in procuring services impact on Council's ability to deliver on time and to budget, ultimately affecting the longevity and durability of this plan.	Council will proactively work with the local contractor community to procure major works. Where projects are not able to be completed as scheduled within any given year Council will carry forward the budget and funding.
RESOURCE CONSENTS					
Conditions for existing resource consents held by Council will not be significantly altered. Any resource consents due for renewal during the 10 year period will be renewed accordingly, such as the consent for the Wastewater Treatment Plant. Significant initiatives that will require new consents include the wastewater outfall and discharge location into the ocean. It is assumed that all necessary consents will be granted when required with reasonable conditions	Low Advance warning of likely changes is anticipated.	Conditions of Resource Consents may be altered significantly or Council may not secure resource consents required for new activities or be unable to renew existing resource consents upon expiry.	Possible	Moderate Material changes to resource consent conditions can result in a need for upgrade to assets and changes to the manner in which they are operated. This would have financial implications for Council.	Constant monitoring of the regulatory environment and performance against existing conditions provide a record of compliance to support future processes and renewals.
THE RESOURCE MANAGEMENT ACT 1991					
In responding to the Randerson review of the Resource Management Act 1991, the Government has announced its intention to replace it with three new pieces of legislation: Natural and Built Environments Act Strategic Planning Act Climate Change Adaptation Act It is assumed that new legislation will require more serviced land available for development in the next 3 to 5 years.	Low Advance warning of likely changes is anticipated and a transitional period is likely. More detail about the changes will be available later in 2021.	Conditions of Resource Consents may be altered significantly or Council may not secure resource consents required for new activities or be unable to renew existing resource consents upon expiry.	Possible	Moderate Material changes to resource consent conditions can result in a need for upgrade to assets and changes to the manner in which they are operated. This would have financial implications for Council.	Constant monitoring of the regulatory environment and performance against existing conditions provide a record of compliance to support future processes and renewals.

Assumption	Level of Uncertainty	Risk	Risk Likelihood	Consequence of uncertainty/ risk on the integrity of the LTP	Mitigation
LEVELS OF SERVICE					
There are no significant changes to the level of core or essential services within the plan. In the longer term, Council's investment programme in support of growth will potentially increase certain levels of service incrementally over time.	Low Level of service changes are generally triggered by increased community expectations or demand or new legislative requirements imposed by central government. Resident Satisfaction Surveys and other engagement strategies generally support the levels of service planned in this LTP.	A change in services or levels of service delivered may be demanded by the community or necessitated by a change in primary legislation.	Unlikely	Moderate An increase or decrease in Council's levels of service usually have a direct impact on Council's rates requirement. Increased levels of service inevitably require more resourcing.	Any future changes to service levels are subject to consultation with our community.
SERVICE DELIVERY					
Section 17A of the LGA requires a review of the cost effectiveness of current arrangements for meeting the needs of the community for good quality local infrastructure, local public services and performance of regulatory functions. No assumption has been made in this LTP regarding the cost implications of implementing any recommendations from section 17A reviews. At this point in time no significant impacts are expected as a result of s17A reviews.	Moderate	Local Government Act, Section 17A reviews may recommend a change of method of delivery of Council services or funding requirement.	Possible	Minor Since section 17A reviews are based on cost effectiveness, any changes will potentially lower projected rates increases for ensuing years. However there is a risk that recommended changes to funding, governance or service delivery arrangements for an activity will result in costs that are not accounted for in current budget.	Section 17A reviews will only be conducted as scheduled, with a clearly defined scope and objectives. A summary of any review and recommendations will be put to Elected Members for consideration and decision. Any changes will be consulted on in accordance with the Significance and Engagement Policy and included in subsequent Annual Plans and / or Long Term Plans.
USEFUL LIVES OF SIGNIFICANT ASSETS					
The assumed useful life of significant assets as outlined in the Statement of Accounting Policies determine the annual charge for the consumption or wearing out of assets (depreciation).	Low Asset lives are based upon estimates made by engineers and registered valuers.	Useful life may be shorter/longer than expected which may result in unbudgeted cost, or replacing an asset prematurely.	Unlikely	Minor Depreciation and interest costs would increase if capital expenditure was required earlier than anticipated. However, these impacts could be mitigated as capital projects could be reprioritised in the event of early expiration of assets.	Asset capacity and condition is continually monitored, with replacement works being planned accordingly. Preparing an annual budget and resetting rates combined with a triennial review of the LTP mitigates the risk of inaccurate asset-lifecycle estimates.

Assumption	Level of Uncertainty	Risk	Risk Likelihood	Consequence of uncertainty/ risk on the integrity of the LTP	Mitigation
DEPRECIATION					
Depreciation rates applying to existing assets are outlined in the Statement of Accounting Policies and is based on the assumed useful lives of assets. Depreciation on new major infrastructural assets is calculated on actual expected rates commencing from expected time of completion of the project. The depreciation of other items is based on actual expected depreciation rates with a half year applied in the year of purchase. Depreciation is calculated on book values projected at 30 June, plus new capital.	Low	The cost adjustor forecasts could be incorrect. Capital projects could take longer to complete than budgeted. To some extent these factors mitigate each other.	Unlikely	Insignificant The impact of applying incorrect depreciation rates is not considered material in the context of the LTP.	Depreciation rates and useful lives of assets are reviewed on a regular basis to ensure accuracy of depreciation expense
SOURCES OF FUNDS FOR FUTURE REPLACEMENT OF SIGNIFICANT ASSETS					
It is assumed that significant infrastructural assets will be subject to continual renewal, and funded in the LTP. The source of funding any replacement of other significant assets is determined and disclosed. Refer also to the Funding of Capital Expenditure in the Revenue and Financing Policy, the Financial Strategy and the Infrastructure Strategy.	Low	Levels and sources of funding differ from those forecast, meaning Council needs to find other ways fund continual renewal of significant infrastructure assets	Unlikely	Minor User charges have been set at previously achieved levels. Depreciation is funded through rates.	If sufficient funds are not available for asset renewal within any given year, Council, due to its strong balance sheet, is able to borrow funds to meet its expenditure requirements.
ASSET REVALUATIONS					
Roading, Library and Investment Property assets are assumed to be revalued annually. Restricted assets relating to Sportsgrounds, Grandstands and Halls, Buildings on Reserves, Swimming Pools and Inner Harbour are assumed to be revalued three yearly using the inflation rates outlined in Assumption 1. Operational assets relating to Land and Buildings are assumed to be revalued three yearly using the inflation rates outlined in Assumption 1. Water, Wastewater and Stormwater Below and Above Ground assets are assumed to be revalued three yearly using the inflation rates outline in Assumption 1.	Low	The forecast revaluation could be incorrect, affecting the validity of the estimates.	Unlikely	Minor Variances in depreciation charge following revaluation would impact on the operating expenditure projections.	Council has the ability to smooth the impact of any changes on rates subject to meeting or explaining any variance from the balanced budget requirements. Triennial reviews of the LTP provide for regular opportunities to update forecasts.

Assumption	Level of Uncertainty	Risk	Risk Likelihood	Consequence of uncertainty/ risk on the integrity of the LTP	Mitigation
INVESTMENTS					
<table><tr><th>Year</th><th>Investment Interest Rate</th></tr><tr><td>2022/23</td><td>0.8%</td></tr><tr><td>2023/24</td><td>0.8%</td></tr><tr><td>2024/25</td><td>0.8%</td></tr><tr><td>2025/26</td><td>2.6%</td></tr><tr><td>2026/27</td><td>2.6%</td></tr><tr><td>2027/28</td><td>2.6%</td></tr><tr><td>2028/29</td><td>2.6%</td></tr><tr><td>2029/30</td><td>2.6%</td></tr><tr><td>2030/31</td><td>2.6%</td></tr></table>	Moderate	Changes in market interest rates and average levels of cash on deposit or invested may differ significantly from the plan. Investment income on the commercial and industrial land portfolio may grow at a different rate to the applied inflation factors.	Possible	Moderate Lower than assumed rates of return could result in Council receiving less than forecast investment income.	The possible effect is mitigated by Council taking a conservative approach to rates of return.
INTEREST ON LOANS					
Interest rates on borrowed funds are largely influenced by factors external to New Zealand's environment. The annual interest rate assumption on all new external loans and the average cost of external debt is based on the Local Government Funding Agency (LGFA)'s long term borrowing yield interest rates for Unrated Guarantors and are as follows: <table><tr><th>Year</th><th>Annual Interest Rate Assumption</th><th>Average Cost of External Loans</th></tr><tr><td>2022/23</td><td>0.70%</td><td>0.70%</td></tr><tr><td>2023/24</td><td>0.70%</td><td>0.70%</td></tr><tr><td>2024/25</td><td>0.70%</td><td>0.89%</td></tr><tr><td>2025/26</td><td>1.47%</td><td>1.16%</td></tr><tr><td>2026/27</td><td>2.23%</td><td>1.47%</td></tr><tr><td>2027/28</td><td>3.00%</td><td>1.69%</td></tr><tr><td>2028/29</td><td>3.00%</td><td>1.85%</td></tr><tr><td>2029/30</td><td>3.00%</td><td>1.98%</td></tr><tr><td>2030/31</td><td>3.00%</td><td>2.08%</td></tr></table>	Low	Interest rates on borrowed funds are largely influenced by factors external to New Zealand's environment. A significant change to interest rates would affect the validity of the estimates.	Possible	Major A 1% increase in interest rates would increase total rate funded interest costs (for both internal and external debt) by approximately $1.2m in 2021/22 rising to impact of $4m in 2030/31. The impact of this level of increase in interest costs on rates is 1.8% in 2020/21, rising to 4.2% in 2025/26 and reducing to 3% in 2030/31 as debt is repaid in years 6 - 10.	Such increases are mitigated in terms of Council's overall rating requirement as exposure to external rates of interest is reduced via the use of internal loans.

Assumption	Level of Uncertainty	Risk	Risk Likelihood	Consequence of uncertainty/ risk on the integrity of the LTP	Mitigation
Council applies an average cost of capital when charging activities for funds borrowed. This includes external borrowing, the use of cash reserves and other funds (internal borrowing). Year / Investment Interest Rate 2022/23 0.70% 2023/24 0.70% 2024/25 0.89% 2025/26 1.16% 2026/27 1.47% 2027/28 1.69% 2028/29 1.85% 2029/30 1.98% 2030/31 2.08%					
NEW ZEALAND TRANSPORT AGENCY					
It is assumed that the level of subsidies received through the NZTA is 51% for both maintenance works and new construction and renewal works.	Low	That the level of NZTA subsidies changes	Unlikely	Moderate A change in subsidy level could affect the validity of the estimates by way of funding available for subsidised work and potentially the level of service delivered. Total NZTA subsidy of $58.2m has been provided for in this plan. A 3% reduction in the assumed subsidy rate would mean Council receives about $287,850 less than the forecast subsidy in 2021/22 and about $286,266 less in 2030/31. A 6% reduction in the assumed subsidy rate would mean Council receives about $575,699 less than the forecast subsidy in 2021/22 and about $572,532 in in 2030/31. If the subsidy was amended to only fund maintenance, operations and renewals (rather than improvement activities), Council would receive around $790,500 less than the forecast summary in 2021/22 and about $1.1m in 2030/31.	Council has little influence over a decision to reduce the subsidy. If subsidy revenue is less than expected, Council may be required to change to levels of service and/or find unbudgeted funding to cover capital and operating costs.

Assumption	Level of Uncertainty	Risk	Risk Likelihood	Consequence of uncertainty/ risk on the integrity of the LTP	Mitigation
LEGISLATION					
Legislation impacting on local government will continue to evolve, particularly in light of COVID-19, the 2020 report New Directions for Resource Management in New Zealand and indications of increasing climate change intervention such as a proposed policy for managed retreat. [Note that potential changes in legislation associated with 3 Waters is being considered as a separate assumption] It is assumed that Central Government will work with councils to ensure that any legislative changes are managed appropriately and to ensure benefits from its commitment to partnership with the local government sector are realised. For the purpose of this plan, the assumption is that any legislative reform or amendments will not require Council to assume responsibilities that require additional resources and hence additional cost.	Moderate Reforms impacting on the local government sector have been ongoing (reintroduction of wellbeings into the Local Government Act, establishment of a new water regulator, for example). Unexpected regulatory changes may arise from national or international events	Government policy shifts may significantly affect services delivered by Council, result in unforeseen costs, or not allow for reasonable implementation/transition	Possible	Moderate Changes to Local Government Legislation are ongoing and issues currently flagged include Three Waters (discussed separately), repeal and replacement of the Resource Management Act, water fluoridation, amendments to the Building Act 2004, zero carbon transition and standardising kerbside recycling. New or amended legislation may require changes to levels of service or unbudgeted capital and/or operating expenditures.	Council will keep a watching brief on policy proposals and the progress of legislative amendments through the House to predict (as far as possible) any financial and procedural impacts. Financial impact resulting from a need to respond to significant legislative/policy amendments could be met by rates increases or fees and charges.
EMISSIONS TRADING SCHEME					
It is assumed that the Emissions Trading Scheme is retained in its current form and that ETS charges can be met through Napier City Council's interest in the Omarunui Landfill. Emissions obligations have been hedged by way of forward purchase agreements and the cost is recovered by landfill refuse charges.	Moderate	Changes could be made to the scheme by the government that have an adverse impact on NCC, or the carbon price could be higher or lower than expected.	Possible	Minor Some additional ETS charges have been allowed for in this plan and any further increases would impact on financial forecasts.	The risk of Council facing additional charges is mitigated by the inclusion of LGCI adjustors. Triennial LTP review allows for adjustment as required.
WASTE DISPOSAL LEVY					
This plan has been prepared on the assumption that the Government proposal, announced by then Associate Minister for the Environment in July of 2020, to increase the waste disposal levy applicable to Class 1 (Municipal) landfills will be implemented as indicated according to the following draft schedule. This implementation schedule would see the levy progressively increase from $10 per tonne to $60 per tonne of household waste disposed to landfill. An increase in levy money collected by the Ministry for the Environment would result in larger levy money payments back to Napier City Council in accordance with section 31 of the Waste Minimisation Act 2008. This money has not been factored into forecast financial statements due to uncertainty.	Moderate	The increase to the waste disposal levy may be larger or smaller than signaled, or the phased implementation may differ from that scheduled, particularly given a change in Associate Minister for the Environment following the 2020 General Election.	Possible	Because an increase in the waste levy would result in higher operating cost for Council (kerbside waste, transfer station operation, litter control etc), this increased cost would need to be met with increased rates and fees/charges. This plan has been prepared in anticipation of the levy increases indicated in July 2020. Changes to the proposal would impact on the projected operating budget for the Waste Minimisation Activity group and would likely require changes to projected rates increases.	Council to keep a watching brief on developments. Adjustments can be pursued through an Annual Plan if required.

Assumption	Level of Uncertainty	Risk	Risk Likelihood	Consequence of uncertainty/ risk on the integrity of the LTP	Mitigation
NATURAL DISASTERS					
It is assumed that Napier will not face any major natural disasters or events causing significant harm will occur which cause widespread or catastrophic damage to our community or infrastructure.	High Natural disasters are inherently unpredictable, and severe weather events forecast to become stronger and more damaging as a result of climate change.	One or more natural disasters occur, resulting in injury or death and/or damage to property and infrastructure.	Possible	Major to Severe Damage and injury impacts on Council's ability to deliver planned levels of service and/ or increase operating expenses to ensure business continuity and community welfare. Damage to infrastructure may require uninsured or unbudgeted repairs.	Napier City Council takes a continuous improvement approach to emergency preparedness and business continuity planning. A key focus for this plan will be improving the city's resilience. There will be a number of earthquake strengthening and resilience projects aimed at helping us mitigate the adverse impact of a significant event and manage our event insurance costs.
EARTHQUAKE PRONE BUILDINGS					
Council has carried out a program of detailed seismic assessments of major Council owned buildings over several years. Most major buildings have now been assessed. Several buildings have been strengthened as a result. It is assumed that strengthening work will be carried out on the following buildings (currently assessed as earthquake prone): Taradale Plunket Rooms – Building is unoccupied. Strengthening work will be carried out subject to a business case identifying the future use of this building Henry Charles Village Hall – Separate budget for Strengthening and refurbishment is provided for in year 1 and 2 of the Plan. Faraday Centre – Current funding is available for strengthening and resolution of ownership issues subject to a business case. It is assumed that budget set aside over the 10 years of this plan ($3.3 million excluding the Civic and Library buildings, Henry Charles Hall and Faraday Centre which are provided for separately) is sufficient for remedial work on any other buildings found to be earthquake prone upon completion of future assessments during the lifetime of this plan. It is assumed that the budget included in this plan will cover the full cost of ensuring any development on the Civic Precinct site is quake-resistant. Options for future accommodation for the public library, governance, customer services and office accommodation will be determined based on a masterplan for the Civic Precinct along with a full business case.	Moderate	Costs relating to strengthening and refurbishment works or rebuilding may exceed the provisions in the LTP	Possible	Moderate If additional buildings are identified as requiring strengthening, the cost of that remediation could surpass the $3.3 million set aside in years 3 and 4 of this plan. Cost is ultimately determined by the scale of the works required, which aren't known. Council may need to find unbudgeted money to cover the cost, or look to reducing levels of service (such as closing a building or relocating services) until work can be carried out.	To mitigate the risk of overspend on the Civic Precinct, work will be preceded by preparation of detailed business cases, including reconsidered strengthening options or rebuild options, and updated costings with adequate contingency provisions.

Assumption	Level of Uncertainty	Risk	Risk Likelihood	Consequence of uncertainty/ risk on the integrity of the LTP	Mitigation
CLIMATE CHANGE					
Napier City Council is assuming that the climate change impacts on the City will fall somewhere between the medium and high concentration pathway scenarios from the Hawke's Bay Regional Council, Gisborne District Council and Envirolink commissioned NIWA report 'Climate Change Projections and Impacts for Tairāwhiti and Hawke's Bay' (November 2020) As part of this assumption, Napier City Council acknowledges the regional context for climate change management and adaptation; with Hawke's Bay Regional Council having declared a Climate Emergency in June of 2019.	Medium The pathway scenarios have been developed by NIWA based on global climate models updated for the publication of the Intergovernmental Panel on Climate Change Fifth Assessment Report in 2013 and 2014. The pathway scenarios do not take into account possible new mitigation activities like actively reducing gas emissions or increasing carbon sinks.	There is a risk that climate changes (including increased temperature, changes in rainfall patterns, increased frequency and severity of extreme weather events, and sea level rise) happen sooner than, or are worse than, expected. This would mean city infrastructure is not prepared to cope with the effects. Conversely, climate changes may happen slower than predicted (either due to uncertainty in forecasts, or increased mitigatory action) meaning that changes to services and infrastructure happen prematurely.	Possible	Major If the impacts of climate change have been underestimated or timeframes are too conservative, Council will fail to meet levels of service across many activities, but particularly in regards to Three Waters, public amenities in waterfront areas and parks and reserves. Quality of life in Napier will reduce as a result, and the integrity of property will be compromised. Increased pressure on, and potential damage to key infrastructure could place pressure on Council finances. Should the effect have been overestimated, there is little impact on the period of this Plan, but it could result in unnecessary spending in the long term.	Council activities will build appropriate mitigation responses into infrastructure development. The Council will continue to monitor climate change science and the response of central government and adapt its response where required.
PARKLANDS RESIDENTIAL DEVELOPMENT					
The budget for the LTP assumes the sale of 305 residential lots in the Parklands development. This is based on the past sales and the amount of Council owned land zoned for the development. The land available is expected to be exhausted in year 6 (2026/27) of this plan and revenue from the development will cease at this point.	Low	That the sales are higher or lower than the annual forecast compared to the Long Term Plan.	Unlikely	Moderate Customer demand and availability of builders has a direct impact on the number of lots offered and the actual sales completed. These factors are indirectly impacted by the national economy for better or worse. Higher or lower sales than budgeted will impact on revenue and cash reserves. Special projects for Council that are funded from this source may be delayed if this funding is not available.	Sale data will be regularly reviewed, with supply and pricing reviewed if necessary.

Assumption	Level of Uncertainty	Risk	Risk Likelihood	Consequence of uncertainty/ risk on the integrity of the LTP	Mitigation
DEVELOPMENT AND FINANCIAL CONTRIBUTIONS					
The LTP budgets assume the revenue from infill, greenfield and rural lots levied under the District Plan will come from Financial Contributions. The contribution received are to fund the growth/capacity cost of development. Council may choose to incentivise residential developments in the CBD/CD fringe by reducing the Financial Contributions charged for inner city living where there is no additional demand on services. This will encourage the strategic outcome of City Living supporting a vibrant CBD. The desirability of Development Contributions may be revisited once the Heretaunga Plains Urban Development Strategy review is complete.	Low	That the number of subdivisions actioned are higher or lower than the annual forecast Council funds infrastructure in growth areas and growth does not eventuate.	Possible	Moderate Slower subdivision rates than projected will impact the revenue from Development Levies/ Financial Contributions and consents and may result in some of the cost of providing the development being met by ratepayers	Council will manage the financial implications as far as possible by monitoring subdivision approvals and timing.
THREE WATERS					
The Government is reviewing how to improve the regulation and supply arrangements of drinking water, wastewater and stormwater. While there is still significant uncertainty about the outcomes of the review, it is assumed that Council will deliver Three Waters services over the life of the LTP.	High	It is highly likely that new regional entities will be established to take responsibility for waste water and water supply during the period of this plan. It has been signaled that Stormwater is to be included but the scope of this is not decided.	Likely	Major With the Government's focus on the three waters reform it is possible in the long term that local authorities will no longer be responsible for these activities.	Council has signed the Three Waters Memorandum of Understanding which will ensure we keep abreast of policy and legislative developments and should be able to plan for any financial and procedural impacts.
WATER STANDARDS					
The Government has produced Exposure Drafts for the new Drinking Water Standards. It is expected that these will go through largely unchanged and this will have implications on treatment and monitoring for the supply	High	It is highly likely that Council will need to comply with the new standards within one year of the new standards coming into force. This is likely to force Council to provide additional treatment at all bores. If this is not achieved the supply could become non-compliant and further action from the regulator could result.	Likely	Major This leads to discussion around short and long term options for configuration of councils supply. I.e. implementing short term treatment solutions at existing bore sites or fast tracking outcomes for Councils Water Master Plan and providing a robust solution that provides for a resilient, future proofed network.	Council is progressing with some of the required improvements as part of the 3W Reform Tranche 1 funding which will start Council on the journey. Additionally alternatives are being provided in the LTP to determine which is the best way forward.

Assumption	Level of Uncertainty	Risk	Risk Likelihood	Consequence of uncertainty/ risk on the integrity of the LTP	Mitigation
COVID-19 ALERT LEVELS AND BORDER RESTRICTIONS					
This plan assumes that New Zealand is able to contain any further significant community transmission of COVID19, and remains at Alert Level 1 throughout 2021. It is assumed that vaccination of essential staff and border workers will begin in the second quarter of 2021, and vaccination of the general public to begin in the second half of the year. As in the Pre-election Update, border restrictions are assumed to start easing from 1 July 2021 and to be lifted on 1 January 2022. Is it predicted that international visitor numbers will not recover to pre-COVID-19 levels until 2023.	Moderate	That significant community transmission is detected either in New Zealand or in Hawke's Bay, and the New Zealand Government moves either the whole country or the Hawke's Bay region is subject to further lockdowns and restrictions on movement. This would impact upon both Council activities and services, and the emotional, physical and financial wellbeing of our community.	Possible	Major A majority of Council's workforce be required to work from home. Essential service personnel working (predominantly out of Napier City Council's depot, but also including staff at specific facilities like the Aquarium) would be require increased levels of PPE and possibly need to change times and places of work in order to effectively socially distance. Both situations would disrupting business and usual and reduce productivity. Staff time and resources would likely need to be diverted to helping residents in acute difficulty due to business closures, job losses or poor health. Initiatives may include rates remissions/ postponements, support for social services, emergency funding and welfare calls and visits.	Napier City Council can mitigate impacts on organisational productivity to an extent by having a workforce equipped to quickly transition to working from home. Napier City Council will take a continuous improvement approach to emergency preparedness and business continuity planning. There is a national vaccine programme being undertaken to reduce the level of infection across the community in the future.
COVID-19 ECONOMIC RECOVERY					
While the COVID-19 restrictions saw a quarterly decline in GDP of 12.2% in the June quarter of 2021, recovery has been swift. This plan assumes New Zealand's economy recovers to pre-COVID-19 levels of activity by early 2022, as per the Reserve Bank's Monetary Policy Statement of November 2020. It is assumed that the national unemployment rate will peak at a forecast 6.9% by the end of 2021. Once border restrictions are eased and economic activity continues to recover, the unemployment rate is forecast to fall gradually, reaching 4.0% by the end of 2025, as per the Half Year Economic and Fiscal Update (December 2020) from The Treasury.	High New Zealand's economic outlook is highly uncertain and will be dependent on global health outcomes and the return of international tourism.	The risks are twofold; that GDP recovery is slower than anticipated and/or that the peak national unemployment rate exceeds 6.9%.	Possible	Moderate If GDP recovery is slower than predicted, the Napier community could face longer periods of lower incomes, high unemployment and low investment. This impacts on people's ability to pay rates, reduces revenue for Council-owned business and tourism activities and could stagnate new residential development and business innovation. Projected rates rises may need to be revisited, or significant capital projects either rescheduled, rephrased or alternative funding sought.	Preparing an annual budget and resetting rates combined with a triennial review of the LTP mitigates this risk and potential effects.

Assumption	Level of Uncertainty	Risk	Risk Likelihood	Consequence of uncertainty/ risk on the integrity of the LTP	Mitigation
COVID-19 IMPACTS ON COUNCIL BUDGET					
No significant financial impacts have been noted from Covid-19 in the LTP. This is based on actual results since the pandemic closures began in March 2020 when local and national visitor numbers have increased and offset most of the international gap.	Moderate There has been very little financial impact on the tourism business units since returning to COVID19 Alert Level 1	NZ returns to COVID19 alert level 4 for a considerable period of time. That international visiting groups that are booked at the Municipal Theatre are unable to enter the country due to restrictions. That Alert Levels impact on conferences and events being held at the Napier War Memorial Centre.	Possible	Major ($1m-$5m) A return to COVID19 alert level 3 or 4 would impact the tourism business units (depending on the period of the lockdown). Lower visitor numbers would result in lower revenue	Council can use loan funding to minimize any financial impact and/ or reduce levels of service.
HAWKE'S BAY REGIONAL AIRPORT					
It is assumed that Hawke's Bay Airport will not experience any further significant reductions in passenger numbers as a result of COVID19 travel restrictions, however will continue to operate at a loss for 2020/21 and 2021/21 and mean that shareholders do not receive dividends for the foreseeable future. The Hawke's Bay Airport Statement of Intent for the 2021 Financial Year states that "HBAL is forecasting losses for the first two years of the post Covid-19 recovery period which makes the prospect of any dividend payments unlikely until FY2022/23". Napier City Council's forecast anticipates that dividend payments will not commence again until 2025.	Low	Community transmission of Covid19 resulting in further lockdowns within the community, reducing traveller numbers and extending the period of time during which the airport continues to operate at a loss.	Possible	Moderate Napier City Council holds a 26% share in the airport along with the Crown and Hastings District Council, and usually receives an annual dividend. In 2019, the total dividends paid was $577,990, however no dividends were paid in 2020 due to the economic impact of COVID19. The Airport is predicting that further dividends will not be payable until 2022/23; Napier City Council has taken a more conservative approach and is not anticipating dividend payments until 2025. Future lockdowns and disruption to tourism could push this timeframe back even further.	New Zealand is implementing stringent border controls for international arrivals to manage the risk of community transmission, and is assumed that public vaccination will begin in the second half of 2021. Napier City Council has not anticipated receiving dividend money until 2025.

Activity Groups and Activities

Supporting documentation for the
2021-31 Long Term Plan Consultation Document

NAPIER
CITY COUNCIL
Te Kaunihera o Ahuriri


OUR ACTIVITY GROUPS
GOVERNANCE AND REPRESENTATION
CITY STRATEGY
WATER SUPPLY
WASTEWATER
STORMWATER
TRANSPORTATION
OTHER INFRASTRUCTURE
COMMUNITY AND VISITOR EXPERIENCES
PROPERTY ASSETS
NAPIER CITY COUNCIL - 2021-31 LTP SUPPORTING DOCUMENT | ACTIVITY GROUP STATEMENTS 1

GOVERNANCE AND
REPRESENTATION

In this section:

The Governance and Representation Activity Group is comprised of the following activities:

- Democracy and Governance; and
- Te Waka Rangapū.

These Activities have been grouped together because they both centre on ensuring NCC is open, transparent and accountable, and is trusted by the community, including mana whenua and tangata whenua.

Democracy and Governance

What we do and why

The Democracy and Governance Activity provides administrative services and specialist advice to support NCC's governance and democratic processes. To achieve this, the Activity undertakes the following:

- Administrative support and governance advice for Council and Committee meetings and decision making processes
- Induction, advice and support for elected members
- Governance advice for management and staff
- Local elections support
- Civic ceremonies
- Compliance with the Local Government Official Information and Meetings Act 1987
- Privacy Act 2020 advice and support

According to the LGA 2002, a fundamental role of Council is provide "democratic and effective local government that recognises the diversity of New Zealand communities". The Democracy and Governance Activity aims to empower Elected Members to make decisions, guided by the community, that promote wellbeing and steward our assets and environment.

Where to next?

The Democracy and Governance Activity supports daily operations across NCC based on the triennial cycle of local government (including local elections and induction of newly elected members). Below are significant proceedings that will require additional governance services:

- Three Waters Reform
- Representation Review (2023)
- District Plan Review (and Resource Management Act 1991 amendments)

Te Waka Rangapū

What we do and why

NCC has an obligation to ensure mana whenua and tangata whenua can meaningfully engage with, and inform, Council decisions. We strive to ensure that mātauranga Māori (Māori knowledge) is embedded in the day-to-day, and strategic decisions made by Council in relation to the future of Ahuriri (Napier).

NCC is in constant dialogue with Te Taiwhenua o Te Whangaui-a-Orotū as the representative body for Ngāti Kahungungu and Post-Settlement Governance Entities Maungaharuru-Tangitū Trust and Mana Ahuriri Trust.

We seek to continually improve our approach to partnership with Māori in order to amplify Māori voices in discussions about the wellbeing of our people and environment. This is why NCC has established a standalone LTP Activity, Te Waka Rangapū, for the first time for LTP 2021-31, with the intention that we elevate work around relationship building and increasing cultural competency to the same level as any other work we do around the organisation.

Where to next?

In order to strengthen our partnership approach with mana whenua and tangata whenua, Te Waka Rangapū will:

- Manage governance relationships with NCC's Māori Committee; including capacity and capability of Committee members;
- Create more diverse pathways for the Māori Community to engage and participate in NCC's decision-making processes;
- Uplift the collective cultural capability of NCC's operations to appropriately partner with mana whenua and engage with Māori; and
- Promote Māori culture to Napier City and enabling mana whenua to exercise their cultural values.

Contribution to Wellbeings and Community Outcomes

Activity	Wellbeings	Our water is clean and safe	Our services and infrastructure meet our community's needs	Our community is connected, safe, healthy and resilient	We are a city that thrives with its community	We treasure our culture, our heritage, our environment	Our community and Council are one
Democracy and Governance							❶
Te Waka Rangapū							❶

Key: ❶ = Primary focus ❷ = contributes to = Social Wellbeing = Cultural Wellbeing = Economic Wellbeing = Environmental Wellbeing

Performance Measures

Activity	Level of service	Performance measures	2019/20 Actual	Year 1 2021-22	Year 2 2022-23	Year 3 2023-24	Years 4 - 10 2024-2031
Democracy and Governance	Council holds regular Council and Council Committee meetings that are accessible and notified to the local community.	Percentage of Council meetings for which meeting agenda is made publicly available two working days before the meeting date	100%	100%	100%	100%	100%
	Council will comply with legislative requirements	Annual Reports and Long Term Plans receive 'unmodified' audit opinion	Achieved	Achieved	Achieved	Achieved	Achieved
		Number of LGOIMA requests responded to within statutory time frames	100%	100%	100%	100%	100%
Te Waka Rangapū	We are strengthening our partnerships and recognise the special place of mana whenua and tangata whenua in Council decision-making	Legislative compliance with ss 14(1)(d), 60A, 77(1)(c), 81 and 82(2) of the Local Government Act 2002	Compliant	Compliant	Compliant	Compliant	Compliant
		Development of a Māori Engagement framework	New measure - no previous target	Narrative Measure	Narrative Measure	Narrative Measure	Narrative Measure

Risks

The key risk for the Democracy and Governance Activity is failing to meet minimum legislative obligations around Local Government Official Information and Meetings Act 1987 timeframes.

For Te Waka Rangapū, a spirit of openness and trust between NCC and mana whenua/Māori is fundamental for enduring and effective relationships. Under resourcing, ineffective engagement and poor cultural fluency on behalf of staff can all pose a risk to relationship maintenance and building.

Significant Negative Effects

There are no significant negative effects associated with the Activities in this Activity Group.

Financial Information

This Activity Group does not have capital expenditure.

Funding Impact Statement (Governance and Representation)

AP 2020/21 $000		LTP 2021/22 $000	LTP 2022/23 $000	LTP 2023/24 $000	LTP 2024/25 $000	LTP 2025/26 $000	LTP 2026/27 $000	LTP 2027/28 $000	LTP 2028/29 $000	LTP 2029/30 $000	LTP 2030/31 $000
	Sources of operating funding										
4,685	General rates, uniform annual general charges, rates penalties	4,245	5,021	5,417	5,463	5,697	5,852	5,936	6,175	6,349	6,392
-	Targeted rates	-	-	-	-	-	-	-	-	-	-
-	Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
-	Fees and charges	-	-	-	-	-	-	-	-	-	-
-	Internal charges and overhead recoveries	-	-	-	-	-	-	-	-	-	-
-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-
4,685	**Total operating funding (A)**	**4,245**	**5,021**	**5,417**	**5,463**	**5,697**	**5,852**	**5,936**	**6,175**	**6,349**	**6,392**
	Applications of operating funding										
-	Payments to staff and suppliers	371	382	391	401	411	421	432	444	456	468
-	Finance costs	-	-	-	-	-	-	-	-	-	-
4,685	Internal charges and overheads applied	3,874	4,639	5,026	5,062	5,286	5,431	5,504	5,731	5,893	5,924
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
4,685	**Total applications of operating funding (B)**	**4,245**	**5,021**	**5,417**	**5,463**	**5,697**	**5,852**	**5,936**	**6,175**	**6,349**	**6,392**
-	**Surplus/(deficit) of operating funding (A - B)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Sources of capital funding										
-	Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
-	Development and financial contributions	-	-	-	-	-	-	-	-	-	-
-	Increase/(decrease) in debt	-	-	-	-	-	-	-	-	-	-
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
-	**Total sources of capital funding (C)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

AP 2020/21 $000		LTP 2021/22 $000	LTP 2022/23 $000	LTP 2023/24 $000	LTP 2024/25 $000	LTP 2025/26 $000	LTP 2026/27 $000	LTP 2027/28 $000	LTP 2028/29 $000	LTP 2029/30 $000	LTP 2030/31 $000
	Application of capital funding										
	Capital expenditure										
-	- to meet additional demand	-	-	-	-	-	-	-	-	-	-
-	- to improve the level of service	-	-	-	-	-	-	-	-	-	-
-	- to replace existing assets	-	-	-	-	-	-	-	-	-	-
-	Increase (decrease) in reserves	-	-	-	-	-	-	-	-	-	-
	Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
-	**Total application of capital funding (D)**	-	-	-	-	-	-	-	-	-	-
-	**Surplus/(deficit) of capital funding (C - D)**	-	-	-	-	-	-	-	-	-	-
-	**Funding balance ((A-B) + (C-D))**	-	-	-	-	-	-	-	-	-	-
	Note: Excluded from Above										
-	Group Depreciation & Amortisation	-	-	-	-	-	-	-	-	-	-

The Funding Impact Statement (FIS) is provided in accordance with Schedule 10 of the Local Government Act. The FIS is intended to make the sources and applications of Council funds in a more transparent manner than might be the case if only the usual GAAP financial statements were provided.

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CITY
STRATEGY

In this section:

The City Strategy Activity Group is comprised of the following activities:

- City Development;
- Building Consents;
- Resource Consents;
- Regulatory Solutions;
- Animal Control, and
- Parking.

These Activities have been grouped together due to their regulatory and strategic focus, ensuring our city is a safe and vibrant place to live, work and play.

City Development

What we do and why

City Development is the means by which we plan and deliver urban and economic growth strategically and sustainably. We assess and decide how our built and natural environment will be developed and how that process will be managed. We take into consideration Napier's historic heritage and incorporate design, functionality and aesthetics into all our city developments and projects. We guide our investment in infrastructure so it is efficiently located and caters for the planned growth of the city.

City Development also delivers planning and policy functions by meeting the statutory requirements under the Resource Management Act 1991 (RMA 1991) and other relevant legislation. We provide professional, strategic, clear and frank advice to our Councillors so that they can make informed decisions that will benefit our city and community now and in the future.

The City Development team aims to create a great urban environment, promoting heritage protection, ecological excellence, sustainable transport and good urban design throughout the city, which will result in a well-connected, vibrant and liveable city.

We perform the important function of enabling the city and the economy to grow while making a vibrant, resilient and functional city.

Where to next?

City Development's work programme will follow legislative requirements and the implementation of the Napier City Vision. This includes a strategic programme for activating specific spaces in the city (pop-up spaces), implementing the placemaking strategy, integrating urban design guidelines for all developments in the City to achieve good quality urban design and an attractive urban environment with high amenity value.

Other items included in the work programme include:

- Napier District Plan Review;
- Inner Harbour Plan;
- Civic Precinct Spatial Plan;
- Coastal Hazards Strategy implementation;
- Heretaunga Plains Urban Development Strategy review, and
- City Activation Projects.

Building Consents

What we do and why

The core functions of our Building Consents team comprise of processing building consent applications, inspecting building work on site and issuing code compliance certificates at the completion of building work.

Additional to the core functions, we also inspect swimming pool barriers, audit Building Warrants of Fitness, investigate complaints, carry out enforcement action when required and provide advice and information to the public on building related issues.

These functions fulfil Council's responsibilities with respect to the administration and management of the Building Act 2004, while ensuring a healthy and safe built environment within Napier.

Where to next?

There are currently no indications that the sustained period of high activity in the building sector is going to decrease in the short to medium term. As a result, there is likely to be continued high demand on the Building Consents team.

In order to minimise the impact of this high demand we are looking to expand our processing of building consent applications for other Councils using the same AlphaOne electronic building consent system. This means that we can bring in more staff to meet high demand, and in quieter periods, these team members can generate revenue by helping other Councils process their consents.

Resource Consents

What we do and why

The Resource Consents team are responsible for the assessment and determination of proposed developments or activities and monitoring compliance with relevant legislated requirements and/or Notices of Decision.

The work undertaken by resource consenting is legislated under the RMA 1991 and at times under the LGA 2002 and the Hazardous Substances and New Organisms Act 1996 (HSNO 1996).

Resource consenting provides pre-application advice to the public, undertakes the assessment of applications lodged under the RMA 1991 or the LGA 2002, determines notification requirements (where applicable) and makes decisions on applications.

Additional tasks related to the consenting process include compliance monitoring, which takes place when a complaint is received for possible offenses under the RMA 1991.

The purpose of resource consenting is to assess the potential effects the proposed activity and/or subdivision may have with regard to ecological, cultural and social considerations, community values and significance of such effects.

Where to next?

As the activity responsible for the administration of the District Plan and associated legislation, we will continue to manage the development control process and monitoring processes within the framework of Council policies and the regulatory requirements of the RMA 1991.

Regulatory Solutions

What we do and why

Regulatory Solutions are responsible for licensing, monitoring and inspecting a range of services that are provided largely by local businesses, which have the potential to cause harm to the public. Our work is determined by legislation such as the Local Government Act, Sale and Supply of Alcohol Act, Health Act, and the Food Act, as well as related regulations and Council-set bylaws.

The sectors we regulate include food premises, camping grounds, hairdressers, funeral directors, offensive trades, and liquor licensing services.

In addition, Council is responsible for investigating notifiable diseases, investigating and monitoring nuisance to the community, providing a noise control service, and monitoring and enforcing freedom camping. Regulatory Solutions undertakes the regulatory functions of the Dog Control Act 1996 on behalf of Animal Control.

Regulatory Solutions provides advice, education and assistance to individuals and businesses to help them comply. We also take enforcement action where required to ensure the safety and wellbeing of the public.

The activities fulfil Council's legal responsibilities as a regulator. The Council is obliged to follow the direction and intent of the relevant legislation and must generally act as an impartial decision maker weighing the evidence placed in front of it by the parties. To the extent possible, Council is required to separate its regulatory functions from the other activities it is involved in.

Where to next?

Regulatory Solutions will continue to license, monitor and inspect as required by bylaws and legislation over the period of this plan. We continue to monitor any changes in legislation which affect what we do and how we work, and internal processes are regularly reviewed to ensure we remain a high-performing and cost effective team.

Animal Control

What we do and why

Animal Control is responsible for the implementation and enforcement of the Dog Control Act 1996 and Council Bylaws relating to this Act. A large proportion of the work of the Animal Control team is responding to public safety issues and taking necessary action to keep people and dogs safe following an incident. To prevent these incidents from occurring, the Animal Control team proactively patrol reserves and beaches, parks and playgrounds to ensure compliance with the Act and Napier City's Dog Control Policy.

Educating people is a big part of what the team do to promote a culture of responsible dog ownership in Napier.

A dog pound is operated by Council and acts as a safe holding place for dogs. Those dogs that are suitable to be rehomed are held at the pound until their new home can be found. Animal Control operate the animal shelter caring for any impounded dogs, which cares for an average of 500 dogs per year.

The team also maintain the Park Island and Taradale dog agility parks, the dog shower at Park Island, and keep the poo-bag dispensers around our city topped up.

Animal Control ensures a safe and healthy environment for the public, aiming to improve public safety and reduce risk of harm, injury or nuisance from dogs in our community.

Where to next?

A key area of focus for Council for Animal Control over the next 10 years is ensuring that our animal control facility is fit for purpose and continues to meet animal welfare requirements. A key capital project is planned, with the potential options being an upgrade of the existing facility or a proposed new facility. The objective of this project is to establish an animal control facility, either by modification of the existing facility or a new build that is fit for purpose. Key requirements include:

- to meet health and safety requirements for staff;
- to increase animal welfare / meet welfare requirements;
- to allow for our facilities to cater for puppies, and
- to address concerns with ongoing maintenance cost for the existing facility and to provide for future facility requirements.

Parking

What we do and why

Parking has a major influence on the function, look and feel of an inner city. We provide parking so that goods can be delivered and workers, customers, clients and inner-city residents can readily access the CBD. There is always a balance between meeting the demand for parking convenience (the desire for lots of parks right next to the shops, businesses and places of work that people want to get to) and the need to create a compact, intimate CBD that cultivates business, social and cultural interaction.

Council achieves this balance by providing a range of parking options to suit the various ways people wish to engage with the CBD.

On Street Parking;

- Off Street Parking;
- Leased Parking;
- Mobility Parking, and
- Alternative Transport Parking e.g. motorcycle, bikes and electric vehicles.

All Council-controlled parking areas are patrolled regularly to ensure people are complying with the parking rules set by the Napier City Council Parking Control Bylaw.

Parking Officers also respond to hotspots, city events, and complaints when required. Regular patrolling and enforcement ensures that parking circulation occurs, and parking remains available to all members of the public. It also ensures that vehicles are parked in a safe and compliant manner.

We seek to achieve an efficient (not wasteful) use of parking resources, provide easy access and payment for parking, reduce pressure on parking, resolve parking conflicts and deal with social equity in the provision of parking for people on low incomes.

Where to next?

A key capital project is planned to replace the existing parking hardware in Napier and Taradale CBD, scheduled to commence in year one of this plan.

The parking equipment at NCC is near end of life and outdated. Parking enforcement is resource heavy and does not support wider city assistance. Regional alignment with Hastings District Council parking technology is preferred.

The objective of the proposed parking technology upgrade project are:

- To replace old metering hardware;
- To transition to pay-by-plate metering technology;
- To streamline enforcement efforts through the use of technology, and
- To enable real-time data to support analysis and reporting functions.

Contribution to Wellbeings and Community Outcomes

Activity	Wellbeings	Our water is clean and safe	Our services and infrastructure meet our community's needs	Our community is connected, safe, healthy and resilient	We are a city that thrives with its community	We treasure our culture, our heritage, our environment	Our community and Council are one
City Development			2	2	1	2	2
Building Consents			2				1
Resource Consents			2	2	2	1	2
Regulatory Solutions			2	1			2
Animal Control			2	1		2	2
Parking			1	2	2		2

Key: 1 = Primary focus 2 = contributes to = Social Wellbeing = Cultural Wellbeing = Economic Wellbeing = Environmental Wellbeing

Performance Measures

Activity	Level of service	Performance measures	2019/20 Actual	Year 1 2021-22	Year 2 2022-23	Year 3 2023-24	Years 4 - 10 2024-2031
City Development	Provide the policy planning and strategic functions for Napier City	District Plan reviewed to align with Napier Spatial Plan document and the Infrastructure Strategy	N/A	50% Draft Napier District Plan is publicly notified.	70% Proposed District Plan Publicly Notified	90% Decisions on Napier Proposed District Plan	100% Appeals to Proposed District Plan resolved and Council adoption of PDP
		Review HPUDS strategy	N/A	50% Reporting on the housing assessment capacity for Napier	100% Identify long term growth areas for Napier	100% Incorporate growth areas in the District Plan	100% HPUDS implementation continues
	Provide the strategic economic development function for Napier City	Publication of data to measure success of council objectives and inform future decision-making.	N/A	80% Publication of data dashboard	90% Refine data dashboard to accommodate for community needs	100% Monitor dashboard and use data to inform decision making across all Council	100% Continue monitoring and update data if needed
Building Consents	Council monitors and enforces legislative compliance to protect its citizens and their safety	Process building consent applications within the statutory time frame of 20 working days.	100%	100%	100%	100%	100%
		Process code compliance certificates within the statutory time frame of 20 working days.	100%	100%	100%	100%	100%
		Audit buildings requiring building warrants of fitness annually.	22%	20%	20%	20%	20%
		Percentage of residential swimming pools inspected annually to ensure that all pool barriers are inspected at least once every 3 years.	61%	33%	33%	33%	33%
		Maintain Building Consent Authority (BCA) accreditation.	Maintained	Maintain	Maintain	Maintain	Maintain

Activity	Level of service	Performance measures	2019/20 Actual	Year 1 2021-22	Year 2 2022-23	Year 3 2023-24	Years 4 - 10 2024-2031
Resource Consents	Council monitors and enforces legislative compliance to protect its citizens and their safety	Process non-notified resource consents (excluding Controlled Activities) and all subdivision consents to approval stage, within the statutory time frames of 20-working days	99% (193 out of 194)	100%	100%	100%	100%
		Process Controlled Activity Resource Consents (excluding subdivision) within 10-working days	100% (8 out of 8)	100%	100%	100%	100%
		Process notified Resource Consents within the statutory time frames of 130-working days	(0 out of 0)	100%	100%	100%	100%
		Process limited notified Resource Consents within 100-working days	100% (1 out of 1)	100%	100%	100%	100%
		Land information Memorandums to be processed within the statutory limit of 10-working days	100% (308 out of 308)	100%	100%	100%	100%
		All formal complaints are investigated and responded within 3 days of receipt by Council	100% (43 out of 43)	100%	100%	100%	100%
Regulatory Solutions	Council monitors and enforces legislative compliance to protect its citizens and their safety	Percentage of residents satisfied with Council management and enforcement of Noise Control in the Resident's Satisfaction Survey	76%	80%	80%	80%	80%
		Percentage of Noise Control complaints referred to the contractor which have an Officer onsite and action commenced to resolve the complaint within 30 minutes of the call being received.	94%	80%	80%	80%	80%
		Percentage of residents satisfied with Council management and enforcement of freedom camping in the Resident's Satisfaction Survey	61%	50%	50%	50%	50%
		Percentage of Food Act Verification audits completed in accordance with the scheduled times in the Food Act 2014	95%	100%	100%	100%	100%
		Percentage of liquor licence premises inspected annually for compliance with their licence conditions	84%	50%	50%	50%	50%
		Percentage of very high and high risk liquor licensed premises inspected at least annually	100%	100%	100%	100%	100%
Animal Control	Implement and enforce the requirements of the Dog Control Act 1996	Percentage of residents satisfied with council management and enforcement activity of Animal Control in the Residents' satisfaction Survey.	75%	75%	75%	75%	75%
		All requests for services are investigated and responded to within 21 days	100%	100%	100%	100%	100%

Activity	Level of service	Performance measures	2019/20 Actual	Year 1 2021-22	Year 2 2022-23	Year 3 2023-24	Years 4 - 10 2024-2031
Parking	Provide and manage parking facilities for the city	Percentage of residents satisfied with Parking in the Inner city in the Resident's Satisfaction Survey	48%	60%	60%	60%	60%
		Percentage of residents satisfied with Parking in the Suburbs in the Resident's Satisfaction Survey	58%	65%	65%	65%	65%
		Percentage of CBD parking occupancy rate	75%	50 - 85%	50 - 85%	50 - 85%	50 - 85%
		Percentage of Taradale parking occupancy rate	57%	50 - 85%	50 - 85%	50 - 85%	50 - 85%

Risks

Failure by Council to effectively monitor and enforce legislation could impact the health, safety and wellbeing of the community. It is vital that Council continues these activities to a high standard to ensure the public good that is intended from the legislation is delivered.

As an enforcement activity, there can be risk of harm to our staff from being out in various unfamiliar environments with potentially dangerous animals or unhappy members of the public. We mitigate this risk through communication devices and a process should an incident occur. All incidences are reported, recorded, investigated and appropriate action is taken as required.

Change to the legislation is a risk which crosses all activities in this group. Ensuring our staff have adequate knowledge and training to bring them up to speed with the changes, and requirements for new software or equipment adds additional costs and pressure on resources.

Loss of city vibrancy is a risk that relates to the loss of opportunity to provide the "best city" rather than just a "good city". Sometimes commitments and investment need to be made early to achieve the desired change, and this can be hard to communicate to the community. The City Vision document was developed to make Napier the "best city", with the aim that Council apply the principles to all projects and services we deliver.

There is a risk that Napier could outgrow our space, infrastructure, and resources. This could be population growth, household growth, and economic growth. If growth was to occur at a different rate than expected various negative effects could occur, such as house prices rising at higher rates due to low land availability. Close monitoring of growth and flexibility to make changes as required will mitigate this risk.

As a coastal city, climate change could have greater impacts to us with the risk of sea level risk and inundation. The development of the 100 year Coastal Strategy will mitigate the impact of climate change.

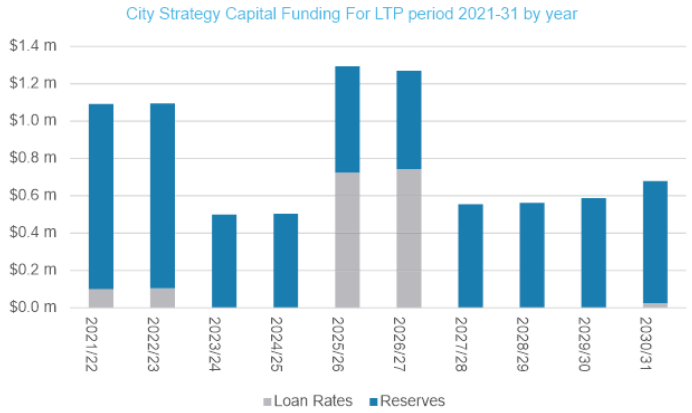
We have a risk of legal challenge to decisions we make in the regulatory, resource consents, and building consents space. This could be costly for Council, with both financial and reputational risk. Our policies and processes mitigate this risk, ensuring everything is thoroughly documented and decisions are made by authorised and experienced personnel.

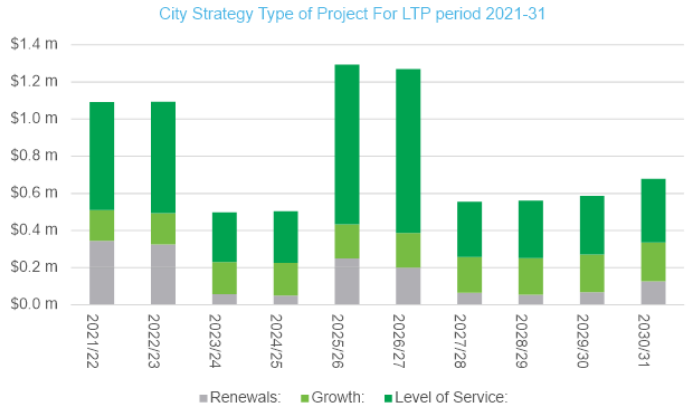
Significant Negative Effects

An environmental effect of this activity is the pressure that may be placed on natural environments with changes to the landscape through consents. This is partially offset by the benefits to the community of development, and is managed through effective planning and balancing of priorities.

Financial Information

The following graphs show the budget for operation and capital.





Capital Expenditure (City Strategy)

Funding		Project Name	LTP 2021/22 $000	LTP 2022/23 $000	LTP 2023/24 $000	LTP 2024/25 $000	LTP 2025/26 $000	LTP 2026/27 $000	LTP 2027/28 $000	LTP 2028/29 $000	LTP 2029/30 $000	LTP 2030/31 $000	Renewals %	Growth %	Level of Service %
Loan Rates %	Reserve %														
		Animal Control													
-	100	Agility Tracks	20	-	-	-	22	-	-	-	-	26	100	-	-
-	100	Complex Shelter & Office	30	21	32	22	56	23	36	24	38	62	100	-	-
100	-	New Impounding Facility	100	103	-	-	724	743	-	-	-	26	20	-	80
-	100	Stock Control Equipment	2	2	2	5	2	2	2	6	2	3	-	-	100
		Total Animal Control	**152**	**126**	**34**	**27**	**804**	**768**	**38**	**30**	**40**	**117**			
		Parking													
-	100	Additional CBD Parking	400	412	423	434	445	457	470	483	497	510	-	40	60
-	100	Minor Capital Items	15	15	16	16	17	17	18	18	19	19	-	27	73
-	100	Parking Equipment Replacement	25	26	26	27	28	29	29	30	31	32	100	-	-
-	100	Parking Security Upgrade	500	515	-	-	-	-	-	-	-	-	50	-	50
		Total Parking	**940**	**968**	**465**	**477**	**490**	**503**	**517**	**531**	**547**	**561**			
		Total City Strategy Capital Programme	**1,092**	**1,094**	**499**	**504**	**1,294**	**1,271**	**555**	**561**	**587**	**678**			

Funding Impact Statement (City Strategy)

AP 2020/21 $000		LTP 2021/22 $000	LTP 2022/23 $000	LTP 2023/24 $000	LTP 2024/25 $000	LTP 2025/26 $000	LTP 2026/27 $000	LTP 2027/28 $000	LTP 2028/29 $000	LTP 2029/30 $000	LTP 2030/31 $000
	Sources of operating funding										
4,542	General rates, uniform annual general charges, rates penalties	5,010	5,366	5,513	5,588	5,729	5,991	6,141	6,312	6,542	6,733
267	Targeted rates	295	301	306	312	317	323	329	336	343	350
400	Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
5,139	Fees and charges	5,353	5,508	5,646	5,787	5,932	6,080	6,238	6,407	6,580	6,751
219	Internal charges and overhead recoveries	200	206	211	217	222	228	234	240	246	253
1,100	Local authorities fuel tax, fines, infringement fees, and other receipts	1,503	1,523	1,540	1,557	1,587	1,594	1,631	1,647	1,657	1,678
11,667	**Total operating funding (A)**	**12,361**	**12,904**	**13,216**	**13,461**	**13,787**	**14,216**	**14,573**	**14,942**	**15,368**	**15,765**
	Applications of operating funding										
8,827	Payments to staff and suppliers	8,477	9,173	9,149	8,990	8,863	8,698	8,919	9,159	9,389	9,658
-	Finance costs	-	-	-	-	-	-	-	-	-	-
4,215	Internal charges and overheads applied	4,984	5,132	5,413	5,518	5,686	5,910	6,055	6,189	6,399	6,534
-	Other operating funding applications	10	10	10	10	10	10	10	10	10	10
13,042	**Total applications of operating funding (B)**	**13,471**	**14,315**	**14,572**	**14,518**	**14,559**	**14,618**	**14,984**	**15,358**	**15,798**	**16,202**
(1,375)	**Surplus/(deficit) of operating funding (A - B)**	**(1,110)**	**(1,411)**	**(1,356)**	**(1,057)**	**(772)**	**(402)**	**(411)**	**(416)**	**(430)**	**(437)**
	Sources of capital funding										
-	Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
-	Development and financial contributions	-	-	-	-	-	-	-	-	-	-
-	Increase/(decrease) in debt	100	103	-	-	724	743	-	-	-	26
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
-	**Total sources of capital funding (C)**	**100**	**103**	**-**	**-**	**724**	**743**	**-**	**-**	**-**	**26**

Annual Plan 2017/18 $000		Forecast 2018/19 $000	Forecast 2019/20 $000	Forecast 2020/21 $000	Forecast 2021/22 $000	Forecast 2022/23 $000	Forecast 2023/24 $000	Forecast 2024/25 $000	Forecast 2025/26 $000	Forecast 2026/27 $000	Forecast 2027/28 $000
	Application of capital funding										
	Capital expenditure										
404	- to meet additional demand	164	169	173	178	183	187	193	198	204	209
613	- to improve the level of service	583	600	267	278	861	883	297	309	314	343
50	- to replace existing assets	345	324	58	49	251	200	65	54	68	126
(2,442)	Increase (decrease) in reserves	(2,102)	(2,401)	(1,854)	(1,562)	(1,343)	(929)	(966)	(977)	(1,016)	(1,089)
	Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
(1,375)	**Total application of capital funding (D)**	**(1,010)**	**(1,308)**	**(1,356)**	**(1,057)**	**(48)**	**341**	**(411)**	**(416)**	**(430)**	**(411)**
1,375	**Surplus/(deficit) of capital funding (C - D)**	**1,110**	**1,411**	**1,356**	**1,057**	**772**	**402**	**411**	**416**	**430**	**437**
-	**Funding balance ((A-B) + (C-D))**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Note: Excluded from Above										
303	Group Depreciation & Amortisation	381	428	475	472	509	476	521	594	627	662

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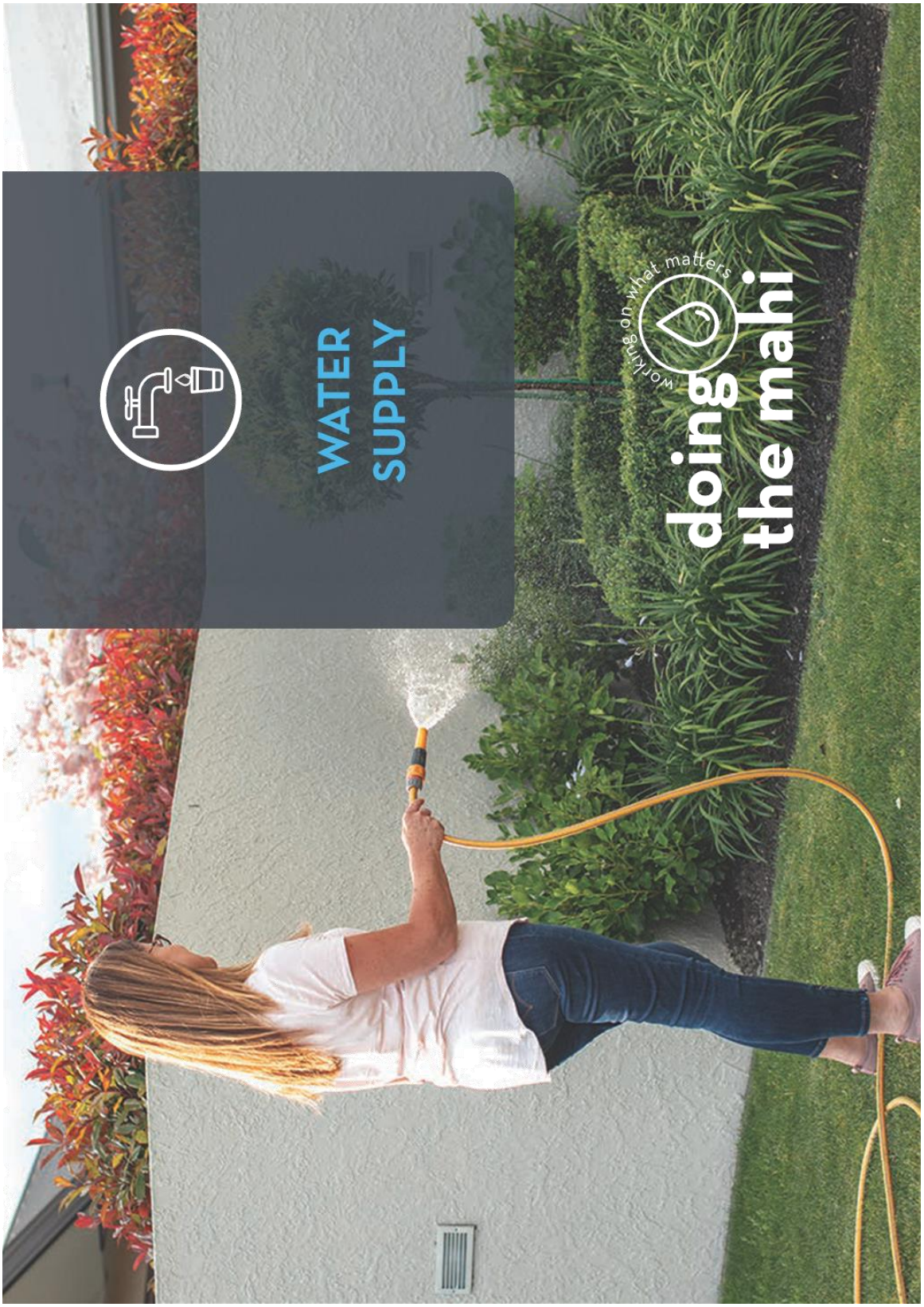

doing the mahi
working on what matters
WATER SUPPLY

The Water Supply Activity Group is one of the five mandatory groups required by Schedule 10 clause 2 of the Local Government Act 2002.

What we do and why

Council provides a water supply system for the supply of safe potable water as well as for firefighting purposes. A safe and cost -effective drinking water supply is a key factor in sustaining the physical health of a community.

Our system draws water directly from the Heretaunga Plains aquifer through seven Council-managed bores. The network utilises nine booster pump stations, and approximately 482km of water mains to supply fresh water to over 93% of Napier's population. We utilise 11 large storage reservoirs, at high points across the city, to provide both backup water supply and adequate pressure to users. The assets that form the water supply activity include:

- Water sources and bores;
- Booster pump stations;
- Treatment plants, and
- Reticulation mains and pressure valves.

The overarching vision is to maintain and improve public health for our community and visitors. We will do this with modern water infrastructure that can reliably supply safe water to customers, now and in the future. We plan, operate and maintain the network to ensure public health and safety, provide reliable pressure and flow, minimise our impact on the environment and respond quickly should things go wrong.

Where to next?

We need to sustain existing levels of service while managing ageing infrastructure and complying with increasing national drinking water standards. Key initiatives include:

Removing manganese from the water system to resolve concerns about dirty water following the addition of chlorine to the system in 2017: two of our seven source bores contain high manganese levels. Over many years, dissolved manganese has accumulated as a biofilm, lining the inside of the pipe network. The introduction of chlorine in 2017, combined with the turbulence from our pump pressurised network is dislodging the accumulated biofilm into the water. The dislodged manganese is not at levels of concentration to cause health issues but is resulting in taste and odour complaints. An immediate fix is planned through improving the treatment process. A longer-term fix will require finding a new water source for the city and wholesale re-configuration of the network to eliminate pumped pressure

- Ensuring compliance with more stringent water standards through upgrades to our treatment plants

Implementing a robust programme of renewals to ensure our aging infrastructure remains fit for purpose and minimising disruptions

Installing District Metering Areas to understand where the water is leaking from our system to ensure we are conserving and using water efficiently;

Configuring our network to make sure we can keep up with population growth and areas of development across the city: The overall long-term trend is for population over the next 30 years. The current configuration of the water network is not optimal to provide for this. We will need to both, service these areas with new infrastructure, and upgrade our existing network to receive it.

- Providing information and support for the Three Waters Reform programme where required.

Contribution to Wellbeings and Community Outcomes

Activity	Wellbeings	Our water is clean and safe	Our services and infrastructure meet our community's needs	Our community is connected, safe, healthy and resilient	We are a city that thrives with its community	We treasure our culture, our heritage, our environment	Our community and Council are one
Water supply		❶	❷	❷		❷	❷

Key: ❶ = Primary focus ❷ = contributes to = Social Wellbeing = Cultural Wellbeing = Economic Wellbeing = Environmental Wellbeing

Performance Measures

Activity Group	Level of service	Performance measures	2019/20 Actual	Year 1 2021-22	Year 2 2022-23	Year 3 2023-24	Years 4 - 10 2024-2031
Water supply	Safeguard Public Health	Compliance with Part 4 criteria of the Drinking Water Standards (bacteria compliance criteria) (Mandatory measure 1)	Achieved	Achieved	Achieved	Achieved	Achieved
		Compliance with Part 5 criteria of the Drinking Water Standards (protozoa compliance criteria) (Mandatory measure 1)	Achieved	Achieved	Achieved	Achieved	Achieved
	Management of Environmental Impacts	The percentage of real water losses form Council's networked reticulation system as determined through an annual water balance1 (Mandatory measure 2)	17.00%	≤ 22%	Decrease on previous year	Decrease on previous year	Decrease on previous year
		Average annual consumption of drinking water per day per resident (Mandatory measure 5)	428L	<490 L	<470 L	<450 L	<430 L
		Median response times from time notification received: attendance time for urgent call-outs (Mandatory)	16.5 minutes	≤ 90 mins	≤ 90 mins	≤ 90 mins	≤ 90 mins
		Median response times from time notification received: resolution time for urgent call-outs (Mandatory)	1.15 hours	≤ 6 hours	≤ 6 hours	≤ 6 hours	≤ 6 hours



Activity Group	Level of service	Performance measures	2019/20 Actual	Year 1 2021-22	Year 2 2022-23	Year 3 2023-24	Years 4 - 10 2024-2031
Water supply (continued)	Management of Environmental Impacts (continued)	Median response times from time notification received: attendance for non-urgent call outs (mandatory)	0.84 hours	≤ 8 hours	≤ 8 hours	≤ 8 hours	≤ 8 hours
		Median response times from time notification received: resolution time for non-urgent call outs (mandatory)	1.57 hours	≤ 72 hours	≤ 72 hours	≤ 72 hours	≤ 72 hours
	Customer Satisfaction	Total number of complaints per 1,000 connections relating to drinking water clarity	82 complaints per 1000 connections	Downwards trend	Downwards trend	Downwards trend	Downwards trend
		Total number of complaints per 1,000 connections relating to drinking water taste, drinking water clarity, drinking water odour, drinking water pressure or flow and continuity of supply (Mandatory measure 4)	138.70 (Verified) 40.54 (Estimated)	≤ 2	≤ 2	≤ 2	≤ 2
		Percentage of residents satisfied with Water Supply in the Residents' Satisfaction Survey	30%	89%	89%	89%	89%
	Investigation of options for chlorine free network	Complete the 'Chlorine Free Review' report by 2021 and consult with the community on the implementation of the findings	Achieved	Achieved	Achieved	Achieved	Achieved

Risks

Our primary concern will always be ensuring the water we supply to Napier homes is safe and healthy. There is always a risk that our water supply (either in the aquifer or in our pipes and pumps) can be contaminated with bacteria which make people in our community sick, as happened in Havelock North in 2016. We currently mitigate this risk by adding chlorine to our network, which kills any harmful pathogens and disinfects our pipes and reservoirs.

Another key risk for this activity is the potential for pumps to fail, meaning water supply to local homes gets cut off. NCC implements a carefully planned programme of renewals, maintenance and upgrades to ensure as far as possible that this doesn't happen, but if it does, we prioritise getting our team out to reinstate supply.

This plan assumes that NCC retains ownership and management responsibility over our water supply infrastructure, but that could change if central government decides to progress their Three Waters Reforms and transfer assets to a series of multi-regional entities. This creates a risk that this plan is outdated in a relatively short time, and NCC is no longer solely responsible for investment decisions about the water system in its local area. This risk will be worked through as government proposals become clearer. Climate change, particularly sea level rise poses a long-term risk for the ongoing provision of safe drinking water. Sea level rise may lead to salt water intrusion into the Heretaunga Aquifer, affecting groundwater quality and contaminating our main drinking water source. Once salt water has intruded into a fresh water system, it is difficult to reverse the process.

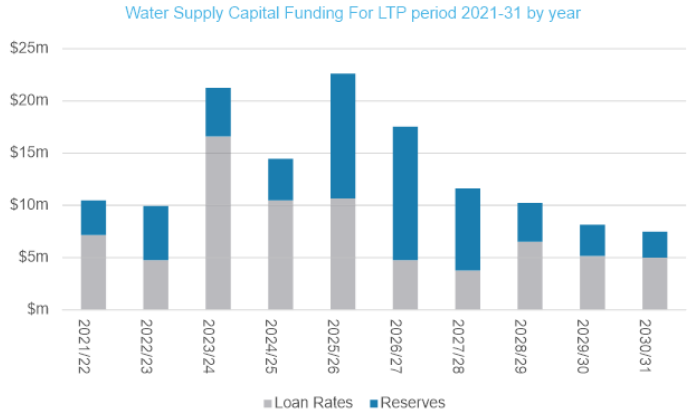
Recent modelling of the water network has confirmed that there is no significant capacity issue in the existing network and its ability to cater for 30-year growth projections however there is always a risk that we aren't able to establish new infrastructure fast enough to keep up with that growth if the projections are too low. Not only that, but Hastings District Council draws its water from the same Aquifer, so as its population grows too, there will be increasing demand on the same water source.

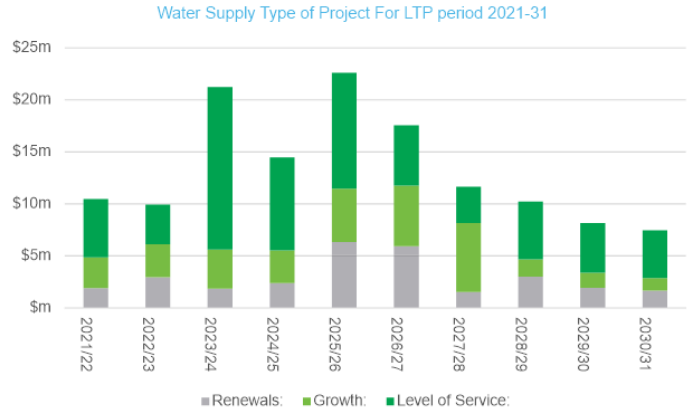
Significant Negative Effects

Water draw-off from the Heretaunga Aquifer leads to lowered aquifer levels. Excessive extraction of water can reduce groundwater levels below sea level to the point that sea water intrudes into the aquifer.

Financial Information

The following graphs show the budget for operation and capital.





Capital Expenditure (Water Supply)

Funding														
Loan Rates %	Reserve %	Project Name	LTP 2021/22 $000	LTP 2022/23 $000	LTP 2023/24 $000	LTP 2024/25 $000	LTP 2025/26 $000	LTP 2026/27 $000	LTP 2027/28 $000	LTP 2028/29 $000	LTP 2029/30 $000	LTP 2030/31 $000	Renewals %	Growth %	Level of Service %
-	100	Awatoto Industrial & Phillips Road Bore	1,000	1,030	-	-	-	-	-	-	-	-	-	100	-
100	-	District Modelling Projects	50	52	53	-	-	40	-	-	43	-	-	-	100
100	-	District Monitoring Project	-	-	-	-	-	-	-	869	895	919	-	-	100
100	-	FW2 Fireflow Network Upgrades	-	-	-	1,084	1,114	-	-	-	-	-	-	-	100
-	100	Mataruahou (Napier Hill) Reservoir	400	412	423	867	8,909	9,141	-	-	-	-	50	30	20
88	12	Matruahou (Napier Hill) Rising & Falling Trunk Mains	500	515	528	2,169	3,898	3,428	-	-	-	-	-	12	88
38	62	New bores in Awatoto	500	1,545	-	-	-	-	117	1,811	1,864	-	50	12	38
-	100	New Reservoir Westen Hills	500	773	793	542	557	1,714	5,286	-	-	-	-	100	-
80	20	New Taradale Bore Field	500	1,030	2,114	2,169	-	-	-	-	-	-	-	20	80
88	12	New Water Treatment Plant	1,000	1,030	10,568	-	-	-	-	-	-	-	-	12	88
-	100	Parklands Residential Development	111	112	117	123	123	125	130	135	139	142	-	100	-
4	96	Pipe Renewals	500	515	528	813	835	857	1,175	1,208	621	1,276	92	4	4
100	-	Pump Stations Renewals	425	412	423	504	1,258	606	159	163	168	191	92	-	8
100	-	Reservoir inlets and outlets improvements	-	-	-	-	-	-	-	-	249	1,276	-	-	100
88	12	Taradale Falling Trunk Main	-	-	-	-	516	686	3,524	4,226	2,485	1,914	-	12	88
100	-	Te Awa Structure Plan	774	134	69	557	286	294	-	-	-	-	-	100	-
100	-	Thompson Reservoir Upgrade	-	-	528	651	-	-	-	-	-	-	100	-	-
-	100	Urban Growth Projects - Water Supply	-	258	264	271	278	286	587	604	621	638	-	100	-
100	-	Water Bore Renewals	400	412	-	-	-	-	-	-	-	-	100	-	-
100	-	Water Meter Installation	-	-	-	-	-	-	-	-	249	255	-	-	100
-	100	Water Meter Renewals	5	5	5	5	6	6	6	6	6	6	100	-	-
99	1	Water Network Improvements	550	773	53	-	-	-	-	-	435	447	25	1	74

Funding															
Loan Rates %	Reserve %	Project Name	LTP 2021/22 $000	LTP 2022/23 $000	LTP 2023/24 $000	LTP 2024/25 $000	LTP 2025/26 $000	LTP 2026/27 $000	LTP 2027/28 $000	LTP 2028/29 $000	LTP 2029/30 $000	LTP 2030/31 $000	Renewals %	Growth %	Level of Service %
93	7	Water Reservoir Improvements	320	124	127	130	134	91	211	97	99	102	7	-	93
75	25	Water Reservoir Renewals	-	567	180	108	111	114	235	966	124	128	59	-	41
90	10	Water Treatment Improvements	2,650	-	4,227	4,337	4,454	-	-	-	-	-	-	10	90
-	100	Water Treatment Renewals	175	129	132	27	28	29	88	30	31	32	100	-	-
		Total	**10,360**	**9,828**	**21,132**	**14,357**	**22,507**	**17,417**	**11,518**	**10,115**	**8,029**	**7,326**			
-	100	Gifted/Vested Assets	110	113	116	119	123	125	129	132	135	140	-	100	-
		Total Capital Programme Water Supply	**10,470**	**9,941**	**21,248**	**14,476**	**22,630**	**17,542**	**11,647**	**10,247**	**8,164**	**7,466**			

Funding Impact Statement (Water Supply)

AP 2020/21 $000		LTP 2021/22 $000	LTP 2022/23 $000	LTP 2023/24 $000	LTP 2024/25 $000	LTP 2025/26 $000	LTP 2026/27 $000	LTP 2027/28 $000	LTP 2028/29 $000	LTP 2029/30 $000	LTP 2030/31 $000
	Sources of operating funding										
(1,641)	General rates, uniform annual general charges, rates penalties	(1,699)	(1,685)	(2,042)	(2,415)	(2,314)	(3,001)	(3,588)	(3,801)	(4,863)	(5,500)
6,828	Targeted rates	7,337	7,899	8,571	9,125	10,028	11,115	11,996	12,482	13,851	14,915
-	Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
-	Fees and charges	35	35	35	35	35	35	35	35	35	35
99	Internal charges and overhead recoveries	136	152	91	82	97	86	-	-	-	-
12	Local authorities fuel tax, fines, infringement fees, and other receipts	13	13	13	14	14	14	15	15	15	16
5,298	**Total operating funding (A)**	**5,822**	**6,414**	**6,668**	**6,841**	**7,860**	**8,249**	**8,458**	**8,731**	**9,038**	**9,466**
	Applications of operating funding										
4,463	Payments to staff and suppliers	3,872	4,353	4,485	4,547	5,309	5,390	5,530	5,679	5,832	6,050
-	Finance costs	-	-	-	-	-	-	-	-	-	-
1,302	Internal charges and overheads applied	1,518	1,644	1,862	1,991	2,227	2,541	2,690	2,807	2,955	3,158
	Other operating funding applications										
5,765	Total applications of operating funding (B)	5,390	5,997	6,347	6,538	7,536	7,931	8,220	8,486	8,787	9,208
(467)	**Surplus/(deficit) of operating funding (A - B)**	**432**	**417**	**321**	**303**	**324**	**318**	**238**	**245**	**251**	**258**
	Sources of capital funding										
	Subsidies and grants for capital expenditure										
260	Development and financial contributions	1,741	1,791	1,836	1,882	1,929	1,977	2,028	2,083	2,139	2,195
9,236	Increase/(decrease) in debt	7,149	4,749	16,608	10,473	10,684	4,765	3,750	6,502	5,156	5,002
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
9,496	**Total sources of capital funding (C)**	**8,890**	**6,540**	**18,444**	**12,355**	**12,613**	**6,742**	**5,778**	**8,585**	**7,295**	**7,197**

AP 2020/21 $000		LTP 2021/22 $000	LTP 2022/23 $000	LTP 2023/24 $000	LTP 2024/25 $000	LTP 2025/26 $000	LTP 2026/27 $000	LTP 2027/28 $000	LTP 2028/29 $000	LTP 2029/30 $000	LTP 2030/31 $000
	Application of capital funding										
	Capital expenditure										
3,297	- to meet additional demand	2,870	3,035	3,658	3,007	5,024	5,699	6,499	1,523	1,313	1,074
9,026	- to improve the level of service	5,590	3,832	15,630	8,956	11,144	5,785	3,486	5,579	4,771	4,587
1,562	- to replace existing assets	1,900	2,961	1,844	2,394	6,339	5,933	1,533	3,013	1,945	1,665
(4,856)	Increase (decrease) in reserves	(1,038)	(2,871)	(2,367)	(1,699)	(9,570)	(10,357)	(5,502)	(1,285)	(483)	129
	Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
9,029	**Total application of capital funding (D)**	**9,322**	**6,957**	**18,765**	**12,658**	**12,937**	**7,060**	**6,016**	**8,830**	**7,546**	**7,455**
467	**Surplus/(deficit) of capital funding (C - D)**	**(432)**	**(417)**	**(321)**	**(303)**	**(324)**	**(318)**	**(238)**	**(245)**	**(251)**	**(258)**
-	**Funding balance ((A-B) + (C-D))**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Note: Excluded from Above										
1,913	Group Depreciation & Amortisation	3,270	3,480	3,810	3,804	3,933	4,272	4,591	4,735	5,305	5,794

The Funding Impact Statement (FIS) is provided in accordance with Schedule 10 of the Local Government Act. The FIS is intended to make the sources and applications of Council funds in a more transparent manner than might be the case if only the usual GAAP financial statements were provided.

The FIS includes only transactions involving monetary funding and therefore excludes vested assets, revaluations and depreciation. It is therefore, by necessity, exempt from the GAAP requirements as it follows the prescribed format required under the Act.

The FIS links the Council's Revenue and Financing Policy, the annual setting of rates, fees, development contributions and annual borrowing requirements. The FIS sets out the revenue and financing mechanisms that will be used in each year along with an indicative level of rates, together with examples of the impact of rating proposals in year 1 of the LTP over a range of different categories of property and a range of different values.

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WASTEWATER

The Wastewater Activity Group is one of the five mandatory groups required by Schedule 10 clause 2 of the Local Government Act 2002.

What we do and why

Council provides and maintains a safe, effective and efficient domestic sewage collection, treatment and disposal system to help maintain community health. In addition, we provide for a separate industrial sewage collection and disposal system for selected trade waste customers.

Our wastewater network serves 24,800 properties, roughly 97% of the city. The network consists of:

- 390 km of wastewater mains,
- 49 wastewater pumping stations,
- a treatment facility located at Awatoto (with a Biological Trickling Filter plant and a Milliscreen plant), and
- a 1.5km long marine outfall.

Under the Local Government Act 2002, the Resource Management Act 1991 and the Building Act 2004, we are obliged to provide a sewerage service, which collects, transports and disposes of household wastewater. The wastewater network is an indirect but major contributor to NCC's community outcomes and maintaining the health of the population and environment.

Where to next?

The key areas of focus for the Wastewater Activity are to sustain existing levels of service amidst a period of ageing infrastructure, rising national standards of service and community expectations. Significant initiatives include:

- Replacing and Upgrading the old Marine Outfall: All of Napier's treated wastewater is discharged 1.5km into the Pacific Ocean via a marine outfall. Built in the 1970's the outfall is now showing signs of deterioration and maintenance costs are increasing. The outfall is inherently difficult to repair due its location, so complete replacement is the most economic approach. The city has grown a lot since 1970 and so has the amount wastewater generated. The new outfall and pump station will need to be upgraded to carry these flows, and handle future demand as the city grows.
- Reducing the Risk of Wastewater Overflows by Improving Capacity: The capacity of our wastewater network has been under significant pressure in recent years. Most of the network was designed and built prior to the 1970's, and just like the situation with the marine outfall, our city has grown quite considerably since then. Old pipes leaking ground water and illegal stormwater connections mean our network can become inundated during heavy rainfall. Compounding this issue, our dedicated industrial waste pipeline between Pandora and the Wastewater Treatment Plant isn't working, so industrial waste is putting further strain on our domestic system.
- To address these issues, we plan to carry out critical maintenance on the industrial pipeline, reduce the leaks and illegal connections in the domestic network, and better utilize the capacity of our major pump stations and rising mains. Given our population is set to continue to rise, we also want to take the opportunity to improve the resilience of our network so that future pipe failures, which are increasingly likely as the network ages, will not lead to wastewater overflows.
- Our preferred approach is to undertake much of this work within the next five years, however this has been stretched out over 30 years in order to balance affordability and deliverability to the community.



- Reducing the environmental impact of wastewater discharges: increasing standards dictating how we should treat our wastewater is a challenge facing all Councils across the country. We currently do not meet the conditions of the resource consent that lets us discharge wastewater into the ocean. Even once we get the industrial pipeline working, we'll still need to upgrade the treatment plant and increase its capacity. A third Biological Trickling Filter will need to be built by 2025 just to comply with existing consent conditions, let alone stricter conditions likely when the consent expires in 2035. Council will be carrying the risk of non-compliance until this is addressed.

- Minimising cost and service disruptions as we renew aging infrastructure: Analysis indicates that Napier's wastewater infrastructure is, on average, 60% through its useful life. The cost of replacing wastewater infrastructure has increased significantly in the past three years. We are going to increase the frequency of condition assessments, particularly for underground pipes, so that we can better plan and budget for this work.

- Enhancing data monitoring and automated controls: Much of our existing network is operated in a very manual way in comparison to modern wastewater networks. Investing in modern automation improves efficiency and reduces the risks to overflows and treatment failures in advance of them occurring.

Contribution to Wellbeings and Community Outcomes

Activity	Wellbeings	Our water is clean and safe	Our services and infrastructure meet our community's needs	Our community is connected, safe, healthy and resilient	We are a city that thrives with its community	We treasure our culture, our heritage, our environment	Our community and Council are one
Wastewater		❶	❷	❷		❷	❷

Key: ❶ = Primary focus ❷ = contributes to = Social Wellbeing = Cultural Wellbeing = Economic Wellbeing = Environmental Wellbeing

Performance Measures

Activity	Level of service	Performance measures	2019/20 Actual	Year 1 2021-22	Year 2 2022-23	Year 3 2023-24	Years 4 - 10 2024-2031
Wastewater	Public Health and Sanitation: We operate, maintain and size the network to minimise the occurrence of raw wastewater overflows into habitable areas.	Number of wastewater overflows.	<0.12 per 1000 connections	<0.12 per 1000 connections	<0.12 per 1000 connections	<0.12 per 1000 connections	<0.12 per 1000 connections
	Minimise Environmental Impacts: By treating wastewater to the legally required standard before discharging into the environment.	Compliance with resource consents for discharge from the wastewater system as measured by the number of abatement notices received in relation to wastewater resource consents (mandatory)	1	0	0	0	0
		Compliance with resource consents for discharge from the wastewater system as measured by the number of infringement notices received in relation to wastewater resource consents (mandatory)	0	0	0	0	0
		Compliance with resource consents for discharge from the wastewater system as measured by the number of enforcement orders received in relation to wastewater resource consents (mandatory)	0	0	0	0	0
		Compliance with resource consents for discharge from the wastewater system as measured by the number of convictions received in relation to wastewater resource consents (mandatory)	0	0	0	0	0
	Customer Responsiveness and Satisfaction: We respond to and restore loss of service and address complaints AND Will deliver a consistently high level of customer satisfaction	Median response times to sewerage overflows: Attendance time from notification to staff on site (mandatory)	1 hour	≤2 hours	≤2 hours	≤2 hours	≤2 hours
		Median response times to sewerage overflows: Resolution time from notification to resolution of the issue (mandatory)	2.49 hours	≤8 hours	≤8 hours	≤8 hours	≤8 hours
		Customer satisfaction with wastewater in the Residents' Satisfaction Survey	64%	70%	70%	70%	80%
		Total number of complaints per 1,000 connections relating to sewage odour, sewerage system faults, sewerage system blockages and response to issues with Napier's sewerage system (mandatory)	13.68	≤36	≤36	≤36	≤30
		Blockages resulting in overflows into the Ahuriri Estuary	New measure, no existing baseline	0	0	0	0

Risks

The wastewater network is crucial for ensuring public health. Significant failure of the network, either due to critical infrastructure failure, or due to a natural disaster like an earthquake or tsunami, could result in illness, poor health and pollution of residential areas.

There is always risk to our marine environment involved with discharging waste product into the ocean, including the Ahuriri Estuary if the network overflows after heavy rain. This can cause nutrient overloading and/or result in chemical contamination, which can degrade ecosystems and be harmful to aquatic life. We mitigate this as far as possible through the use of Biological Trickling Filters and a Milliscreen to treat Napier's wastewater prior to discharging to sea.

The consent for the wastewater disposal via the treatment facility and ocean outfall is due to expire in 2037. It is anticipated that there is likely to be a tightening of consent conditions in relation to treatment standards however it's not yet clear what these might be. There's a risk that either the consent is not renewed (meaning we urgently need to find an alternative way of disposing of wastewater) or that we don't have the right infrastructure in place to meet tightened conditions.

This plan assumes that NCC retains ownership and management responsibility over our wastewater network, but that could change if central government decides to progress their Three Waters Reforms and transfer assets to a series of multi-regional entities. This creates a risk that this plan is outdated in a relatively short time, and NCC is no longer solely responsible for investment decisions about the wastewater system in its local area.

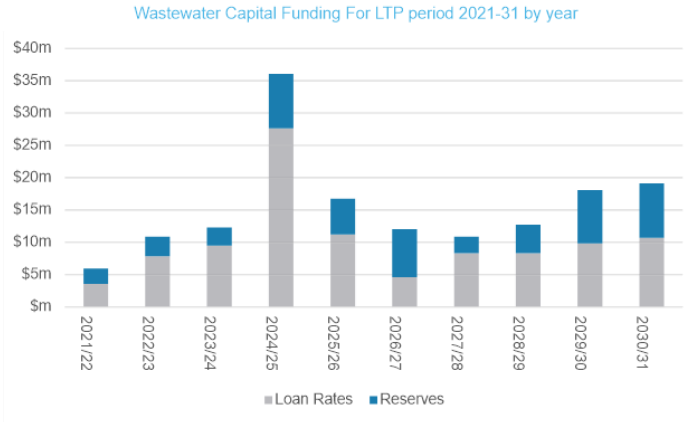
Significant Negative Effects

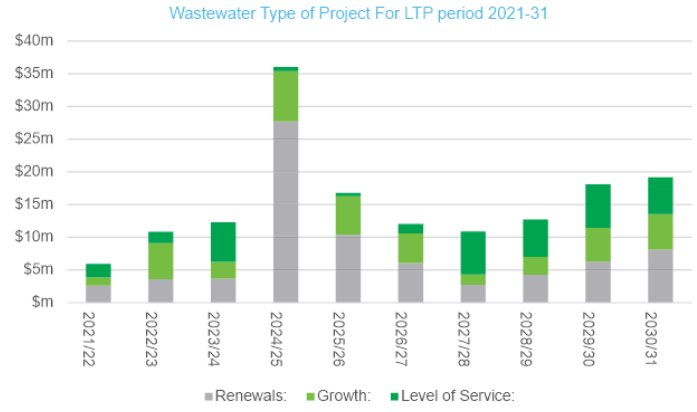
There are environmental and cultural impacts of sewage discharge into our marine environment, particularly risk to kaimoana (seafood).

The infrastructure required to collect, treat, and dispose of sewage can also be aesthetically offensive or create unwanted odour.

Financial Information

The following graphs show the budget for operation and capital.





Capital Expenditure (Wastewater)

Funding														
Loan Rates %	Reserve %	Project Name	LTP 2021/22 $000	LTP 2022/23 $000	LTP 2023/24 $000	LTP 2024/25 $000	LTP 2025/26 $000	LTP 2026/27 $000	LTP 2027/28 $000	LTP 2028/29 $000	LTP 2029/30 $000	LTP 2030/31 $000	Renewals %	Growth %	Level of Service %
-	100	Flow meter replacements	20	5	53	54	11	11	59	12	12	38	100	-	-
100	-	Flow metering	250	258	370	-	-	-	-	-	-	-	-	-	100
100	-	Guppy Rd pumping main installation	-	206	1,162	-	-	-	-	-	-	-	-	75	25
100	-	Pandora Industrial Main	500	-	-	-	-	-	-	-	-	-	-	-	100
39	61	Sewer Pipe Renewal	650	855	1,057	976	1,114	1,143	2,056	5,675	10,686	16,652	51	28	21
65	35	Sewer Pump Station Renewal	605	881	1,168	1,442	423	434	1,139	1,171	1,143	408	100	-	-
100	-	Te Awa Structure Plan - Wastewater	300	3,967	-	325	2,617	2,685	-	-	-	-	-	100	-
100	-	Tradewaste New Projects	373	762	4,227	-	-	-	-	-	-	-	-	-	100
100	-	Treatment Plant Renewal	400	412	423	217	111	114	117	121	124	128	100	-	-
-	100	Wastewater Growth Projects	500	876	898	542	557	-	-	-	-	-	-	100	-
100	-	Wastewater Network Improvements	50	52	-	-	-	-	-	-	-	-	-	-	100
80	20	Wastewater Outfall IAR	-	515	1,585	31,716	9,744	-	-	-	-	-	80	20	-
100	-	Wastewater Pump Station Improvements	885	371	269	-	-	-	-	-	-	-	6	-	94
100	-	Wastewater Treatment Improvements	-	155	317	-	-	-	-	-	124	1,148	-	7	93
72	28	Wastewater Treatment Renewals	1,000	1,121	331	340	1,748	7,203	7,048	5,262	5,507	255	27	11	62
-	100	Parklands Residential Development	202	207	214	219	225	232	237	244	251	258	-	100	-
		Total	**5,735**	**10,643**	**12,074**	**35,831**	**16,550**	**11,822**	**10,656**	**12,485**	**17,847**	**18,887**			
-	100	Gifted/Vested Assets	199	206	211	216	221	227	234	241	248	254	-	100	-
		Total Capital Programme Water Supply	**5,934**	**10,849**	**12,285**	**36,047**	**16,771**	**12,049**	**10,890**	**12,726**	**18,095**	**19,141**			

Funding Impact Statement (Wastewater)

AP 2020/21 $000		LTP 2021/22 $000	LTP 2022/23 $000	LTP 2023/24 $000	LTP 2024/25 $000	LTP 2025/26 $000	LTP 2026/27 $000	LTP 2027/28 $000	LTP 2028/29 $000	LTP 2029/30 $000	LTP 2030/31 $000
	Sources of operating funding										
(2,563)	General rates, uniform annual general charges, rates penalties	(2,580)	(2,480)	(3,066)	(3,003)	(2,944)	(4,112)	(4,883)	(5,133)	(6,667)	(7,217)
9,165	Targeted rates	9,854	10,332	11,403	11,716	12,242	13,847	14,953	15,488	17,476	18,421
-	Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
657	Fees and charges	657	675	691	708	725	742	760	780	800	820
71	Internal charges and overhead recoveries	146	163	97	88	105	93	-	-	-	-
	Local authorities fuel tax, fines, infringement fees, and other receipts										
7,330	**Total operating funding (A)**	8,077	8,690	9,125	9,509	10,128	10,570	10,830	11,135	11,609	12,024
	Applications of operating funding										
3,470	Payments to staff and suppliers	4,110	4,480	4,678	4,861	5,010	5,145	5,337	5,468	5,665	5,818
-	Finance costs	-	-	-	-	-	-	-	-	-	-
1,346	Internal charges and overheads applied	1,378	1,532	1,771	1,917	2,301	2,554	2,633	2,729	2,927	3,110
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
4,816	**Total applications of operating funding (B)**	5,488	6,012	6,449	6,778	7,311	7,699	7,970	8,197	8,592	8,928
2,514	**Surplus/(deficit) of operating funding (A - B)**	2,589	2,678	2,676	2,731	2,817	2,871	2,860	2,938	3,017	3,096
	Sources of capital funding										
	Subsidies and grants for capital expenditure										
180	Development and financial contributions	2,173	2,236	2,292	2,349	2,408	2,468	2,532	2,600	2,671	2,740
1,235	Increase/(decrease) in debt	3,588	7,861	9,509	27,642	11,184	4,582	8,304	8,305	9,818	10,680
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
1,415	**Total sources of capital funding (C)**	**5,761**	**10,097**	**11,801**	**29,991**	**13,592**	**7,050**	**10,836**	**10,905**	**12,489**	**13,420**

Annual Plan 2017/18 $000		Forecast 2018/19 $000	Forecast 2019/20 $000	Forecast 2020/21 $000	Forecast 2021/22 $000	Forecast 2022/23 $000	Forecast 2023/24 $000	Forecast 2024/25 $000	Forecast 2025/26 $000	Forecast 2026/27 $000	Forecast 2027/28 $000
	Application of capital funding										
	Capital expenditure										
2,646	- to meet additional demand	1,037	5,339	2,359	7,484	5,675	4,259	1,365	2,485	4,927	5,145
2,825	- to improve the level of service	2,083	1,756	6,051	638	516	1,488	6,578	5,762	6,683	5,627
2,866	- to replace existing assets	2,615	3,548	3,664	27,709	10,359	6,075	2,713	4,238	6,237	8,115
(4,408)	Increase (decrease) in reserves	2,615	2,132	2,403	(3,109)	(141)	(1,901)	3,040	1,358	(2,341)	(2,371)
	Increase (decrease) of investments										
3,929	**Total application of capital funding (D)**	**8,350**	**12,775**	**14,477**	**32,722**	**16,409**	**9,921**	**13,696**	**13,843**	**15,506**	**16,516**
(2,514)	**Surplus/(deficit) of capital funding (C - D)**	**(2,589)**	**(2,678)**	**(2,676)**	**(2,731)**	**(2,817)**	**(2,871)**	**(2,860)**	**(2,938)**	**(3,017)**	**(3,096)**
-	**Funding balance ((A-B) + (C-D))**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Note: Excluded from Above										
4,791	Group depreciation & amortisation	5,904	6,089	6,690	6,495	6,880	8,147	8,300	8,383	9,433	10,055

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The FIS links the Council's Revenue and Financing Policy, the annual setting of rates, fees, development contributions and annual borrowing requirements. The FIS sets out the revenue and financing mechanisms that will be used in each year along with an indicative level of rates, together with examples of the impact of rating proposals in year 1 of the LTP over a range of different categories of property and a range of different values.



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STORMWATER

The Stormwater Activity Group is one of the five mandatory groups required by Schedule 10 clause 2 of the Local Government Act 2002.

What we do and why

The Stormwater Activity is responsible for safely collecting, treating and disposing of the city's stormwater. One of the core goals of the city's stormwater system is to minimise the effects of flooding, a service which has been at the forefront of our community's minds since the November 2020 flood event. Our stormwater system consists of open drains, large underground pipes and pump stations which carry rainwater out into the ocean. About three quarters of the city is now reliant on pumped systems for stormwater drainage.

The stormwater network asset comprises of 241 kms of pipe network, 10 pump stations and two detention dams. Together, stormwater assets have a replacement value of $341 million as at 30 June 2020.

We have a statutory responsibility to ensure stormwater is managed through ownership and management of our own drainage network. Our network minimises the health risk to the community through safe collection, treatment and disposal of stormwater. Through controlled disposal, and by enhancing the quality with various programmes and monitoring interventions, we also minimise the pollution which drains into receiving environments.

Where to next?

Most of the capital projects identified in our previous LTP were deferred, as NCC wanted to build a stormwater network simulation model. This model indicates the capacity required in the system to manage flooding and takes into account various factors like population growth, climate change, increased rainfall, and rising sea and ground water levels. We now have increased confidence that our planned capital projects over the next 30 years will mean our system can cope with 1 in 50 year rainfall events.

The following activities are planned to help ensure that levels of service are achieved and maintained:

- Increasing stormwater system capacity, flexibility and security through ongoing master planning
- Employing sustainable flood reduction methods in design, and ensuring compliance with design standards
- Continuing network and pump stations renewals to further minimise the adverse effects of surface water on human health, infrastructure, property, and the environment
- Continuing upgrades and expansion of the stormwater network and pump stations to meet the demands of growth and development
- Continuing improvements to the city's major drainage channels and to provide aesthetically pleasing waterways and banks
- Continuing to monitor and assess impacts of stormwater on the natural environment
- Monitoring both the potential and actual effects of the impacts of climate change to ensure design criteria meet the needs of future generations



Contribution to Wellbeings and Community Outcomes

Activity	Wellbeings		Our water is clean and safe	Our services and infrastructure meet our community's needs	Our community is connected, safe, healthy and resilient	We are a city that thrives with its community	We treasure our culture, our heritage, our environment	Our community and Council are one
Stormwater			1	2	2		2	2

Key: 1 = Primary focus 2 = contributes to = Social Wellbeing = Cultural Wellbeing = Economic Wellbeing = Environmental Wellbeing

Performance Measures

Activity	Level of service	Performance measures	2019/20 Actual	Year 1 2021-22	Year 2 2022-23	Year 3 2023-24	Years 4 - 10 2024-2031
Stormwater	The Stormwater network adequately protects the health and safety of Napier residents and protects property by providing protection against flooding	Number of flooding events that occur per year (mandatory)	0	≤1	≤1	≤1	≤1
		For each flooding event, the number of habitable floors affected per 1,000 properties (mandatory)	0	≤1	≤1	≤1	≤1
		Median response time to attending a flood event (notification to personnel being on site) (mandatory)	0	≤2 hours	≤2 hours	≤2 hours	≤2 hours
	Stormwater is collected and disposed of in a manner that protects public and environmental health	Compliance with resource consents for discharge from the stormwater system as measured by the number of abatement notices (mandatory)	0	0	0	0	0
		Compliance with resource consents for discharge from the stormwater system as measured by the number of infringement notices (mandatory)	0	0	0	0	0
		Compliance with resource consents for discharge from the stormwater system as measured by the number of enforcement orders (mandatory)	0	0	0	0	0
		Compliance with resource consents for discharge from the stormwater system as measured by the number of convictions received in relation to stormwater resource consents (mandatory)	0	0	0	0	0

Activity	Level of service	Performance measures	2019/20 Actual	Year 1 2021-22	Year 2 2022-23	Year 3 2023-24	Years 4 - 10 2024-2031
Stormwater (continued)	Residents are satisfied with Council's Stormwater service	Number of complaints received about performance of stormwater system (per 1,000 properties connected) (mandatory)	3.40 (verified) 1.21 (estimated)	≤5	≤5	≤5	≤5
		Percentage of residents satisfied with Stormwater in Residents' Satisfaction Survey	60%	89%	89%	89%	89%
	Stormwater is collected and disposed of in a manner that protects public and environmental health	Number of education programmes delivered to improve stormwater quality	New measure, no existing baseline	>1	>1	>1	>1

Risks

The majority of Napier's stormwater is discharged into Ahuriri Estuary, which is a very sensitive ecological and cultural environment. If water containing contaminants is pumped into the Estuary, it can be harmful to aquatic, bird and plant life and pose a risk to people using the area for recreation. The quality of the water in the Estuary is greatly influenced by the quality of stormwater discharge from Council networks and by activities undertaken upstream of the city boundaries. The investment in stormwater quality improvements identified in this plan will progressively improve Napier's performance on stormwater quality issues.

For the water not discharged into the Estuary, this too can contain contaminants like heavy metals that don't get treated before being pumped out to sea. While not as fragile an ecosystem as the Estuary, the presence of chemicals in this water has impacts on marine biodiversity and should be avoided wherever possible.

In November 2020, Napier experienced a 1-in-250 year rainfall event which put the stormwater network under extreme pressure and resulted in flooding of several low-lying areas. This has brought out stormwater system into sharp focus for many residents. We have to achieve the right balance between providing adequate flood protection to the city, and not over-investing in a system that has far larger capacity than is usually needed (and costs more to maintain). As it stands, our system is capable of providing protection to houses and businesses for 1-in-50 year rainfall events, but there is always a risk of more severe rainfall that results in surface flooding.

This risk is closely associated with the risk posed to Napier by climate change. According to NIWA's report 'Hawke's Bay Climate Change Projections" (2017), a warmer atmosphere can hold more moisture (about 8% more for every 1°C increase in temperature), so there is potential for heavier extreme rainfall. In its Fifth Assessment Report, the IPCC concluded that the frequency of heavy precipitation events is "very likely" to increase over most mid-latitude land areas, including New Zealand.

We're forecasting a population growth of 3,450 people over the next 10 years, which will equate to around 1,853 new households. More houses will need to be built to cater to this larger population. We will need connect new areas of development to our stormwater network, and upgrade our existing network to receive larger volumes of stormwater. This relies on having enough funding, and being able to engage the right contractors to help us do this.

As for any infrastructure system, if replacements and upgrades for our stormwater network are not timed and co-ordinated well, maintenance and renewals can become overwhelming, costly, and reduce the system's effectiveness.

This plan assumes that NCC retains ownership and management responsibility over our stormwater network, but that could change if central government decides to progress their Three Waters Reforms and transfer assets to a series of multi-regional entities. This creates a risk that this plan is outdated in a relatively short time, and NCC is no longer solely responsible for investment decisions about the stormwater network in its local area.

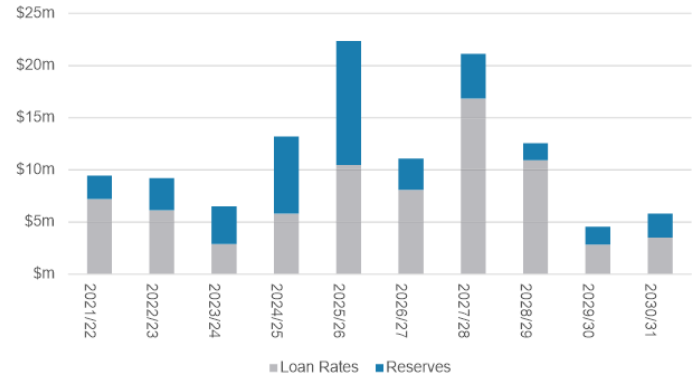
Significant Negative Effects

There are negative effects involved in discharging our stormwater into waterways, which means that contaminants such as chemicals, heavy metals and litter end up in our marine environment. These are mitigated as far as possible through initiatives like street sweeping and education campaigns about stormwater quality.

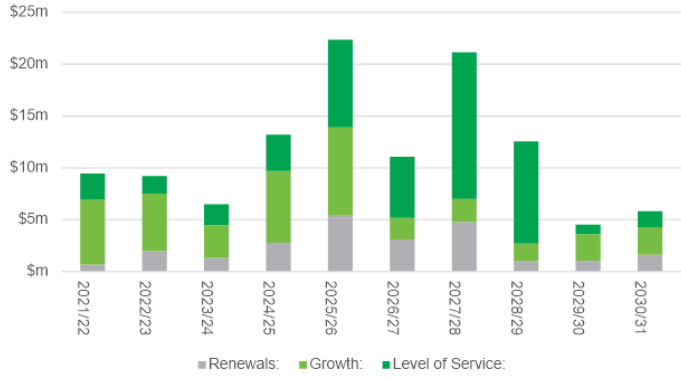
Financial Information

The following graphs show the budget for operation and capital.

Stormwater Capital Funding For LTP period 2021-31 by year



Stormwater Type of Project For LTP period 2021-31



Capital Expenditure (Stormwater)

Funding																		Level of Service %	Growth %	Renewals %
Loan Rates %	Reserve %	Project Name	LTP 2021/22 $000	LTP 2022/23 $000	LTP 2023/24 $000	LTP 2024/25 $000	LTP 2025/26 $000	LTP 2026/27 $000	LTP 2027/28 $000	LTP 2028/29 $000	LTP 2029/30 $000	LTP 2030/31 $000			
100	-	Ahuriri Estuary Projects	140	309	211	325	724	2,399	9,964	10,243	25	26	91	9	-
95	5	Ahuriri Master Plan Project 1 - Stormwater Treatment Wetland	-	-	-	325	2,227	-	-	-	-	-	95	5	-
-	100	Ahuriri Master Plan stormwater study	100	-	-	-	-	-	-	-	-	-	95	5	-
50	50	Drain Improvements	30	31	32	33	33	34	35	36	37	38	50	-	50
100	-	Extend Outfalls Marine Parade	-	-	211	-	-	229	-	-	249	-	-	-	100
78	22	Flood Alleviation Projects	500	2,060	1,849	3,627	8,792	3,765	9,274	-	-	-	42	8	50
70	30	Open Waterway Improvements	566	464	380	184	1,247	1,965	82	85	87	89	27	9	64
-	100	Parklands Residential Development	226	232	240	245	253	257	267	272	280	287	-	100	-
45	55	Pump Station Renewal	160	917	21	336	891	457	411	181	186	702	54	1	45
100	-	SCADA minor replacements	25	26	26	27	28	29	29	30	31	32	100	-	-
43	57	Stormwater Growth Projects	5,518	4,672	2,376	5,937	7,142	891	-	-	1,883	1,934	-	100	-
62	38	Stormwater Network Improvements	-	-	143	38	39	40	41	42	43	45	-	38	62
-	100	Stormwater pump replacements	180	185	190	195	200	206	211	217	224	230	80	20	-
-	100	Stormwater pump station electrical replacements	-	-	-	108	111	114	117	121	124	-	100	-	-
71	29	Stormwater Pump Station Improvements	1,700	-	74	33	-	-	-	604	621	1,659	26	3	71
41	59	Stormwater Renewals	85	88	90	92	95	97	100	103	106	108	59	-	41
-	100	Stormwater reticulation replacements	-	-	317	325	334	343	352	362	373	383	90	10	-
100	-	Tennyson St outfall improvements	-	-	106	542	-	-	-	-	-	-	-	-	100
50	50	Thames/Tynes pipe and drain upgrades	-	-	-	596	-	-	-	-	-	-	45	5	50
		Total	**9,230**	**8,984**	**6,266**	**12,968**	**22,116**	**10,826**	**20,883**	**12,296**	**4,269**	**5,533**			
-	100	Gifted/Vested Assets	222	228	235	242	247	255	261	269	277	284	-	100	-
		Total Capital Programme Stormwater	**9,452**	**9,212**	**6,501**	**13,210**	**22,363**	**11,081**	**21,144**	**12,565**	**4,546**	**5,817**			

Funding Impact Statement (Stormwater)

AP 2020/21 $000		LTP 2021/22 $000	LTP 2022/23 $000	LTP 2023/24 $000	LTP 2024/25 $000	LTP 2025/26 $000	LTP 2026/27 $000	LTP 2027/28 $000	LTP 2028/29 $000	LTP 2029/30 $000	LTP 2030/31 $000
	Sources of operating funding										
-	General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-	-	-	-	-
3,839	Targeted rates	4,182	4,741	5,111	5,358	5,773	6,159	6,475	6,775	7,078	7,173
-	Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
-	Fees and charges	-	-	-	-	-	-	-	-	-	-
143	Internal charges and overhead recoveries	185	208	124	112	133	118	-	-	-	-
50	Local authorities fuel tax, fines, infringement fees, and other receipts	50	52	53	55	56	57	59	60	62	64
4,032	**Total operating funding (A)**	**4,417**	**5,001**	**5,288**	**5,525**	**5,962**	**6,334**	**6,534**	**6,835**	**7,140**	**7,237**
	Applications of operating funding										
1,192	Payments to staff and suppliers	1,231	1,570	1,650	1,679	1,794	1,921	1,968	2,004	2,133	2,112
-	Finance costs	-	-	-	-	-	-	-	-	-	-
1,221	Internal charges and overheads applied	1,490	1,664	1,915	2,092	2,351	2,567	2,789	3,004	3,128	3,194
	Other operating funding applications										
2,413	**Total applications of operating funding (B)**	**2,721**	**3,234**	**3,565**	**3,771**	**4,145**	**4,488**	**4,757**	**5,008**	**5,261**	**5,306**
1,619	**Surplus/(deficit) of operating funding (A - B)**	**1,696**	**1,767**	**1,723**	**1,754**	**1,817**	**1,846**	**1,777**	**1,827**	**1,879**	**1,931**
	Sources of capital funding										
	Subsidies and grants for capital expenditure										
532	Development and financial contributions	2,048	2,107	2,160	2,214	2,269	2,326	2,386	2,450	2,517	2,582
730	Increase/(decrease) in debt	7,200	6,142	2,882	5,814	10,470	8,086	16,845	10,922	2,848	3,499
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
1,262	**Total sources of capital funding (C)**	**9,248**	**8,249**	**5,042**	**8,028**	**12,739**	**10,412**	**19,231**	**13,372**	**5,365**	**6,081**

AP 2020/21 $000		LTP 2021/22 $000	LTP 2022/23 $000	LTP 2023/24 $000	LTP 2024/25 $000	LTP 2025/26 $000	LTP 2026/27 $000	LTP 2027/28 $000	LTP 2028/29 $000	LTP 2029/30 $000	LTP 2030/31 $000
	Application of capital funding										
	Capital expenditure										
1,427	- to meet additional demand	6,032	5,294	2,922	6,683	8,280	1,798	1,991	1,425	2,298	2,392
1,386	- to improve the level of service	2,516	1,715	2,016	3,502	8,452	5,924	14,121	9,870	941	1,541
125	- to replace existing assets	682	1,975	1,328	2,783	5,384	3,104	4,771	1,001	1,030	1,600
(57)	Increase (decrease) in reserves	1,714	1,032	499	(3,186)	(7,560)	1,432	125	2,903	2,975	2,479
-	Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
2,881	**Total application of capital funding (D)**	**10,944**	**10,016**	**6,765**	**9,782**	**14,556**	**12,258**	**21,008**	**15,199**	**7,244**	**8,012**
(1,619)	**Surplus/(deficit) of capital funding (C - D)**	**(1,696)**	**(1,767)**	**(1,723)**	**(1,754)**	**(1,817)**	**(1,846)**	**(1,777)**	**(1,827)**	**(1,879)**	**(1,931)**
-	**Funding balance ((A-B) + (C-D))**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Note: Excluded from Above										
2,642	Group Depreciation & Amortisation	4,204	4,307	4,647	4,695	4,507	5,039	5,277	5,597	6,235	6,339

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TRANSPORTATION

What we do and why

Napier City's Transportation team are responsible for managing all land based transportation activities funded in part or in full by NCC to meet community outcomes. Further to these community outcomes, there are four key strategic priorities being targeted nationally for the transportation network across the country, through the Government Policy Statement. These are:

- safety;
- better travel options;
- improving freight connections, and
- climate change.

Napier City Council provides for freight and passenger transport with 366 kilometres of sealed roads, along with all associated structures, drainage, road furniture, street lighting and traffic safety services. The majority of the network is urban with rural roads serving the foothills to the west and the primary production areas to the south. In both instances the rural network connects to the Hastings District Council network.

Council also provides for cycling and walking modes of transport through a well integrated network of cycleways and footpaths.

Transportation is a significant and essential activity for Napier City contributing to the economic, social, cultural and environmental well-being of the community. Transportation corridors are a key element of the local environment, supporting the community and economy. It is essential that transportation continues to be delivered to an appropriate standard to achieve national, regional and NCC's strategic objectives and desired outcomes.

Where to next?

Over the period of this plan we intend to focus on three significant issues facing our city:

Road safety: Council is placing a special focus on the safety of all our road and path users and this is aligned with central government's Road to Zero outcomes;

Active Transport: Facilities for walking, cycling and public transport should be safe, convenient and easy to use. Council will continue with its programmes to improve connections serving neighbourhood centres, schools, retirement villages and other community facilities, and

Asset renewals: Renewals for some assets have not kept up with the depreciation of the assets. Council needs to catch up on some of these asset areas to make sure we are able to optimise future renewals programmes.

The definition of problems and the benefits of addressing them provides an opportunity to focus the activities we undertake in response to them. We will combine this with effective guardianship of assets and responsible management of the network to keep users safe and maintain accessibility.

Projects signalled in this LTP include:

- Intersection safety improvement projects;
- Puketitiri Road upgrade, and
- Ahuriri Masterplan projects including Pandora Road upgrade .

Contribution to Wellbeings and Community Outcomes

Activity	Wellbeings	Our water is clean and safe	Our services and infrastructure meet our community's needs	Our community is connected, safe, healthy and resilient	We are a city that thrives with its community	We treasure our culture, our heritage, our environment	Our community and Council are one
Transportation			1	2			2

Key: 1 = Primary focus 2 = contributes to = Social Wellbeing = Cultural Wellbeing = Economic Wellbeing = Environmental Wellbeing

Performance Measures

Activity	Level of service	Performance measures	2019/20 Actual	Year 1 2021-22	Year 2 2022-23	Year 3 2023-24	Years 4 - 10 2024-2031
Transportation	Design and construct safety improvements to minimize the number of injury crashes	The change from the previous calendar year in the number of fatalities and serious injury crashes on the local road network, expressed as a number (DIA Performance Measure 1)	13	-1	-1	-1	-1
	Provide roads well maintained	The average quality of ride on a sealed local road network, measured by smooth travel exposure (DIA Performance Measure 2)	92%	85%	85%	85%	85%
		Average roughness	95 (urban), 82 (rural)	<100 surface irregularities above a defined magnitude (15.2mm) per kilometre of road, measured by high speed surveying.	<100 surface irregularities above a defined magnitude (15.2mm) per kilometre of road, measured by high speed surveying.	<100 surface irregularities above a defined magnitude (15.2mm) per kilometre of road, measured by high speed surveying.	<100 surface irregularities above a defined magnitude (15.2mm) per kilometre of road, measured by high speed surveying.

Activity	Level of service	Performance measures	2019/20 Actual	Year 1 2021-22	Year 2 2022-23	Year 3 2023-24	Years 4 - 10 2024-2031
Transportation (continued)	Provide roads well maintained (continued)	Peak Roughness	137	>145 surface irregularities above the defined magnitude (15.2mm) per kilometre of road, on the roads in the 95 percentile (i.e. the roughest roads)	>145 surface irregularities above the defined magnitude (15.2mm) per kilometre of road, on the roads in the 95 percentile (i.e. the roughest roads)	>145 surface irregularities above the defined magnitude (15.2mm) per kilometre of road, on the roads in the 95 percentile (i.e. the roughest roads)	>145 surface irregularities above the defined magnitude (15.2mm) per kilometre of road, on the roads in the 95 percentile (i.e. the roughest roads)
		Number of instances where road access is lost	New measure, no existing baseline	<2 (arterial), <8 (total)	<2 (arterial), <8 (total)	<2 (arterial), <8 (total)	<2 (arterial), <8 (total)
	Provide well maintained footpaths and cycleways (DIA Performance Measure 4)	Percentage of footpaths and cycleways rated 4 or 5 (rating 1 best to 5 worst) based on independent survey)	1.70%	1%	1%	1%	1%
		Percentage of residents being satisfied (very satisfied or fairly satisfied) with "footpaths" in the Napier City Council Residents' Satisfaction Survey	76%	85%	85%	85%	85%
		Percentage of residents being satisfied (very satisfied or fairly satisfied) with "cycleways" in the Napier City Council Residents' Satisfaction Survey	88%	85%	85%	85%	85%
		Percentage of residents satisfied (very satisfied and fairly satisfied with "roads" in the Napier City Council Residents' Satisfaction Survey	71%	85%	85%	85%	85%
	Maintain a high level of customer service	Percentage of customer service requests responded to within 5 working days (DIA Mandatory Measure 5)	100%	90%	90%	90%	90%
	Provide adequate renewal of road surfacing	Percentage of the sealed local road network that is resurfaced (DIA Mandatory Measure 3)	1.70%	5%	5%	5%	5%

Risks

The major risk from all transportation is the potential for harm to users of the transportation network. While some of the responsibility falls on the public, we minimise this risk through safety improvements on an ongoing basis. Safety is our number one priority.

The risk of infrastructure damage or failure would at the very least cause disruption to the network, and has the potential to cause fatalities. Our resources would be stretched where this was unexpected and required urgent remediation. A continual renewals programme and having up to date information about our network's condition mitigates this risk.

Our activity would see major implications from a change in funding arrangements. We are heavily reliant on subsidies from our partners, such as Waka Kotahi NZ Transport Agency. Regular interactions and a great relationship, as well as ensuring we are meeting their requirements and undertaking our obligations to a high standard, reduces the risk of unexpected changes.

Significant Negative Effects

Due to upgrades and construction on our transportation network, negative economic effects can be caused by congestion and disruption to users. However, this is offset by the increased safety and capacity achieved through this work.

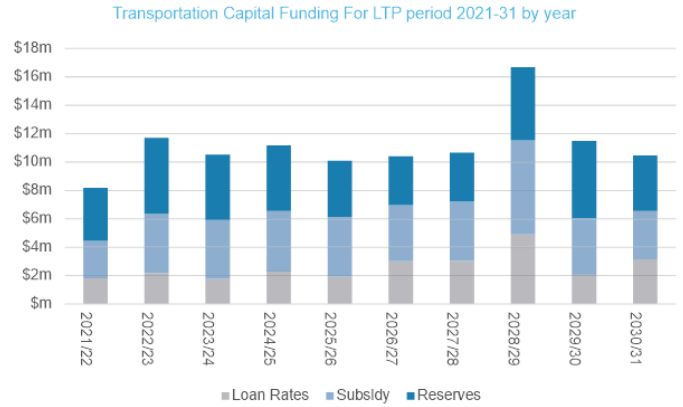
Negative environmental effects include:

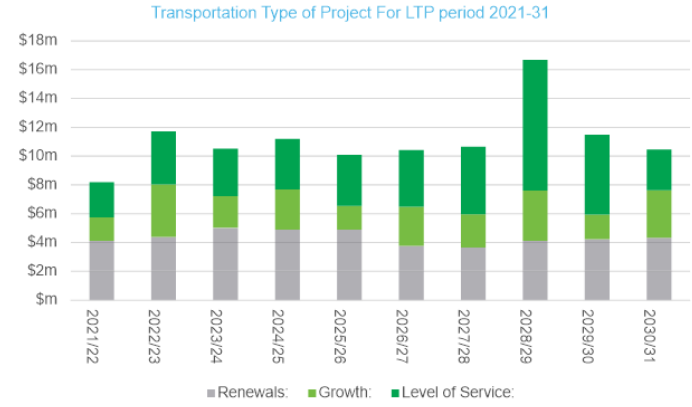
- Vehicle emissions which contribute to a larger carbon footprint;
- Noise and visual impacts;
- Potential for habitat fragmentation, and
- Potential loss of open spaces and productive land to accommodate demand for more infrastructure due to population growth.

Planting and planning of our network ensures we can incorporate more green spaces to offset these effects. By encouraging other methods of transport, we are also seeking to lower the vehicle emissions released into the environment.

Financial Information

The following graphs show the budget for operation and capital.





Capital Expenditure (Transportation)

Funding			Project Name	LTP 2021/22 $000	LTP 2022/23 $000	LTP 2023/24 $000	LTP 2024/25 $000	LTP 2025/26 $000	LTP 2026/27 $000	% LTP 2027/28 $000	% LTP 2028/29 $000	% LTP 2029/30 $000	LTP 2030/31 $000	Renewals %	Growth %	Level of Service %
Loan Rates %	NZTA Subsidy %	Reserve %														
100	-	-	Ahuriri Masterplan - Pandora Road Upgrade	960	-	-	-	-	-	-	-	-	-	-	-	100
100	-	-	Ahuriri Masterplan - Thames Severn Stormwater Management	-	-	264	271	-	-	-	-	-	-	50	-	50
-	51	49	Associated Improvements	100	103	106	108	111	114	117	121	124	128	50	-	50
-	51	49	Ground stabilisation and retaining wall	-	82	898	-	-	-	-	-	-	-	30	-	70
49	51	-	Intersection Improvement Projects	300	124	79	244	139	86	1,004	4,981	714	96	-	15	85
49	51	-	Intersection Safety Improvement Projects	200	2,472	-	2,277	1,559	1,188	1,644	-	-	319	-	14	86
49	51	-	Local Area Traffic Management Projects	330	927	951	976	1,002	1,028	1,057	1,087	1,118	1,148	-	-	100
49	51	-	Marine Parade Safety Improvements	-	103	1,902	-	-	-	-	60	683	638	-	18	82
49	51	-	New Cycle and Walking Tracks	-	103	-	-	-	-	-	121	249	-	-	-	100
-	-	100	Parklands Residential Development	767	788	810	832	854	877	900	925	955	978	-	100	100
-	51	49	Renewals	3,529	3,767	4,056	4,206	4,395	3,251	3,136	3,562	3,665	3,764	100	-	-
-	-	100	Renewals (not subsidised)	530	546	507	488	445	457	470	489	503	517	100	-	-
49	51	-	School Zone Safety work	300	-	-	-	-	-	-	-	-	-	-	-	100
-	-	100	Te Awa Structure Plan	250	1,648	370	759	-	-	-	-	-	-	-	100	-
49	51	-	Urban Corridor Improvement Projects	420	500	148	526	1,025	2,085	1,198	3,037	1,267	574	-	17	83
100	-	-	Urban Growth Northwest Dvlpmnt	100	124	-	54	111	857	646	362	93	1,786	-	100	-
-	-	100	West Quay Car Park	-	-	-	-	-	-	-	1,449	1,615	-	-	-	100
			Total	**7,786**	**11,287**	**10,091**	**10,741**	**9,641**	**9,943**	**10,172**	**16,194**	**10,986**	**9,948**			
-	-	100	Gifted/Vested Assets	408	422	432	443	456	467	481	494	507	522	-	100	-
			Total Capital Programme Transportation	**8,194**	**11,709**	**10,523**	**11,184**	**10,097**	**10,410**	**10,653**	**16,688**	**11,493**	**10,470**			

Funding Impact Statement (Transportation)

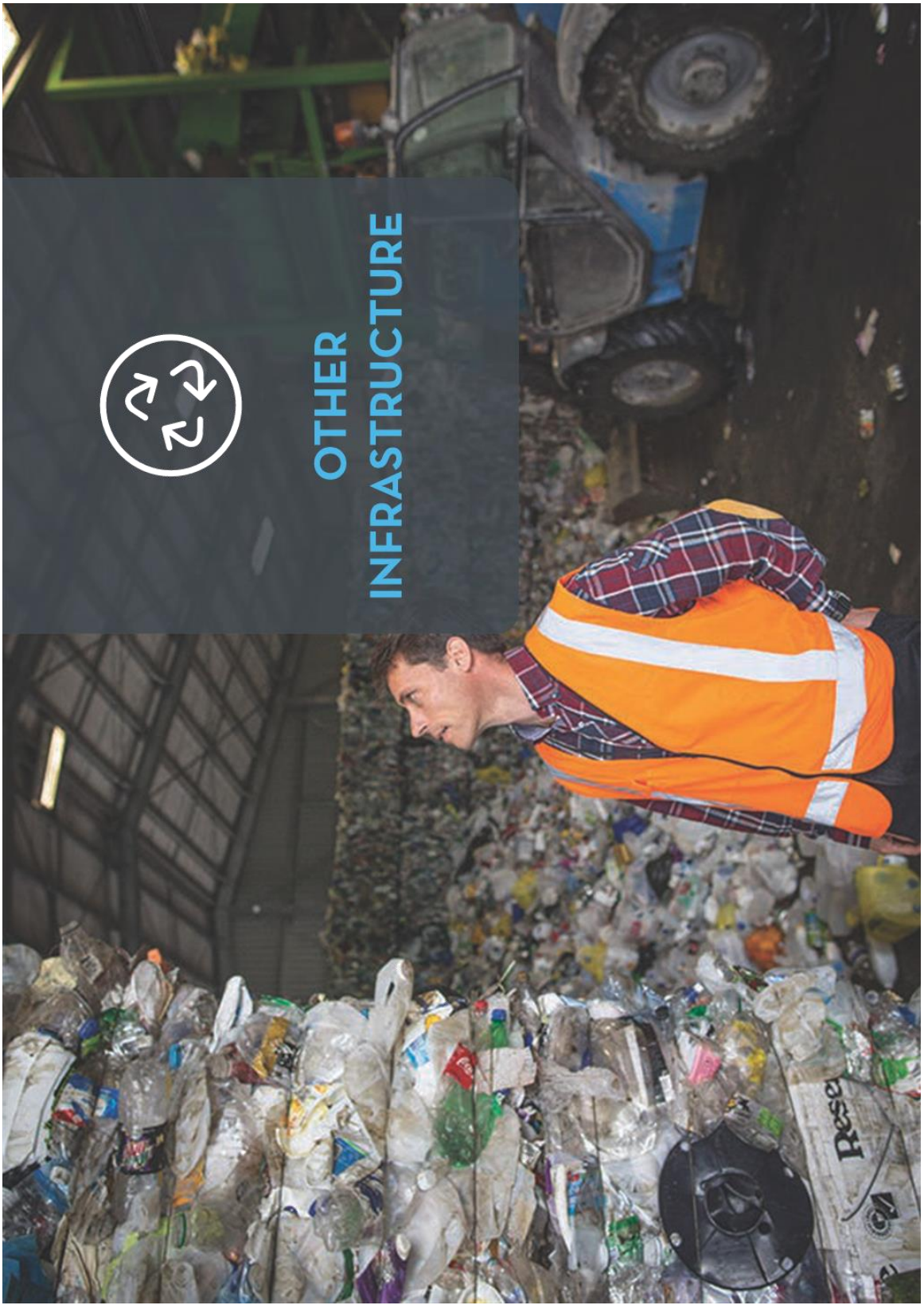
AP 2020/21 $000		LTP 2021/22 $000	LTP 2022/23 $000	LTP 2023/24 $000	LTP 2024/25 $000	LTP 2025/26 $000	LTP 2026/27 $000	LTP 2027/28 $000	LTP 2028/29 $000	LTP 2029/30 $000	LTP 2030/31 $000
	Sources of operating funding										
9,220	General rates, uniform annual general charges, rates penalties	9,171	9,577	10,080	10,494	11,012	11,515	11,879	12,284	12,696	13,022
151	Targeted rates	150	150	150	150	150	150	150	150	150	150
1,896	Subsidies and grants for operating purposes	2,126	2,186	2,242	2,297	2,354	2,423	2,485	2,551	2,619	2,686
102	Fees and charges	142	146	150	154	157	161	165	170	175	179
796	Internal charges and overhead recoveries	1,020	1,132	725	672	777	706	135	139	143	146
415	Local authorities fuel tax, fines, infringement fees, and other receipts	460	473	485	497	509	522	536	550	565	580
12,580	**Total operating funding (A)**	**13,069**	**13,664**	**13,832**	**14,264**	**14,959**	**15,477**	**15,350**	**15,844**	**16,348**	**16,763**
	Applications of operating funding										
6,811	Payments to staff and suppliers	7,213	7,426	7,621	7,817	8,016	8,245	8,464	8,699	8,940	9,181
-	Finance costs	-	-	-	-	-	-	-	-	-	-
1,677	Internal charges and overheads applied	1,520	1,694	1,988	2,188	2,489	2,756	2,880	3,030	3,178	3,243
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
8,488	**Total applications of operating funding (B)**	**8,733**	**9,120**	**9,609**	**10,005**	**10,505**	**11,001**	**11,344**	**11,729**	**12,118**	**12,424**
4,092	**Surplus/(deficit) of operating funding (A - B)**	**4,336**	**4,544**	**4,223**	**4,259**	**4,454**	**4,476**	**4,006**	**4,115**	**4,230**	**4,339**
	Sources of capital funding										
2,124	Subsidies and grants for capital expenditure	2,641	4,172	4,152	4,252	4,198	3,954	4,160	6,614	3,989	3,400
1,831	Development and financial contributions	514	529	542	556	569	584	599	615	632	648
705	Increase/(decrease) in debt	1,820	2,195	1,774	2,296	1,937	3,007	3,049	4,912	2,069	3,146
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
4,660	**Total sources of capital funding (C)**	**4,975**	**6,896**	**6,468**	**7,104**	**6,704**	**7,545**	**7,808**	**12,141**	**6,690**	**7,194**

AP 2020/21 $000		LTP 2021/22 $000	LTP 2022/23 $000	LTP 2023/24 $000	LTP 2024/25 $000	LTP 2025/26 $000	LTP 2026/27 $000	LTP 2027/28 $000	LTP 2028/29 $000	LTP 2029/30 $000	LTP 2030/31 $000
	Application of capital funding										
	Capital expenditure										
3,314	- to meet additional demand	1,240	3,216	1,757	2,360	1,188	2,260	1,811	3,009	1,202	2,772
3,203	- to improve the level of service	2,437	3,682	3,317	3,497	3,557	3,917	4,697	9,073	5,553	2,831
2,764	- to replace existing assets	4,109	4,389	5,017	4,884	4,896	3,766	3,664	4,112	4,231	4,345
(529)	Increase (decrease) in reserves	1,525	153	600	622	1,517	2,078	1,642	62	(66)	1,585
-	Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
8,752	**Total application of capital funding (D)**	**9,311**	**11,440**	**10,691**	**11,363**	**11,158**	**12,021**	**11,814**	**16,256**	**10,920**	**11,533**
(4,092)	**Surplus/(deficit) of capital funding (C - D)**	**(4,336)**	**(4,544)**	**(4,223)**	**(4,259)**	**(4,454)**	**(4,476)**	**(4,006)**	**(4,115)**	**(4,230)**	**(4,339)**
-	**Funding balance ((A-B) + (C-D))**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Note: Excluded from Above										
7,319	Group Depreciation & Amortisation	7,996	8,489	9,033	9,567	10,089	10,465	11,026	11,659	12,301	12,988

The Funding Impact Statement (FIS) is provided in accordance with Schedule 10 of the Local Government Act. The FIS is intended to make the sources and applications of Council funds in a more transparent manner than might be the case if only the usual GAAP financial statements were provided.

The FIS includes only transactions involving monetary funding and therefore excludes vested assets, revaluations and depreciation. It is therefore, by necessity, exempt from the GAAP requirements as it follows the prescribed format required under the Act.

The FIS links the Council's Revenue and Financing Policy, the annual setting of rates, fees, development contributions and annual borrowing requirements. The FIS sets out the revenue and financing mechanisms that will be used in each year along with an indicative level of rates, together with examples of the impact of rating proposals in year 1 of the LTP over a range of different categories of property and a range of different values.


OTHER
INFRASTRUCTURE

In this section:

The Other Infrastructure Activity Group is comprised of the following Activities:

- Waste Minimisation
- Cemeteries, and
- Public Toilets

Waste Minimisation

What we do and why

Council provides a domestic refuse collection service for both residential and commercial properties within Napier. We effectively and efficiently remove waste from households in Napier and convey it for authorised and appropriate disposal.

We dispose of waste in a few different ways; either we pick it up from a kerbside wheelie bin or litter bin and take it straight to landfill, or we take bulk waste dropped off at the Redclyffe Transfer Station to landfill.

Council also provides a domestic recycling collection service for both residential properties within Napier. We effectively and efficiently remove recyclable products from households in Napier and convey it to reuse markets.

We collect recyclables in a few different ways; either we pick it up from a kerbside receptacle where it is sorted into different product streams at the kerb, before being conveyed in bulk to reuse markets, or we take bulk recycling dropped off at the Redclyffe Transfer Station and sort them to be repurposed.

The Local Government Act 2002 requires Council to provide 'effective and efficient' waste management services. The Waste Minimisation Act 2008 requires us to reduce the environmental impact of waste in New Zealand by encouraging waste reduction. The continued provision of this service is essential to the health of Napier's community and maintaining high environmental standards. Council delivers this 'public good' service.

We also focus on advocating for, and educating about, ways to reduce the amount of waste our city produces. Reducing waste is close to the hearts and minds of the people in our community and solutions have to be relatively easy and widely acceptable. A reduction of waste being sent to landfill is not only good for the environment, but would mean that Council doesn't have to invest as much in expanding and maintaining landfills in the future.

Central government is making several significant changes to the way we manage waste across the country. Currently, a levy of $10 is paid for every tonne of rubbish which goes to municipal landfills. The government is increasing this levy to $60 per tonne, and applying it to all types of landfills except for cleanfills and farm dumps. This is a great way to get our community thinking about other ways to reduce and reuse their rubbish, but it will mean that the cost of waste disposal will increase quite significantly. The government is also looking into options for standardizing kerbside recycling across the country to avoid confusion and decrease contamination in recycling.

The most significant assets held by this activity are the Redclyffe Transfer Station (which is aging) and several closed landfills which remain in place within the city while slowly degrading.

Where to next?

We are lucky to have demand in Hawke's Bay for paper and cardboard products that can be reprocessed into new products. However, there is currently no market for recycling "class 5" plastics (like bottle tops and yoghurt containers). We are going to continue to investigate options to reduce the amount of this plastic going to landfill.

The introduction of new kerbside recycling crates and wheelie bins means we have been able to significantly improve the data we collect about waste across the city. We are going to constantly monitor and evaluate this data to ensure future decisions about waste management and minimisation can be supported by local evidence.

Cemeteries

What we do and why

Cemeteries are important and special places in a community – they provide a functional purpose for burials and ash interments and a place to remember loved ones who have passed, as well as provide historical and cultural connections to the communities they serve. They also contribute to the amenity and open space function of Council's wider parks and reserves network.

Napier City Council operates and maintains six cemeteries within the city, the oldest being 'Old Napier Cemetery' with its first burial in 1851, and the newest being Western Hills which opened in 1985. In total, the cemeteries comprise an area of approximately 35 hectares.

There are no crematorium facilities in Napier, and there is no legislative requirement for a local authority to provide such facilities, however Napier City are a governance partner in the Hawke's Bay Crematorium provided and administered by Hastings District Council pursuant to the Hawke's Bay Crematorium Act (1944). This Act sets out its governance structure including the responsibilities of the contributing local authorities.

Where to next?

Our immediate focus will be on continually upgrading records and planning for and acquiring a new cemetery as well as developing the second stage of the Western Hills Cemetery Extension. In addition, tree management will continue to be a priority.

As part of our Cemeteries Strategy, we plan to maximise the existing available space within our cemeteries, complete a feasibility assessment for the Whararangi extension option, and explore options that respond to changing demand trends such as alternative burial practices like eco burials.

In the longer term we will be identifying suitability and availability of land adjacent to existing cemeteries and exploring options for future cemetery sites including possible shared service opportunities across our region.

Public Toilets

What we do and why

Napier City Council provides, maintains and develops public toilet facilities to meet the needs and demands of the community, and visitors to our city. Currently the city has 48 operational public toilets.

Public toilets are provided in key areas generally related to tourism, recreation, and shopping activities. Facilities are cleaned and inspected at least daily with the emphasis on hygiene, safety, and discouragement and removal of graffiti.

Where to next?

Our focus over the coming years will be on continuing the provision and maintenance of our facilities at current levels. COVID-19 has impacted the provision and maintenance of public toilets - a focus on hygiene and cleanliness along with the changes in the visitor population means that it is an appropriate time to review usage, demand and expectations.

Contribution to Wellbeings and Community Outcomes

Activity	Wellbeings	Our water is clean and safe	Our services and infrastructure meet our community's needs	Our community is connected, safe, healthy and resilient	We are a city that thrives with its community	We treasure our culture, our heritage, our environment	Our community and Council are one
Waste Minimisation			1	2		2	2
Cemeteries			1			2	2
Public Toilets			1	2		2	2

Key: 1 = Primary focus 2 = contributes to = Social Wellbeing = Cultural Wellbeing = Economic Wellbeing = Environmental Wellbeing

Performance Measures

Activity	Level of service	Performance measures	2019/20 Actual	Year 1 2021-22	Year 2 2022-23	Year 3 2023-24	Years 4 - 10 2024-2031
Waste Minimisation	A weekly kerbside refuse collection service is provided to city residents	Weeks per year that the refuse service is available to the residents of Napier	52 weeks	52 weeks	52 weeks	52 weeks	52 weeks
		Percentage of residents satisfied with the refuse collection in the Residents' Satisfaction Survey	91%	90%	90%	90%	90%
		Weeks per year that the recycling service is available to the residents of Napier	52 weeks	52 weeks	52 weeks	52 weeks	52 weeks
	Provision of recycling drop-off facility	Days per year where drop-off services are available to the public	362	362	362	362	362
	Availability of the user-pays refuse transfer station and associated services	Days per year where transfer station services are available to the public	362	362	362	362	362
		Compliance with resource consents related to the transfer station and closed landfills	100%	100%	100%	100%	100%
	Availability of, and attendance at, waste minimisation education	Students/customers attending education sessions for the Waste Aware Programme or other education in person	2,394 attendees	>750 attendees	>750 attendees	>750 attendees	>750 attendees
	Litter control, graffiti and vandalism	Percentage of residents satisfied with control of litter and graffiti in the Residents' Satisfaction Survey	78%	90%	90%	90%	90%
	Council promotes waste minimisation activities	Waste to landfill per capital	262kg per capita per annum	300kg per capita per annum	290kg per capita per annum	280kg per capita per annum	270kg per capita per annum
Cemeteries	Cemeteries' records are well maintained and accessible.	An online cemeteries records system is available 90% of the time.	98%	90%	90%	90%	90%
	Cemeteries are well maintained and provide a quiet and aesthetically pleasing environment for users.	Satisfaction with cemeteries as measured by the Residents' Satisfaction Survey	91%	90%	90%	90%	90%
Public Toilets	Public conveniences are clean, hygienic and safe	Percentage of customers who are satisfied with Public Toilets in the Residents' Satisfaction Survey	69%	88%	88%	88%	88%

Risk Management

The Omarunui Landfill is a carefully constructed lined 'Class A landfill', which is designed to safeguard against leachate leaking into the ground. It is equipped with a gas extraction system to prevent methane from being discharged into the atmosphere. The conversion of the landfill gas generates electricity at a power plant. Nonetheless, there is still a residual environmental risk if the landfill leaches of contaminates to the environment and/or attracts pest species like rats and fire ants.

The Hazardous Waste Collection poses a further environmental risk. If not handled correctly, there is the potential for harmful chemicals to spill into our environment. The Council carries out Hazardous Waste Collection to provide residents with a safe disposal point for dangerous chemicals. The environmental risk of chemicals being stored on private property in uncontrolled conditions is considered to be significantly higher than the risks associated with the Hazardous Waste Collection.

The rollout of new recycling crates and wheelie bins has been successful and modernised Napier's waste collection. There is always a risk, however, that collection methods or volumes don't meet resident's needs (the bins are too small, for instance), and people are unwilling to pay Transfer Station fees, so they illegally dump rubbish around the city. NCC mitigates this as far as possible by keeping fees low, and retaining enforcement options like fines.

This Activity is susceptible to considerable legislative change as conversations around sustainability and climate change become more common. As with the change to the landfill levy, this can have significant impacts for the way Council conducts business and how much it costs. There is a risk that legislative changes are progressed relatively rapidly and have significant cost and operational impacts for NCC.

All three of these Activities are susceptible to the effects of climate change. Rising sea levels and ground water could start to intrude into landfills and increase the risks of harmful leachate escaping into the environment. Cemetery infrastructure may be damaged by an increase in extreme weather events, particularly for those on hills and surrounded by large trees. Public toilets built on waterfront reserves may face inundation as sea levels rises, and decisions will need to be taken in the future about whether the cost of replacement and maintenance can't be justified and facilities should be moved.

As Napier's population grows, we risk running out of space to provide for internments in our cemeteries. Current forecasts anticipate that we will need to set aside more land for burials within the next 20 years, but there aren't many suitable areas of land left within our city boundaries. NCC is currently developing a Cemetery Strategy to determine how we should proceed.

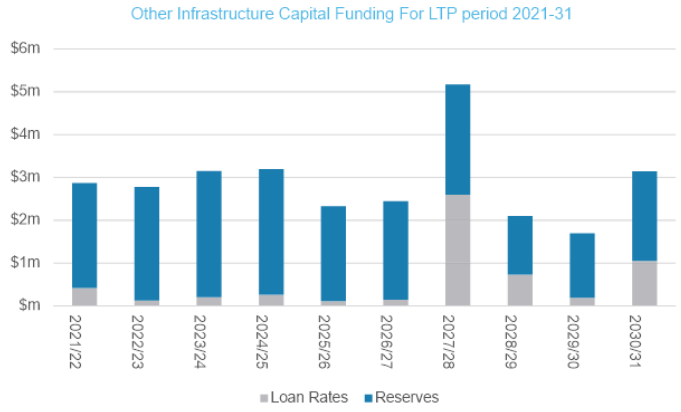
Areas and facilities such as public toilets can attract anti-social behaviour like graffiti, which ultimately costs money to remedy and reduce the public's enjoyment of these spaces. We mitigate wherever possible with the use of lighting, security patrols and by incorporating crime prevention strategies into the way we plan spaces around our city.

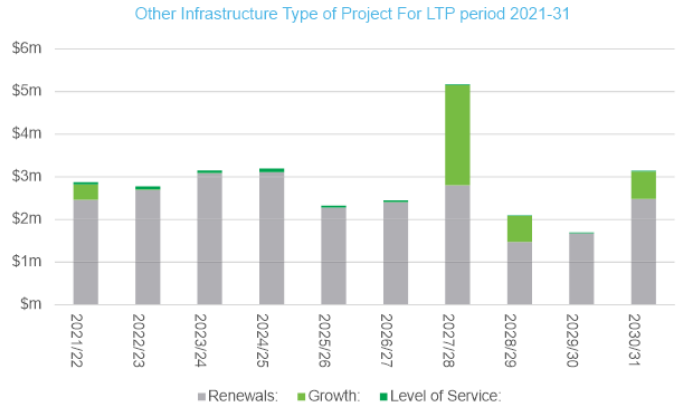
Significant Negative Effects

Waste entering landfill has many adverse environmental impacts including the production of leachate, greenhouse gases, vermin and pests, and local geographic and land use displacement. Recycling and diversion of resources which would otherwise be sent to landfill reduce the impact of these problems and enables appropriate post-consumer repurposing.

Financial Information

The following graphs show the budget for operation and capital.





Capital Expenditure (Other Infrastructure)

Funding			LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP			
Loan Rates %	Reserve %	Project Name	2021/22 $000	2022/23 $000	2023/24 $000	2024/25 $000	2025/26 $000	2026/27 $000	2027/28 $000	2028/29 $000	2029/30 $000	2030/31 $000	Renewals %	Growth %	Level of Service %
		Waste Minimisation													
-	100	Omarunui Development - Forestry	-	-	-	9	9	9	9	10	10	10	100	-	-
-	100	Omarunui Development - Plant	242	27	96	16	95	31	137	44	-	19	100	-	-
-	100	Omarunui Development - Valleys B & C	1,215	1,627	1,669	1,711	1,353	1,389	1,428	590	607	625	100	-	-
-	100	Omarunui Development - Valley D	667	657	674	613	435	446	288	296	305	313	100	-	-
-	100	Renewals	93	96	98	101	104	106	109	103	106	108	100	-	-
		Total Waste Minimisation	**2,217**	**2,407**	**2,537**	**2,450**	**1,996**	**1,981**	**1,971**	**1,043**	**1,028**	**1,075**			
		Public Toilets													
29	71	Renewals	-	103	476	596	223	343	763	362	559	1,340	100	-	-
		Total Public Toilets	**-**	**103**	**476**	**596**	**223**	**343**	**763**	**362**	**559**	**1,340**			
		Cemeteries													
100	-	Cemetery Concept Plan Implementation	60	82	63	87	45	46	23	24	25	26	-	10	90
100	-	Cemetery land purchase	-	-	-	-	-	-	2,349	604	-	637	-	100	-
-	100	Cemetery Planting	25	26	26	27	28	29	29	30	31	32	100	-	-
-	100	Napier Cemetery Development	100	36	11	11	11	11	12	12	12	13	100	-	-
-	100	Renewals	110	114	21	21	22	23	24	24	25	26	100	-	-
-	100	Taradale cemetery Heritage work	-	-	16	-	-	17	-	-	19	-	100	-	-
100	-	Western Hill Extension - Stage 2	350	-	-	-	-	-	-	-	-	-	-	100	-
100	-	Whareranga Building Refurbishment	10	10	-	-	-	-	-	-	-	-	100	-	-
		Total Cemeteries	**655**	**268**	**137**	**146**	**106**	**126**	**2,437**	**694**	**112**	**734**			
		Total Other Infrastructure Capital Programme	**2,872**	**2,778**	**3,150**	**3,192**	**2,325**	**2,450**	**5,171**	**2,099**	**1,699**	**3,149**			

Funding Impact Statement (Other Infrastructure)

AP 2020/21 $000		LTP 2021/22 $000	LTP 2022/23 $000	LTP 2023/24 $000	LTP 2024/25 $000	LTP 2025/26 $000	LTP 2026/27 $000	LTP 2027/28 $000	LTP 2028/29 $000	LTP 2029/30 $000	LTP 2030/31 $000
	Sources of operating funding										
3,153	General rates, uniform annual general charges, rates penalties	2,755	3,038	3,325	3,288	3,408	3,506	3,733	3,811	4,005	4,092
4,408	Targeted rates	4,569	6,426	7,562	8,020	8,280	8,895	9,147	9,502	9,801	10,118
230	Subsidies and grants for operating purposes	240	250	260	270	280	280	280	290	290	290
2,342	Fees and charges	2,897	2,985	3,251	3,631	3,795	3,966	4,148	4,340	4,539	4,742
20	Internal charges and overhead recoveries	-	-	-	-	-	-	-	-	-	-
3,013	Local authorities fuel tax, fines, infringement fees, and other receipts	5,584	6,083	6,906	7,471	7,471	7,471	7,471	7,471	7,471	7,471
13,166	**Total operating funding (A)**	**16,045**	**18,782**	**21,304**	**22,680**	**23,234**	**24,118**	**24,779**	**25,414**	**26,106**	**26,713**
	Applications of operating funding										
11,223	Payments to staff and suppliers	13,887	14,744	16,586	17,941	18,988	19,763	20,504	21,884	22,452	22,993
-	Finance costs	-	-	-	-	-	-	-	-	-	-
1,145	Internal charges and overheads applied	1,182	1,230	1,374	1,399	1,450	1,520	1,591	1,638	1,707	1,739
1	Other operating funding applications	1	1	1	1	1	1	1	1	1	1
12,369	**Total applications of operating funding (B)**	**15,070**	**15,975**	**17,961**	**19,341**	**20,439**	**21,284**	**22,096**	**23,523**	**24,160**	**24,733**
797	**Surplus/(deficit) of operating funding (A - B)**	**975**	**2,807**	**3,343**	**3,339**	**2,795**	**2,834**	**2,683**	**1,891**	**1,946**	**1,980**
	Sources of capital funding										
-	Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
-	Development and financial contributions	-	-	-	-	-	-	-	-	-	-
-	Increase/(decrease) in debt	420	123	201	260	109	145	2,594	733	187	1,052
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
-	**Total sources of capital funding (C)**	**420.00**	**123.00**	**201.00**	**260.00**	**109.00**	**145.00**	**2,594.00**	**733.00**	**187.00**	**1,052.00**

AP 2020/21 $000		LTP 2021/22 $000	LTP 2022/23 $000	LTP 2023/24 $000	LTP 2024/25 $000	LTP 2025/26 $000	LTP 2026/27 $000	LTP 2027/28 $000	LTP 2028/29 $000	LTP 2029/30 $000	LTP 2030/31 $000
	Application of capital funding										
	Capital expenditure										
6	- to meet additional demand	356	8	6	9	4	5	2,352	606	2	641
54	- to improve the level of service	54	74	57	78	40	41	21	22	22	23
2,010	- to replace existing assets	2,462	2,695	3,087	3,106	2,280	2,404	2,799	1,472	1,674	2,485
(1,273)	Increase (decrease) in reserves	(1,477)	153	394	406	580	529	105	524	435	(117)
	Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
797	**Total application of capital funding (D)**	**1,395**	**2,930**	**3,544**	**3,599**	**2,904**	**2,979**	**5,277**	**2,624**	**2,133**	**3,032**
(797)	**Surplus/(deficit) of capital funding (C - D)**	**(975)**	**(2,807)**	**(3,343)**	**(3,339)**	**(2,795)**	**(2,834)**	**(2,683)**	**(1,891)**	**(1,946)**	**(1,980)**
-	**Funding balance ((A-B) + (C-D))**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Note: Excluded from Above										
1,032	Group Depreciation & Amortisation	1,022	1,121	1,126	782	869	868	775	840	872	870

The Funding Impact Statement (FIS) is provided in accordance with Schedule 10 of the Local Government Act. The FIS is intended to make the sources and applications of Council funds in a more transparent manner than might be the case if only the usual GAAP financial statements were provided.

The FIS includes only transactions involving monetary funding and therefore excludes vested assets, revaluations and depreciation. It is therefore, by necessity, exempt from the GAAP requirements as it follows the prescribed format required under the Act.

The FIS links the Council's Revenue and Financing Policy, the annual setting of rates, fees, development contributions and annual borrowing requirements. The FIS sets out the revenue and financing mechanisms that will be used in each year along with an indicative level of rates, together with examples of the impact of rating proposals in year 1 of the LTP over a range of different categories of property and a range of different values.

COMMUNITY
AND VISITOR
EXPERIENCES

The Community and Visitor Experiences Activity Group is comprised of the following activities:

- Kennedy Park Resort
- Napier Conferences & Events
- Napier i-SITE Visitor Centre
- Par2 Mini Golf
- National Aquarium of New Zealand
- Napier Libraries
- Napier Municipal Theatre
- MTG Hawke's Bay
- The Faraday Centre
- McLean Park
- Reserves
- Sportsgrounds
- Napier Aquatic Centre
- Marine Parade Pools
- Bay Skate
- Retirement and Rental Housing
- Community Facilities (Halls)
- Community Strategies
- Engagement, and
- Events and Marketing

These activities have been grouped together because of their focus on social and cultural enrichment, catering to the needs of our community, and providing attractions, education and recreational opportunities for locals and visitors to the City.

Kennedy Park Resort

What we do and why

Kennedy Park is one of the busiest and most well revisited holiday parks in New Zealand providing over 28,000 room nights to visitors each year. In total, it is possible for 1,400 people to be accommodated on site including those in tents and caravans.

Kennedy Park facilities are located in Storkey Street in Marewa. Kennedy Park offers a wide range of affordable accommodation types and associated facilities, catering to varying markets. Services provided include provision of booking and enquiry services, guest information and assistance, maintenance of grounds and buildings and administration.

Council provides this tourism facility as a net profit making contributor to rates and to tourism within the city as well as aligning with its strategy for the economic development of Napier.

Where to next?

In the next 10 years, we plan to:

- Ensure the Kennedy Park Resort brand is refreshed, relevant and well promoted to targeted customers;
- Expand and develop the restaurant and conference facilities;
- Upgrade the two-bedrooms holiday units;
- Evaluate the potential for greater utilisation tent sites including possible options for a separate 'glamping' area;
- Ensure powered sites are maintained to keep pace with continued utilisation, and
- Replace the Kennedy Park Standard Cabins with dormitory units.

Napier Conferences & Events

What we do and why

Napier Conferences & Events provides high quality, full service conferences and events to domestic and international clients from across a number of venues throughout Napier City.

The Activity operates out of the Napier War Memorial Centre which is located on the northern end of Napier's Marine Parade with views from Mahia Peninsular to Cape Kidnappers. It is the only purpose built conference facility in Hawke's Bay.

Conference facilities are offered as part of Council's strategy to encourage visitors to the city, and generate economic activity which is put towards investing in more efficient and effective infrastructure and public services.

Where to next?

The Napier Conferences & Events facility underwent extensive renovation in 2017. We are planning on keeping on top of maintenance of the buildings and technology to ensure that we remain a high quality, fit for purpose venue.

We're also striving to increase brand awareness in the domestic market and create a stronger sales focus in partnership with Tourism Marketing Solutions, Conventions & Incentives New Zealand and Hawke's Bay Tourism.

Napier i-SITE Visitor Centre

What we do and why

Napier i-SITE Visitor Centre is an information hub that connects locals and visitors to Napier to places to stay and eat, and attractions and things to do while in the city.

The i-SITE facility is located on Marine Parade, a short walking distance from the CBD and iconic Napier sites. It houses a space to meet and chat to specialist consultants, an area dedicated to information and brochures about local businesses and tourism operators, and a gift shop.

To provide efficiencies associated with scale, Napier City needs to provide visitors with reasons to stay longer, do more, spend more, and tell their friends and family and come again. These visits generate economic activity, which can be invested in the City's infrastructure and public services.

Where to next?

Border closures to protect New Zealand from the COVID-19 pandemic has meant international tourism to Napier has all but disappeared, including visits from cruise-ships over the usually busy summer season which generated significant revenue for the City. The i-SITE has switched its focus to catering for domestic visitors and locals wanting for the time being. Ongoing maintenance and renewals is planned in this LTP to keep the facility safe, welcoming and fit-for purpose.

Par2 MiniGolf

What we do and why

Par2 MiniGolf facilities are located centrally on Napier's Marine Parade in the heart of the tourist zone beside the Napier i-SITE. Mini golf activity has been occurring on site for more than 50 years and today Par2 MiniGolf boasts two eighteen-hole courses and a clubhouse.

Council provides tourism facilities as part of its strategy for the economic development of Napier. Par2 MiniGolf plays an important part in the overall marketing of the city and is a family friendly activity that is an anchor attraction to the now redeveloped Marine Parade.

Where to next?

The plan provides funding for a programme of renewals to ensure Par2 MiniGolf remains a high quality visitor experience.

National Aquarium of New Zealand

What we do and why

National Aquarium of New Zealand aims to provide fun, engaging experiences with close proximity to wildlife, inspiring awe and wonder about the natural world in our visitors.

Situated on Marine Parade, the Aquarium is home to a range of native and exotic wildlife, and includes a range of exhibits, the largest being a 1.5 million-litre Oceanarium.

The Aquarium provides an all-weather, exciting, interesting tourism facility for a wide range of audiences, including families, domestic and international tourists alike. We link with local community members and a range of stakeholders to help them tell their stories through our exhibits and welcome feedback to ensure we continually strive for improvement.

Mātauranga Māori and Te Ao Māori are integral to the story of the taonga in our care and are essential to include in the information and experiences we share with our visitors – both digitally as well in our physical facility.

We engage in activities such as the Zoo Aquarium Association's captive breeding programme for North Island brown kiwi and rehabilitation work for little penguins. We also aims to inform and motivate visitors and our community to take action, acting as kaitiaki, for positive outcomes for nature.

By encouraging tourism to Napier and Hawke's Bay, the Aquarium helps to generate additional spend this creates in our community.

Where to next?

We had a plan to significantly upgrade and refocus our National Aquarium taking it to a new level of experience – a marine centre of excellence. The Project Shapeshifter (redevelopment project), was highly dependent on receiving substantial external funding which has not eventuated.

We signalled last year that Project Shapeshifter had become less of a priority for Council, particularly without future central government support. We have removed the funding contribution tagged for the project but will continue to maintain the facility while we investigate options for its future. These options could include a refurbishment of the current facility, using the building for something else, or eventual closure of the facility. When we have reviewed the options, we will consult with the community about the facility's future.

Napier Libraries

What we do and why

We provide easy access to informational, recreational, and educational materials and a stimulating and pleasant library environment free of charge to the entire community.

Library services are provided to the community from two locations, Napier City and Taradale, with a variety of collections in multi-media formats and online services. The libraries support a total membership of approximately 23,000, of which some 4,500 members are resident in Hastings District (June 2019). Collection items held, as of 30 June 2019, total approximately 166,000.

Our libraries are all about empowering people to explore new ideas and build social connections within their communities. They are a place to learn and relax, and a place to feel safe and spend time without expectation on spending money.

Where to next?

Napier Library has been housed temporarily in the MTG Hawke's Bay building after the previous building on Station Street was deemed earthquake-prone. Unfortunately, that temporary site then had to be closed after urgent repairs began on the building's sprinkler system in December 2020. It's important that we reinstate a permanent, fit-for-purpose library in Napier.

In 2020, after assessing a range of options, we confirmed that the Library would return to its previous Station Street site. Given NCC is also been looking into returning our staff to a central office after several years of renting office space, we have taken the opportunity to bring the two projects together and have started to develop a masterplan for the entire Civic Precinct site. Dealing with the project as one means that we can avoid duplication in the facilities themselves and save money overall. We have set aside $54 million in this plan for the whole development with a goal to start construction in 2024/25.

Napier Municipal Theatre

What we do and why

The Napier Municipal Theatre is a leading theatre in Hawke's Bay for performances, shows, concerts, functions and events.

Seating up to 988 patrons, the theatre has been operational on it's current site in Tennyson Street since 1912. The building was destroyed in the 1931 earthquake and was rebuilt by 1938. The New Zealand Heritage List/Rārangi Kōrero declares the Municipal Theatre as a historic place. The Napier Art Deco Trust has also declared the building as a place of Art Deco significance.

The Municipal Theatre recognises and promotes an iconic building that celebrates Art Deco architecture, while offering stage facilities for local, national, and international hire. This enables our residents and visitors the opportunity to experience a range of theatrical, cultural, and artistic events.

Where to next?

In the next 10 years we plan to:

- Increase the current levels of bookings offering a range of theatrical, cultural and artistic events to challenge and grow our audiences;
- Ensure our historic Art Deco Theatre is maintained to the highest possible standard so it remains an integral part of the Napier City scape and the Art Deco experience;
- Ensure all theatre equipment and technology is up to-date and meets industry standard and requirements;
- Ensure our staff have suitable workspaces that are safe, warm and functional;
- Ensure our patrons are warm and comfortable whilst using our facilities – heat and ventilate the Port of Napier Foyer and bathrooms within this area, and
- Ensure our bathroom facilities are modern, easy to maintain and Art Deco inspired to complement our iconic Art Deco Theatre.

MTG Hawke's Bay

What we do and why

MTG Hawke's Bay is the regional and premier arts and culture facility for the Hawke's Bay region. The MTG houses and cares for the region's collection under a management agreement with the Hawke's Bay Museums Trust. The museum presents and shares these collections through a series of exhibitions throughout the year including long-term galleries (1931 Earthquake display and Taonga Māori exhibition) alongside temporary exhibitions. The quality of MTG Hawke's Bay displays and activities are recognised through industry awards.

With three distinct eras of building, 1930's, 1977 and 2013, MTG Hawke's Bay is a complex building with multiple uses and activities. The Century Theatre, provides the only medium-sized (330 seat) theatre in Napier, while a small retail shop and two foyer spaces generate additional revenue for the facility.

Museums and galleries help ground people in their history, provide places to learn and be inspired - showcasing culture to the community and visitors to the area. We also provide a place for people to interact and engage in a culturally safe environment, as well as a tourism attraction for visitors to the city.

We care for one of the largest collections of Māori taonga in a regional facility and actively contribute to cultural understanding and connectedness through telling our stories in exhibitions developed in collaboration with Ngāti Kahungunu and the community.

The MTG had to close its doors to the public in December 2020 due to urgent remedial work needed on the building's sprinkler system. This work is a priority for NCC, as we are reopening the MTG and temporary library facility to the public after the building is deemed safe again.

Where to next?

Over the next 10 years the MTG will focus on developing ever-stronger community engagement, facilitating and fostering cross-cultural understanding, and encouraging and building an inclusive community. We will develop strategic partnerships and collaborations with other entities, businesses, individuals and community groups.

We will fit out the recently purchased long-term storage facility for the Hawke's Bay Museums Trust collection, explore a new governance/management model, enhance the public programmes we offer and finalise and implement our five year strategic plan. We will develop plans for future increased display spaces and circulation routes and explore a name/brand change.

The Faraday Centre

What we do and why

The Faraday Centre in Napier, is Hawke's Bay's Museum of Technology. It cares for and displays a collection of historical technology; enabling local and visitors to discover the scientific, social and cultural heritage that makes Napier and Hawke's Bay unique.

The Faraday Centre is housed in the historic Napier Powerhouse, built in 1911. A small team of staff and volunteers are responsible for the care of this historic building, and over 20,000 objects in the collection owned by the Hawke's Bay Museums Trust.

The Centre attracts a diverse audience to share our technological heritage and ingenuity with, while providing a safe space for the community to meet and connect. As kaitiaki, NCC are responsible for caring for the collection we have in our possession, and sharing knowledge and past with those who visit our Museum.

Where to next?

To make good decisions around the level of resourcing required going forward as the Centre becomes more popular, and the investment we should make to upgrade the building (which is earthquake-prone) we have started a business case. The business case will investigate operating and governance models as well as location options and will be finished later in 2021.

We have set aside $2.3M from reserves to buy and upgrade the existing building if that is what is supported by the business case.

McLean Park

What we do and why

Hosting international and national sports events, this facility provides outdoor sportsgrounds and stands, an indoor court facility as well as administration and hospitality areas. The park also plays host to trade shows, expos, community events and private functions.

Having a sporting venue with a capacity close to 20,000 means that Napier can complete with the likes of Auckland, Wellington and Christchurch as a host for major sporting events. Attracting this kind of event to the city brings in revenue for local retailers, businesses and tourism operators, which helps our city thrive.

Where to next?

In 2018, we completed a project to improve drainage and bring the McLean Park turf up to world-class, all weather standard. We are funding a programme of renewals through this plan to take care of this turf and ensure the McLean Park facility is a high-quality venue option for sport and events.

We are planning to upgrade the Harris Stand within 30 years, as the stand is coming to the end of its useful life. This will increase the stand's capacity. A full feasibility study will be undertaken before beginning work.

Reserves

What we do and why

The Reserves activity controls, manages and maintains a range of parks, reserves and public gardens of various sizes, designations and purposes, to cater to a wide range of community uses. We deliver well-maintained grounds and gardens ranging in location from coastal foreshore to formal botanical gardens. We also manage the day-to-day maintenance and operation of play equipment located throughout the city. The total land area of our reserves covers 405 hectares.

Our portfolio of reserves exists to enhance the quality of life of Napier's citizens, by providing high quality passive and recreational facilities throughout the city. As well as providing recreational areas for our community to meet and play, we support a large number of tourism events and local events, providing opportunities to boost our local economy.

Where to next?

As trends in recreation change to being focussed on less organised and more informal recreation activities, Council will need to continue to adapt in how it provides for these activities. Our focus over the next 10 years is on ensuring that we understand and have clearly documented Levels of Service.

Customer satisfaction with Council's reserves provision and maintenance remains high with public gardens, parks and reserves in the top five high performing areas of Council. However, while there is a high level of satisfaction, knowledge about what we do and how much it costs us, is lacking.

Sportsgrounds

What we do and why

Sportsgrounds is responsible for 213.4 hectares of sportsgrounds including a premier sportsground, Bluewater Stadium, and 14 general sportsgrounds. The even distribution of sportsgrounds around the city means that local communities have the opportunity to support and engage with local sport on their doorstep, with benefits including community spirit and pride.

We provide this activity to meet the recreation and sporting needs of our community. These services enhance the general health and wellbeing of the community where private enterprise may not be viable. In turn we aim to provide safe and accessible recreational facilities to enhance the social and cultural wellbeing of our community.

Where to next?

Local sportsgrounds tend to be well established, with minimal major improvements required or anticipated. Council's provision of sports facilities needs to respect traditional aspects of sport (for example, club structures), while ensuring decisions now are sufficiently flexible to respond to changing future demand.

Major new development will be focused on the implementation of the Park Island Masterplan. Renewal work will continue in all other sportsgrounds with the focus on renewing drainage and vehicle infrastructure.

Napier Aquatic Centre

What we do and why

The Napier Aquatic Centre provides the following opportunities for Napier's community:

- Health and fitness – lane swimming, water-walking, aqua fitness, small group training, relaxation
- Sport development – club swimming, aquatic sports training and competition
- Leisure and play – family water play, hydroslide, outdoor splash pad
- Physical literacy – swimming lessons, holiday programmes

Recognising the role that water can play to improve the health and wellbeing of our community, the purpose of the Napier Aquatic Centre is to develop skills, improve wellbeing, build confidence and grow connections.

Where to next?

Even with the reinstatement of the Greendale Pool, we know we are outgrowing our current aquatic facilities. We had a plan to develop a new facility at Prebensen Drive because of issues with the Onekawa site including its previous use as a refuse facility. But we put the development on hold in 2020 in order to further investigate the Onekawa site and to confirm whether a redevelopment of the current facility is possible. The contamination investigation is complete and the report is expected to be available to Elected Members in 2021. Once the report is in, we will take another look at our situation before seeking feedback from the community. Because this will take some time, we have removed the funding allocated for the development from this Long Term Plan. In the meantime, we have funding set aside for repair and basic renewals to keep the building operational. Our options will be clearer when we review our plan in 2023.

Marine Parade Pools

What we do and why

Council provides an outdoor complex with four heated outdoor pools and five spa pools. The facility also features a gym, small group fitness room and café. An external contractor manages the day-to-day running of the facility.

The Napier City Council considers it important that it provides this service to bring about positive outcomes for the health and wellbeing of the community.

Where to next?

The existing agreement with the external contractor who runs the facility ends in February 2023. This provides an opportunity for NCC to consider both aquatic facilities (Napier Aquatic Centre and Marine Parade Pools) as complementary facilities within a network. Between now and the end of the management agreement, NCC will explore and settle on a preferred operating model for Marine Parade Pools. It might be better operated by NCC, subcontracted again to an external provider, or transferred into Council Controlled Organisation or other solution.

Bay Skate

What we do and why

Bay Skate is a multi-use, world-class roller sports park on Napier's Marine Parade. It caters for skateboarding, roller derby, BMX, scootering, inline hockey, roller-skating, artistic skating and rollerblading.

Bay Skate is located on Marine Parade with the grandstand building comprising an entrance foyer, retail area, office, storage and a leased area occupied by 'Lick This' ice cream parlour. The outside rollersport facility comprises three zones: a rink; a wooden ramp area; and the all-new concrete bowl area, a world-class professionally designed and built series of concrete plaza-street-style configurations.

Where to next?

To complete the park and continually improve the facility, the priority asset developments are:

- Completing the ramp section – the ramp section is the area of the park designed for more advanced riders.
- Rink boards for the skating rink – the construction of rink boards to enclose the rink will then provide a fit-for-purpose space for inline and roller hockey training and competition.
- A birthday party space
- More shade
- Plaza-style skating deck – construction of a 'deck' over the garden areas to the southern end of the park. These 'decks' will be designed to incorporate 'plaza' style obstacles to provide a style of skating popular with skateboarders and other disciplines and that the existing park does not suit.

Retirement and Rental Housing

What we do and why

NCC has 376 units in 12 villages. The majority of our housing is for low income older persons (60 years and over). There are 72 units available for low income renters. We deliver asset and tenancy management services with in-house resources. Low income tenants receive basic tenancy management services. The retirement villages have tenancy co-ordinators who carry out regular welfare checks on tenants as well as providing tenancy management services.

Where to next?

For some time, we have signalled that the current approach to how our community housing is funded is not sustainable because the rent we receive does not cover the costs. The cost of providing housing is projected to exceed the income we receive from rent by an average of around $2.5 million per annum, as of 2021. That equates to a shortfall of $24.5 million over the next 10 years.

We anticipate that, during the next 12 months, we will be able to consult with the community, and make a decision about the future of our community housing. There are several options available, including transferring the entire portfolio to another entity like a Community Housing Provider, or perhaps selling some units to make up the shortfall. In the meantime, we will continue to keep our properties operational, but propose to borrow funds to cover the deficit and meet our costs.

Community Facilities (Halls)

What we do and why

Council provides a range of community facilities that meet the recreational and social needs of the community. They are spaces where people connect, learn, socialise and participate. There are four community halls, four community centres, and one sports centre. The halls are available for hire, with discounted rates for community groups. Use of the community centres vary, but generally, community groups lease the facilities, and halls are either managed directly by Council, or through a third party group or Trust.

Where to next?

The plan provides funding a programme of renewals to our community facilities are kept in good shape and meet the needs of the groups renting them.

Community Strategies

What we do and why

The Community Strategies Activity encompasses the following main activities:

- Community planning;
- Community advice;
- Community grants, and
- Safer communities.

Council works alongside our communities to support them to identify and implement solutions to the complex social issues present in our society. The team work both strategically and practically to ensure issues are identified, prioritised and addressed through a collaborative approach.

Where to next?

Council will develop strategies and community plans that will determine future programmes and projects. These strategies and plans will be prioritised with existing service provision and phased to align with budget availability. We are also going to work within Council, and with our community, to implement our Youth, Disability and Positive Aging Strategies.

Community Strategies will continue to implement engagement for Council wide matters, e.g. Annual Plan, Long Term Plan and other community wide engagement.

Engagement

What we do and why

NCC is responsible for making decisions about our city. Outcomes from these decisions affect our residents in different ways. It is important for people who are likely to be affected to know what could happen and to have an opportunity to tell us what they think. The Engagement Activity is the key link between Council and our community; and responsible for initiating those conversations in lots of different ways, depending on the context.

Some examples of ways in which we engage the community include:

- Social media;
- Newsletters, newspapers, posters, radio;
- Forums, public meetings, roadshows, and
- Surveys, consultation documents, formal hearings.

Where to next?

We will continue to focus on community engagement, delivering campaigns and events underpinned by best-practice and according to our own Significance and Engagement Policy. We're going to ensure we keep up with new technology and forms of media to ensure people can contribute to decisions about their city in interactive, stimulating and personal ways.

Events and Marketing

What we do and why

Napier City Council's Events Manager works across new and existing events to assist them to grow, develop and become sustainable. The Marketing Team provides the promotional support for a variety of events, supports all communications and consultations with the local community and provides wider tourism support for our visitor experience facilities.

NCC plays an important role in encouraging social inclusiveness and accessibility for our diverse community. Supporting events in the local area allows us to display our unique heritage and entice visitors to stay in the area and contribute to the local economy.

By maintaining a number of communications channels, and ensuring that information about what NCC is doing (and why) is easily accessible to local people, we keep ourselves accountable and empower our community to input into our decision making.

Where to next?

For our events portfolio, we are focussed on consolidating our current business. The volume of events we are supporting is about right, and we're going to continually improve our processes and strengthen our relationships with key stakeholders in the national events market. We consider we're in a good position to achieve more regularity in high profile events like All Blacks test matches and significant concerts.

There are a number of important roles across the marketing function at council. These include providing relevant, timely information that support the services we deliver, enhancing the day-to-day lives of the people of Napier and engaging the local community by working together to make the right decisions.

Contribution to Wellbeings and Community Outcomes

Activity	Wellbeings	Our water is clean and safe	Our services and infrastructure meet our community's needs	Our community is connected, safe, healthy and resilient	We are a city that thrives with its community	We treasure our culture, our heritage, our environment	Our community and Council are one
Kennedy Park			2		1		
Napier Conferences & Events			2		1		
Napier i-SITE Visitor Centre			2		1		
Par2 Mini Golf					1		
National Aquarium of New Zealand				2	1	2	
Napier Libraries			2	1	2	2	2
Napier Municipal Theatre					2	1	
MTG Hawke's Bay			2	2	2	1	2
The Faraday Centre				2		1	
McLean Park			2		1	2	
Reserves			2	1		2	
Sportsgrounds			2	1	2	2	

Activity	Wellbeings	Our water is clean and safe	Our services and infrastructure meet our community's needs	Our community is connected, safe, healthy and resilient	We are a city that thrives with its community	We treasure our culture, our heritage, our environment	Our community and Council are one
Napier Aquatic Centre			2	1	2		2
Marine Parade Pools			2		1		
Bay Skate				1	2		2
Retirement and Rental Housing			2	1			2
Community Facilities (Halls)			1	2	2		2
Community Strategies				1	2		2
Engagement							2
Events & Marketing					1		2

Key: 1 = Primary focus 2 = contributes to = Social Wellbeing = Cultural Wellbeing = Economic Wellbeing = Environmental Wellbeing

Performance Measures

Activity	Level of service	Performance measures	2019/20 Actual	Year 1 2021-22	Year 2 2022-23	Year 3 2023-24	Years 4 - 10 2024-2031
Kennedy Park	To provide a range of high quality accommodation and related visitor experiences	Maintain Qualmark 5 star Gold Holiday Park rating	Maintained	Maintained	Maintained	Maintained	Maintained
		Maintain Qualmark 4 plus star Gold Motel rating	Maintained	Maintained	Maintained	Maintained	Maintained
	Services provided are value for money in the accommodation sector	Maintain high level of occupancy (visitor nights)	75,378 visitor nights	68500 visitor nights booked per annum	70000 visitor nights booked per annum	72500 visitor nights booked per annum	72500 visitor nights booked per annum
		Maintain high level of occupancy (room nights)	25,294 visitor nights	27100 room nights booked per annum	28200 room nights booked per annum	28700 room nights booked per annum	28,700 room nights booked per annum
	To provide a sustainable business	Average length of stay for visitors	1.9 nights in built accomm-odation	1.9 nights in built accomm-odation	2.0 nights in built accomm-odation	2.0 nights in built accomm-odation	2.0 nights in built accomm-odation
Napier Conferences & Events	Council provides a quality conference and events facility which enables events & services to be hosted contributing to the economic wellbeing of the city	Maintain Qualmark rating 4+ Silver	Achieved	Maintain Qualmark rating 4+ Silver	Maintain Qualmark rating 4+ Silver	Maintain Qualmark rating 4+ Silver	Maintain Qualmark rating 4+ Silver
		Number of local, national and international hires	293	300	320	350	350
Napier i-SITE Visitor Centre	Council provides an i-SITE facility for visitors and locals to Napier and Hawke's Bay to deliver tourism information and tour and accommodation services	Maintain Silver Qualmark rating	Maintain Silver Qualmark rating	Maintain Silver Qualmark rating	Maintain Silver Qualmark rating	Maintain Silver Qualmark rating	Maintain Silver Qualmark rating
		Visitor numbers per annum	161,748	≥150,000	≥150,000	≥150,000	≥150,000
Par2 MiniGolf	Council provides a Mini Golf facility as a visitor attraction and for local community use, which provides high customer satisfaction and a sustainable business	Maintain Silver Qualmark rating	Maintained Silver Qualmark rating	Maintain Silver Qualmark rating	Maintain Silver Qualmark rating	Maintain Silver Qualmark rating	Maintain Silver Qualmark rating
		Visitor numbers per annum	41,293	≥45,000	≥45,000	≥45,000	≥45,000
		Return on assets	12%	16%	16%	16%	16%
National Aquarium of New Zealand	Provide an aquarium for visitors and local citizens for recreation and education	Number of admissions	113,541	≥145,000	≥145,000	≥145,000	≥145,000

Activity	Level of service	Performance measures	2019/20 Actual	Year 1 2021-22	Year 2 2022-23	Year 3 2023-24	Years 4 - 10 2024-2031
National Aquarium of New Zealand (continued)	Provide an aquarium for visitors and local citizens for recreation and education (continued)	Qualmark endorsement	Maintained Gold endorsed Qualmark rating	Maintain Gold endorsed Qualmark rating	Maintain Gold endorsed Qualmark rating	Maintain Gold endorsed Qualmark rating	Maintain Gold endorsed Qualmark rating
		ZAA (Zoo Aquarium Association) Accreditation	Achieved accreditation	Maintain accreditation	Maintain accreditation	Maintain accreditation	Maintain accreditation
Libraries	Council provides library services, literacy support and other programmes for all ages to meet the communities' recreational, social, and educational needs	Percentage of library members who are active borrowers (in 24-month period - card use only)	54%	35%	35%	38%	40%
		Percentage of residents satisfied with Library Service in the Residents' Satisfaction Survey (excluding don't knows)	69%	88%	88%	88%	88%
		Percentage of collection that is actively used	73%	75%	75%	75%	75%
		Number of internet sessions	180000 (New Measure)	180,000	190,000	195,000	200,000
		Number of programme sessions delivered for all ages per year	670 sessions	400 sessions	450 sessions	475 sessions	500 sessions
Napier Municipal Theatre	Council provides a quality performing arts venue experience for visitor & local use	Maintain Qualmark rating	Maintained Qualmark Silver rating	Maintain Silver rating	Maintain Silver rating	Maintain Silver rating	Maintain Silver rating
		No of shows/ performances	60	60	65	65	70
MTG Hawke's Bay	Napier City Council provides a quality museum, theatre and art gallery experience for local and visitor use	Visitor numbers per year	254,733 per annum	200,000 per annum	230,000 per annum	250,000 per annum	250,000 per annum
		Percentage of residents satisfied with MTG Hawke's Bay in the Residents' Satisfaction Survey	65% of residents satisfied with MTG Hawke's Bay	60%	63%	65%	68%
Faraday Centre	Council provides a quality technology museum that is accessible to the community	Visitor numbers per annum	New measure - no previous baseline	15,000	18,700	22,440	28,000
McLean Park	Provides a sport and recreation facility catering for a range of activity	Number of major events hosted	15	11	11	11	11
Reserves	Parks are maintained efficiently and sustainably to a standard that is appropriate to their primary use	Percentage of park users satisfied with parks and reserves in the Residents' Satisfaction Survey	91%	96%	96%	96%	96%

Activity	Level of service	Performance measures	2019/20 Actual	Year 1 2021-22	Year 2 2022-23	Year 3 2023-24	Years 4 - 10 2024-2031
Reserves (continued)	Playgrounds are safe, challenging and enjoyable for both users and caregivers.	All playgrounds are inspected fortnightly	67%	100%	100%	100%	100%
Reserves	Parks are maintained efficiently and sustainably to a standard that is appropriate to their primary use	Reduction in the number of service requests for remedial action in parks and reserves	339	Downwards trend	Downwards trend	Downwards trend	Downwards trend
Sportsgrounds	Council provides a sufficient number and range of sports and recreation facilities to satisfy the needs of the community	Sport and recreation parks per 1,000 residents district wide (NZ Recreation Association guidelines require 3ha per 1,000 people)	3.4ha	>3ha per 1,000 people	>3ha per 1,000 people	>3ha per 1,000 people	>3ha per 1,000 people
	Sporting surfaces and facilities are well maintained and suitable for use	Percentage of those surveyed who are satisfied with sportsgrounds in the Residents' Satisfaction Survey	94%	89%	89%	89%	89%
	Sports facilities support the event industry within the city	Events held on the sportsgrounds per annum	244	>50	>50	>50	>50
Napier Aquatic Centre	Provide aquatic facilities that focus on accessibility and safety	Number of users using the centre each year	115,374	175,000	175,000	175,000	175,000
		Water testing results are always within the safe parameters according to the New Zealand Standard for Pool Water Quality NZS 5826:2010	New measure, no existing baseline	100%	100%	100%	100%
		Maintain Poolsafe accreditation standard	Maintained	Maintain accreditation	Maintain accreditation	Maintain accreditation	Maintain accreditation
		Maintain nationally accredited QSS (Quality Swim School) standard	Not maintained	Maintain accreditation	Maintain accreditation	Maintain accreditation	Maintain accreditation
Marine Parade Pools	The Marine Parade Pools complex is a safe recreational facility for the community	Water testing results are always within the safe parameters according to the New Zealand Standard for Pool Water Quality NZS 5826:2010	100%	100%	100%	100%	100%
Bay Skate	Provide a facility to cater for a range of roller sports activities.	Visitor numbers per year (entry passes sold)	19,072	26,500	27,000	27,500	28,000
		Deliver between 8-12 events per year	New measure	Between 8 and 12	Between 8 and 12	Between 8 and 12	Between 8 and 12
Housing	Provide affordable and safe housing that meets the needs of tenants	Percentage of tenants satisfied with service	97%	85%	85%	85%	85%
		Number of unit inspections (each unit inspected once per year)	79% of 304 retirement and 72 rental	304 retirement 72 rental	304 retirement 72 rental	304 retirement 72 rental	304 retirement 72 rental
	Maximise the occupancy and use of housing and village halls	Occupancy rate - retirement	98%	90%	90%	90%	90%
		Occupancy rate - rental	99%	90%	90%	90%	90%

Activity	Level of service	Performance measures	2019/20 Actual	Year 1 2021-22	Year 2 2022-23	Year 3 2023-24	Years 4 - 10 2024-2031
Community Facilities (Halls)	Provide affordable indoor facilities that meet the social, leisure and cultural needs of the community	Percentage community hireage for halls directly managed by Council	79%	85%	85%	85%	85%
		Percentage of customers satisfied with halls directly managed by Council	100%	95%	95%	95%	95%
Community Strategies	Develop effective strategies, policies and initiatives that support community well-being	Number of local community events per year	41	50	50	50	50
	Provide quality advice, information and support to community groups and agencies, and help build a strong community and voluntary sector	Number of community training and network meetings facilitated each year	17	20	20	20	20
		Percentage of attendees satisfied with community training and network meetings	100%	96%	96%	96%	96%
	Promote safety in response to issues and priorities in the community	Percentage of residents who perceive they are safe or very safe in Napier (source: biannual social monitor survey)	86%	75%	75%	75%	75%
Events & Marketing	Council works with strategically targeted new and existing events to assist them to grow, develop and become sustainable.	Economic impact of events funded under the Council events strategy	$12 million	$12 million	$12 million	$12 million	$12 million
	We keep people informed, make it easy for people to interact, engage and transact with Council and listen and acts on the needs of the people	Satisfaction with Council communication in the Annual Residents' Satisfaction Survey	Above the set level of NZ Benchmarking Survey each year	Above the 2021 set level in the NZ Benchmarking Survey	Above the 2022 set level in the NZ Benchmarking Survey	Above the 2023 set level in the NZ Benchmarking Survey	Above the 2024 set level in the NZ Benchmarking Survey
Engagement	Provide high quality information to the public to empower communities to participate in the decision making process	The percentage of residents satisfied with the amount of public consultation undertaken in the Residents' Satisfaction Survey	New measure - no existing targets	75%	75%	75%	75%

Risk Management

Given the nature of the Activities in the Community and Visitor Experiences Activity Group, they all share the risk that the cost of service delivery outweighs the benefits to the community.

Visitor destinations such as MTG Hawke's Bay and the Faraday Centre, but predominantly sports and recreation facilities like Bay Skate and pool complexes pose risks to health and safety of staff and patrons, but mitigations are in place such as lifeguards and safety installations. Many facilities also rely on accreditations from regulatory entities in order to continue operating, such as pool water safety standards and requirements around captive wildlife.

Infrastructure failures or loss of key environmental controls such as sprinkler systems are a risk to the delivery of planned levels of service for all of these Activities. The National Aquarium, for instance, requires constant performance of life support and water quality systems to keep precious aquatic animals alive. The MTG and Faraday Centre both display irreplaceable taonga that need to be stored in the right conditions. Inspection and maintenance routines are in place to mitigate the risk of unforeseen closures for these facilities, or damage to collections and assets.

These Activities rely on positive word of mouth and repeat customers. Damage to reputation could have significant negative effects on these facilities so NCC is continually reviewing customer requirements and adjusting levels of service accordingly.

Reserves and Sportsgrounds will begin to experience challenges due to climate change. As the sea level rises, this will encroach on our waterfront reserves, provide harsher conditions for our planted environments and could increase the salt levels in our soil, making it difficult to maintain sportsgrounds. We need to start thinking carefully about where we construct new public facilities like lifesaving clubs close to the sea front. There is a risk that the effects of a warming climate will be felt sooner than expected, particularly without significant mitigatory action.

Areas and facilities such as parks and sportsgrounds can attract anti-social behaviour like graffiti, which ultimately costs money to remedy and reduce the public's enjoyment of these spaces. We mitigate wherever possible with the use of lighting, security patrols and by incorporating crime prevention strategies into the way we plan spaces around our city.

COVID-19 has quickly changed the way we do business, and continues to impact the Engagement, Events and Marketing and Community Strategies Activities. For instance, the ability to attract and secure locally and nationally significant events is contingent on extended periods of Hawke's Bay and New Zealand being in COVID-19 alert level 1 (which allows for large gatherings without social distancing).

There is an underlying risk that Napier moves back up COVID-19 alert levels, which means that more traditional ways of engaging with our community need to be replaced with technology-solutions that allow for social distancing (like Zoom meetings and online forums).

We need to be mindful that the right information is getting to the right audiences, and people know how to have their say if they want to get involved. There is a risk that people directly affected by the decisions we make don't know about them until it's too late to influence the outcome or find barriers to engagement. We mitigate this as far as practicable by widely disseminating information using multiple platforms, and constantly diversifying the ways that people can communicate with us (using interpreters, 'EasyRead', and large fonts for instance, or accepting video submissions).

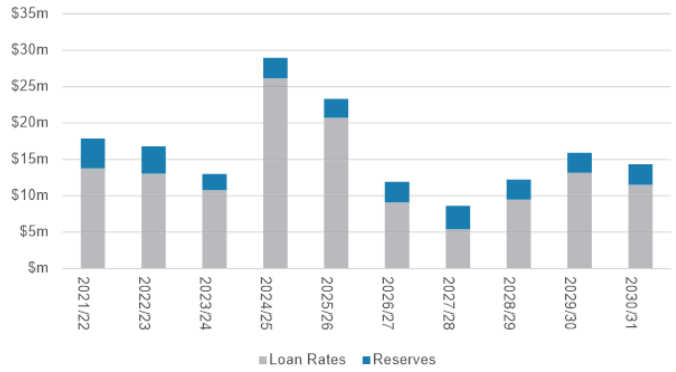
Negative Effects

There are no significant effects identified for this Activity Group.

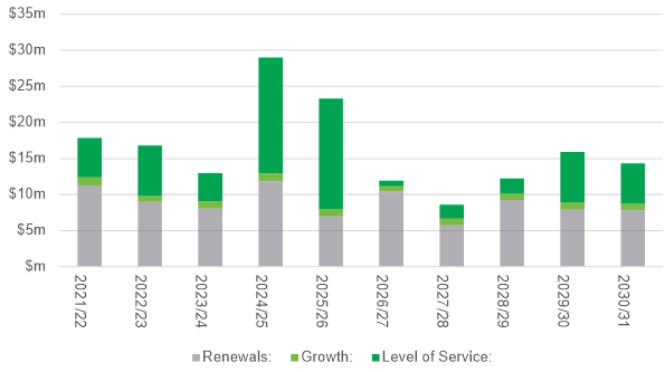
Financial Information

The following graphs show the budget for operation and capital.

Community and Visitor Experiences Capital Funding For LTP period 2021-31 by year



Community and Visitor Experiences Type of Project For LTP period 2021-31



Capital Expenditure (Community and Visitor Experiences)

Funding		Project Name	LTP 2021/22 $000	LTP 2022/23 $000	LTP 2023/24 $000	LTP 2024/25 $000	LTP 2025/26 $000	LTP 2026/27 $000	LTP 2027/28 $000	LTP 2028/29 $000	LTP 2029/30 $000	LTP 2030/31 $000	Renewals %	Growth %	Level of Service %
Loan Rates %	Reserve %														
		Bay Skate													
100	-	Bay Skate Renewals	19	23	26	54	30	34	84	39	43	38	100	-	-
65	35	Park Improvements	3	207	-	-	-	-	-	-	-	-	-	36	64
34	66	Skate Ramps	162	-	-	27	-	-	-	-	-	-	-	40	60
		Total Bay Skate	**184**	**230**	**26**	**81**	**30**	**34**	**84**	**39**	**43**	**38**			
		Community Facilities (Halls)													
100	-	Halls Renewals	69	56	18	198	303	62	142	219	376	130	100	-	-
100	-	Minor Capital Items	60	62	63	65	67	69	70	-	-	-	100	-	-
100	-	Taradale Town Hall internal refurbishment	-	-	265	543	557	-	-	-	-	-	100	-	-
100	-	Te Pihinga Community Centre	-	-	3,170	4,391	3,564	-	-	-	-	-	-	5	95
		Total Community Facilities	**129**	**118**	**3,516**	**5,197**	**4,491**	**131**	**212**	**219**	**376**	**130**			
		Kennedy Park Resort													
-	100	Kennedy Park Renewals	94	49	109	49	111	35	108	37	56	121	100	-	-
100	-	Kennedy Park Building Renewals	184	95	536	92	289	644	152	1,009	528	1,122	100	-	-
100	-	Minor Capital Items	679	1,976	895	2,216	327	2,518	63	65	97	68	96	-	4
		Total Kennedy Park Resort	**957**	**2,120**	**1,540**	**2,357**	**727**	**3,197**	**323**	**1,111**	**681**	**1,311**			
		Marine Parade Pools													
100	-	Marine Parade Pools Renewals	25	26	42	217	45	54	56	242	68	70	100	-	-
85	15	Marine Parade Pools Upgrade	310	669	-	-	-	-	-	-	-	-	-	-	100
-	100	Replacement Boiler	60	-	-	-	-	69	-	-	-	-	100	-	-
		Total Marine Parade Pools	**395**	**695**	**42**	**217**	**45**	**123**	**56**	**242**	**68**	**70**			

Funding		Project Name	LTP 2021/22 $000	LTP 2022/23 $000	LTP 2023/24 $000	LTP 2024/25 $000	LTP 2025/26 $000	LTP 2026/27 $000	LTP 2027/28 $000	LTP 2028/29 $000	LTP 2029/30 $000	LTP 2030/31 $000	Renewals %	Growth %	Level of Service %
Loan Rates %	Reserve %														
		MTG Hawke's Bay													
100	-	Century Theatre Tech Investigation and Upgrade	300	257	-	-	-	-	-	-	-	-	100	-	-
100	-	Earthquake Gallery	80	-	-	-	-	-	-	-	-	-	100	-	-
-	100	Minor Capital	120	93	53	87	56	57	59	-	-	-	21	-	79
100	-	MTG Building Renewals	20	60	304	124	372	81	211	540	1,388	921	100	-	-
100	-	MTG Renewals	60	62	63	65	67	69	70	-	-	-	100	-	-
100	-	Sprinkler Project	400	-	-	-	-	-	-	-	-	-	100	-	-
100	-	Storage Fitout	1,800	-	-	-	-	-	-	-	-	-	-	-	100
		Total MTG	**2,780**	**472**	**420**	**276**	**495**	**207**	**340**	**540**	**1,388**	**921**			
		Napier Aquatic Centre													
30	70	Napier Aquatic Centre Renewals	194	327	243	116	600	488	381	648	525	444	100	-	-
100	-	Napier Aquatic Centre expansion (V2)	-	258	264	-	-	-	-	-	-	-	50	10	40
-	100	Reception and Office Redevelopment	120	21	-	-	-	-	-	-	-	-	100	-	-
100	-	Minor Capital	125	-	-	-	-	-	-	-	-	-	-	-	100
		Total Napier Aquatic Centre	**439**	**606**	**507**	**116**	**600**	**488**	**381**	**648**	**525**	**444**			
		Napier Conferences & Events													
-	100	Napier Conferences & Events Renewals	60	123	127	76	45	46	47	79	50	51	100	-	-
100	-	Building Renewals	175	7	26	70	258	1,257	211	267	348	364	100	-	-
100	-	AV Equipment Upgrades	26	157	11	11	28	11	149	12	12	38	50	-	50
-	100	Minor Capital	60	62	63	65	67	69	70	72	75	77	100	-	-
		Total Napier Conferences & Events	**321**	**349**	**227**	**222**	**398**	**1,383**	**477**	**430**	**485**	**530**			

Funding														
Loan Rates %	Reserve %	Project Name	LTP 2021/22 $000	LTP 2022/23 $000	LTP 2023/24 $000	LTP 2024/25 $000	LTP 2025/26 $000	LTP 2026/27 $000	LTP 2027/28 $000	LTP 2028/29 $000	LTP 2029/30 $000	LTP 2030/31 $000	Renewals %	Growth %	Level of Service %
		Napier i-SITE Visitor Centre													
72	28	Building Renewals	59	38	9	67	33	179	93	27	22	63	100	-	-
-	100	Minor Capital	25	10	11	24	6	29	12	12	28	6	100	-	-
		Total Napier i-SITE Visitor Centre	**84**	**48**	**20**	**91**	**39**	**208**	**105**	**39**	**50**	**69**			
		Napier Libraries													
98	2	Minor Capital Items	201	62	62	63	12	13	13	-	-	-	47	33	20
95	5	Library Stock	360	453	465	477	490	503	516	-	-	-	-	-	100
100	-	Napier Library Rebuild	469	3,951	-	10,841	11,136	-	-	-	-	-	-	-	100
100	-	Taradale Library Minor Work	80	10	-	-	89	-	-	-	-	-	-	-	100
100	-	Library Renewals	10	10	11	11	11	11	18	-	-	-	100	-	-
100	-	Library Building Renewals	16	5	12	32	54	205	45	-	-	-	100	-	-
		Total Libraries	**1,136**	**4,491**	**550**	**11,424**	**11,792**	**732**	**592**	**-**	**-**	**-**			
		Napier Municipal Theatre													
100	-	Napier Municipal Theatre Renewals	380	288	372	765	857	519	65	85	117	76	100	-	-
-	100	Building Renewals	39	2	119	247	192	137	156	79	665	439	100	-	-
-	100	Minor Capital	55	57	63	76	67	69	70	72	75	77	100	-	-
		Total Napier Municipal Theatre	**474**	**347**	**554**	**1,088**	**1,116**	**725**	**291**	**236**	**857**	**592**			
		National Aquarium of New Zealand													
100	-	Aquarium Renewals	1,665	1,180	2,077	1,267	384	818	634	111	74	583	100	-	-
100	-	Building Renewals	257	557	207	565	304	103	378	898	1,353	54	100	-	-
-	100	Minor Capital	45	27	26	18	86	50	4	42	35	76	100	-	-
		Total National Aquarium of New Zealand	**1,967**	**1,764**	**2,310**	**1,850**	**774**	**971**	**1,016**	**1,051**	**1,462**	**713**			

Funding		Project Name	LTP 2021/22 $000	LTP 2022/23 $000	LTP 2023/24 $000	LTP 2024/25 $000	LTP 2025/26 $000	LTP 2026/27 $000	LTP 2027/28 $000	LTP 2028/29 $000	LTP 2029/30 $000	LTP 2030/31 $000	Renewals %	Growth %	Level of Service %
Loan Rates %	Reserve %														
		Par2 MiniGolf													
23	77	Par2 Minor Capital	16	35	27	8	12	37	111	31	14	8	59	-	41
		Total Par2 MiniGolf	**16**	**35**	**27**	**8**	**12**	**37**	**111**	**31**	**14**	**8**			
		Reserves													
100	-	Ahuriri Estuary Projects	1,000	103	-	-	-	-	-	121	621	638	-	-	100
-	100	Allen Berry Future Development	100	-	-	-	-	-	-	-	-	-	-	10	90
-	100	Destination Playground Stage 2	-	824	-	-	-	-	-	-	-	-	-	-	100
-	100	Freedom Camping	-	-	-	-	-	-	470	-	-	-	-	-	100
-	100	Hardinge Road Erosion	-	-	-	325	-	343	-	362	-	383	100	-	-
100	-	Maraenui Splash Pad and Park Development - Shopping Reserve	100	-	-	-	-	-	-	-	-	-	-	-	100
100	-	Marine Parade Renewals	390	247	137	22	22	23	23	121	124	128	100	-	-
-	100	Parklands Residential Development	52	54	55	57	58	60	62	64	65	67	-	100	-
-	100	Planting	110	113	116	119	122	126	129	133	137	140	-	-	100
100	-	Playground Renewals	200	206	211	217	223	229	235	242	249	255	100	-	-
100	-	Regional Park	-	-	-	-	-	-	-	1,811	6,213	4,466	-	-	100
-	100	Reserves Renewals	800	1,020	211	586	223	217	176	380	81	83	100	-	-
-	100	Urban Growth	400	309	424	325	446	341	471	362	496	383	-	100	-
100	-	Western Hill Pathway Development	-	-	127	-	-	-	-	-	-	-	-	20	80
-	100	Vested Assets	248	255	262	268	276	283	290	298	308	316	-	100	-
		Total Reserves*	**3,400**	**3,131**	**1,543**	**1,919**	**1,370**	**1,622**	**1,856**	**3,894**	**8,294**	**6,859**			

Funding		Project Name	LTP 2021/22 $000	LTP 2022/23 $000	LTP 2023/24 $000	LTP 2024/25 $000	LTP 2025/26 $000	LTP 2026/27 $000	LTP 2027/28 $000	LTP 2028/29 $000	LTP 2029/30 $000	LTP 2030/31 $000	Renewals %	Growth %	Level of Service %
Loan Rates %	Reserve %														
		Retirement & Rental Housing													
100	-	Healthy Homes	1,940	-	-	-	-	-	-	-	-	-	100	-	-
100	-	Henry Charles Hall Internal Refurbishment	80	309	-	-	-	-	-	-	-	-	100	-	-
100	-	Minor Capital Projects	110	113	116	119	122	126	129	133	137	140	100	-	-
100	-	Rental Housing Renewals	260	10	11	210	197	371	63	1,063	91	245	100	-	-
100	-	Retirement Housing Renewals	927	521	898	1,037	605	982	408	1,690	633	988	100	-	-
		Total Housing	**3,317**	**953**	**1,025**	**1,366**	**924**	**1,479**	**600**	**2,886**	**861**	**1,373**			
		Sportsgrounds													
-	100	Sportsgrounds Renewals	440	350	359	369	379	388	634	266	273	281	100	-	-
100	-	McLean Park Renewals	670	464	211	976	-	114	235	543	435	191	82	18	-
92	8	Minor Capital	70	30	75	32	78	35	83	24	50	76	38	9	53
-	100	McLean Park Digital Screen	250	-	-	-	-	-	-	-	-	-	80	20	-
100	-	Neighbourhood Parks Upgrades	-	258	-	271	-	-	822	-	-	319	40	5	55
100	-	Playground Development	300	309	-	325	-	-	352	-	-	383	50	10	40
100	-	Onekawa Park	-	-	-	759	-	-	-	-	-	-	100	-	-
		Total Sportsgrounds	**1,730**	**1,411**	**645**	**2,732**	**457**	**537**	**2,126**	**833**	**758**	**1,250**			
		The Faraday Centre													
-	100	Aquarium Renewals	520	21	21	22	22	23	23	24	25	26	31	-	69
100	-	Building Renewals	10	10	11	11	11	11	12	12	12	13	-	-	100
		Total The Faraday Centre	**530**	**31**	**32**	**33**	**33**	**34**	**35**	**36**	**37**	**39**			
		Total Community and Visitor Experiences Capital Programme *	**17,859**	**16,801**	**12,984**	**28,977**	**23,303**	**11,908**	**8,605**	**12,235**	**15,899**	**14,347**			

*The above total includes assets that have been vested to Council. This total differs from the Funding Impact Statement as that excludes transactions involving non-monetary funding.

Funding Impact Statement (Community and Visitor Experiences)

AP 2020/21 $000		LTP 2021/22 $000	LTP 2022/23 $000	LTP 2023/24 $000	LTP 2024/25 $000	LTP 2025/26 $000	LTP 2026/27 $000	LTP 2027/28 $000	LTP 2028/29 $000	LTP 2029/30 $000	LTP 2030/31 $000
	Sources of operating funding										
20,376	General rates, uniform annual general charges, rates penalties	23,296	24,329	25,644	26,509	27,637	28,875	29,517	30,326	31,588	32,237
-	Targeted rates	-	-	-	-	-	-	-	-	-	-
262	Subsidies and grants for operating purposes	242	210	211	212	213	214	215	216	217	218
7,710	Fees and charges	13,010	14,013	14,567	14,984	15,429	15,870	16,338	16,838	17,353	17,866
1,430	Internal charges and overhead recoveries	1,788	1,856	1,789	1,815	1,889	1,916	1,800	1,845	1,895	1,948
3,160	Local authorities fuel tax, fines, infringement fees, and other receipts	3,133	3,225	3,316	3,398	3,483	3,570	3,663	3,762	3,863	3,964
32,938	**Total operating funding (A)**	**41,469**	**43,633**	**45,527**	**46,918**	**48,651**	**50,445**	**51,533**	**52,987**	**54,916**	**56,233**
	Applications of operating funding										
27,354	Payments to staff and suppliers	30,229	31,743	32,676	33,589	34,785	35,579	36,398	37,763	38,850	39,768
-	Finance costs	-	-	-	-	-	-	-	-	-	-
9,236	Internal charges and overheads applied	9,880	10,409	11,224	11,697	12,477	13,216	13,604	13,957	14,465	14,804
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
36,590	**Total applications of operating funding (B)**	**40,109**	**42,152**	**43,900**	**45,286**	**47,262**	**48,795**	**50,002**	**51,720**	**53,315**	**54,572**
(3,652)	**Surplus/(deficit) of operating funding (A - B)**	**1,360**	**1,481**	**1,627**	**1,632**	**1,389**	**1,650**	**1,531**	**1,267**	**1,601**	**1,661**
	Sources of capital funding										
-	Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
588	Development and financial contributions	615	633	649	665	682	699	717	736	756	776
3,130	Increase/(decrease) in debt	13,768	13,031	10,752	26,148	20,698	9,097	5,393	9,474	13,146	11,512
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
3,718	**Total sources of capital funding (C)**	**14,383**	**13,664**	**11,401**	**26,813**	**21,380**	**9,796**	**6,110**	**10,210**	**13,902**	**12,288**

AP 2020/21 $000		LTP 2021/22 $000	LTP 2022/23 $000	LTP 2023/24 $000	LTP 2024/25 $000	LTP 2025/26 $000	LTP 2026/27 $000	LTP 2027/28 $000	LTP 2028/29 $000	LTP 2029/30 $000	LTP 2030/31 $000
	Application of capital funding										
	Capital expenditure										
237	- to meet additional demand	891	581	740	832	692	403	665	534	655	547
6,749	- to improve the level of service	5,444	7,001	3,915	16,056	15,347	765	1,915	2,135	7,036	5,639
6,683	- to replace existing assets	11,276	8,965	8,066	11,821	6,986	10,458	5,734	9,267	7,901	7,844
(13,603)	Increase (decrease) in reserves	(1,868)	(1,402)	307	(264)	(256)	(180)	(673)	(459)	(89)	(81)
	Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
66	**Total application of capital funding (D)**	**15,743**	**15,145**	**13,028**	**28,445**	**22,769**	**11,446**	**7,641**	**11,477**	**15,503**	**13,949**
3,652	**Surplus/(deficit) of capital funding (C - D)**	**(1,360)**	**(1,481)**	**(1,627)**	**(1,632)**	**(1,389)**	**(1,650)**	**(1,531)**	**(1,267)**	**(1,601)**	**(1,661)**
-	**Funding balance ((A-B) + (C-D))**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Note: Excluded from Above										
7,629	Group Depreciation & Amortisation	9,062	10,383	11,331	12,126	14,138	15,132	15,826	17,570	17,850	18,498

The Funding Impact Statement (FIS) is provided in accordance with Schedule 10 of the Local Government Act. The FIS is intended to make the sources and applications of Council funds in a more transparent manner than might be the case if only the usual GAAP financial statements were provided.

The FIS includes only transactions involving monetary funding and therefore excludes vested assets, revaluations and depreciation. It is therefore, by necessity, exempt from the GAAP requirements as it follows the prescribed format required under the Act.

The FIS links the Council's Revenue and Financing Policy, the annual setting of rates, fees, development contributions and annual borrowing requirements. The FIS sets out the revenue and financing mechanisms that will be used in each year along with an indicative level of rates, together with examples of the impact of rating proposals in year 1 of the LTP over a range of different categories of property and a range of different values.

PROPERTY
ASSETS

In this section:

The Property Assets Activity Group is comprised of the following activities:

- Parklands Residential Development
- Lagoon Farm
- Inner Harbour
- Property and Investment Assets
- Buildings Asset Management

These Activities have been grouped together as they relate to the strategic ownership and development of land by NCC, or the stewardship of buildings and infrastructure that has significance for the city.

Parklands Residential Development

What we do and why

Parklands Residential Development is a multi-stage residential development delivered by Napier City Council.

The subdivision has been spilt into four areas and encompasses 120ha of former Lagoon Farm land. Area 3 (235 lots) is expected to be completed at the end of 2023, and Area 4 (the final area comprising approximately 203 sections) is expected to be completed in 2027.

Residential development in Napier has historically been delivered via private developers, but after a series of planned developments had not proceeded, the city faced a critical shortage of available building lots. NCC saw the opportunity to become actively involved in making land available via the Lagoon Farm land. The development of Parklands also creates an income stream for NCC to assist with projects that will benefit the community as a whole and reduces the reliance on ratepayer funding.

Where to next?

NCC's rate of development currently targets an output of 50 - 60 sections per year, which at the current rate, and subject to further re-zoning of the available area for residential development, should be able to continue until around 2027, providing a further 352 sections to the community.

Lagoon Farm

What we do and why

The Lagoon Farm Activity is a low-impact commercial farm operated on the former Ahuriri lagoon bed land-holding south of the current estuary channel. The farm currently operates as a sheep farm, with some paddocks leased out for hay cropping on a seasonal basis. The land is to be retained by NCC for potential future residential, commercial, or recreational development.

The farm comprises 289 hectares total area with 40 hectares used for roads, fencing and storage areas.

This Activity covers the costs of land retention and wherever possible provides a supplementary revenue stream for NCC to fund coastal amenities and maintenance. It also provides a number of other ancillary amenities to the general public and community of Hawke's Bay, for example recreational cycleway access into the estuary zone and a site for blo-karting activities. Approximately one-quarter of the area of the farm adjacent to the lower Purimu Stream is low-lying and provides ponding capacity for the Napier storm water system during extreme weather events.

Where to next?

Commercial farming activities shall be carried out on the retained land in order to cover the economic cost of retaining ownership of the land and undertaking any activities directly associated with retaining or using that land. This plan provides for maintenance and renewals of the farm, buildings and machinery to ensure continued productivity and, where possible, reduce impacts on the environment.

Inner Harbour

What we do and why

The Inner Harbour provides NCC-owned berthage facilities and the Nelson Quay Boat Ramp, for both commercial fishing vessels and recreational vessels and craft including the Sailing Waka. The Inner Harbour also provides the location for the Napier Sailing Club and the Hawke's Bay Sports Fishing Club, both of which occupy Council-owned land on a lease basis.

The Inner Harbour provides a channel to the open sea, which the Council is required to dredge to ensure it remains navigable. The waters within the Inner Harbour are also used by a variety of other water-based users from the wider community, while some of the Council wharves and jetties are used by the public for recreational fishing.

Responsibility for managing the Inner Harbour transferred to the Napier City Council as an integral part of local government reorganisation in 1989.

Where to next?

A recent assessment of the condition of the Inner Harbour's walls and structures has revealed that varying levels of remediation and replacement work is required. This presents the perfect opportunity to improve the facilities for all Inner Harbour users, and to increase access, amenity, and cultural and historical understanding.

NCC has now developed the Inner Harbour Plan; one of the key projects to have come out of the Ahuriri Estuary and Coastal Edge Masterplan. The Plan provides a programme of work for the next 10 years, including improvements to parks, roads, laneways and connection with the coastal edge. Projects under the masterplan will being funded through a combination of Long Term Plan funding, public-private partnerships, and capitalising on central government funding opportunities where possible.

Property and Investment Assets

What we do and why

This activity is responsible for the management of leases and licences that have been established for parks, reserves, sportsgrounds, roads, commercial, industrial, and residential properties. The majority of leases within the Leasehold Land Portfolio are perpetually renewable.

Where to next?

The majority of properties in Council's investment property portfolio are situated in Onekawa, Ahuriri and Pandora. The total portfolio is currently valued at $54M and provides current income of $2M annually.

Under legislation, we use this income to support the improvement, protection, management, or use of the Inner Harbour and the coastal marine area. We need to maintain a stable income at this level to manage this area. Many lessees would like to buy the land they lease and would be more likely to improve and grow their businesses. Some of the land has high public value – 'strategic' land - and other land does not. Most of the strategic land is located on the waterfront in Ahuriri and in Pandora. Should we sell land, it is important that we get at least the same income from an alternative investment to avoid any rates increase.

Buildings Asset Management

What we do and why

Napier City Council owns approximately 350 buildings used to provide services to residents, visitors and staff. These buildings have a total replacement value of over $230M.

The Building Asset Management Activity provides:

- buildings with Building Warrants of Fitness;
- basic building maintenance programmes;
- contract management of specialist providers to undertake Warrant of Fitness inspections and maintenance;
- coordination of reactive maintenance;
- building condition assessments to develop high level building renewal plans; and
- professional building-related advice.

Council is required by several key pieces of legislation to ensure the buildings in its portfolio are safe and healthy. Not only that, buildings are important assets NCC can harness to support the health and wellbeing of the community. When looked after well, our buildings can minimise our impact on our environment and provide spaces for a wide range of community activities

Where to next?

Key areas of focus and projects for the Building Asset Management Activity over the full 10 year life of the plan include:

- Developing and maturing Building Asset Management as a discipline across Council;
- Complete and adopt a Building Asset Management Policy;
- Develop and implement Shared Management Agreements in conjunction with Activity Managers;
- Review and update Asset Management Plans for all buildings or building groups;
- Completing the seismic assessment programme and strengthening buildings as required;
- Completing the asbestos assessment programme and management plans across Council buildings;
- Develop fire safety policy and procedures;
- Develop an accessibility review and programme of work aligned to the Napier Disability Strategy 2019-23;
- Preventative maintenance contract procurement and management.

Contribution to Wellbeings and Community Outcomes

Activity	Wellbeings	Our water is clean and safe	Our services and infrastructure meet our community's needs	Our community is connected, safe, healthy and resilient	We are a city that thrives with its community	We treasure our culture, our heritage, our environment	Our community and Council are one
Parklands Residential Development					1		
Lagoon Farm			1			2	
Inner Harbour			1		2	2	
Property and Investment Assets			1				2
Buildings Asset Management			1				2

Key: 1 = Primary focus 2 = contributes to = Social Wellbeing = Cultural Wellbeing = Economic Wellbeing = Environmental Wellbeing

Performance Measures

Activity	Level of service	Performance measures	2019/20 Actual	Year 1 2021-22	Year 2 2022-23	Year 3 2023-24	Years 4 - 10 2024-2031
Parklands Residential Development	Residential lots are created to provide an expanding residential development to meet the demand for the sections.	Number of sections sold and developed	An average of 44 sections per year	92	50	46	96
Lagoon Farm	Lagoon Farm ensures stewardship of Council's 289 hectare land holding on the Ahuriri Lagoon Bed	Farm revenue will cover the cost of retaining the land as measured by the operating budget and Napier City Council annual internal financial statements for year ended 30 June each year	Revenue exceeds expenditure (prior to internal chargebacks)	Revenue exceeds expenditure (prior to internal chargebacks)	Revenue exceeds expenditure (prior to internal chargebacks)	Revenue exceeds expenditure (prior to internal chargebacks)	Revenue exceeds expenditure (prior to internal chargebacks)
Inner Harbour	To provide and maintain Inner Harbour facilities to enable the safe berthing of commercial and recreational vessels	Dredging is carried out as required so the channel is maintained to a minimum depth of 2.4m at lowest tide (source: depth sound checks)	Achieved	Achieved	Achieved	Achieved	Achieved
		No. of Permanent Berths	98	98	98	98	98
Buildings Asset Management	Council maintains and renews all Council buildings to ensure buildings remain safe, in good condition and fit for purpose	Buildings with compliance schedules under the Building Act 2004 which have current Building Warrants of Fitness	100% (24 required buildings)	100%	100%	100%	100%

Risks

The predominant risk for the Parklands Activity is that the revenue stream and public good that comes about from bring new residential plots to market is outweighed by the cost of development.

One of the key risks for the Lagoon Farm Activity is that the cost of operating a sheep farm on the land becomes higher than any revenue received; A reduction in sheep prices by 10% would reduce farm income by around $35,000 in the year of the reduction, and a further reduction of $21,000 per year after that. Should the prices stay at low levels the farm may be unviable in its current delivery format and the business model would need to be reviewed. Another risk for the Farm is that application of fertiliser negatively affects the Ahuriri Estuary by increasing nutrient levels in the water. This is currently being mitigated by strict control of fertiliser application based on soil sampling and absorption rate analysis.

With the exception of commercial fishing, the activities utilising the Inner Harbour are recreational, and represent a commitment of disposable income. Price sensitivity for such activities is therefore high, particularly given the financial uncertainty thrown up by COVID19. There is a risk that NCC has to increase berthage fees to meet existing levels of service, which could discourage users.

Encouraging continued use of the Inner Harbour area also risks degradation to the natural environment from dredging and contaminants from boats if not managed appropriately.

The key risk associated with the Property and Investment Asset Activity is underinsurance of NCC assets. There is also risk involved if a lease or agreement was left to lapse, creating legal uncertainty.

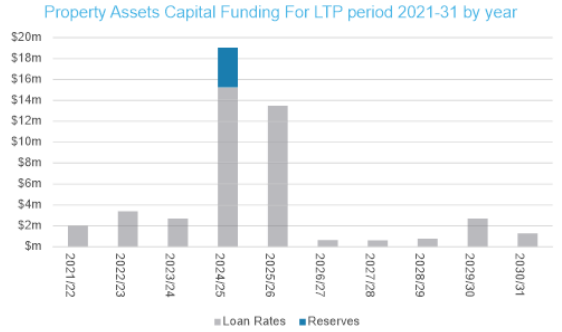
The risks for the Buildings Asset Management Activity largely stem from an incomplete understanding of our assets; NCC does not currently have a schedule of critical assets across all our buildings to plan and budget ahead for when things inevitably fail. Council is subject to legislative obligations (including those under the Building Act 2004); failure to comply with these requirements could result, in the most serious cases, in criminal fines, unplanned closure of facilities or injury to staff or visitors.

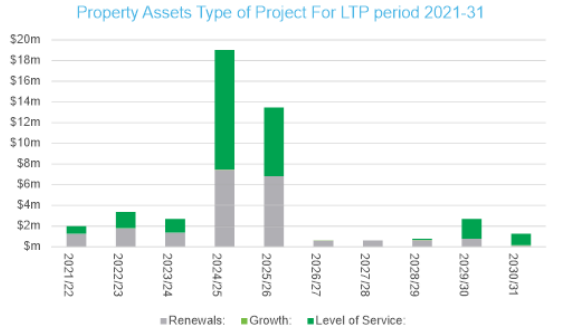
Significant Negative Effects

There are no significant effects identified for this Activity Group.

Financial Information

The following graphs show the budget for operation and capital.





Capital Expenditure (Property Assets)

Funding		Project Name	LTP 2021/22 $000	LTP 2022/23 $000	LTP 2023/24 $000	LTP 2024/25 $000	LTP 2025/26 $000	LTP 2026/27 $000	LTP 2027/28 $000	LTP 2028/29 $000	LTP 2029/30 $000	LTP 2030/31 $000	Renewals %	Growth %	Level of Service %
Loan Rates %	Reserve %														
		Inner Harbour													
100	-	Inner Harbour Project - Meeanee Quay Upgrade	-	-	-	-	-	-	-	109	2,050	1,212	7	-	93
100	-	Inner Harbour Project - Iron Pot Upgrade	-	52	423	3,795	1,765	-	-	-	-	-	38	-	62
		Total Inner Harbour	**-**	**52**	**423**	**3,795**	**1,765**	**-**	**-**	**109**	**2,050**	**1,212**			
		Lagoon Farm													
100	-	Asset Purchases	-	31	-	33	-	34	-	36	-	38	-	100	-
		Total Lagoon Farm	**-**	**31**	**-**	**33**	**-**	**34**	**-**	**36**	**-**	**38**			
		Property Holdings													
100	-	Civic Buildings Upgrade	1,500	3,090	2,113	10,843	11,136	-	-	-	-	-	50	-	50
100	-	Assessment & Compliance Projects	200	206	159	575	579	594	611	628	646	26	100	-	-
100	-	Pandora Pond Buildings	300	-	-	-	-	-	-	-	-	-	100	-	-
-	100	Building Purchase	-	-	-	3,795	-	-	-	-	-	-	-	-	100
		Total Property Holdings	**2,000**	**3,296**	**2,272**	**15,213**	**11,715**	**594**	**611**	**628**	**646**	**26**			
		Total Property Assets Capital Programme	**2,000**	**3,379**	**2,695**	**19,041**	**13,480**	**628**	**611**	**773**	**2,696**	**1,276**			

Funding Impact Statement (Property Assets)

AP 2020/21 $000		LTP 2021/22 $000	LTP 2022/23 $000	LTP 2023/24 $000	LTP 2024/25 $000	LTP 2025/26 $000	LTP 2026/27 $000	LTP 2027/28 $000	LTP 2028/29 $000	LTP 2029/30 $000	LTP 2030/31 $000
	Sources of operating funding										
(792)	General rates, uniform annual general charges, rates penalties	(379)	(166)	(300)	(323)	(156)	(129)	(104)	(52)	(62)	(49)
-	Targeted rates	-	-	-	-	-	-	-	-	-	-
-	Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
553	Fees and charges	542	557	571	586	600	615	631	648	666	683
4,452	Internal charges and overhead recoveries	5,221	5,036	5,044	5,122	5,370	5,477	5,617	5,800	5,918	6,072
20,762	Local authorities fuel tax, fines, infringement fees, and other receipts	22,274	26,373	18,390	17,732	20,554	19,145	3,711	3,763	3,816	3,869
24,975	**Total operating funding (A)**	**27,658**	**31,800**	**23,705**	**23,117**	**26,368**	**25,108**	**9,855**	**10,159**	**10,338**	**10,575**
	Applications of operating funding										
13,792	Payments to staff and suppliers	18,051	23,738	16,727	15,268	17,737	18,299	6,634	6,844	6,991	8,256
-	Finance costs	-	-	-	-	-	-	-	-	-	-
2,823	Internal charges and overheads applied	3,262	3,457	2,692	2,594	3,089	3,026	1,959	2,048	2,086	2,127
2	Other operating funding applications	2	2	2	2	2	2	2	2	3	3
16,617	**Total applications of operating funding (B)**	**21,315**	**27,197**	**19,421**	**17,864**	**20,828**	**21,327**	**8,595**	**8,894**	**9,080**	**10,386**
8,358	**Surplus/(deficit) of operating funding (A - B)**	**6,343**	**4,603**	**4,284**	**5,253**	**5,540**	**3,781**	**1,260**	**1,265**	**1,258**	**189**
	Sources of capital funding										
-	Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
-	Development and financial contributions	-	-	-	-	-	-	-	-	-	-
-	Increase/(decrease) in debt	2,000	3,378	2,695	15,245	13,480	628	611	773	2,696	1,276
150	Gross proceeds from sale of assets	150	150	150	150	150	150	150	150	150	150
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
150	**Total sources of capital funding (C)**	**2,150**	**3,528**	**2,845**	**15,395**	**13,630**	**778**	**761**	**923**	**2,846**	**1,426**

AP 2020/21 $000		LTP 2021/22 $000	LTP 2022/23 $000	LTP 2023/24 $000	LTP 2024/25 $000	LTP 2025/26 $000	LTP 2026/27 $000	LTP 2027/28 $000	LTP 2028/29 $000	LTP 2029/30 $000	LTP 2030/31 $000
	Application of capital funding										
	Capital expenditure										
-	- to meet additional demand	-	31	-	33	-	34	-	36	-	38
2,808	- to improve the level of service	750	1,577	1,319	11,569	6,662	-	-	101	1,907	1,127
1,725	- to replace existing assets	1,250	1,771	1,376	7,438	6,818	594	611	636	790	110
3,975	Increase (decrease) in reserves	6,493	4,752	4,434	1,608	5,690	3,931	1,410	1,415	1,407	340
-	Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
8,508	**Total application of capital funding (D)**	**8,493**	**8,131**	**7,129**	**20,648**	**19,170**	**4,559**	**2,021**	**2,188**	**4,104**	**1,615**
(8,358)	**Surplus/(deficit) of capital funding (C - D)**	**(6,343)**	**(4,603)**	**(4,284)**	**(5,253)**	**(5,540)**	**(3,781)**	**(1,260)**	**(1,265)**	**(1,258)**	**(189)**
-	**Funding balance ((A-B) + (C-D))**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Note: Excluded from Above										
7,629	Group Depreciation & Amortisation	9,062	10,383	11,407	12,278	14,303	15,297	15,991	17,709	17,919	18,508

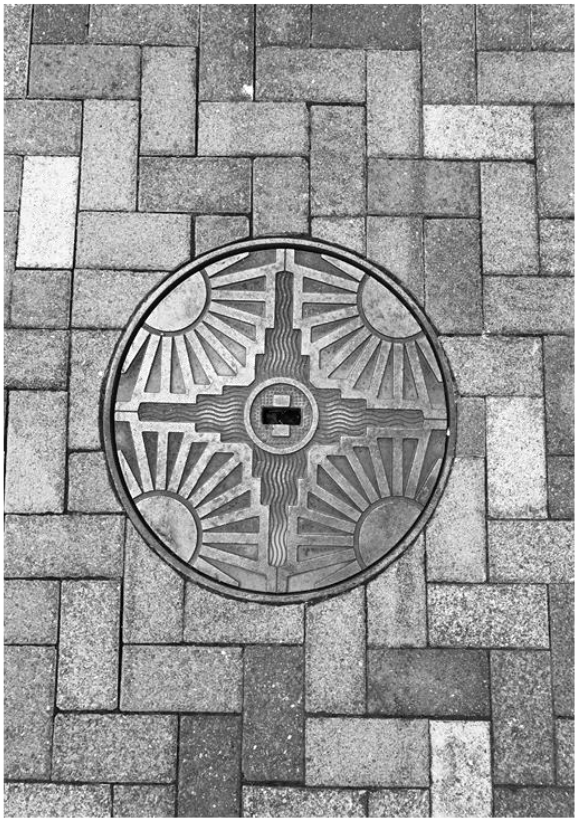
The Funding Impact Statement (FIS) is provided in accordance with Schedule 10 of the Local Government Act. The FIS is intended to make the sources and applications of Council funds in a more transparent manner than might be the case if only the usual GAAP financial statements were provided.

The FIS includes only transactions involving monetary funding and therefore excludes vested assets, revaluations and depreciation. It is therefore, by necessity, exempt from the GAAP requirements as it follows the prescribed format required under the Act.

The FIS links the Council's Revenue and Financing Policy, the annual setting of rates, fees, development contributions and annual borrowing requirements. The FIS sets out the revenue and financing mechanisms that will be used in each year along with an indicative level of rates, together with examples of the impact of rating proposals in year 1 of the LTP over a range of different categories of property and a range of different values.

2021-2051

Draft Infrastructure Strategy



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1. Executive Summary

This Infrastructure Strategy covers the Council's provision of transportation, water supply, storm water, wastewater, parks and reserves, and buildings

Infrastructure is the area that oversees the physical assets that the Council owns and maintains to deliver services to the community. This includes cemeteries, public bathrooms, parks, sportsgrounds as well as the water network, roads that are not state highways and buildings such as libraries, aquariums and theatres.

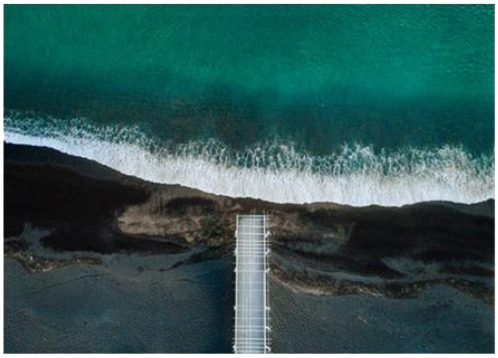
Infrastructure is the foundation upon which Napier is built; without these fundamental assets the town could not function and flourish.

What has happened since the last Long Term Plan ...

Since the last Long Term Plan our city has grown, and development is occurring faster than expected. We have also come together in the national fight to contain Covid 19 and have experienced a one in 250-year flooding event that left many without habitable homes and stretched infrastructure past its designed capacity.

On the heels of the Havelock North Water Crisis there has been a Three Waters review by the Government and we have undertaken a chlorine free review. We have developed masterplans and strategies for the majority of our key infrastructure and Council is reviewing and moving forward with these plans.

These events have changed the way we have viewed our infrastructure, how we maintain and use it, and ultimately has shaped the way that we have developed our infrastructure strategy.



History of Napier Infrastructure

Napier First Surveyed	1852	
	1857	First Main Road Built
Severe Earthquake	1863	
	1867	Ngaururoro River Bridged
Napier- Taradale Rd Built	1870	
	1873	Flood Destroys Napier - Taradale Road
Street Forming & Lighting (gas)	1877	
	1883	Reservoir, pipeline & well completed (150,000 gallons / day)
Great Fire (26 Buildings Destroyed)	1886	
	1897	Major Flooding (3/5 of Heretaunga Plains)
Land donated for McLean Park	1910	
	1912	McLean Park Grandstand Built
Electric Street Lights	1915	
	1931	Napier Earthquake
First Streets in Onekawa Sold	1949	
	1950	Napier Proclaimed City
Anderson Park Land acquired.	1962	
	1964	Hawkes Bay Airport Opened
New Outfall Pipeline- Awatoto	1973	
	1991	Miliscreen Plant Opened
MTG Opened	2013	
	2014	Biological Trickling Filter (Wastewater) Opened
McLean Park Drainage & Re-turf	2018	

1.1 Context

Council provides various services to a community of around 25,000 households. The key infrastructure identified in this strategy includes:

- Water Supply
- Wastewater
- Stormwater
- Roads and Footpaths
- Community Property
- Parks and Reserves

These assets contribute to the wellbeing and prosperity of Napier city and have a combined value of around $2 Billion.

1.2 Key Issues to be addressed

The internal and external landscape at Council has changed significantly over the last three years since the last Long-Term Plan. There are a number of major factors that influence the decisions being made by staff, and elected members, to enable service levels to be maintained and for infrastructure to be kept at a level that compliance with legislation is maintained in a changing environment. The standards that are required, particularly in the Three Waters Activities, are becoming more stringent and Council is planning for this.

Below are the nine Key Issues that have been identified for this Long-Term Plan period and the main actions required to address the issues:



Affordability

Napier has historically operated with a very financially prudent perspective combining low debt and minimised operational spend. With increasing regulatory requirements and aging assets that require improved levels of operational and maintenance expenditure alongside capital upgrades, this promotes a change in the operating ethos for both the Council and the community.

Council's Response: Council is concentrating on maintaining what we already have, including increasing allowances for renewals and deferring a number of non-essential projects.



Enabling Growth

Napier is a medium- high growth city with a requirement to enable and provide affordable development under a National Policy Statement – Urban Development. This external driver coupled with increased regional migration, productive soil protection, low-lying risk prone land and a small geographical area makes it a difficult balancing act to provide for sustainable growth.

Council's Response: Three major developments are underway or planned in Napier. Council are delivering properties through its own development - Parklands Residential Estate. Te Awa is experiencing significant development and infrastructure is going in now to support this growth. The Mission development is progressing. Council is looking at how to encourage intensification through the District Plan Review.



Future Proofing

Napier is moving from a small regional centre to a more modern, vibrant city. To support this change and to meet increasingly stringent regulatory and environmental guidelines whilst balancing risks around natural hazards and climate change, the city needs to plan carefully to optimise its investment in the future. Providing for this growth is a large component of this strategy and the associated Long-Term Plan.

Council's Response: Ultimately Council wants to deliver timely, robust infrastructure in a sustainable way. Part of this involves detailed planning, which was the focus of the last Long-Term Plan, now the teams are reviewing the long-term master plans and prioritizing work to make our infrastructure more resilient and compliant. Superimposed on this is understanding the highest risk areas in the city and various studies are underway with external parties to understand the impact of natural hazards, evacuation routes and what Infrastructure is required to support the community during an incident. Together, these pieces of work, combined with climate change planning and growth planning will assist Council to provide appropriate infrastructure that meets compliance and the city's needs.



Supporting Improved Environmental Outcomes

The environment sustains our city, is the cornerstone for our tourism sector and the reason we love living here. There is a need to protect our natural resources in alignment with cultural values. This promotes the need to focus on supporting our Natural Heritage through meeting increased regulatory requirements, while working with the local community and stakeholders collaborating to ensure that all of us are invested in improving outcomes.

Council's Response: Over the last few years, Council has been building an Environmental Solutions team of scientists who are focused on improving the quality of our open waterways and reducing the contamination of our stormwater network. This team and other infrastructure teams are working on projects such as: reduced leakage, optimised water use on Parks and Reserves, fixing and replacing the wastewater outfall pipe, planning for increased requirements around wastewater treatment and discharge. Longer term we are also going to store and treat stormwater at Lagoon farm, assisting with the quality of water going into the Estuary.



Capacity to Deliver and Supporting Economic Recovery

The government is driving economic recovery through stimulus packages. This will increase the number of projects to be delivered, which results in additional workload and reporting requirements over a condensed timeframe. E.g., Shovel Ready Projects and Three Waters Reform projects. Council has been delivering capital plans over the last 4 years that range between $20 and $50m in total. The projections for the latest Long-Term Plan significantly exceed this value (excluding stimulus work) and given current staffing levels and potential industry constraints there are hurdles to jump through to ensure that Council can deliver the planned capital programme.

Council's Response: Council has a large amount of work to deliver in a constrained industry with a lot of competition. Council is working with other Regional territorial authorities to see how we can work together to deliver these programs of work. This is already starting with five regional projects being delivered as part of the three waters reform. The opportunity for Council is to encourage new players into the Hawkes Bay market by reviewing our procurement methods, bundling work together and also prioritising the work that is most important to complete. Where Council resources are stretched, we are looking at external assistance where needed, for example where we need additional technical expertise or project management assistance.



Natural Hazards and Climate Change.

Until now, there has been no targeted approach to monitor and address climate change, hazards management, sustainability and the journey towards Carbon Zero. The next 30 years will see significant changes in these areas and Napier needs to have sufficient resources to guide our local direction, and a policy that is aligned with research and direction regionally and nationally. This will support the delivery of appropriate infrastructure and provide for a resilient and sustainable future.

Council's Response: In addition to the actions mentioned above around understanding natural hazard risks and how to manage these, the Council is focussing more closely at energy use, optimising equipment, setting materials standards and is moving towards reducing our Carbon footprint.



Streamlining BAU Processes and Data Quality

The Council is in a state of transition, moving from outdated models of working to embracing new technology and an efficient future. The systems we use are outdated and no longer fit for purpose, which takes officer time away from delivering our services in the most efficient way and optimising our operational capacity.

Having the appropriate tools, systems, processes and data to understand our current state, the risks and improvements required, will enable optimised decision making and reduce uncertainty and will deliver costs savings.

Council's Response: This is a high priority area that is being worked on by a number of teams. Leading up to this Long-Term Plan Council are investing in new computer systems, one of which includes an upgrade of Council's main Asset Register. This is funded via the three waters reform programme. An Asset Management Continuous Improvement Plan (AMCIP) has been developed and this will guide the Infrastructure related BAU processes.



Preparing for Three Waters Reform Programme

Council is operating within an uncertain environment regarding the future of Water. The industry is undergoing major reform that may result in these services being delivered at a regional or multiregional level. The objectives of the reform are to provide everyone with more equitable access to safe and affordable water and improved environmental outcomes.

Napier has been provided with an initial $12.51m to work towards meeting the reform objectives between November 2020 and March 2022. This will enable Council to make good headway with the management of data, systems, tools, and processes in combination with some key capital projects. This stimulus package adds additional workload to teams that are already at or over capacity. The funding provides for additional staff or resources which should assist with these capacity constraints.

Council's Response: This is a great opportunity for Council to bolster the upfront work on the Three Waters Capital programme and to set up the Three Waters team in a way that enables greater focus on operational planning, strategic planning and project planning. In addition, the programme is enabling improvements in asset management tools, systems and practices and will also assist the broader Council team when asset management practices improve in this area. There will be a balance to ensure that the Three Waters reform projects are delivered, this is why additional external resources have been engaged to assist.



Deferred Renewals

Council has not kept up with replacing and upgrading all of its assets. Some are well past the end of their useful life and are getting beyond repair. At the same time, the money historically put aside each year to save for when we need to work on our assets has been too low.

Council's Response: Costs to renew assets have increased alongside industry standards. It is simply unaffordable to commit to all the work that needs to be done at once.

Prioritisation of asset replacements and upgrades are taking place to identify what is essential, and what is well utilised along with what is affordable.

Council's plan is to ensure that more money is set aside for depreciation over the next 10 years and ensure that we are proactive in our management of upcoming renewals, rather than waiting for their end of life before attending to them.

1.3 Overall Vision for Council Infrastructure

Council's overarching vision for Infrastructure is:

"Providing infrastructure that supports and enhances the quality of life in our city"

Over the thirty-year period of this plan the main vision for Infrastructure is to maintain what we have and optimise our networks and services and ensure that these are kept to a standard that meets levels of service and meets compliance. Due to affordability issues there were discussions around potential changes to levels of service. The decision has been made to postpone some projects that are not core infrastructure and to loan fund some renewals to cover funding gaps.

1.3.1 What are the major projects?

The main projects that have been put forward in this strategy are summarized very briefly here:

Water:

- Install New Borefields
- Replace Enfield Reservoir
- Demand Management- Network and Control Zones

These will help deliver the vision of safe, clean water.

Wastewater:

- Replace Outfall Pipe and Pump Station
- Pump Station Improvements (SCADA)
- Treatment Plant Upgrade

Stormwater:

- Stormwater Storage at Lagoon Farm
- CBD & Onekawa Flood Alleviation
- Marewa- Whitmore Park Flood Alleviation

Improve the quality of discharged stormwater.

Parks, Reserves, Sportsgrounds, Cemeteries, and Public Toilets:

- McLean Park Turf Renewal and Harris Stand Replacement

These will assist with compliance, improved operation and future proof our network.

- Onekawa Park Upgrade
- Purchase of Cemetery Land
- Ahuriri Masterplan

To maintain and improve existing assets used by the community

Community Buildings:

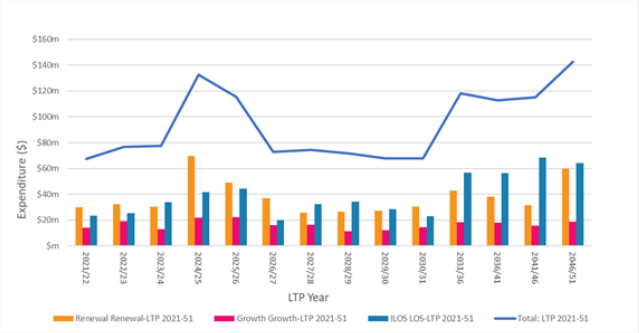
- Faraday Centre
- Civic Precinct

To ensure that community buildings are fit for purpose

1.3.2 What is the Cost?

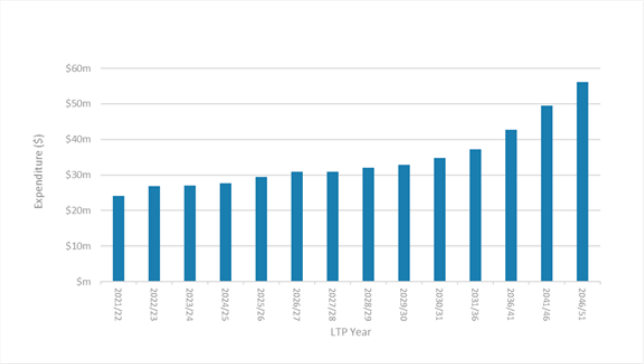
The Capital cost for this thirty-year plan equates to $824.45million the profile for this expenditure is shown below

Figure 1: Total Capital Expenditure - Infrastructure



As compliance standards change and the city grows and assets age it is necessary to spend more to maintain assets to meet the level of service. The total operational spend for the 30 years is $482.3 million, an average of $16 million per year. The breakdown by Activity group is provided later in the document

Figure 2: Total Operational Expenditure - Infrastructure



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2. Introduction

"Providing infrastructure that supports and enhances the quality of life in our city"

This is Napier City Council's 2021-2051 Infrastructure Strategy. The strategy sets out our longer-term plan for managing our assets over a 30-year period to ensure that Council continues to deliver on levels of service. It has been prepared from Council's 2020 suite of underlying documents including the Activity Management Plans provided by each area of the Infrastructure team and it ultimately forms part of Napier City Council's Long-Term Plan. The Infrastructure Strategy should be read in conjunction with the Financial Strategy.

The goal that underpins our strategy for Napier over the next 30 years is to provide infrastructure that supports and enhances the quality of life in our city. Through the provision of infrastructure that supports a good quality of life for all residents in the city, by addressing issues such as water quality and an enhanced transport network, growth and positive environmental outcomes will naturally follow.

Our strategy is based on the Council's vision of:

> "A vibrant and innovative city that provides for the wellbeing of our community now and into the future"

The Council has identified community outcomes and from these we have formulated the top eight Infrastructure issues that are addressed in this strategy.

Council is focused on ensuring our infrastructure services meet both current and future requirements.

This Infrastructure Strategy covers the following core Assets owned and managed by Council:

- Water Supply
- Wastewater
- Stormwater
- Roads and Footpaths
- Community Property
- Parks and Reserves

The issues discussed within this document reflect the current legislative environment and the communities' priorities across the city and anticipates the coming changes in requirements and standards in the Water Industry and works towards achieving anticipated higher standards, which have not yet been set.

This infrastructure strategy:

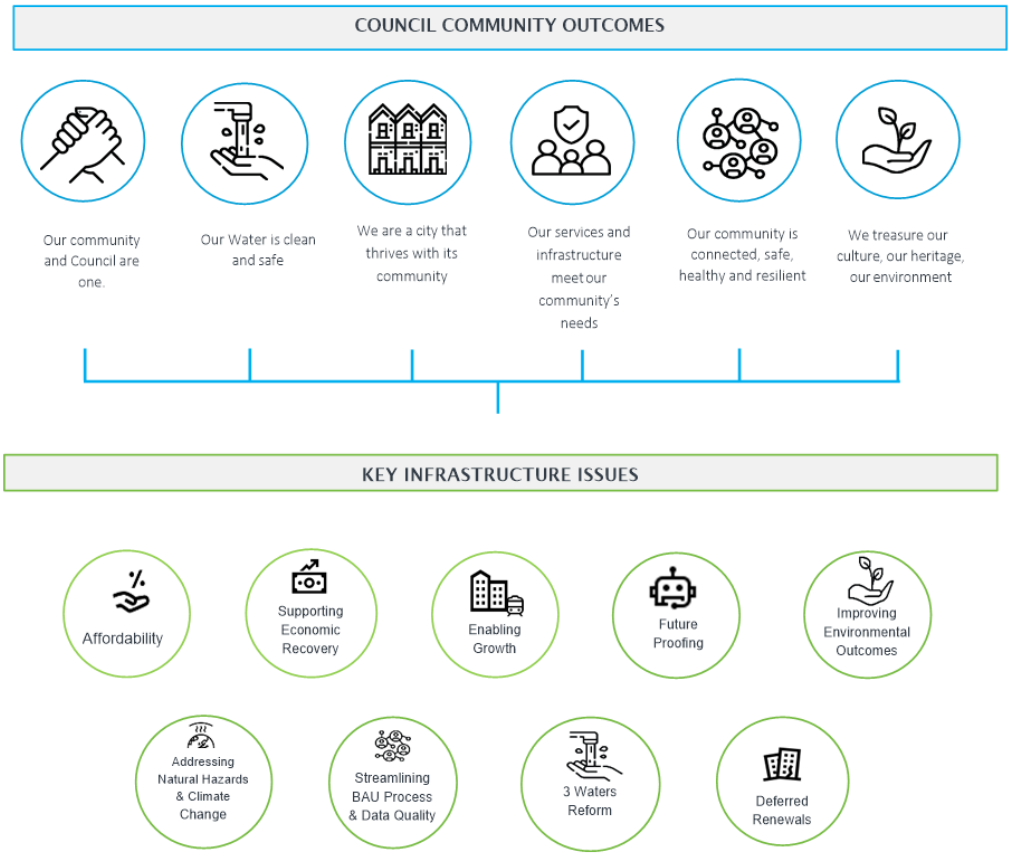
- Identifies our significant infrastructure issues for roading, water, wastewater, stormwater, parks and reserves and buildings over the next 30 years (2021-2051)
- Highlights our vision for the activities and where we would like to be by 2051
- Summarises the main options we have for managing those issues, our strategic response and likely course of action
- The likely cost implications of managing infrastructure over the next 30 years.

The financial forecasts are estimates and while the reliability of the forecasts decreases beyond ten years, they are indicative of current thinking within Council and of the direction in the medium to long term.

Assets Covered	Asset Components	Replacement Cost	Depreciated RC
Water Supply	Pipes, Valves and Hydrants Treatment Plants and Pump stations	$205,625,903 $34,750,974	$106,874,424 $15,821,753
Wastewater	Pipes, manholes Treatment Plants and Pump stations	$337,936,600 $81,523,093	$139,815,551 $48,365,483
Stormwater	Pipes, manholes, outfalls, culverts and pump stations	$306,808,041 $34,588,944	$178,604,372 $25,497,022
Roads and Footpaths	Roads, footpaths, bridges, streetlights	$451,498,542.82	$261,096,540
Community Facilities	Community housing and facilities.	*	$134,685,065
Parks, Reserves, Sportsgrounds and public toilets		*	$239,660,563

*This figure is not calculated

Council has set six Community Outcomes that support the overall vision for Napier. These are provided below in addition to the Key Infrastructure Issues that are addressed in this strategy.



2.1 Serving our Community

Council provides key services to the community and engages on a regular basis to understand what is important to our residents and ratepayers. During the last customer engagement survey (undertaken quarterly over the last year), it was clear that drinking water and wastewater services were not meeting the community's expectations. The results showed that although satisfaction had increased over the year there was still considerable dissatisfaction with drinking water. Sewerage had the largest fall in satisfaction in 2020. Sportsgrounds had the highest satisfaction rating at 94% and improvement is required in swimming pools and parking in the CBD. Overall customer satisfaction with Council as a whole has increased from 67% to 75% over the last year.

In August and September last year, Council undertook some pre-engagement work with the community. This involved empathy interviews, online and physical blackboards ("my big dream for Napier is...") and focus groups to understand what the community needs. Key themes included safety, connectedness, water, fun, nature and local amenity. A subsequent campaign went ahead in December. Respondents were asked to rank five statements in order of importance. The two themes about water were ranked as the most important, with drinking water being ranked slightly higher than wastewater and stormwater. Of those who responded, 51% rated drinking as their top priority: 31% as their second priority.

Local and accessible amenities and safe communities were ranked as third most important, and city vibrancy and green/open spaces coming in fourth and fifth respectively.

Council reports on a number of defined levels of service on a quarterly and annual basis. Overall Council meets its levels of service across most of its activities but the results from last year do show that there are some areas for improvement. The graphic below shows how Council achieved across the key Activity areas:

Transportation:

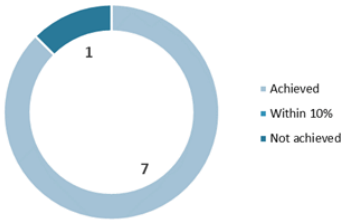
How We Performed Against Performance Measures



The three performance measures that were not met last year include resident's satisfaction with road maintenance and lighting, and the adequacy of renewal of road surfacing and maintenance of footpaths. The transportation team had an audit from NZTA last year where the audit showed that our reseal programme is outdated and the condition of road surfaces exceeds requirements. Footpaths do need a greater focus.

Wastewater:

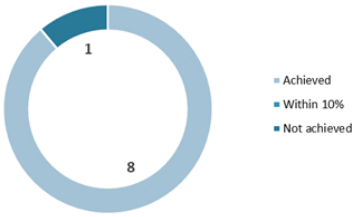
How We Performed Against Performance Measures



The reason for not meeting all performance measures in wastewater related to the leaks detected in the wastewater outfall pipe. These leaks initiated an abatement notice from the regional Council. These repairs have now been completed.

Stormwater:

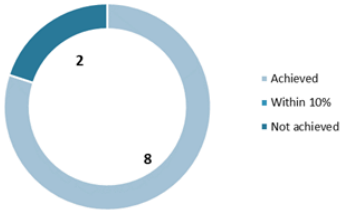
How We Performed Against Performance Measures



The one performance measure not achieved last year involved resident's satisfaction with the service. Satisfaction fell from 61% to 60%, the target being 89%. Customers in Ahuriri and Nelson Park wards were less satisfied with the urban drainage network.

Water Supply:

How We Performed Against Performance Measures



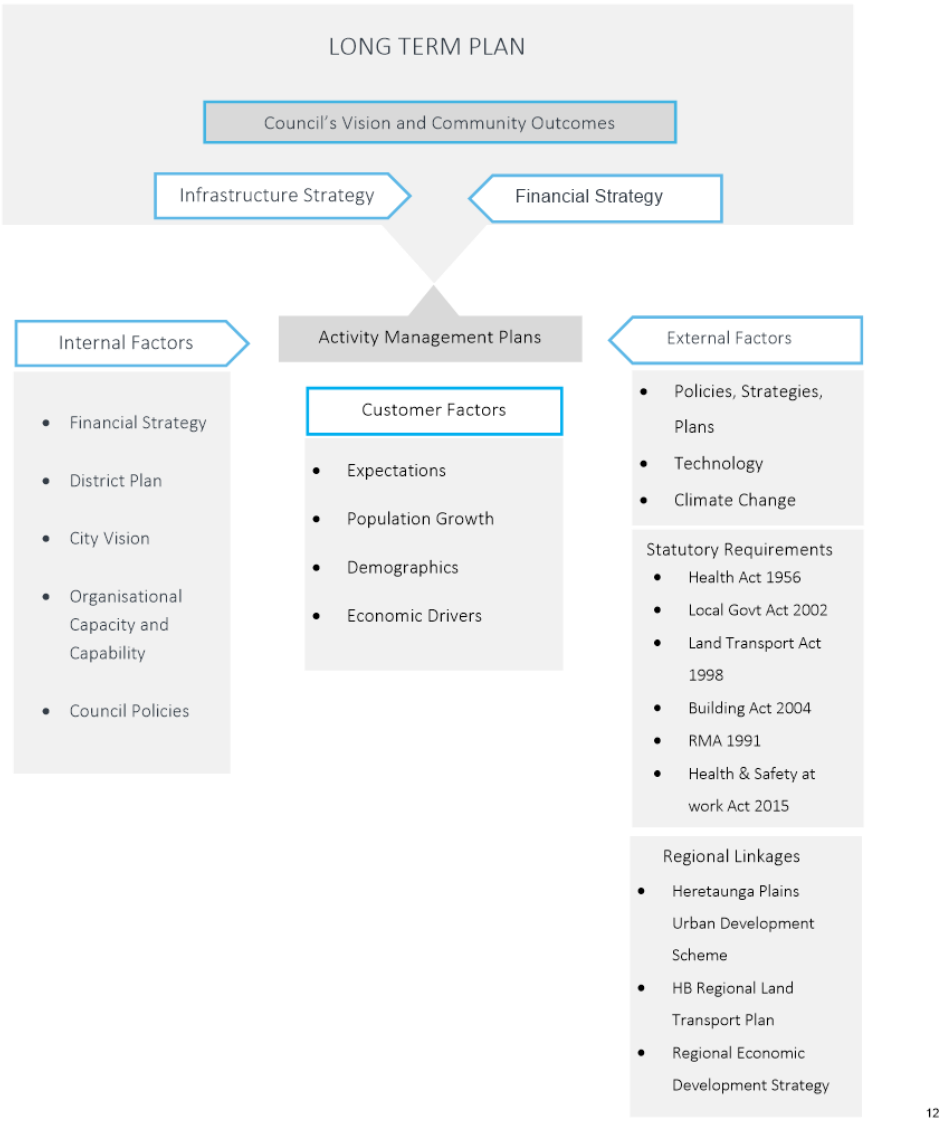
The two measures here relate to customer satisfaction with the service and the total number of complaints per 1,000 connections. Current complaints are excessive due to the current dirty water issues. Some work is required with service providers to better identify customer complaints and categorize these appropriately. A significant amount of work is underway to address the dirty water issues and complaints fell in the second half of last year when reliance on two bores that are higher in manganese levels was reduced.

2.2 Purpose of this document

The Infrastructure Strategy is a legislative requirement under the 2014 amendments to the Local Government Act 2002. The aim of the strategy is to identify:

- the key infrastructure issues facing the Council,
- the implications of the identified issues; and
- the principal options for managing these issues.

It is a guiding strategy that sets out how we want to develop our various networks and assets into the long term so that we can meet required levels of service. The following figure shows how Council's various documents work together to form our Long-Term Plan.



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3. Introduction to Napier

3.1. Context

3.1.1 Location and Geography

Napier City is situated on the Hawke's Bay coastline near the bottom of the Hawkes' Bay bite. It extends from Bayview in the North to Awatoto in the South and into the hills near Poriati and Puketapu in the West. It is bounded on the Eastern side by the Pacific Ocean (Hawke Bay). Napier's main topography is flat, with a large amount of land having been uplifted during the 1931 Earthquake.

Napier covers 105.75 square km, with 43.04 square km of this being urban (this currently excludes both Parklands and Mission subdivisions that are not yet re-zoned as urban), which means that approximately 41% of its territory is urban.

Napier's boundaries contain both Hawke's Bay Airport and the Port of Napier, both of which service the wider Hawke's Bay and East Coast regions. On the landside it is bounded in all directions by the Hastings District, and both Napier City and Hastings District are located within the catchment area of the Hawke's Bay Regional Council.

Figure 3.1 Location Map



3.1.2 Climate

Napier, Hawke's Bay has a temperate marine coastal climate that is by global standards mild with no dry season, and warm summers. Heavier precipitation occurs during the mild winters which are dominated by mid-latitude cyclonic weather patterns (lows).

The average annual temperature is 14.3 degrees Celsius. Average monthly temperatures vary by 10.3 °C. Total annual Precipitation averages 809.7 mm which is equivalent to 809.7 litres /m^2. On average, there are 2281 hours of sunshine per year.

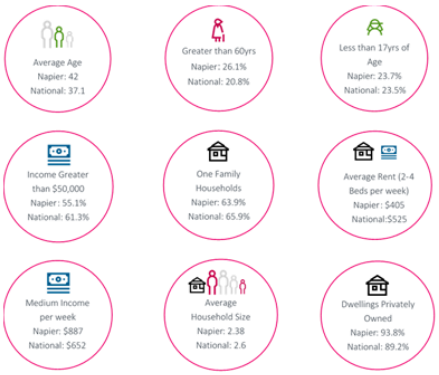
Average High and Low Per Season



3.1.3 Population

Napier has experienced a steady level of growth since 2001 increasing in population from 53,661 (2001 census) to 62,241 (2018 census) and is projected to rise to approximately 71,140 by 2051 (an increase of 11.6% over the next 30 years).

The city experienced 9% growth between 2013 and 2018 and with 500 applications for social housing and Council's own residential housing with a long waiting list, the need to provide and service additional growth is a necessity. With the rapid growth experienced over the last decade, the 11.6% projection to 2051 may be a conservative projection.



3.1.4 Natural Hazards

Napier is located in a seismically active area adjacent to the Hikurangi Subduction Zone and has experienced a number of large magnitude large earthquakes in known history.

The most recent substantial event was in 1931 which resulted in destruction of large parts of the city and the up thrust of large areas of the former estuary. This event provided additional land into which the city has grown and on which the airport is now located. The presence of the subduction zone and potential for megathrust earthquakes also poses a known tsunami risk to the City and wider coastal region. *(Figure 1)*

Napier contains suburbs which are built on hill formations including; Hospital and Bluff Hill, parts of western Taradale, Poriati and Heipipi (above Bay View), however approximately 90% of the city, by developed area, is low-lying and very flat ranging in elevation from at or just below sea level at in some foreshore suburbs, to about 5m above sea level at the base of the northern and eastern parts of the hills. This means this infrastructure is vulnerable to movement during earthquakes and flooding events. It is also unfavorable for new development and is expensive to service.

Developments in this flat area are built on a mixture of alluvial gravels, former swamp, and the portion of the former lagoon bed that was lifted in the 1931 earthquake and subsequently drained to convert the swamp to useable land. As such, the low-lying suburbs not directly adjacent to the waterfront are vulnerable to both ground-water level rise and liquefaction (see Figure 3.3), this places additional pressure on the ability to convey wastewater and storm water.

The map of Napier (*Figure 2*) illustrates the extent of low lying land in Napier, where mean sea level (sea level at half tide) is set to 10 meters in elevation and the dark green shaded areas show land up to 12 meters in elevation (i.e. up to 2 meters above mean sea level).

Figure 3.2 Hikurangi Subduction Zone

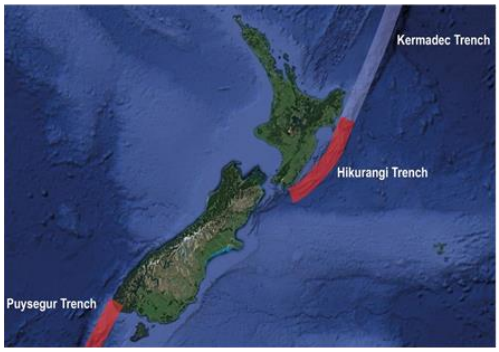
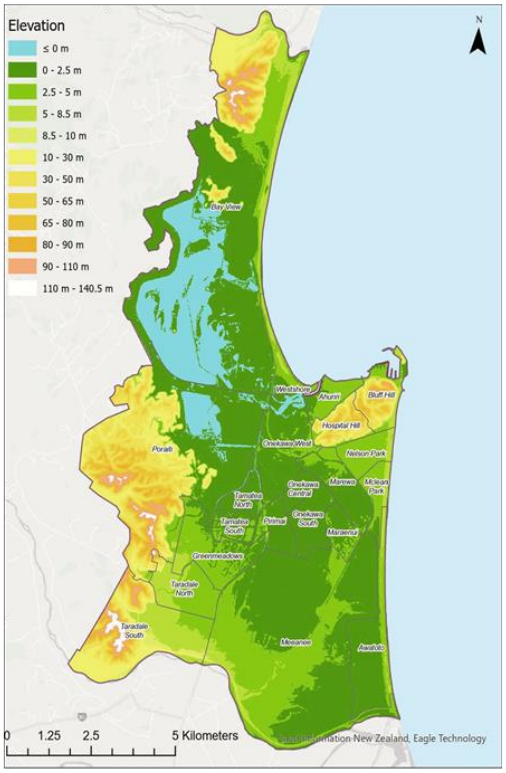


Figure 3.3 Land Topography, Napier



4 Key Assumptions

In order to plan for the long term, it is necessary to understand the current intern and external environment to make assumptions about future scenarios.

Schedule 10 of the Local Government Act 2002 requires that the Council identifies the significant forecasting assumptions and risks underlying the financial information set out in the Long-Term Plan. Where there is a high level of uncertainty the Council is required to state the reason for that level of uncertainty and provide an estimate of the potential effects on the financial assumptions. The level of uncertainty is determined by reference to both the likelihood of occurrence and the financial materiality.

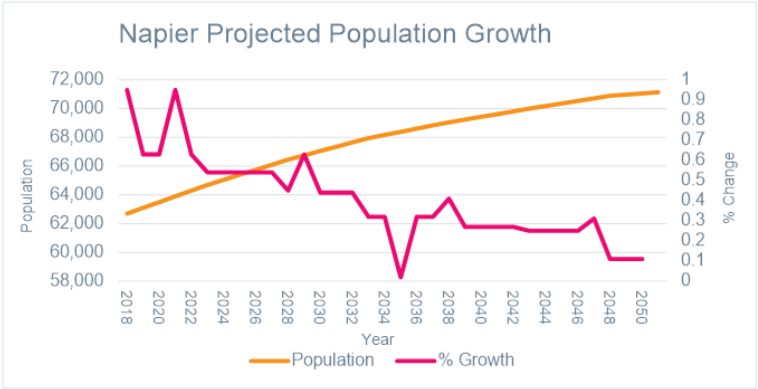
All key assumptions have an inherent level of uncertainty. The assumptions that have a high level of uncertainty include:

- Natural disasters causing significant harm.
- Outcome of the three waters reform and future delivery options.
- Exposure drafts for the new drinking water standards.
- Impact of Covid-19 and recovery.

The following sections summarise some of the underlying assumptions used to develop the Infrastructure Strategy.

4.1 Growth

Projected total City population growth over the ten years of the Long-Term Plan is 3,450 (5.4%). The projections are halfway between Medium and High Statistics NZ projections. As previously noted, Napier experienced an increase in population of 9% between 2013 and 2018, there is therefore the potential that population increases may be higher than anticipated.



Variations in the projected population growth will impact the growth of households and the demand for community facilities over time. Changes may require acceleration or slow-down of growth-related projects. Council's Financial Strategy outlines how such projects are to be funded. Impacts on individual ratepayers will not be significant unless growth is significantly above that forecast or the cost of development in new greenfield areas is excessive. The following assumptions have been applied:

- Any impacts from the changing demographics of Napier's population during the term of this Long-Term Plan is not considered significant.
- Napier's population will also continue to age, and ethnic diversity will increase.
- The projected total City household growth over the next ten years is 1,853 (7.1%) The projections are halfway between Medium and High Statistics NZ projections.
- Based on historic data and the growth assumptions in this Long-Term Plan, an allowance

of 0.30% per annum has been included for additional rates revenue. As a result of growth in the rating base it is possible that the rate of growth will differ materially from the above projections. This would impact the revenue from Development Levies/ Financial Contributions and Consents. Council will carefully monitor growth and adjust the timing of growth-related projects based on revised market demand and revenue timing. Council is in the process of reviewing the current District Plan and is proposing changes to the existing contributions policy to provide clarity around the way that contributions are charged and to ensure that sufficient funds are collected to support growth.

The current level of growth is evident in subdivision developments occurring including those in Te Awa and multiple sites in the Western Hills near Puketitiri Road and Puketapu Road. These developments are being serviced by the existing infrastructure networks with no immediate risk to continued levels of service. Various network models currently being developed and/or updated will inform Council on the impacts of future development on these networks.

Two main Greenfield developments are underway in Parklands (administered by Council) and Te Awa (Private developments). The cost of servicing these developments is high and work is underway to address Council's responsibilities under the National Policy Statement –Urban Development and to plan for growth in a way that provides the best outcome for the city. Parklands will fund itself until it is complete when it is expected that a fund of around $30m will be available at the end of the ten years to fund other key projects.

4.1.2 Heretaunga Plains Urban Development Strategy (HPUDS) Updated Projections and Forecasts 2015 – 2045

Napier City Council is a participant of the Heretaunga Plains Urban Development Strategy (HPUDS) which has shaped its approach to managing urban growth since the adoption of this regional strategy by the Council in 2010.

HPUDS considers the following growth drivers and the relative demands they place on land in both Hastings and Napier:

- Commercial and Industrial
- Retirement sector
- Rural Residential development
- Urban residential development
- Intensification (infill)
- Affordability and sustainability

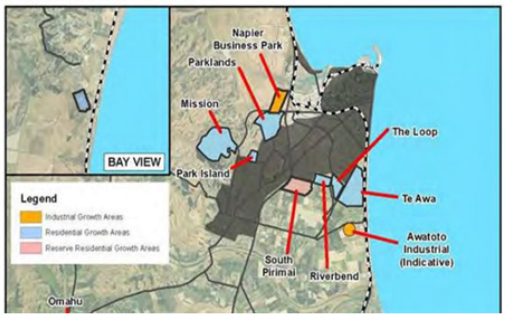
In the move towards more compact urban form for the Heretaunga Plains sub- region, an increasing proportion of the residential growth has been identified to take place through intensification, by redevelopment within existing residential and rural residential areas.

Development is expected to transition from current development allocation levels to the following by 2045:

- 60% intensification (10 – 20% intensification of brownfields)
- 35% greenfield
- 5% in rural areas.

To achieve the intensification targets above, HPUDS aspires to a general residential density target of 15 households per hectare for greenfields/suburban development, and 20-30 households per hectare for intensification areas by the end of the Strategy period.
During this period most new greenfield developments have been limited to the areas indicated in Map 3 below (note that this does not include greenfields sites already within the urban boundary which are not included in HPUDS).
Note that HPUDS is due to be reviewed over the next couple of years. As part of the preparation for this review, Council is working on the development of a Spatial Picture that will involve the development community and help to form a summary vision for growth across the city.

Map 3: Heretaunga Plains Settlement Pattern



4.2 Covid 19- Impacts

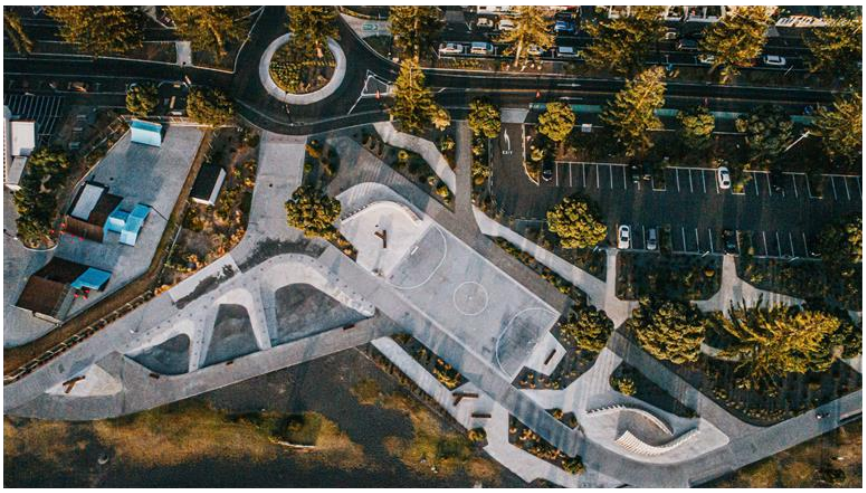
Covid 19 has had a minor impact on physical Infrastructure works over the 2019 / 20 year, as essential work could still be undertaken under the essential work banner during lockdown. All maintenance activities and some operational activities were reduced during the lockdown but resumed as normal following return to Level 1. Capital works were put on hold and Council's Parklands development fell marginally behind due to contractors being unable to continue to work. Remediation of the wastewater outfall pipe in Awatoto was also affected by the country lockdown and Auckland's lockdown (due to vessels being contained in Auckland) however other factors such as weather have played a part in this also.
The effects across other areas of the Council have however been far reaching and primarily financial due to a reduction in revenue. In the case of Parklands, this has had a knock-on budgeting effect delaying anticipated revenue for the year as sales of sections were completed after initial estimated dates.

With visitor numbers drastically reduced due to the cessation of cruises throughout the Pacific there has been a flow on effect with substantially less revenue for our main tourist attractions including the National Aquarium and the Art Deco festivals (the Winter one primarily) that would have been held in a normal year.

Napier City Council conducted a wellbeing survey to identify the impacts of Covid-19 on the Napier Community. Overall, the residents felt that Napier is safer than other cities and the risk of catching the virus is considered low. The main concern raised was related to the economy, loss of jobs, income and business closures coupled with uncertainty around the severity and duration of these impacts. From the survey the council identified six goals for recovery:

- Everyone has access to safe drinking water, food and housing.
- We are healthy and active.
- Our businesses and not-for-profit organisations are resilient and innovative.
- Our city centre and local centres are vibrant and sustainable.
- Our community is safe, fair, connected, and resilient
- Renewal of our city respects, protects, and celebrates our cultural heritage and environment.

This recovery plan was fed into a regional approach.



4.3 Three Waters Reform

In July 2020, the Government launched the Three Waters Reform Programme - a three-year programme to reform local government three waters (3W) service delivery arrangements. (Water Supply, Wastewater and Stormwater). The reform is an outcome of the Havelock North Enquiry and covers aspects of delivery and regulation of water services to communities. On the 1st July 2021 a new regulator, Taumata Arowai, will come into existence. This Crown Entity will be responsible for administering and enforcing a new regulatory system for drinking water. Water supply will be the initial focus with wastewater and stormwater to follow.

IN 2019, the Councils across Hawkes Bay worked together to develop a Three Waters review for the Bay. This was to investigate how a regional water supplier could be set up and the various issues surrounding the potential change. This project was cofunded by the government and the result was a report that was issued July 2020. Due to the government's three water reform process the local review was halted.

The Government's starting intention is to reform local government's three waters services into a small number of multi-regional entities, which will remain in public ownership, to improve access to safe water and to manage affordability issues around meeting required standards. The exact size, shape and design of these entities is still being worked through and is due to be consulted on in early- mid 2021.

The Water Service Bill proposes the removal of the reasonableness provisions of the Health Act, which places the emphasis on service providers to meet the Drinking Water Standards, with affordability issues no longer being a valid reason for not undertaking required work. In addition, the Bill outlines powers of the regulator and mechanisms for enforcement.

Participation in the initial stage of the reform is voluntary, with local Councils given the opportunity to receive funding to deliver Three Waters projects. To this end Napier signed an Memorandum Of Understanding (MOU) with the Government and has $12.51 million to deliver projects that are additional to Council's current Annual Plan. A number of the projects agreed upon look to streamline the delivery of Three Waters services and address some of the key issues identified in this Infrastructure Strategy around data management, processes and systems used for decision making.

The assumption applied to this Infrastructure Strategy and the Long Term Plan is that the Drinking Water Standards will change within the first year of the Long Term Plan (based on Exposure Drafts released in late 2020) and that suppliers will need to comply with these in the first year of the Long Term Plan. Funds have been set aside to address these changes through the early delivery of the Water Master Plan. Council is committed to the permanent, resilient changes that need to be made to the Water Supply network. This means that instead of reaching compliance within the one-year timeframe driven by central government that it may take 4 to 5 years. The reason for this is to achieve a long-term, resilient solution that will hold the city in good stead for the next 30-50 years rather than taking a quick fix approach that would delay the modernisation of the supply.

Council is responsible for the ongoing delivery of the service and is therefore moving forward with the delivery of key projects that help to maintain our assets, our services and to continue to meet current and future compliance requirements.





4.4 Natural Hazards and Infrastructure Resilience

Seismic events in Canterbury and the Kaikoura/Marlborough Regions as well as recent nation-wide flooding events have taught Emergency Management and Infrastructure professionals that resilience to earthquakes, flooding and other significant natural hazards is not solely an Infrastructure matter.

Resilience to seismic and other significant natural hazards is now considered to be a matter of multi-faceted community resilience, of which Infrastructure resilience is a part of. This recognises that it is impractical and unaffordable to build network wide infrastructure that can withstand significant seismic or flooding events.

The communities of the Hawke's Bay, and in particular Napier are at the beginning of the journey to develop robust community resilience. Napier City Council and Hawke's Bay Emergency Management are partners in this regard and have the benefit of the learnings of the Canterbury and Kaikoura events.

Progress towards community resilience will involve community education (underway with Hawke's Bay Civil Defence Emergency Management Group), planning related initiatives (building Act/RMA/District Plan) and infrastructure augmentation. These initiatives are identified by the Council and the community to enhance effective resilience within a realistic cost model. This will determine the most effective and practical actions for each of these aspects' investigations into likelihood of disruption events and relative timeframes of inoperability of core infrastructure.

Insurance Companies and GNS are starting to work with councils in this space. Council anticipate utilising their modelling knowledge to better assess Napier's challenges with a view to making Napier as resilient as it can be.

A programme of work to commence such investigations will need to be developed and implemented.

The main natural hazard events that have been identified for Napier have been summarised in Table 1.

Table 1: Summary of Natural Hazards and Related Actions

Natural Hazard	Description	Risk for Napier	Action/Investigations
Seismic Impacts	Risk of earthquakes up to MM8 (New Zealand Modified Mercalli Intensity. Location to the Hikurangi trench	Risk of earthquakes with ground level changes, liquefaction, lateral spread and tsunami	Council is working with various parties to better understand the risks associate with earthquakes and to identify evacuation routes and to better support community resilience
Ground level changes	The 1931 raised significant parts of Napier, however Recent geological research indicates that over the long term the ground levels in the area have also gone down during earthquakes of similar or greater intensity.	This could lead to widespread damage, particularly of underground infrastructure.	Council needs to consider the consequences of this and what the appropriate infrastructure responses are to be to this risk. This can include reviewing material types, redundancy and emergency response.
Liquefaction	Liquefaction is a known risk across all the low-lying suburbs and has recently been re-evaluated as part of the Hawke's Bay Liquefaction Hazard Assessment Report released in November 2017.	The implications have yet to be properly considered. However, it is known that the liquefaction risk is amplified by the presence of high groundwater which will be exacerbated by forecast sea level rise.	Spatial planning that is underway is considering the best areas for growth and intensification and takes into account natural hazards.
Lateral Spread	This impacts ground conditions in close proximity to Napier's extensive open drain network.	Damage to Napier's open waterways.	Recent works undertaken in relation to open drains has involved the construction of gravel curtains flanking open drains where space is available as well as the

Natural Hazard	Description	Risk for Napier	Action/Investigations
			installation of box culverts where required.
Tsunami	As a coastal city located in a seismically active area, Napier's low-lying suburbs are considered to be vulnerable to a major tsunami.	The HB Civil Defence planning and Community Services Directorate have identified the need for the development of suitable evacuation routes throughout the city that are resilient to a severe earthquake.	Studies are underway to assess the potential for strategic overland corridors and vertical evacuation routes (earthquake and tsunami resilient structures). These routes will require strategic consideration, and likely collaboration between different public and / or private sector stakeholders to enable cost effective solutions.

4.4.1 Critical Infrastructure

All Infrastructure networks inherently contain critical assets. Critical assets are the key elements of our infrastructure that sustain a service and would have a major consequence if they failed.

To improve knowledge and ultimately mitigate its risk, Council have completed a criticality study of the Three Waters networks and have documented their critical assets. These include (but are not limited to):

- Awatoto Wastewater Treatment Plant.
- Enfield Reservoir water rising main.
- Trunk sewer main into the Wastewater Treatment Plant.
- Stormwater Pump Stations.
- Water Reservoirs.
- Wastewater Outfall Pipe.

Transportation whilst maintaining a lot of assets, has no one critical asset and retains a lot of redundancy within the network.

Building on Council's existing knowledge base, further work is required to identify specific plans incorporating operations, maintenance and renewal approaches for each of the critical assets identified, in order to improve the resilience of the city networks to continue to operate when events may occur. This work will also need to consider what level of resilience is required of these assets to enable an appropriate level of service to be delivered in the wake of a significant disruption event.

Resilience has been a key requirement in the development of Master Plans over the last two years.

The criticality analysis undertaken to date has focused on assets owned and operated by Council. It has been identified that Council's ability to provide infrastructure related services is to some degree reliant on the availability of assets and/or services delivered by third parties, such as electrical and communications services. Another example is the reliance on Hawke's Bay Regional Council's assets to discharge stormwater.

Understanding the interdependences of council and non-council assets and what actions are necessary to provide a greater level of assurance of such critical enabling services being available during/following disruption events will form a key component of the future work programme.

Council recognises that this will require working together with many organisations including energy and telecommunications companies, and GNS to complete this work.



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4.5 Climate Change

A detailed review of the impacts on the wider impacts of climate change have been provided within the Long-Term Plan. The following table summarises the predicted impacts on Councils Infrastructure and the plans to address these issues.

Table 2: Summary of Climate change Impacts

Activity	Main Impacts	Action/Investigations
Water Supply	Drier summers, low river flows, increased and competing demands for water. Sea level rise and potential saltwater intrusion potentially impacting water abstraction	• Water Restrictions introduced each summer • TANK plan change implications on water takes • Likely cap on water take for Napier's Supply in the future • Leak detection programme underway • Two borefields planned for resiliency
Wastewater & Stormwater	High intensity rain events with stormwater network capacity exceeded. Ability to pump during storm events Sediment runoff impacting plant Infiltration into the Wastewater network reducing capacity and potential overflows.	• Projected rainfall changes are factored into the stormwater model and master plans • Additional storage being provided at the Wastewater treatment plan to assist with flooding events and maintenance shutdowns • Storage to be provided at lagoon farm to assist with water being taken away from impacted areas faster • Review of materials for below ground assets
Parks and Reserves	Reserve plantings and street trees may be impacted by drier weather, increased salinity in soils and damage during severe rain events. Potential loss of coastal reserves	• Water Conservation study completed for Parks and Reserves. • Water meters to be installed on parks and reserves • Move to drought resistant plants and tree species • Ensuring sufficient reserve space is available
Council buildings & Facilities	Increased susceptibility to flooding due to increased intensity and frequency of flooding events. Key assets susceptible to sea level risk (aquarium, MTG, Bayskate, Ocean Spa)	Any investment in existing buildings must consider the impacts of climate change and be designed appropriately, and any proposed new builds must be underpinned by robust site analysis which takes climate projections into account.
Transportation & inner Harbour	Roading network acts as storage during severe flooding events, reducing levels of service and likely damage. Potential tomo development due to rising groundwater levels. Rising sea levels impacting the inner harbour infrastructure	Investment decisions will need to be made on those inner harbour assets owned and managed by Napier City Council, as well as involvement in future decisions of Council-owned leased land occupied by various clubs.

4.6 Legislation Change

Significant legislative changes that impact Council are either underway or are on the horizon.

This is a changing landscape that Council and its various teams need to adapt to. The main changes that will impact Council in the short to medium term include:

1. Water Services Bill – this bill is currently being consulted on and various groups such as Water New Zealand, SOLGM and many water suppliers are submitting feedback on the bill. The main impacts on the bill relate to role of the new regulator, Taumata Arowai, the need for water safety plans, a multi-barrier approach and the provision of a residual disinfectant.

2. Exposure Drafts – Drinking Water Standards New Zealand – drafts of the new drinking water standards have been released and they indicate that "bore security status" will not apply; meaning that source water treatment will be required and additional monitoring of the source water and network will be required.

3. Changing Discharge Standards – the Government has signalled that changes are to be made to the standards applied to discharge of treated wastewater. These standards are not yet known; however Council has prepared masterplans to work towards increased wastewater treatment requirements.

4. Climate Change Response (Zero Carbon) Amendment Act – This act sets the framework for New Zealand's transition to a low emissions and climate resilient economy. More emphasis will be placed on Council's emissions related to the delivery of services and development of infrastructure.

4.7 Technology Change

Popular and mainstream discussions around new technologies suggest that there will be a considerable social shift over the coming years as emerging and future technologies affect what work is done, how it is done, and how this flows on to affect economic and social paradigms. A variety of studies have been carried out, but as yet no definitive guidance is available as to what the future may hold or when any changes might occur, or how the City intends to respond to the various scenarios. Consideration of the following issues should be clearly articulated as part of the City's strategic development plan.

4.8 Asset Management Journey

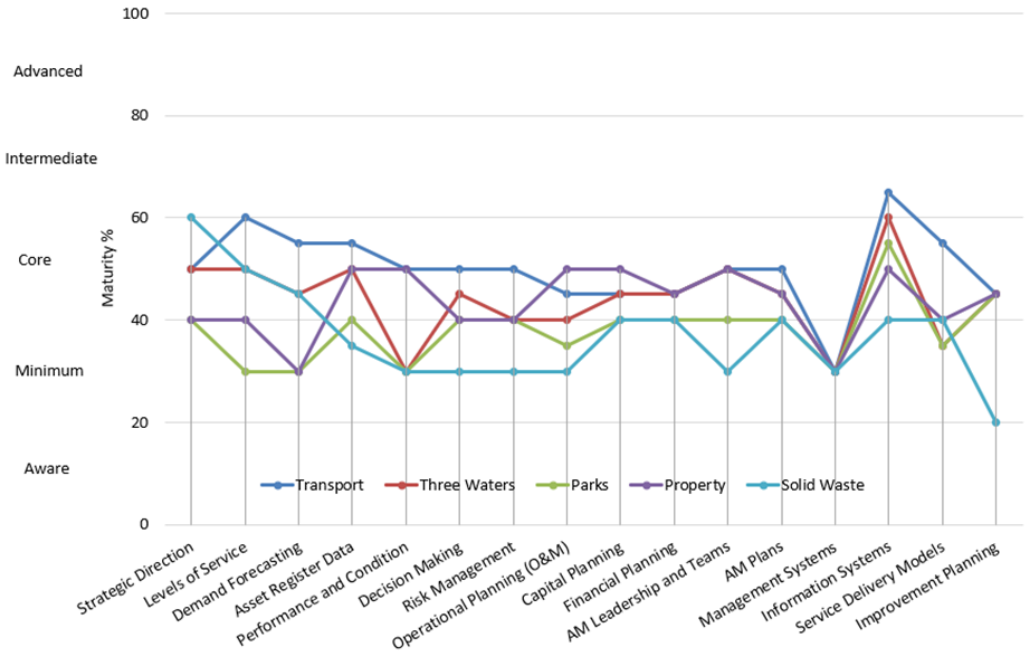
Council has a number of systems that support Asset Management functions that are out of date and have not been optimised in the past. Council is in a position - due to the teams it has set up, resources employed and funding from the three waters reform- to really bring life back into transformation of asset management for Council.
Over the last three years more emphasis has been placed on automating planned maintenance scheduling and this is moving into the next stage with teams using devices in the field and automating information and workflows. In addition, two reviews have been underway to identify the Asset Management improvements that need to be addressed and an assessment of the quality of our data.
These two pieces of work form the backbone of the Improvement Plan. By March 2022 it is anticipated that a new cloud-based asset management system will be in place and our data set will be vastly improved. There is a cultural change to occur within relevant teams to prioritise the management of asset data and this will set the organisation up for the future and will support optimised decision making.

4.8.1 Data Quality and Confidence

In 2020 Council undertook an assessment of the completeness and accuracy of our Asset Data. This was an extensive piece of work and covered all attributes assigned to each asset. The outcome of this report highlighted that Council needed to review the data collected for each asset, and to work towards asset completeness rates that align with the importance of the assets being managed. An external review was also completed in 2019/2020 to look at Council's asset management practice. This highlighted that Napier's asset register data and performance & condition data is generally at a "core" level which needs substantial improvement in order to assist with decision making and operational management.

Part of the data improvement strategy is to move towards a cloud - based version of Accela, Councils main asset register. This will enable greater functionality of the system. As part of the Three Waters Reform, Council is specifically focused on improving information on Three Waters assets. To enable this, an exercise to finalise the minimum attributes required for critical assets will occur and existing datasets will be checked prior to starting field surveys. Council are distributing handheld devices to field staff so that information can be captured, and any changes or errors can be made to data in the field once the new system is in place.

Napier City Council Data Quality and Confidence Maturity 2019 / 2020



5 Key Infrastructure Issues

5.1 Our Infrastructure Teams

Napier City Council Infrastructure is comprised of nine teams: Transportation, Water Supply, Wastewater, Stormwater, Parks and Reserves, Building Asset Management, Major Developments, Environmental and Asset Intelligence. Asset Intelligence and Environmental are not included in this Infrastructure Strategy – both are included in the overall Long-Term Plan for the Council and therefore would be duplicated in this document.

- Transportation is responsible for all roads that are not NZTA owned (state highways or parts thereof) footpaths, streetlights, bridges etc.
- Water Supply, Wastewater and Stormwater sit under the Three Waters banner and have unique roles within this team. They are accountable for all drinking water and associated assets, wastewater, and the dispersal of stormwater.
- The Parks and Reserves team manages all sportsgrounds, parks, reserves, and cemeteries within Napier including McLean Park and the Marine Parade foreshore.
- Building Asset Management is a reasonably new team that looks after the planning and compliance requirements of all buildings owned by Napier City Council. They are responsible for maintaining the buildings to a high standard and the procurement of services to maintain them.
- Major Developments oversees the development of large greenfield subdivisions across the city. The team manages the Parklands Residential Estate on behalf of Council and works closely with the development community to service growth in other areas such as The Mission and Te Awa areas. The Parklands subdivision provides revenue to the council though the sale of the serviced land to invest in further infrastructure across the city.



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5.2 Key Infrastructure Issues

Council is going through an important period of change and the internal and external influences that Council experiences have changed significantly over the last three-year period. Over the last two years water has become Council's number one priority and subsequently the government has signaled major reform of the industry which will have major implications. Through the development of the Infrastructure Strategy and the Long-Term Plan, an assessment has been made, with elected members and staff, around the key issues that Council is currently facing. There are eight main issues that have been identified and these are explained below.



Affordability

Napier has historically operated with a very financially prudent perspective combining low debt and minimised operational spend. With increasing regulatory requirements and aging assets that require improved levels of operational and maintenance expenditure alongside capital upgrades, this promotes a change in the operating ethos for both the Council and the community.

Council's Response: Council is concentrating on maintaining what we already have, including increasing allowances for renewals and deferring a number of non-essential projects. Significant discussions have been had with staff and elected members to look at non-essential work that can be pushed out of the 10-year plan so that the workload is affordable and manageable in the medium term. This rationalization means that rates increases can be capped at around 9% per year but it also means that Council will not have a balanced budget until year 10 of the plan.

Although this is the case, Council does have a strategy to get us back into balance and it means that some important and "nice to have" projects are just not affordable at this stage. Council is concentrating on the core assets that need to be managed to continue to provide services and replacing where assets are at the end of their lives or don't meet compliance standards. Improving asset management practices, including data collection, condition and performance modelling will also assist with the prioritization process and optimizing future expenditure.



Enabling growth

Napier is a medium growth city with a requirement to enable and provide affordable development under a National Policy Statement – Urban Development. This external driver coupled with increased regional migration, productive soil protection, low-lying risk prone land and a small geographical area makes it a difficult balancing act to provide for sustainable growth.

Council's Response: Three major developments are underway or planned in Napier. Council are delivering properties through its own development - Parklands Residential Estate. Te Awa is experiencing significant development and infrastructure is going in now to support this growth. The Mission development is progressing. Council is additionally looking at how to encourage intensification through the District Plan Review.

Various modelling exercises were run in 2020; these scenarios looked at future growth and the impacts of this growth on existing infrastructure. The National Policy Statement requires us to have a clear understanding of the influences on housing and have a plan for short, medium- and long-term affordable housing supply to the market. To inform this process an assessment has been made to understand the infill capacity of the city and there is a drive to encourage development in the CBD and in other key

centres. The current master plans have growth projects identified which have been included in the long-term plan. These will be refined with the review of the models and master plans in 2021.

Council has recently started a collaborative process to develop a spatial plan that will help to form an idea of how Napier can grow in a sustainable way into the future. The Government has announced changes to planning legislation and processes and this looks more to regionally based spatial planning. Hawke's Bay already has a regional growth plan (Heretaunga Plains Urban Development Strategy (HPUDS)) which will need updating and to highlight what we need to tie in all the key elements. These include land availability, cost of development and servicing, natural hazards, productive soils, and climate change alongside the new legislation that is expected to be passed in late 2022 or in 2023. With Napier being a small, land constrained city this work is essential to make sure that we can grow and that this is sustainable.



Future Proofing

Napier is moving from a small regional centre to a more modern, vibrant city. To support this change and to meet increasingly stringent regulatory and environmental guidelines whilst balancing risks around natural hazards and climate change, the city needs to plan carefully to optimise its investment in the future. Providing for this growth is a large component of this strategy and the associated Long-Term Plan.

Council's Response: Ultimately Council wants to deliver timely, robust infrastructure in a sustainable way. Part of this involves detailed planning, which was the focus of the last Long-Term Plan, now the teams are reviewing the long-term master plans and prioritising work to make our infrastructure more resilient and compliant. Superimposed on this is understanding the highest risk areas in the city and various studies are underway with external parties to understand the impact of natural hazards, evacuation routes and what Infrastructure is required to support the community during an incident.
Together, these pieces of work, combined with climate change planning and growth planning will assist Council to provide appropriate infrastructure that meets compliance and the city's needs.



Supporting Improved Environmental Outcomes

The environment sustains our city, is the cornerstone for our tourism sector and the reason we love living here. There is a need both locally and nationally to protect our natural resources in alignment with cultural values. This promotes the need to focus on supporting our Natural Heritage through meeting increased regulatory requirements, while working with the local community and stakeholders collaborating to ensure that all of us are invested in improving outcomes.

Council's Response: Over the last few years, Council has been building an Environmental Solutions team with scientists who are focussing on improving the quality of our open waterways and reducing contamination into our stormwater network. This team and other infrastructure teams are working on project such as: reduced leakage, optimized water use on Parks and Reserves, fixing and replacing the wastewater outfall pipe, planning for increased requirements around wastewater treatment and discharge. Longer term we are also going to store and treat stormwater at Lagoon Farm, assisting with the quality of water going into the Estuary.
The National Policy Statement (NPS) for Freshwater became active in September 2020. This NPS prioritises the health and wellbeing of water bodies and gives effect to Te Mana o te Wai. Council has a current focus on stormwater management and with a dedicated Three Waters and Environmental Solutions teams, is working towards improved outcomes for the Ahuriri estuary and the Bay. Future improvements in stormwater and wastewater discharges will assist with this, meeting the required outcomes and assisting with appropriate management of freshwater.



Addressing Natural Hazards and Climate Change

Until now, there has been no targeted approach to monitor and address climate change, hazards management, sustainability and the journey towards Carbon Zero. The next 30 years will see significant changes in these areas and Napier needs to have sufficient resources to guide our local direction, and a policy that is aligned with research and direction regionally and nationally. This will support the delivery of appropriate infrastructure and provide for a resilient and sustainable future.

Council's Response: In addition to the actions mentioned above around understanding natural hazard risks and how to manage these, the Council is focussing closely on energy use, optimising equipment, setting materials standards and is moving towards reducing our Carbon footprint. In 2019 Hawkes Bay Regional Council declared a climate emergency.
Regional Council is appointing an ambassador who will bring councils, mana whenua, youth and other organisations together to form a meaningful plan for climate action in the region.
A NIWA report commissioned by Hawkes Bay Regional Council in November 2020 called "Climate change projections and impacts for Tairāwhiti and Hawke's Bay" indicates that changes to the future climate of Tairāwhiti and Hawke's Bay are likely to be significant. Some of the most significant impacts will include an increase in extreme hot days, a reduction in frost days, and a shift to more and larger extreme rainfall events.
Council will work with Regional Council and other key stakeholders to plan for climate change. The report also found: "Napier City is the most exposed territorial authority to extreme coastal flooding and sea-level rise in terms of infrastructure. There is a large range of flood protection and three-waters infrastructure exposed to fluvial flooding across the Gisborne District and Hawke's Bay Region". Long term planning options will need to incorporate the impacts of climate change.



Capacity to Deliver and Economic Delivery

The government is driving economic recovery through stimulus packages. This will increase the number of projects to be delivered, which results in additional workload and reporting requirements over a condensed timeframe – for example Shovel Ready Projects and Three Waters Reform projects. Council has been delivering capital plans over the last four years that range between $20 and $50m in total. The projections for the latest Long-Term Plan significantly exceed this value (excluding stimulus work) and given current staffing levels and potential industry constraints there are hurdles to jump through to ensure that Council can deliver the planned capital programme.

Council's Response: Council has a large amount of work to deliver in a constrained industry with a lot of competition. The impacts of Covid-19 are being felt in some areas, mainly in the extension of lead times for some key assets. There is also a more limited pool of contractors with overseas parties not being able to enter the country at this time.
With the economic recovery packages such as the three waters reform and the Council is working with other Regional territorial authorities to see how we can work together to deliver these programs of work. This is already starting with 5 regional projects being delivered as part of the three waters reform and collaborating across the region via a regional procurement group.

The opportunity for Council is to encourage new players into the Hawkes Bay market by reviewing our procurement methods, bundling work together and also prioritizing the work that is most important to complete. Where Council resources are stretched, we are looking at external assistance where needed, for example where we need additional technical expertise or

project management assistance. There has also been a concerted effort to reduce peaks in the delivery profile of our capital plan and to keep the annual quantum as low as possible. Projects have been moved around to make the plan as achievable as possible. This next Long-Term Plan period is still an ambitious program of work to deliver and there could be resourcing constraints both internally and externally that hinder completion of the program. Working on some of the solutions above should help to minimize the risks of under delivery.



Streamlining BAU Processes

The Council is in a state of transition, moving from outdated models of working to embracing new technology and an efficient future. The systems we use are outdated and no longer fit for purpose, which takes officer time away from delivering our services in the most efficient way and optimising our operational capacity. Having the appropriate tools, systems, processes and data to understand our current state, the risks and improvements required, will enable optimised decision making and reduce uncertainty and will deliver costs savings.

Council's Response: This is a high priority area that is being worked on by a number of teams. Leading up to this Long-Term Plan, Council are investing in new computer systems, one of which includes an upgrade of Council's main Asset Register. This is funded via the three waters reform programme. An Asset Management Continuous Improvement Plan (AMCIP) has been developed and this will guide the Infrastructure related Business as Usual processes. A greater focus has been placed on understanding our asset risks, the information requirements and understanding the current and future performance requirements for our assets.



Preparing for Three Waters Reform

Council is operating within an uncertain environment regarding the future of water. The industry is undergoing major reform that may result in these services being delivered at a regional or multiregional level. The objectives of the reform are to provide everyone with more equitable access to safe and affordable water and improved environmental outcomes.
Napier has been provided with an initial $12.51m to work towards meeting the reform objectives between November 2020 and March 2022.
There are significant alignments with the general Infrastructure Strategy themes and the Three Waters reform funding provided. This will enable Council to make good headway with the management of data, systems, tools and processes in combination with some key capital projects. This stimulus package adds additional workload to teams that are already at or over capacity. The funding provides for additional staff or resources which should assist with these capacity constraints

Council's Response: This is a great opportunity for Council to bolster the upfront work on the Three Waters capital programme and to set up the Three Waters team in a way that enables greater focus on operational planning, strategic planning and project planning. In addition, the programme is enabling improvements in asset management tools, systems and practices and will also assist the broader Council team when asset management practices improve in this area.
There will be a balance to ensure that the Three Waters Reform projects are delivered, this is why additional external resources have been engaged to assist. In mid-2021 Council will have a clearer understanding of how any future water entities will be set up and information around the opt-in process.
The Long-Term plan and Infrastructure Strategy have been written with the assumption that Council will remain responsible for the delivery of the services. Regardless of who ends up providing these services in the long term, Water is Council's number one priority and we are moving forward with our masterplans to ensure that this important work is progressed.



Deferred Renewals

Council has not kept up with replacing and upgrading all its assets. Some are well past the end of their useful life and are getting beyond repair. At the same time, the money historically put away each year to save for when we need to work on our assets has been too low.

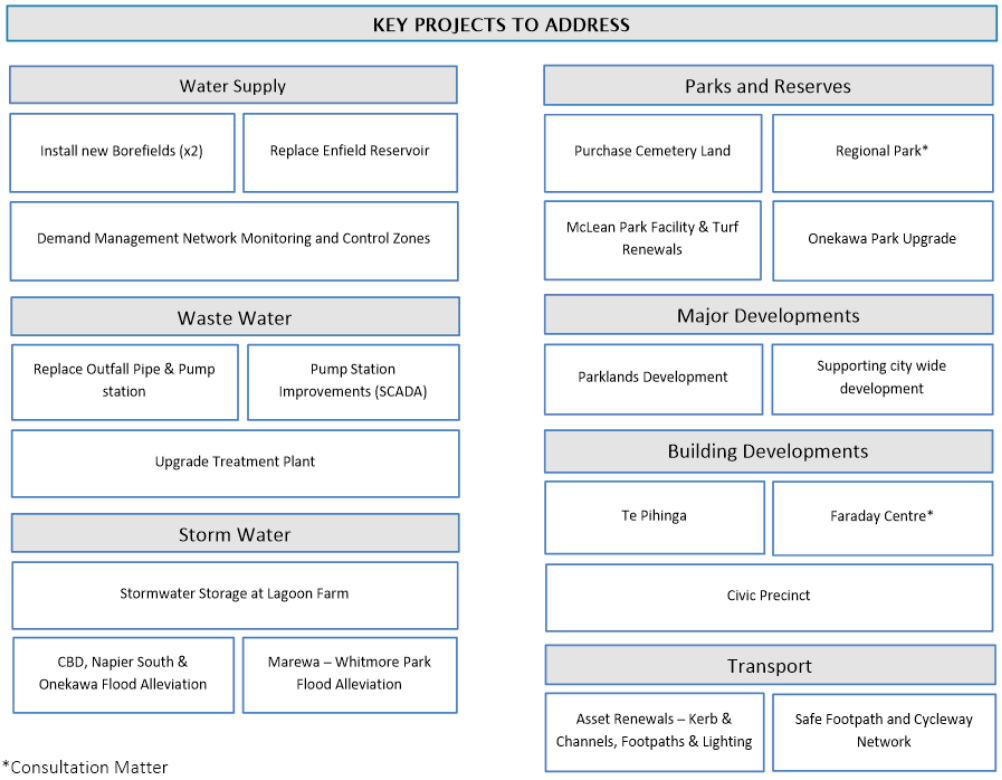
Council's Response: Costs to renew assets have increased alongside industry standards. It is simply unaffordable to commit to all the work that needs to be done at once. Prioritisation of asset replacements and upgrades are taking place to identify what is essential, and what is well utilised along with what is affordable. Council's plan is to ensure that more money is set aside for depreciation over the next 10 years and ensure that we are proactive in our management of upcoming renewals, rather than waiting for their end of life before attending to them.

5.3 Themes / Summary/ Impacts and key projects to address

The seven teams within Infrastructure have, through their Asset Management Plans (AMPs) identified the key projects that need to be delivered over the next thirty years. They are aligned with the Infrastructure Goal and the key Infrastructure issues that have been identified as well as the overarching Council vision.

A recent survey of Napier residents highlighted that the top priority for them was solving the water issues that Napier currently faces. This aligns with the key projects that Infrastructure would like to prioritise over the next 30 years and with the overall goal of providing infrastructure that supports and enhances the quality of life in Napier

The chart below shows which projects the teams consider to be their key ones for the period 2021-2051 and the following sections look at the key projects for each activity. More detail is provided in the Activity sections around the options, timing and costs.



*Consultation Matter

5.4 Introduction to Water Supply Projects:

Water, alongside transportation is top of Napier City Council's priority list for this strategy. Napier's residents have identified through consultation that water is still the number one priority.

The vision for Napier's water supply is to provide safe, clean water via a resilient, compliant supply.

Water Supply				
Project	Issue	Options	Implications of Options / Benefits	Cost Estimate & Timing
Install New Bore fields (x2) 	Issue: Water Quality	Install two new bore fields and treatment facilities in Taradale and Awatoto areas.	• Reduce the risk of water contamination through the source or bores • Reduce the water clarity issues • Facilitate growth • Meet compliance	$25.6m (2021-2028)
Replace Enfield Reservoir 	Issue: Replacement of Enfield Reservoir	A new reservoir at Hospital Hill / Mataruahou	Reliable asset, additional storage and resilience, enabling growth, maintain water quality	$20.1m (2021-2026)
Network Monitoring and Control Zones 	Issue: Demand Management	Create district monitoring and control zones	Control leakage, better level of service in terms of flow and pressure	$4.6m (2025-2029)

5.5 Introduction to Stormwater Projects:

The recent flooding in Napier in November 2020 highlights the need to make our stormwater network more resilient and more responsive during a flooding event. A stormwater model and master plan have been developed over the last two years and the most important project that has come out of this work is the need for storage at Lagoon Farm. Additionally, Council is working on a programme to improve the quality of stormwater discharged to the Estuary. Funds have been put aside for a treatment device and further work over the coming years will identify the most appropriate treatment solution.

Stormwater				
Project	Issue	Options	Implications of Options / Benefits	Cost Estimate & Timing
Stormwater Storage at Lagoon Farm 	Issue: Flooding during high intensity or prolonged rainfall events and improve storm water quality discharged into estuary.	Install storage at Lagoon Farm and install additional water quality improvements later.	This will reduce the widespread flooding risk in urban areas during significant rain events.	$22.2m (2021-2031)
CBD & Onekawa Flood Alleviation 	Issue: Low- lying Flood Prone Areas affected during high intensity or prolonged rainfall.	Upgrade existing assets or install new assets.	This will reduce the widespread flooding risk in the CBD and Onekawa during significant rain events.	$32.0m (2031-2036)
Marewa- Whitmore Park Flood Alleviation 	Issue: Low- lying Flood Prone Areas affected during high intensity or prolonged rainfall.	Upgrade existing assets or install new assets.	This will reduce the widespread flooding risk in Marewa during significant rain events.	$120.8m (2031- 2049)

5.6 Introduction to Wastewater Projects:

Council's Wastewater network has a few critical parts that need some attention. The main projects that are planned for the wastewater network over the next ten years involve the replacement of the wastewater outfall pipe and outfall pump station, finalising additional storage at the Wastewater Treatment Plant and increasing capacity at the plant to meet our compliance requirements. Additionally, there is a focus on maintaining the assets that we already have and keeping up with renewals.

Wastewater				
Project	Issue	Options	Implications of Options / Benefits	Cost Estimate & Timing
Replace Wastewater Outfall Pipe & Pump Station 	Issue: Wastewater Outfall Pipe Leaks	Replace the existing outfall pipe and outfall pump station.	Meeting legislative requirements, reduce the environmental pollution due to wastewater leaks.	$52.7m (2021-2028)
Pump Station Improvements 	Issue: Pump Station Operational Improvements	Upgrade existing SCADA system to meet best industry practice.	Improved reliability of operation of pump stations and the treatment plant, reduced service disruption and less operational and maintenance cost.	$8.9m (2021-2051)
Upgrade Wastewater Treatment Plant 	Issue: Treatment Plant requires upgrading	Upgrade the wastewater treatment plant as per recommendations of the masterplan.	Improved environmental outcome, meeting the legislative requirements.	$166.2m (2021.-2051)

5.7 Introduction to the Transportation projects:

A new Transportation Master Plan has been drafted which looks at the next 30 years for our network. Elected members have indicated that safety is a key focus for this Long-Term Plan, and this is reflected in the size of the investment indicated below.

Transportation

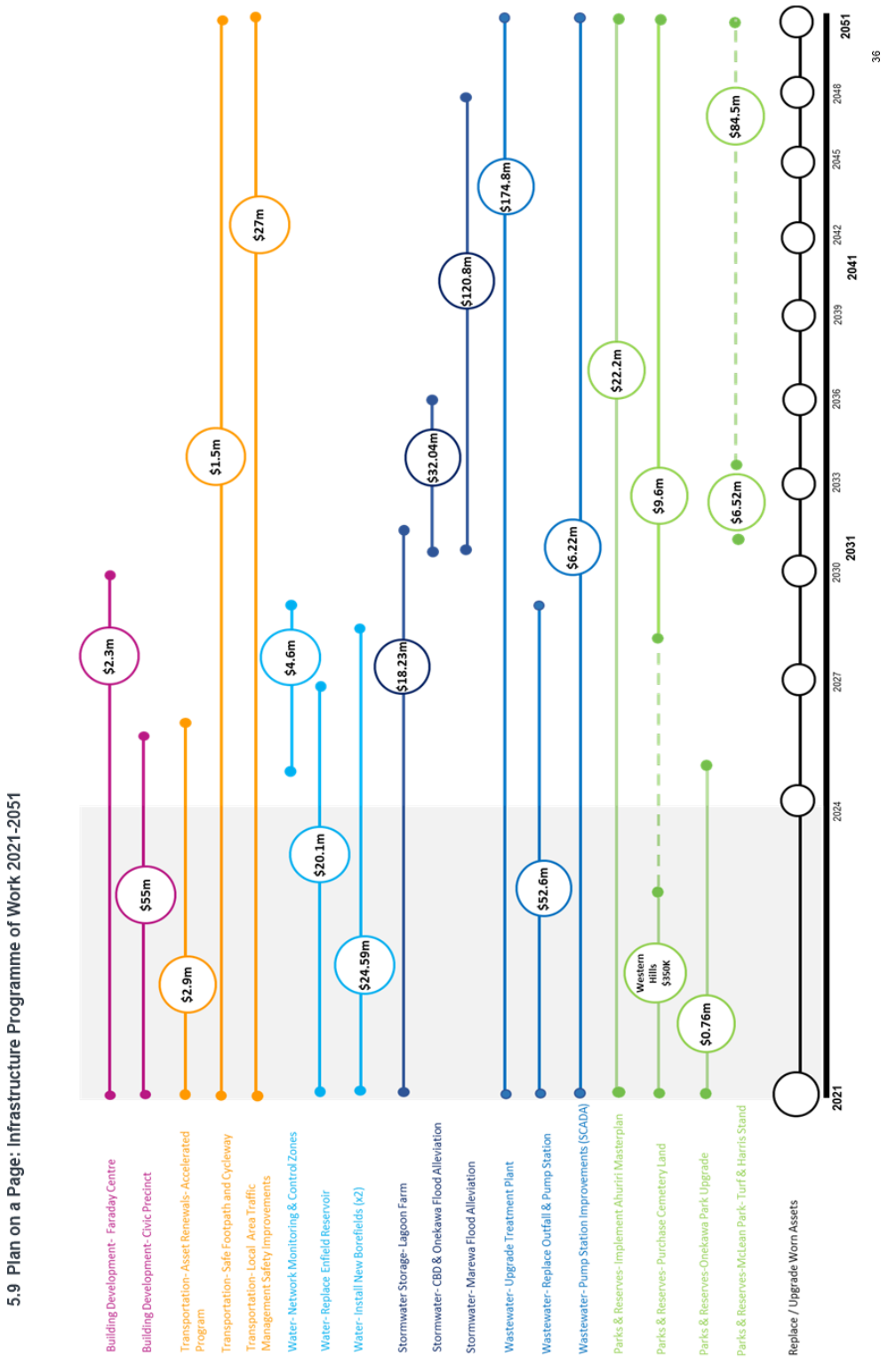
Project	Issue	Options	Implications of Options / Benefits	Cost Estimate & Timing
Asset Renewals: 	Issue: Historic underinvestment in Asset Renewals	Accelerated replacement programme.	• Addresses highest risk assets early • Scale of contract can assist value. • Allows for future application of Asset Management best practice. • High initial cost	$2.9m (2021-2025)
Supporting increased mobility: Safe footpath and cycleway network 	Issue: Supporting Increased mobility: Demographics shift and uptake of micro- mobility	Upgrade defined areas and routes as a long-term programme.	• Investment targeted at areas of greatest need. • Rate of change can be aligned to demographic/ legislative shift.	$1.5m (2021-2051)
Local Area Traffic Management - Safety Improvements 	Issue: Increased safety for all residents	Increase the number of LATM schemes to three per year.	• Greater coverage across the City. • All schemes implemented will see reductions in traffic speeds, improved pedestrian and cycle safety. • Process entails high levels of community engagement.	$2.7m (2021-2023) $6.3m (2024-2031) $18.0m (2032-2051)

5.8 Introduction to the Parks and Reserves Projects:

Parks and Reserves projects also include cemeteries and public toilets It has been identified that there is a requirement to procure new land to not only expand the Western Hills Cemetery, but also purchase land for a new cemetery. McLean Park will require some upgrading from 2031, the first of its projects will be the replacement of its turf which has an approximate life of 20 years due to its synthetic components.

Parks and Reserves

Project	Issue	Options	Implications of Options / Benefits	Cost Estimate & Timing
Park Facility Upgrades / Replacement 	Issue: McLean Park Facility Replacement, McLean Park Turf Renewal,	Renew, Upgrade and Maintain and Repair facilities.	• Sportsgrounds: Accelerated replacement programme • McLean Park: Repair and Maintenance of existing facilities & Repair and maintain the turf at Mclean park used for cricket and rugby	$59.2m (2031-2051)
Onekawa Park Upgrade 	Issue: Upgrade of park post-pool decision	Upgrade defined areas.	Renewal work and may include monies for upgrade to some existing facilities (placeholder at this stage).	$760k (2021-2025)
Ahuriri Masterplan 	Issue: Implementation of Ahuriri Masterplan	Upgrade West Quay South Streetscape and Reserve Upgrade Humber Street Reserve including Te Aratika.	Rejuvenation of Ahuriri as per Masterplan.	$31.1m (1.1m- 2021-2024) ($1.4m – 2025-2031) ($28.6m – 2032-2051)
Purchase of Cemetery Land 	Issue: increasing population is placing pressure on Cemeteries	Acquire additional land for Western Hills and more land for a new cemetery.	There is no other option but to increase land owned for cemeteries.	$350k (2021/ 2022) $9.6m (2028-2051)


5.9 Plan on a Page: Infrastructure Programme of Work 2021-2051
Building Development- Faraday Centre
Building Development- Civic Precinct
Transportation- Asset Renewals- Accelerated Program
Transportation- Safe Footpath and Cycleway
Transportation- Local Area Traffic Management Safety Improvements
Water- Network Monitoring & Control Zones
Water- Replace Enfield Reservoir
Water- Install New Borefields (x2)
Stormwater Storage- Lagoon Farm
Stormwater- CBD & Onekawa Flood Alleviation
Stormwater- Marewa Flood Alleviation
Wastewater- Upgrade Treatment Plant
Wastewater- Replace Outfall & Pump Station
Wastewater- Pump Station Improvements (SCADA)
Parks & Reserves- Implement Ahuriri Masterplan
Parks & Reserves- Purchase Cemetery Land
Parks & Reserves-Onekawa Park Upgrade
Parks & Reserves-McLean Park- Turf & Harris Stand
Replace / Upgrade Worn Assets
$2.3m
$55m
$2.9m
$1.5m
$27m
$4.6m
$20.1m
$24.59m
$18.23m
$32.04m
$120.8m
$174.8m
$52.6m
$6.22m
$22.2m
Western Hills $350K
$9.6m
$0.76m
$6.52m
$84.5m
2021
2024
2027
2030
2031
2033
2036
2039
2041
2042
2045
2048
2051

6 Infrastructure Summaries

The following section summarises key information about each activity and the main capital projects planned over the 30-year period.

The core assets identified in the introduction have a combined capital expenditure of $306,293,601 over the 30-year period and this excludes any systems or IT capital projects and relates only to core physical infrastructure. The peak noted in year 30 relates to uncertainty around timing and priority of stormwater projects. It is expected that the stormwater programme will be reviewed over the next year as the model is further calibrated and the master plan is peer reviewed. This will be reflected in the next Long-Term Plan.

Figure 3: Summary of major capital projects for the three waters, transportation, parks and reserves and community property activities

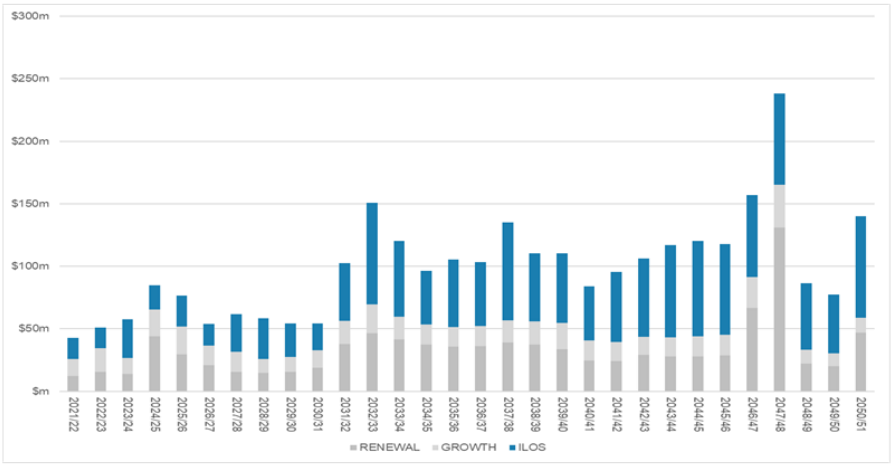
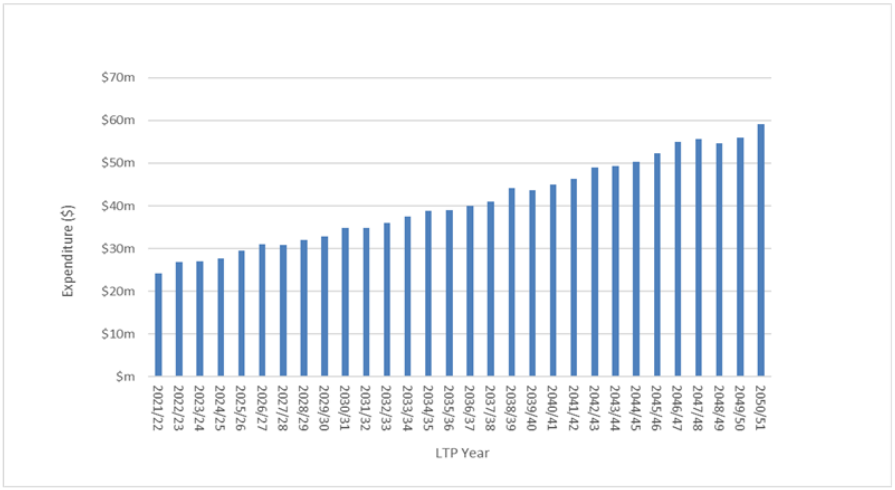


Figure 4: Summary of operational costs for the three waters, transportation, parks and reserves and community property activities



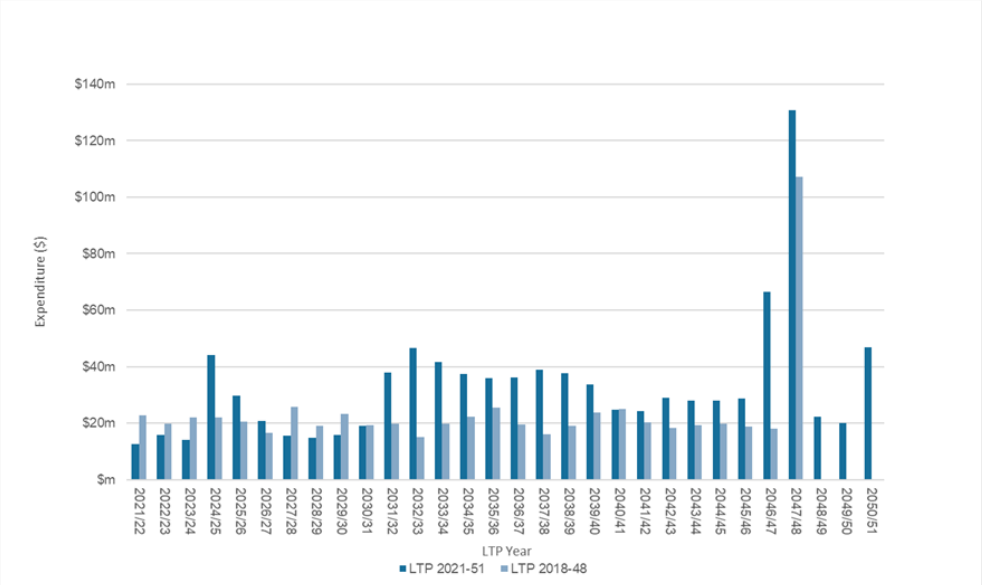
6.1 Renewals Expenditure

Renewals expenditure in the past has not met the required level of replacement of our assets. This has been identified, and Council has agreed a pathway whereby renewals funding is increased and key assets, particularly buildings which have historically had low levels of funding, will be renewed at a rate that will reduce the level of deterioration of the assets.

The figures below provide a snapshot of the renewals profiles planned in the last Long-Term Plan compared with this one. You can see that overall renewals are higher than in the 2018 Long Term Plan.

This commitment to renewals is important for the ongoing operation of the services Council provides and leads to a fairer distribution of costs, with current generations contributing to asset replacements as required rather than future generations being lumbered with an outdated and failing infrastructure base.

Figure 5: Comparison of renewals funding between 2018 Long Term Plan and 2021 Long Term Plan





6.2 Transportation

We own, maintain and develop the local transportation network. The city's road network provides accessibility to Napier residents and visitors within a safe, clean and aesthetic environment. The activities within this group include the installation and maintenance of the physical components: roads, footpaths, traffic and pedestrian bridges and structures, street lighting, drainage, traffic services and safety (e.g. street furniture, traffic lights, signage), as well as the planning, management and amenity and safety maintenance to ensure the system is clean, safe and able to cope with future needs.

CURRENT STATE

There is generally high level of service across assets and the network; however, some asset groups require accelerated renewals following sustained under-investment.

The transport network operates to a high level of safety with little delay. Car use for short journeys is high and while recreational cycle use is high, commute use is low, particularly given Napier's topography and climate.

Councils priorities for transportation is to maintain the assets that we have and to priorities safety projects. Due to affordability issues the projects such as the Piazza and some CBD improvement s have been deferred.

KEY RISKS

- Road safety
- Freight and industry
- Growth
- Multi-agency responsibility for transport
- Transport investment
- Car dependence
- Public transport, walking and cycling
- Resilience

KEY PRINCIPLES

Vision:

Napier has a safe, inclusive and low carbon transport system designed for the future

Objectives:

- A transport system that supports safer journeys
- An inclusive transport system that enhances access and provides feasible travel choices (multi-modal))
- A transport system that is efficient and resilient, providing reliable journeys for people and goods



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- A transport system that meets the needs of today and welcomes innovation and technology to meet the needs of the future
- A transport system that supports wellbeing, providing access to social, economic, environmental and cultural opportunities for residents, visitors, business and industry
- Key freight corridors that are managed to prioritise the safe and effective delivery of goods to the Port, Airport and industry to support a prosperous and diverse economy
- A safe and attractive cycle network reinforced with a strong cycle culture that supports commuter, recreation and tourist journeys.

WHERE WE WANT TO BE IN 30 YEARS

Network:

Compact city with true modal choice for a range of journey purposes.

Assets:

Evidence based, monitored asset maintenance and renewal strategies providing a high level of confidence for Council and community around future levels of service and investment.

Strategy:

Well underway with climate change impact planning, with clear understanding of critical interventions for mitigation and avoidance.

OPPORTUNITIES

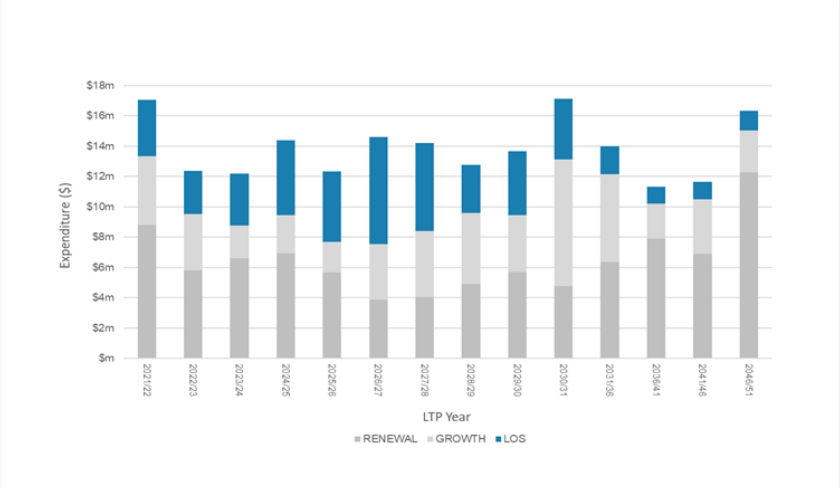
- Open network, wide road reserve corridors offering flexibility of use.
- Regional collaboration.
- Scope for improvement in asset data quality and utilisation.
- Ongoing development of new technologies and materials.
- IT supports a smart network management.



CAPITAL EXPENDITURE FORECAST

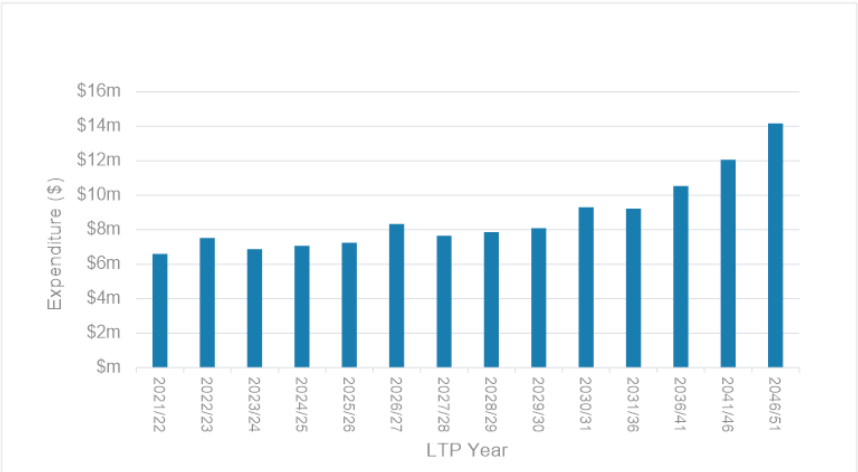
Total Capital expenditure for Transportation and the Inner Harbour over the 30-year period is $298m. The large peaks at the end of the 30-year period relates to the replacement of Nelson Quay at $18m. The other two major peaks also relate to renewal of major assets in this case bridges and structures with an estimate of $15m of renewals over both years.

Figure 6: Transportation 30-year Capital Expenditure Profile)



OPERATIONAL EXPENDITURE FORECAST

Figure 7: Transportation 30-year Operational Expenditure Profile



SIGNIFICANT EXPENDITURE DECISIONS - 1

Issue to Resolve:
Historic underinvestment in Asset Renewals

Outcome Required:
Safe, resilient assets that are fit for use.

Summary:
Napier has historically under invested in the renewal of streetlight columns, kerb & channel and footpaths, leading to higher levels of risk, lower levels of service and less predictable future expenditure.
Some assets, such as lamp columns, have outlasted their design life and many are no longer electrically compliant.
Options assessment and financial forecasts below are for Street Light columns; other assets require additional data improvement, condition assessment and prioritizing before replacement programme can be developed.

		Assumption:						
		Options:	Implications of Options / Benefits	Cost estimate and timing	Operational	Growth	Levels of service	Renewal
Preferred Options	1	Extended replacement programme.	+ Addresses highest need + Low, long duration expenditure profile + Allows for future application of AM best practice. - Risk remains high.	$2.9m 2021 – 2030				✓
	2	Accelerated replacement programme	+ Addresses highest risk assets early + Scale of contract can assist value. + Allows for future application of AM best practice. - High initial cost	$2.9m 2021 - 2025				✓
Other Options	3	Do nothing.	- Risk increasing over time - Operational costs likely to increase	No extra cost 2020-50				✓
	4	Renew at historic levels	+ minimal impact on rates - Risk increasing over time - Operational costs likely to increase - Renewal will still be required eventually	No extra cost 2020-50				✓

YEAR ON YEAR COSTS (Gross expenditure values – preferred options eligible for 51% Waka Kotahi funding assistance)

Option	Year 1-3	Yr 4-10	Yr 11-20	Yr 21-30
1	$.87m	$2.9m	$0	$0
2	$1.7m	$1.2m	$0	$0
3	$0	$0	$0	$0
4	$0	$0	$0	$0

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SIGNIFICANT EXPENDITURE DECISIONS - 2

Issue to Resolve:
Supporting increased mobility: Demographics shift, uptake of micro-mobility

Outcome Required:
Safe footpath and cycleway network which meets the needs of our current and future communities.

Summary:
Napier is seeing and forecasting a significant increase in older, active residents. These will utilise all forms of transport, but with high proportional use of walking, cycling (self-propelled and e-bike) and mobility scooters. Most of this additional demand will be concentrated on footpaths and shared paths. Most of Napier's footpath network is 1.4 to 1.5m wide and does not provide adequate capacity for such use levels.
Further, legislation is being processed which will allow cycling and micro-mobility devices (such as e-scooters) on footpaths and to safely accommodate this range of users, wider footpaths should be considered.

Assumption:

		Options	Implications of options / what are the benefits?	Cost estimate and timing	Operational	Growth	Levels of service	Renewal
Preferred Options	1	Upgrade defined areas and routes as a long term programme	+ Rate of change can be aligned to demographic/legislative shift. + Renewals can be included in programme if required. + Investment targeted at areas of greatest need. - Slow progress. Some suburbs will have to wait.	$250k Every 4 years.			✓	✓
Other options	2	Do nothing.	+ No increase in expenditure - Poor level of service will result in greater use of carriageway.	No extra cost 2020-30				
	3	Upgrade defined areas and routes as an intensive programme	+ Increased level of service across wider portion of the network. - Significant capital commitment $8m will upgrade 10% of network	$1m pa 2021 - 2028	✓		✓	✓
	4	Upgrade as footpaths are renewed	+ Minimal financial impact. - Slow, piecemeal upgrades - Unable to prioritise high use areas.	$100k pa			✓	✓

YEAR ON YEAR COSTS (Gross expenditure values – preferred options eligible for 51% Waka Kotahi funding assistance)

Option	Year 1-3	Yr 4-10	Yr 11-20	Yr 21-30
1	$0.25m	$0.25m	$.5m	$.5m
2	$0	$0	$0	$0
3	$3m	$5m	$0	$8m
4	$0.3m	$0.7m	$1m	$1m

SIGNIFICANT EXPENDITURE DECISIONS - 3

Issue to Resolve:

Local Area Traffic Management - Safety Improvements

Outcome Required:

Safer neighbourhoods for all residents.

Summary:

These plans aim to increase safety and enjoyment on local streets for all users by managing traffic using physical tools such as installing speed bumps, bollard, chicanes, cycle lands and other measures such as speed limit restrictions and other road changes (e.g. changing intersections, reducing road width etc). These plans take an area wide view rather than a focus on a problematic street / intersection. The plans are developed by Transportation Engineers who look at the accident data, monitoring data (speed and volume) and community and stakeholder feedback.

Assumption:

		Options	Implications of options / what are the benefits?	Cost estimate and timing	Operational	Growth	Levels of service	Renewal
Preferred Options	1	Increase the number of LATM schemes to three per year.	Greater coverage across the City. All schemes implemented will see reductions in traffic speeds, improved pedestrian and cycle safety. Process entails high levels of community engagement.	c. $900k p.a. Demand for new schemes likely to reduce after 10 to 12 years. Budget allows for ongoing programme.			✓	
Other options	2	Continue to complete one LATM scheme per year.	Outcomes will match higher investment programme but will take 3 times longer to achieve benefits.				✓	

YEAR ON YEAR COSTS (Gross expenditure values – preferred options eligible for 51% Waka Kotahi funding assistance)

Option	Year 1-3	Yr 4-10	Yr 11-20	Yr 21-30
1	$2.7m	$6.3m	$9m	$9m
2	$1.5m	$1.2m	$2.1m	$3.5m

6.3 Three Waters

6.3.1 Drinking Water Supply

Council has a legal obligation under the Health Act 1956 to improve, promote, and protect public health within the City. The Health (Drinking Water) Amendment Act 2007 places a further obligation on Council to comply with the Drinking Water Standards for New Zealand.

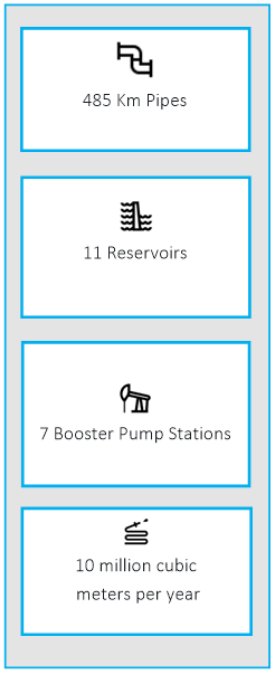
Section 11a of the Local Government Act states "that, in performing its role, a local authority must have particular regard to what its core services, including network infrastructure, contribute to the community".

The Council considers the provision of reliable and safe drinking water to the community as a major contribution to the community's well-being and the City's economy.

Water is drawn from the Heretaunga Plains aquifer, which has sufficient capacity to supply present and next 30-year demand in Napier. Water is reticulated to the Napier urban area and to Bay View.

The long-term goals Council has identified for this activity are:

- Provide and maintain an adequate and safe supply of potable water to consumers meeting the New Zealand Drinking WaterStandards
- Supply water for fire-fighting purposes
- Provide affordable service to the community.
- The contribution that the Water Supply activity and group of assets makes towards Community Outcomes is summarised in the following table



CURRENT STATE

Water is supplied from Heretaunga Plains Aquifer through seven bores. The water system consists of approximately 485km of pipes, 11 reservoirs, and seven booster pump stations and annually produces approximately 10 million cubic meters of water. The Drinking Water Assessor has assigned all water bores as secure water bores. Water is chlorinated at the bore site before it enters into reticulation.
At present, our water supply meets the current Drinking Water Standards. Some bore water contains high manganese levels; this has contributed to water clarity issues in some areas. A study is currently underway to understand the feasibility providing non-chlorinated water and compare costs of chlorinated water supply and non- chlorine supply.

KEY RISKS

- Contamination of water through the aquifer
- Contamination of water in the reticulation system
- High manganese levels in the water
- Demand exceeds production
- Aging infrastructure

KEY PRINCIPLES

- Safeguarding public health and safety
- Sufficient and reliable water supply to the community and businesses for their reasonable needs
- Environmentally sustainable supply
- Affordability
- Customer satisfaction

WHERE WE WANT TO BE IN 30 YEARS

The overarching vision is to minimise public health risk, improve the aesthetic quality of water to the satisfaction of our customers and ensure reliable and resilient supply.
In 30 years', time, we will have a water system with two bore fields that will supply water to the network- following appropriate treatment- to meet best industry practices alongside a much younger water network with reduced water leakage.

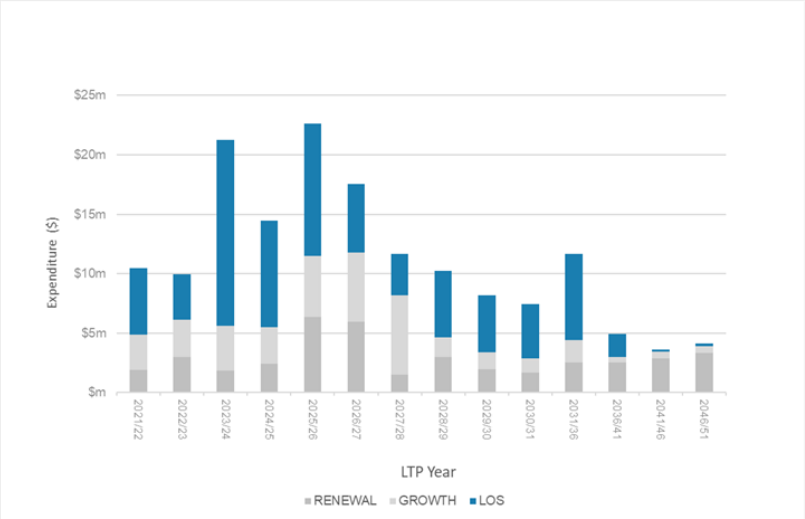
OPPORTUNITIES

- Update water Bylaws
- Better water pricing
- Improved automated monitoring and control system
- Improve data collection and data management
- Develop an up to date asset register
- Develop standards, processes and procedures for management and operation of the water system

CAPITAL EXPENDITURE FORECAST

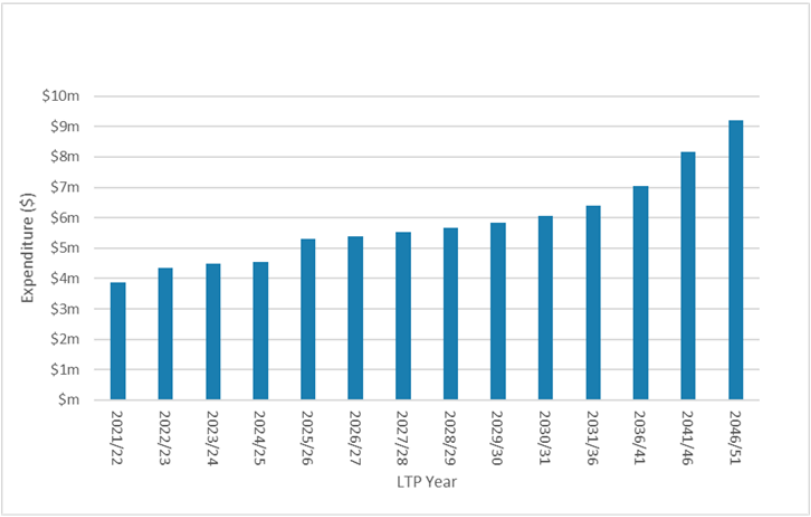
The bulk of expenditure for water supply occurs in the first ten-year period as the network is modified to meet current and future standards and is made more resilient. In year three, water treatment plants are developed and in year five the Enfield reservoir is replaced.

Figure 8: Water Supply 30-year Capital Expenditure Profile



OPERATIONAL EXPENDITURE FORECAST

Figure 9: Water Supply 30-year Operational Expenditure Profile



SIGNIFICANT EXPENDITURE DECISIONS - 1

Issue to Resolve:
The existing network is not fit for purpose moving into the new era of Taumata Aorwai and changes to the Drinking Water Standards. The network is not easily managed and controlled, and treatment processes are temporary and will not last long term. The dirty water issues experience by residents can be alleviated through better source water, consistent treatment and a well-designed and managed system that performs in a predictable way.

Outcome Required:
A modernised, resilient network that helps to manage public health risks, water quality and provides a resilient network that will take us into the longer term – 30-50 years.

Issues:
Most of the current bores are situated in the urban area where the risk of contamination is high, and it is difficult to install appropriate treatment methods.
A high level of manganese in the source water from some bores is causing dirty water in the reticulation and affecting residents.

Summary:
The resolution would be to Install two bore fields: one in Taradale area and one in Awatoto area, alongside the installation of appropriate treatment. If water with low manganese levels is not available, there would be the need to install additional treatment to remove the manganese.

		Assumption:	Suitable sites can be found following investigations with good quality water and sufficient quantities to make them viable. A resource consent will be granted to the future bore fields.					
		Options	Implications of options / what are the benefits?	Cost estimate and timing	Operational	Growth	Levels of service	Renewal
Preferred Option	1	Install two new bore fields and treatment facilities in Taradale and Awatoto areas.	Reduce the risk of water contamination through the source or bores Reduce the water clarity issues Facilitate growth	$22.6 million (2021/2028)		✓	✓	✓
Other Options	2	Do nothing.	High risk to public health from drinking water Public dis-satisfaction due to water clarity issues	Additional annual opex $400k	✓			
	3	Replace at existing sites	High risk of contamination taking water in close proximity to sewer network. Difficulty installing treatment. Not a resilient design to meet compliance requirements moving forward.	$14m (2021/2028)				✓

YEAR ON YEAR COSTS

Option	Year 1-3	Yr 4-10	Yr 11-20	Yr 21-30
1	$17.5m	$5.1m	$0	0
2	$0.6m	$1.2m	$1.8m	$1.8m
3	$2m	$12m		

SIGNIFICANT EXPENDITURE DECISIONS - 2

Issue to Resolve:
Replacement of Enfield reservoir due to age and condition and implications regarding water safety

Outcome Required:
Install a new reservoir on Hospital Hill /Mataruahou with increased capacity to futureproof for the city's growth

Issues:
The Enfield reservoir needs replacement and it has reached the end of its useful life due to capacity and its overall condition. The need to increase capacity (additional water storage) is paramount to futureproofing the city for growth.

Summary:
There are few options for this as the reservoir is at the end of its useful life and the size of the land it currently occupies does not enable additional capacity to be added.

Assumption: A site is to be procured on Mataruahou for a new reservoir – complete.

		Options	Implications of options / what are the benefits?	Cost estimate and timing	Operational	Growth	Levels of service	Renewal
Preferred Option	1	A new reservoir at Hospital Hill	Reliable asset, additional storage and resilience, enabling growth	$18.0m (2021-2026)		✓	✓	✓
Other options	2	Do nothing.	Risk of contamination, reservoir failure in earthquake scenario and not future proofed	No extra cost	✓			
	3	Replace	Like for like at the same location- not future proofed as same capacity and construction difficulties and difficulties installing rising and falling mains under properties around the site.	$8m	✓		✓	✓

YEAR ON YEAR COSTS

Option	Year 1-3	Yr. 4-10	Yr. 11-20	Yr. 21-30
1	$1.2m	$16.8m	$0	$0
2	$0	$0	$0	$0
3	$1.5m	$6.5m	$0	$0

6.3.2 Wastewater

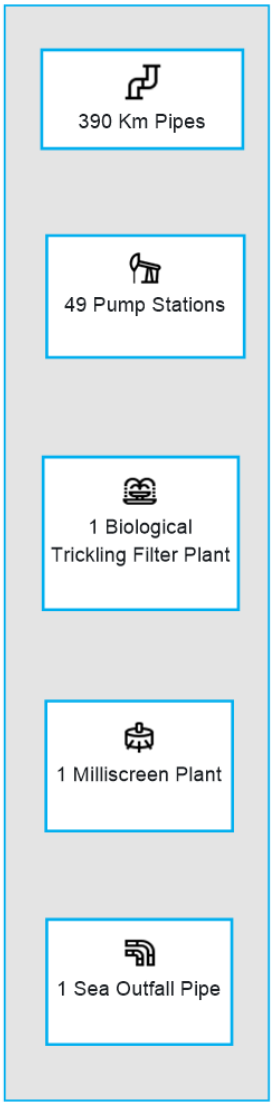
Under the Local Government Act 2002, the Resource Management Act 1991 and the Building Act 2004, Council is obliged to provide a sewerage service, which collects, transports and disposes of household wastewater.

Council aim to protect human health and the environment and are best placed to provide this 'public good' service. Section 11a of the Local Government Act states "that, in performing its role, a local authority must have particular regard to what its core services, including network infrastructure, contribute to the community".

The Council considers the provision of safe, effective and efficient domestic sewage collection, treatment and disposal system as a major contribution to the community's well-being and the City's economy.

The long-term goals the Council has identified for this activity are:

- To provide and maintain an adequate wastewater collection, treatment and disposal system.
- To protect community health.
- To minimise adverse environmental effects.



CURRENT STATE

The wastewater system comprises of 390km of pipes, 49 pump stations, Milliscreen plant, a (BTF) Biological Trickling Filter plant and a sea outfall pipe. Wastewater is collected through the reticulation system and pumped into the treatment plant situated at Awatoto. After treatment, it is discharged into the sea via a 1.6km long sea outfall pipe.
At present, there are issues with overflows from the reticulation during the wet weather events due to inflow and infiltration.
The outfall pipe is in a bad condition and has had a number of leaks. Some repairs have already been completed, and two more repairs are currently underway.

KEY RISKS

- Failure of the outfall pipe due to its condition
- Increased overflows from the reticulation during wet weather events due to inflow and infiltration resulting in polluting the receiving environment
- Service disruption due to aging asset failures
- Not meeting regulatory requirements due to insufficient treatment and unauthorised overflows
- Increased public dis-satisfaction due to wastewater overflows

KEY PRINCIPLES

- Safeguarding public health and safety
- Reliable service to the community and businesses for their reasonable needs
- Affordable
- Customer satisfaction



WHERE WE WANT TO BE IN 30 YEARS

We want to provide a reliable wastewater service to the community that meets community expectations, reduced wastewater overflows, minimise negative environmental impacts on receiving environment following treatment, facilitates growth and meet regulatory requirements consistently.

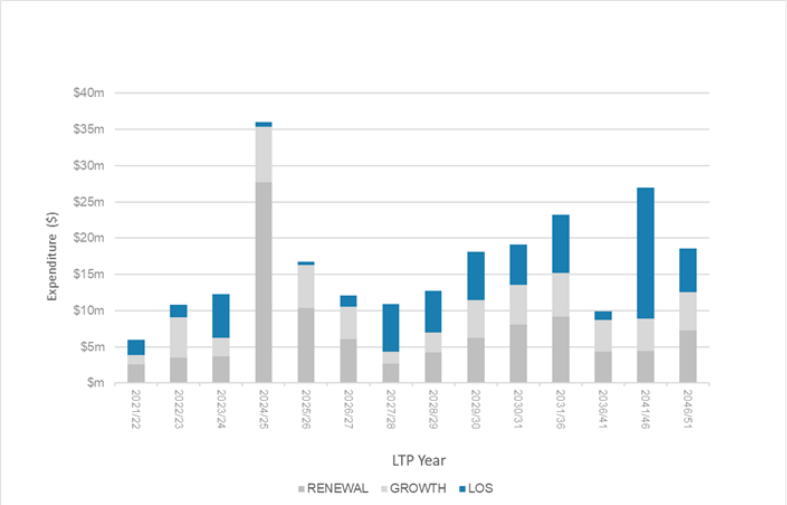
OPPORTUNITIES

- Up to date wastewater and trade waste Bylaws
- Improved automated monitoring and control system
- Improve data collection and data management
- Develop an up to date asset register
- Develop standards, processes and procedures for management and operation of the wastewater system
- Improved wastewater discharge quality

CAPITAL EXPENDITURE FORECAST

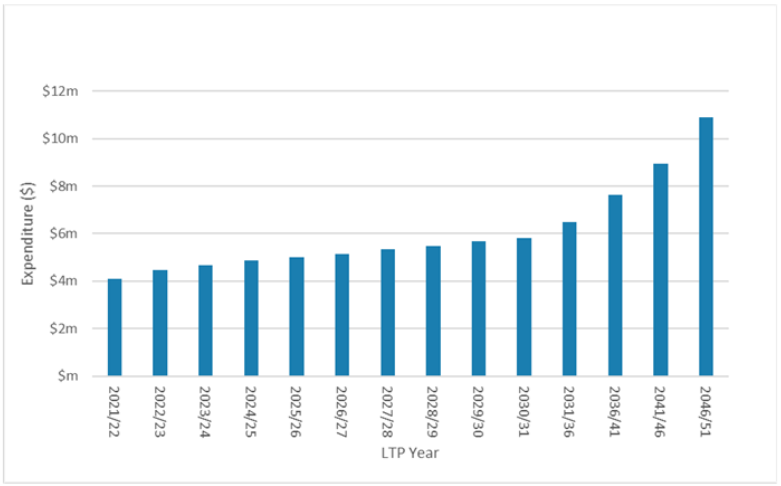
The wastewater network has a few major renewals that will occur in the early part of the 30-year plan. The most important and high cost replacement is the wastewater outfall pipe which is expected to be replaced in year four to assist with network operation consent compliance and asset integrity. This has been brought forward to meet compliance and levels of service.

Figure 10: Planned 30-year capital expenditure for Wastewater



OPERATIONAL EXPENDITURE FORECAST

Figure 11: Planned 30-year operational expenditure for Wastewater



SIGNIFICANT EXPENDITURE DECISIONS - 1

Issue to Resolve:
Wastewater outfall pipe leaks

Outcome Required:
Replace the outfall pipe to ensure compliance with legislative requirements, also ensure that increased flow can be accommodated with the growth of the city

Summary:
Replacement of existing outfall pipe with upgraded pipe

Assumption: Outfall Pipe can be replaced with a variation to the existing resource consent. Costs include consent, outfall pipe replacement and a new pump station.

		Options:	Implications of options / what are the benefits?	Cost estimate and timing	Operational	Growth	Levels of service	Renewal
Preferred option	1	Replace the existing outfall pipe and outfall pump station	Meeting the legislative requirements, reduce the environmental pollution due to wastewater leaks	$48.28 million (2021/28)		✓	✓	✓
Other options	2	Do nothing.	Significant increase in maintenance and not meeting resource consent condition and risk of abatement notices from HBRC and infringements	$10m (2021/36)	✓			
	3	Repair	Increased maintenance costs and not meeting existing consent conditions	$10 million (2021/36)	✓			✓

YEAR ON YEAR COSTS

Option	Year 1-3	Yr 4-10	Yr 11-20	Yr 21-30
1	$4m	$41.3m	0	0
2	$3.3m	$3.3m	$3.3m	
3	$3.3m	$3.3m	$3.3m	

SIGNIFICANT EXPENDITURE DECISIONS – 2

Issue to Resolve:
Upgrade the existing treatment plant
Outcome Required:
Improved wastewater treatment
Summary:
Upgrade the existing treatment plant as recommended in wastewater treatment plant masterplan

Assumption: No significant changes to legislative requirements and growth assumptions are correct

		Options	Implications of options / what are the benefits?	Cost estimate and timing	Operational	Growth	Levels of service	Renewal
Preferred option	1	Upgrade the wastewater treatment plant as per recommendations of the masterplan	Improved environmental outcome, meeting the legislative requirements	$104.7m		✓	✓	✓
Other options	2	Do minimum	Additional biological trickling filter to meet current standards and provide for some growth, no additional improvement of wastewater quality	$13.4m				
	3	Do nothing.	Unable to meet conditions of the existing resource consents, constraints obtain a new resource consent in 2036 at the expiry of existing consent to discharge treated effluent into the sea.		✓			

YEAR ON YEAR COSTS

Option	Year 1-3	Yr 4-10	Yr 11-30
1	$6.2m	$24.9m	$73.6m
2		$1m	$12.4m
3	$0	$0	$0

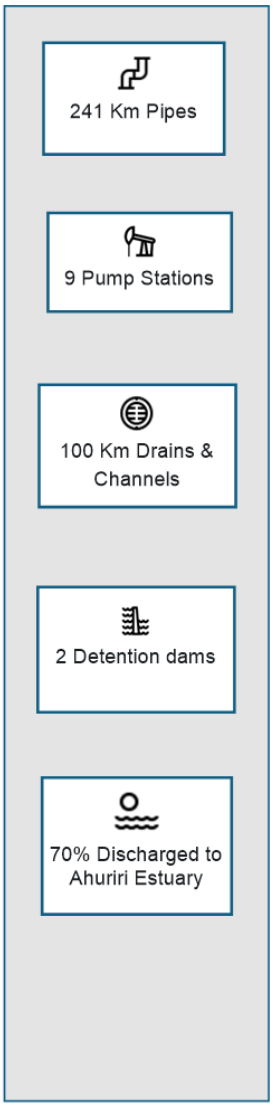
6.3.3 Stormwater

Council have a statutory responsibility to ensure stormwater is managed through ownership and management of its own stormwater drainage network. Council are the only viable provider of this 'public good' service for the well-being of the community.

Council provide and maintain a stormwater disposal system for Napier with the aim to minimise the effects of flooding. The system, serving approximately 97% of the city's population, consists of open drains, stormwater mains and pump stations with about 75% of Napier reliant on pumped systems for stormwater drainage.

The long term goals the Council has identified for this activity are:

- Provide and maintain an adequate stormwater system
- Protect community health and property
- Minimise adverse environmental effects



CURRENT STATE

Napier's storm water drainage system mainly relies on an open drains and pumping systems to dispose of storm water.
There are approximately 241km of pipes, 9 pump stations, over 100km of channels/drains and 2 detention dams owned and operated by the Council.
Approximately 70% of storm water from Napier City is discharged into the Ahuriri Estuary.
Although our desired level of service is providing storm water protection for houses and habitable floors from a one in fifty-year rainfall event, currently, we are not meeting this level of service in all areas due to the inadequate capacity of our storm water system

KEY RISKS

- Flooding of properties during high intensity rainfall events due to capacity issues
- Impact on receiving environment due to storm water contamination
- Climate change impacts

KEY PRINCIPLES

- Safeguarding public health and safety
- Protection of properties from flooding
- Minimise negative environmental impacts
- Affordable
- Customer satisfaction



WHERE WE WANT TO BE IN 30 YEARS

Our desired level of service is to provide flood protection to houses and habitable properties from one in one hundred-year rainfall event. However, this is not possible to achieve in all areas in Napier due to flat nature of the majority of the catchment and high cost. Instead, we will have a stormwater system that provides maximum protection for an affordable cost. This means, some areas in the catchment will have a lesser degree of flood protection than others. We also will reduce the negative environmental impact on receiving environment by improving the storm water quality.

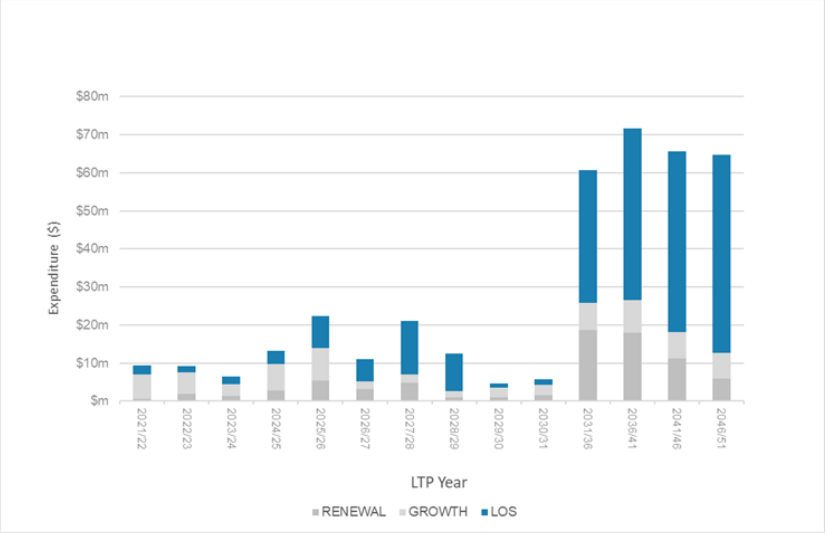
OPPORTUNITIES

- Up to date and calibrated hydraulic model
- Improved automated monitoring and control system
- Improve data collection and data management
- Develop an up to date asset register
- Develop standards, processes and procedures for management and operation of the water system

CAPITAL EXPENDITURE FORECAST

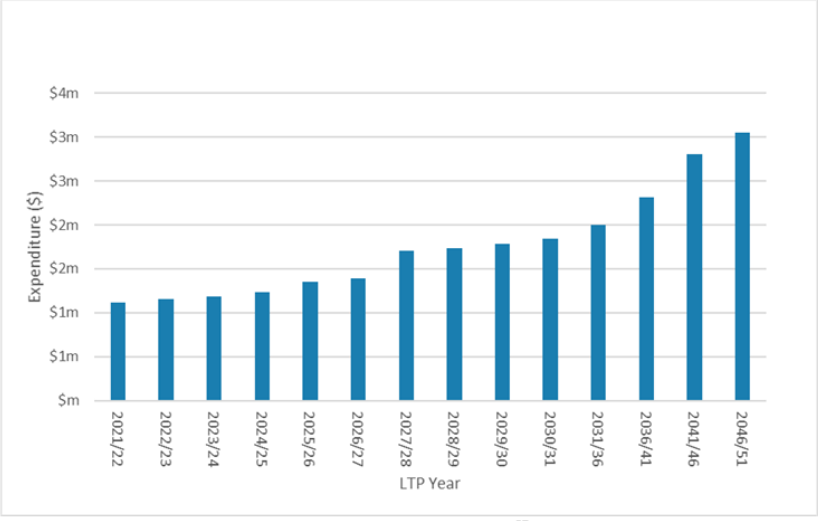
Following the flood in November 2020 Council has prioritised stormwater storage at Lagoon Farm, in addition to a treatment solution that will be developed as part of the new discharge consent to the estuary. As noted, the peer reviewed master plan will provide more guidance regarding the wider city and project priorities.

Figure 12: Planned 30-year capital expenditure for Stormwater



OPERATIONAL EXPENDITURE FORECAST

Figure 13: Planned 30-year operational expenditure for Stormwater



SIGNIFICANT EXPENDITURE DECISIONS – 1

Issue to Resolve:
Flooding during high intensity or prolonged rainfall events and improve the storm water quality discharged into estuary.

Outcome Required:
Install storm water storage/detention facility at Lagoon Farm to enhance stormwater quality.

Summary:
The stormwater masterplan has recommended installing additional storage at Lagoon Farm to reduce the flooding risk in the Napier urban catchment with the total storage to be 450,000m3. This facility also will contribute to the improvement of stormwater quality. This can be further improved by adding additional treatment such as wetlands.
This project includes only a stormwater storage requirement and the removal of sedimentation from the stormwater.

Assumption:

		Options	Implications of options / what are the benefits?	Cost estimate and timing	Operational	Growth	Levels of service	Renewal
Preferred option	1	Install storage at Lagoon Farm and install additional water quality improvements	This will reduce the widespread flooding risk in urban areas during significant rain events and improve discharge water quality substantially	$40m (high level estimation)			✓	✓
	2	Install storage at Lagoon Farm and install additional water quality improvements later	This will reduce the widespread flooding risk in urban areas during significant rain events.	$18.2m			✓	✓
Other options	3	Do nothing.	Flooding in urban areas during significant rainfall events will be more frequent. Not enough measures in place to reduce the impact of floodwater on the estuary.	Clean up costs from events 2020-50	✓			

YEAR ON YEAR COSTS

Option	Year 1-3	Yr 4-10	Yr 11-20	Yr 21-30
1	$0.15m	$17,9m	$21.8m	$0
2	$0.15m	$17.9m	$0	
3	$0	$0	$0	

6.4 Parks, Reserves, Sportsgrounds, Cemeteries and Public Toilets

The Reserves portfolio of Napier City exists to enhance the quality of life of Napier's citizens, by providing high quality passive and recreational facilities throughout the city.
Napier is fortunate to have a wide range of parks, reserves and public gardens uniformly located throughout the urban environment. The Reserves assets support a large number of tourism events and local events, delivering highly maintained grounds and gardens ranging in location from coastal foreshore to formal botanical gardens.



CAPITAL EXPENDITURE FORECAST

The following graph shows the planned 30 year spend for parks, reserves, sportsgrounds, cemeteries, and public toilets. The major renewal within the 30-year plan is the upgrade of the Harris stand at McLean Park which is anticipated to occur in Year 27 of the plan and is estimated to cost $84.5 million. A breakdown for each asset group is provided in the following sections.

Figure 14: Planned 30 year capital expenditure for Parks and Reserves, Sportsgrounds, Cemeteries and Public

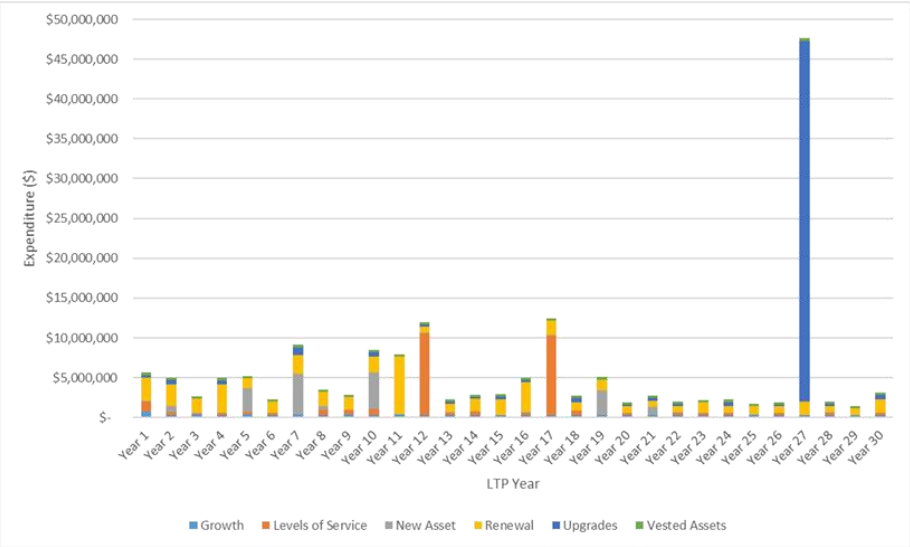
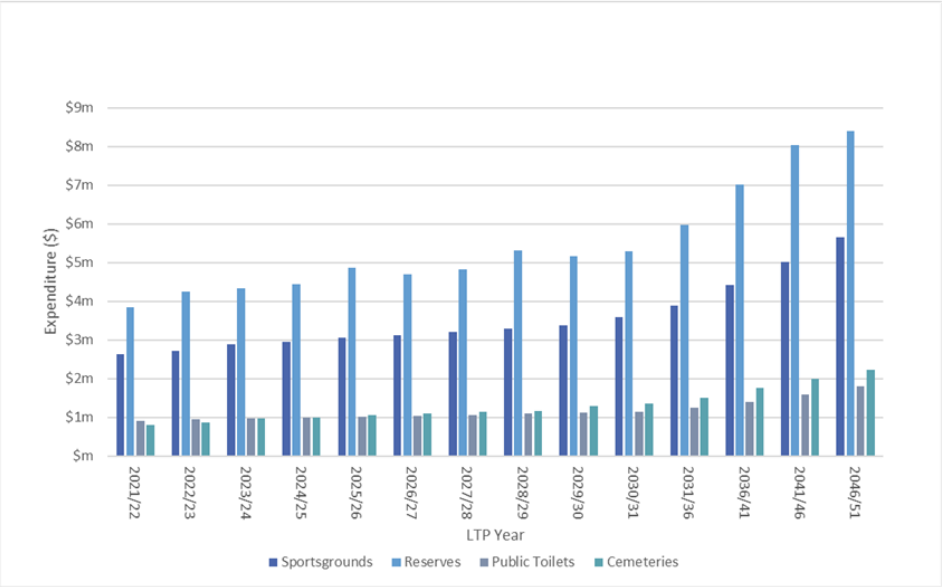


Figure 15: Planned 30-year operational expenditure for Parks and Reserves, Sportsgrounds, Cemeteries and Public Toilets



6.4.1 Sportsgrounds

Council provides and maintains 16 sports grounds throughout Napier equating to an area of 213 hectares of land set aside for sports purposes across the city.

Napier's sports grounds range from facilities of regional and national significance; McLean Park, Nelson Park and Park Island, to grounds principally serving local club demand; for example, Petane War Memorial Reserve, Bledisloe Park and Whitmore Park.

The Sportsground portfolio of Napier City exists to enhance the quality of life of Napier's citizens, by providing high quality sport and recreational facilities throughout the city.

Council's sports grounds and associated facilities provide for the majority of the city's sporting demand, although increasing pressure from population growth, diversification of sport, crossover between seasons and more extreme weather events is making it increasingly challenging to meet all demands.
In a rapidly changing local sports environment, and a highly competitive market for major events, Council needs to be nimble in its response to pressure points and changes in demand. Council's provision of sports facilities needs to respect traditional aspects of sport (for example, club structures), while ensuring decisions now are sufficiently flexible to respond to changing future demand.

2 Premier Sports Grounds

14 General Sports Grounds

213 Hectares of Land

Suburban Sportsgrounds
Bledisloe Park
Maraenui Park
Petane War Memorial Reserve
Tamatea Park
Taradale Park

City Sportsgrounds
Marewa Park
Onekawa Park
Tereha Park
Whitmore Park

Regional Sportsgrounds:
Nelson Park
Park Island
Sir Donald McLean Memorial Park

Restricted Use Facilities
Marewa Park
Nelson Park
Onekawa Park
Papakura Domain
Park Island
Petane War Memorial Reserve
Sir Donald McLean Memorial Park
Taradale Park
Tareha Park
Port Ahuriri Bowling Club
Napier Sailing Club

KEY RISKS

- Viability of Clubs
- Ageing Facilities and Infrastructure
- Changing Recreation Trends
- Documentation and Procedures
- McLean Park



KEY PRINCIPLES

- Encourage Recreation
- Involve and Collaborate
- Encourage Innovation
- Enhance Networks and Corridors
- Promote Sustainability

WHERE WE WANT TO BE IN 30 YEARS

- Accessible, Equitable and Connected with our community
- Diverse and Appropriate- Sports facilities that can be used by all and for a wider range of uses
- Safe and Secure so that all who participate or spectate can feel safe doing so.
- Well maintained and clean- our sports facilities are of a standard that the city can be proud of
- Enhanced and Protected
- Sustainable and Resilient- leading the way towards carbon zero.
- Community Collaboration and Partnerships- ensuring that the community has a say about how these grounds are used and by whom.

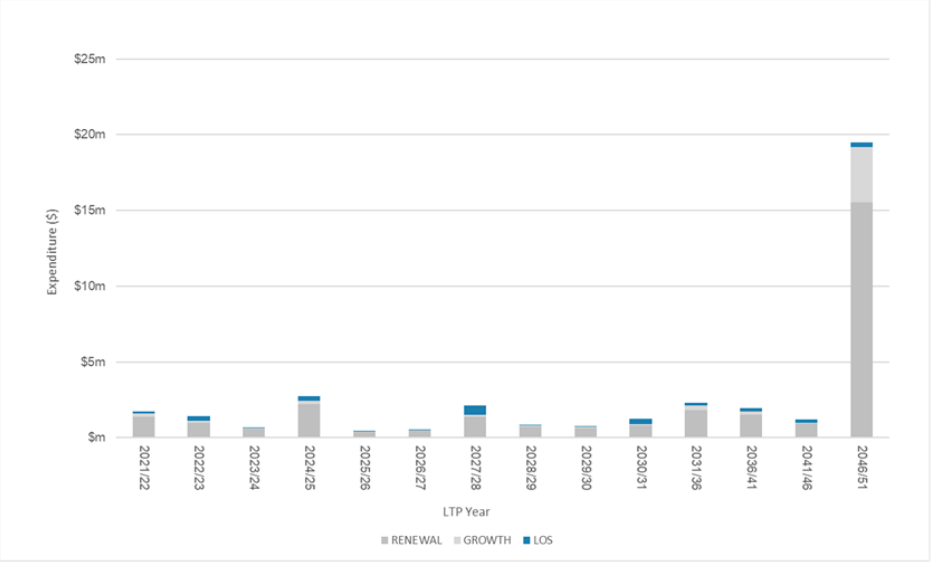
OPPORTUNITIES

Diversifying the use of facilities like McLean Park for different events including concerts and other events
Adapting facilities to changing trends that have a positive environmental impact to allow a more diverse population use.

CAPITAL EXPENDITURE FORECAST

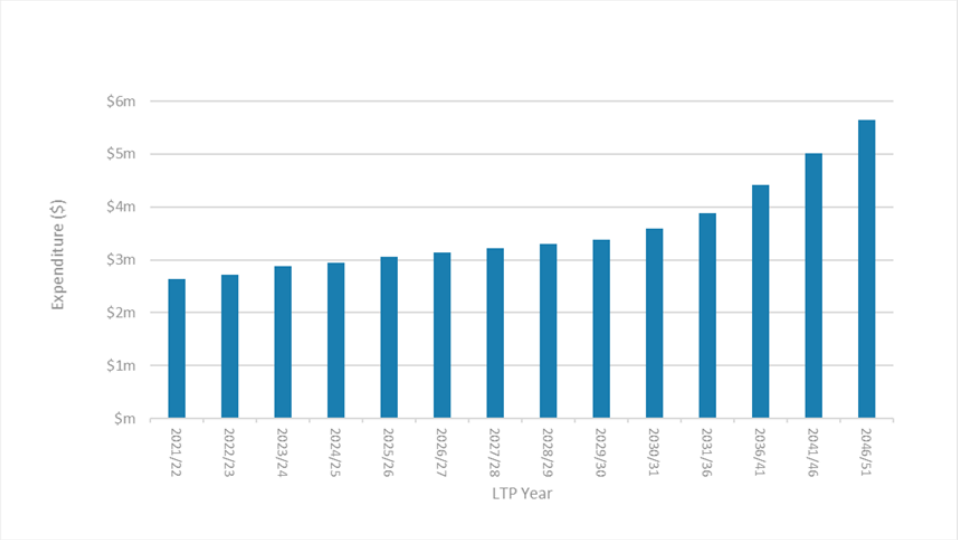
Renewals and minor upgrades for Council owned sportsgrounds are fairly static at around $1.2m a year except for Year 11 which has the renewal of the McLean part turf, estimated at $5m and the replacement of the Harris stand in Year 27.

Figure 16: Planned 30-year capital expenditure for Sportsgrounds



OPERATIONAL EXPENDITURE FORECAST

Figure 17: Planned 30-year operational expenditure for Sportsgrounds



SIGNIFICANT EXPENDITURE DECISIONS -1

Issue to Resolve:

McLean Park Renewals- capacity issues and turf renewals

Outcome Required:

McLean Park Facility Renewals- Replacement of the Harris Stand which is coming to the end of its useful life, as well as scheduled replacement of the turf which has a 20-year life span.

Summary:

McLean Park is used for high profile sporting fixtures and other large events. Its composite turf requires replacement every 20 years approximately to maintain quality of the pitch as the artificial component of the turf has a 20-year shelf life. The Harris stand will be at the end of its life both physically and capacity wise by 2047 and will need to be replaced with a more user friendly stand – it is currently challenging for those who are not able bodied to move with ease around the stand.

Assumption:

		Options	Implications of options / what are the benefits?	Cost estimate and timing	Operational	Growth	Levels of service	Renewal
Preferred option	1	Repair	Turf Renewal for the whole pitch enabling the continuation of major sporting events Re-build of the Harris stand to increase capacity and improve accessibility	$6.5m (2032) $84.5m (2047)	✓	✓	✓	✓ ✓
Other Options	2	Establish new				✓		
	3	Do nothing.		No extra cost 2021-51	✓			
	4	Replace existing						

YEAR ON YEAR COSTS

Option	Year 1-3	Yr 4-10	Yr 11-20	Yr 21-30
1	$0	$0	$6.5m	$84.5m
2	$0	$0	$0	$0
3	$0	$0	$0	$0
4	$0	$0	$0	$0

6.4.2 Cemeteries

CURRENT STATE

The team currently administers six cemeteries with a total footprint of 35ha. These cemeteries are Eskdale, Whararangi, Napier, Taradale, Western Hills and Park Island, with some of these nearing capacity.
The response to this upcoming shortage of space will require some thought as to how this is managed going forward, and the viable options available to the Council.



KEY RISKS

- Procedural (operational)
- Inadequate land to provide for interments (management)
- What we don't know (management)
- Heritage Protection responsibilities (management and operational)
- Not understanding our service role (management and operation

KEY PRINCIPLES

- Encourage Recreation
- Involve and Collaborate
- Encourage Innovation
- Enhance Networks and Corridors
- Promote Sustainability
- Culture and Heritage

WHERE WE WANT TO BE IN 30 YEARS

- Accessible, Equitable and Connected
- Diverse and Appropriate
- Safe and Secure
- Well maintained and clean
- Enhanced and Protected
- Sustainable and Resilient
- Engaged in Community Collaboration and
- Partnerships.

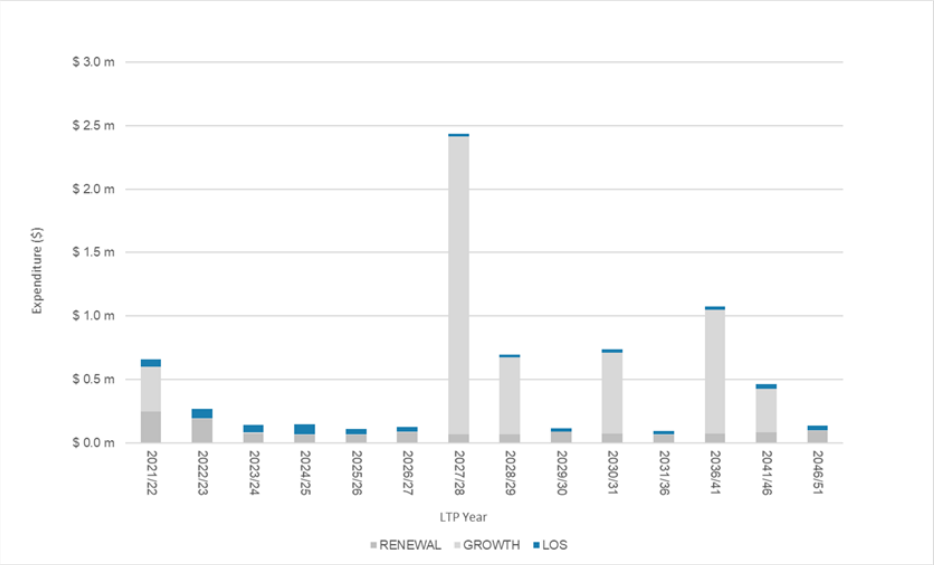
OPPORTUNITIES

- The development of clear processes and policies
- Work with the community and the funeral industry to achieve more sustainable interment practices
- Planning for the future as bare land becomes scarcer and increasingly costly to buy.
- To incorporate more multi- cultural design into new cemeteries as Napier's population continues to be more diverse
- Work to make cemeteries more accessible for those with disabilities, incorporating into new designs and practices.

CAPITAL EXPENDITURE FORECAST

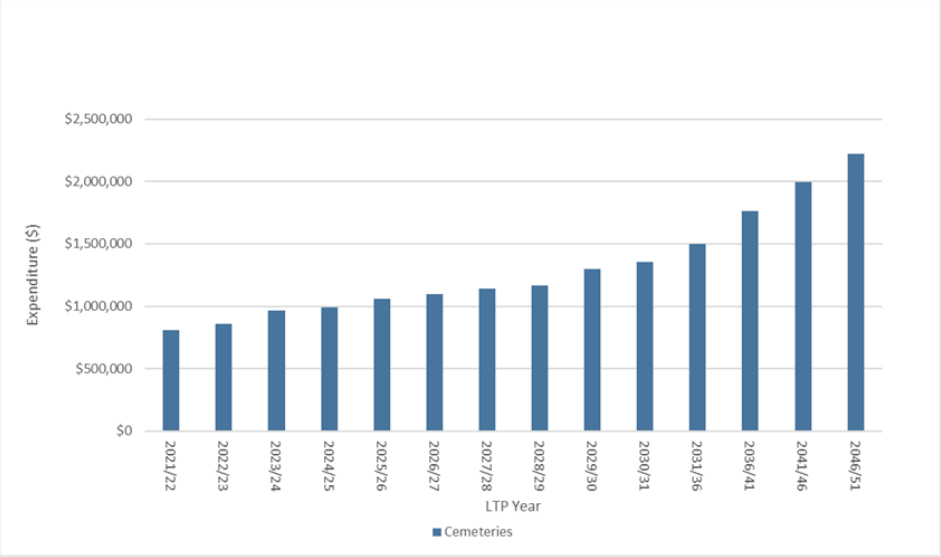
Cemetery space is Napier is now in short supply, therefore in Years 7, 8, 10, 19 and 21 additional land is planned to be purchased to keep up with demand.

Figure 18: 30 Year Capital Expenditure for Cemeteries



OPERATIONAL EXPENDITURE FORECAST

Figure 19: 30 Year Operational Expenditure for Cemeteries



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SIGNIFICANT EXPENDITURE DECISIONS -1

Issue to Resolve:
Purchase Land for new cemetery

Outcome Required:
More land to cater for Napier's increasing population to be purchased within easy reach of town and at a competitive price.

Summary:
Napier is running out of cemetery space, and while stage 2 of the Western Hills Cemetery is currently being progressed, the space provided will not be enough as Napier's population, and therefore the number of interments increases. The only viable option is to establish a new cemetery within the Napier area.

Assumption: That there will be land available to procure

Other Option Preferred Option		Options	Implications of options / what are the benefits?	Cost estimate and timing	Operational	Growth	Levels of service	Renewal
	1	Establish new	Acquire additional land for a new cemetery. Cost is the biggest factor in this option. Addition to Western Hills	$9.6m (2028-2051) $0.35m (2021-2022)		✓		
	2	Do nothing.	This is not an option as we will run out of space within the next few years	No extra cost 2020-50	✓			

YEAR ON YEAR COSTS

Option	Year 1-3	Yr 4-10	Yr 11-20	Yr 21-30
1	$0.35m	$0	$4.8m	$4.8m
2	$0	$0	$0	$0



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6.4.3 Public Toilets

CURRENT STATE

Napier City Council provides, maintains and develops public toilet facilities to meet the needs and demands of the community and visitors to the City. Currently the city has 48 operational public toilets.

Public toilets are provided in key areas generally related to tourism (e.g. i-SITE Visitor Centre), recreation -both at sportsgrounds and passive recreation areas, and shopping activities e.g. Dickens Street and Maraenui Shopping Centre. Facilities are cleaned and inspected at least daily with the emphasis on hygiene, safety, discouragement and removal of graffiti.

KEY RISKS

- Covid 19 (changing trends and expectations)
- Lack of clarity around asset responsibility
- Understanding utilisation
- Changes in legislation (e.g. Freedom Camping)

KEY PRINCIPLES

- Encourage Recreation
- Involve and Collaborate
- Encourage Innovation
- Enhance Networks and Corridors
- Promote Sustainability
- Culture and Heritage

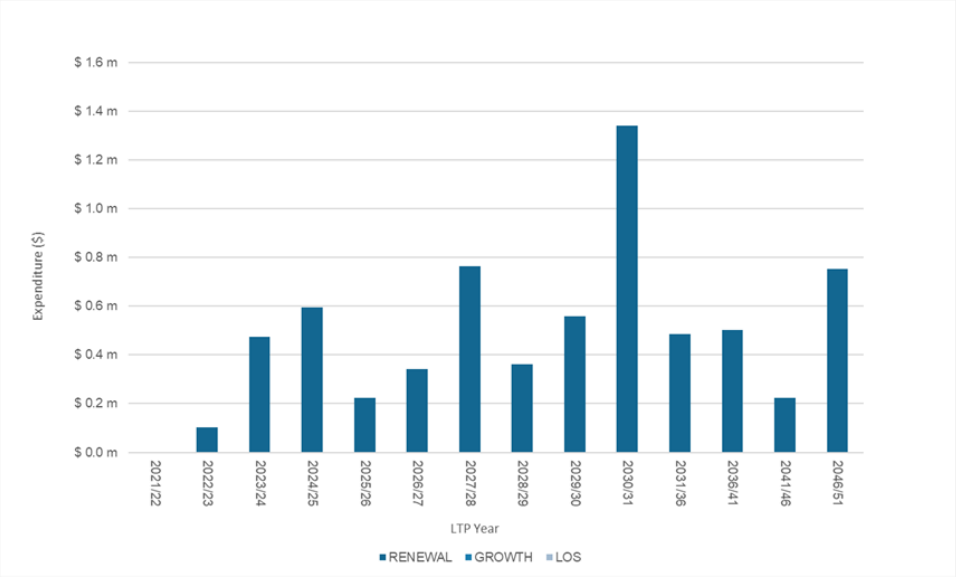
WHERE WE WANT TO BE IN 30 YEARS

- Accessible,
- Equitable and Connected
- Diverse and Appropriate
- Safe and Secure
- Well maintained and clean
- Enhanced and Protected
- Sustainable and Resilient
- Community Collaboration and Partnerships



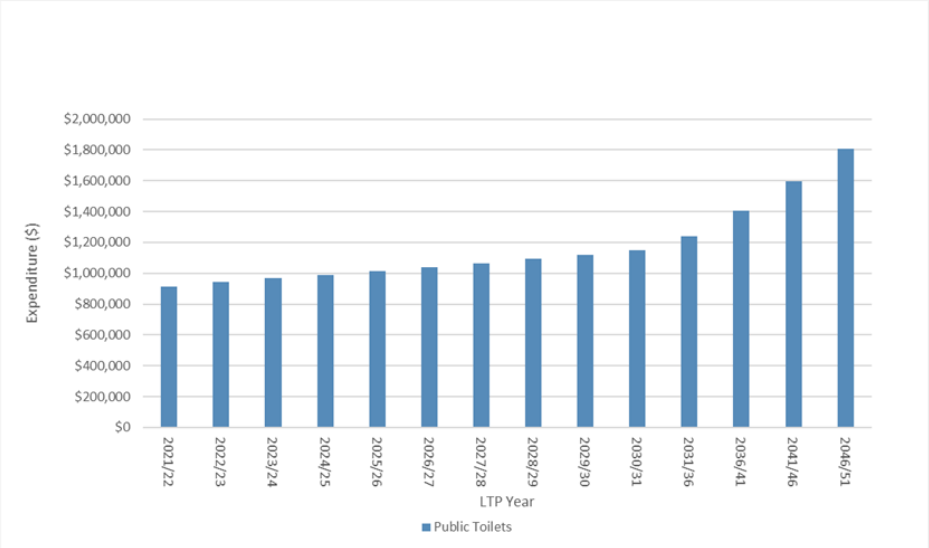
CAPITAL EXPENDITURE FORECAST

Figure 20: 30 Year Capital Expenditure Public Toilets



OPERATIONAL EXPENDITURE

Figure 21: 30 Year Operational Expenditure Public Toilets



6.4.4 Reserves

CURRENT STATE

Napier City Council's reserves cover a total of 398 Hectares around the city including 38 Neighbourhood Reserves (16ha), 46 Greenbelt Reserves (252ha), 9 Foreshore Reserves (118ha) and 9 Public Gardens (12ha).

These Reserves assets support a large number of tourism events and local events, delivering highly maintained grounds and gardens ranging in location from coastal foreshore to formal botanical gardens. These areas enjoy a high profile within the city, resulting in increased expectations and standards. The Reserves department also manages the day-to-day maintenance and operation of play equipment located throughout the city, including destination playgrounds with enhanced accessibility.

38 Neighbourhood Reserves (16ha)

46 Greenbelt Reserves (252ha)

9 Foreshore Reserves (118ha)

9 Public Gardens (12ha)

KEY RISKS

- Data (management); Asset and Compliance (Reserves Act and RMA Matters
- Risk Assurance (management) – Audit/quality Control
- Coastal Erosion/Sea level Rise (strategic and management)
- Bluff Hill Rock Fall (Management)
- Tree Management (management)
- Heritage Management (Management)
- Procedural Operational

KEY PRINCIPLES

- Encourage Recreation
- Involve and Collaborate
- Encourage Innovation
- Enhance Networks and Corridors
- Promote Sustainability

WHERE WE WANT TO BE IN 30 YEARS

- Accessible, Equitable and Connected
- Diverse and Appropriate
- Safe and Secure
- Well maintained and clean
- Enhanced and Protected
- Sustainable and Resilient
- Community Collaboration and Partnerships

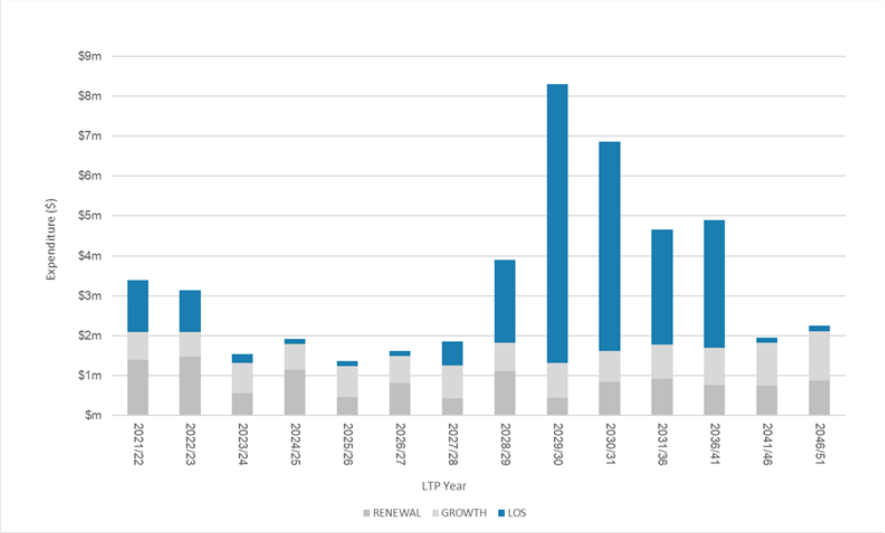
OPPORTUNITIES

- Work with the community to realise our sustainability goals
- Work with community groups to improve accessibility for all
- Contribute to the work being done nationally in the fight against costal erosion and inundation
- Create more reserve space to balance the increase in new housing developments
- The ability to support more local and tourism events



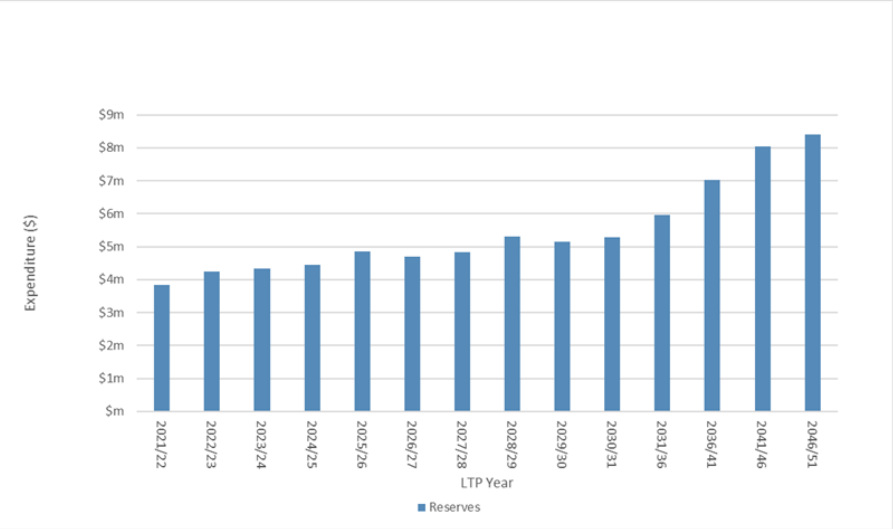
CAPITAL EXPENDITURE FORECAST

Figure 22: 30 Year Capital Expenditure for Parks and Reserves



OPERATIONAL EXPENDITURE FORECAST

Figure 23: 30 Year Operational Expenditure for Parks and Reserves



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6.5 Building Asset Management

The building assets consists of 85 buildings, 377 rental units, 7 Memorials, 12 pools and various plant and equipment. Napier city has an extensive portfolio of properties and buildings used to accommodate staff and to provide services to residents and visitors. The Building Asset Management (BAM) Activity involves owning and managing of the building assets on behalf of the community of Napier City.

The Activity aims to ensure that the buildings are maintained for their specific purposes throughout their life cycle.

Building Asset Management (BAM) at Napier City Council is at a low level of maturity and is being developed as specific needs are identified and resourcing allocated to support the respective activities that own the building assets.

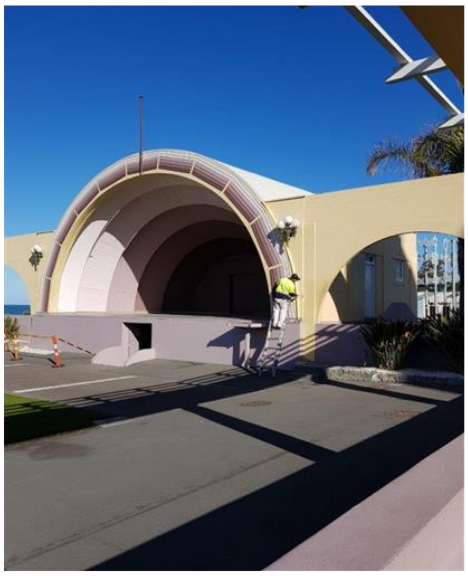
The BAM team is under development and proposing to grow capacity. It is currently in a discovery phase across the Buildings portfolio.

KEY RISKS

- Levels of service have not been clearly set.
- Over or under investment in buildings.
- Buildings and/or critical plant and machinery becoming unsafe.
- Levels of service not met.
- Incomplete risk analysis.

KEY PRINCIPLES

- Ensure buildings and associated plant are safe and fit for purpose.
- Service, maintain & renew buildings to agreed levels of service.
- Provide specialist advice to Activity Managers regarding building development, refurbishment & renewals.
- Building Compliance – Ensure that Napier City Council owned buildings meet legislative requirements
- Gather, interpret and use quality data to implement maintenance & renewal programs



WHERE WE WANT TO BE IN 30 YEARS

We want to have a mature Building Asset Management strategy with resources, systems, reliable data and good decision-making tools. These will ensure that buildings are safe, the value of buildings is maximised and lifecycle (total) cost of ownership is minimised whilst taking into account zero carbon philosophies.



OPPORTUNITIES

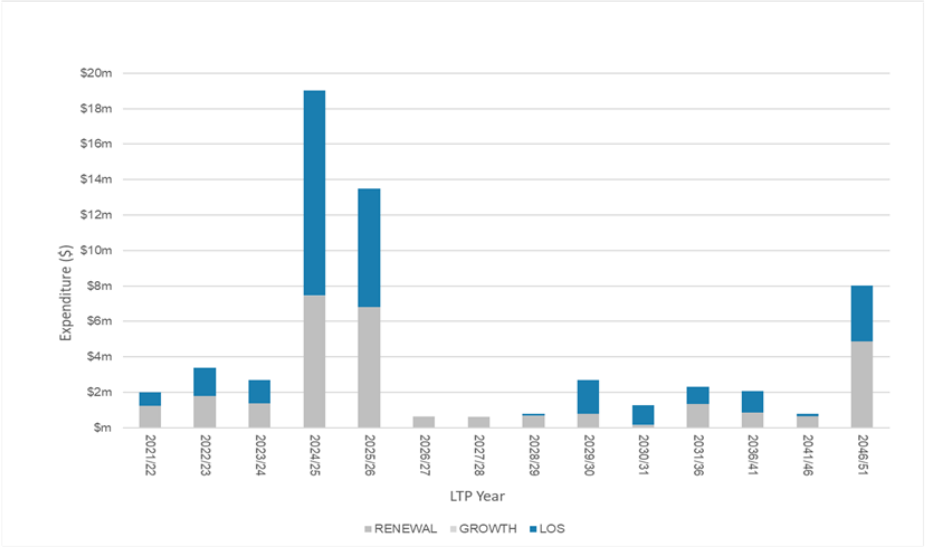
Develop clear policies, processes and procedures aligned with best practice and wider Council objectives.
Embrace modern and developing technology to improve and enhance reporting and provide real-time information.
Collaboration with similar sized Councils to share resources & minimise duplication of effort where practicable.



CAPITAL EXPENDITURE FORECAST

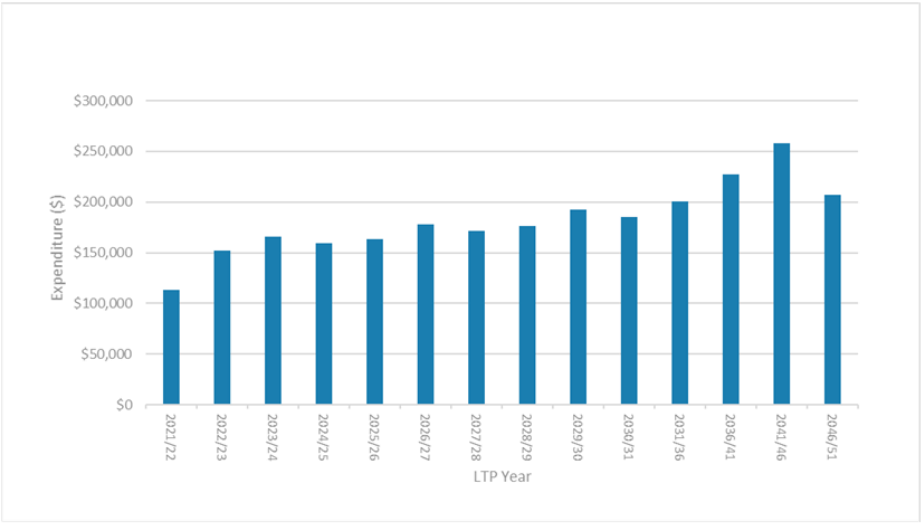
$34.55m is planned to be spent in the first 5 years and the main contributor to this expenditure is the new community centre in Maraenui – Te Pihinga, estimated at $10.25m over years 1 to 3 and the rebuild of the Napier Library and Civic Precinct during the first 5 years of the plan, at an estimated total of $54m.

Figure 24: 30 Year Capital Plan for Council Buildings and Facilities (note excludes Te Pihinga and Kennedy Park)



OPERATIONAL EXPENDITURE FORECAST

Figure 25: 30 Year Operational Plan for Council Buildings and Facilities (note excludes Kennedy Park)



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SIGNIFICANT EXPENDITURE DECISIONS -1

Issue to Resolve:
The Faraday Centre building is not owned by the Council, and needs upgrading

Outcome Required:
To be able to maintain the building and the collection in its current place.

Summary:
The building that the Faraday Centre occupies is leased by the Hawke's Bay Museums Trust for a very low cost. The building has been assessed as 'earthquake-prone' and needs to be strengthened. There has been little spent on the building over the years and even without the need for strengthening, it is in need of an upgrade to make it function safely and more effectively for staff and volunteers, visitors and the collection itself. Making these improvements would also open the opportunity to offer education programmes and school visits. To enable the works to proceed the Council would have to purchase the building from the Hawkes Bay Museums Trust.

	Assumption:	That there will be land available to procure					
	Options	Implications of options / what are the benefits?	Cost estimate and timing	Operational	Growth	Levels of service	Renewal
Preferred Option	Keep the Centre Open	Continue to provide operational support to keep the Faraday Centre open until the business case is completed and options are considered. Would allow the centre to continue to provide a unique experience to visitors and residents, and further develop its collection and services.	$2.3m (2021-2031)	✓	✓		✓
Other Option	Close the Centre	Close the centre until the business case is completed and options are considered. This would save staff costs, but some operating costs would remain.	$1.92m ($30k approx. to close, $10k per annum for 9 years) $1.8m Held	✓			

YEAR ON YEAR COSTS

Option	Year 1-3	Yr 4-10	Yr 11-20	Yr 21-30
1	$1m	$2m	$0m	$0m
2	$0.05m	$1.8m	0	0

SIGNIFICANT EXPENDITURE DECISIONS -2

Issue to Resolve:
Civic Precinct is no longer habitable due to earthquake prone status and needs regeneration

Outcome Required:
Library to return to its original site and the return of Council staff to a single office.

Summary:
We have brought these two projects together and have started developing a masterplan for the entire site and will consult with the community in the coming months. Dealing with the project as one means that we can avoid duplication in the facilities themselves and save money overall.

	Assumption:	That there will be land available to procure					
	Options	Implications of options / what are the benefits?	Cost estimate and timing	Operational	Growth	Levels of service	Renewal
Preferred Option	Rebuild	Dealing with the project as one means that duplication can be avoided in the facilities themselves thus saving money overall	$55m (2021-2027)	✓			✓
Other Option	Do Nothing	Not an Option					

YEAR ON YEAR COSTS

Option	Year 1-3	Yr 4-10	Yr 11-20	Yr 21-30
1	$1.2m	$53.8m	$0m	$0m

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SIGNIFICANT EXPENDITURE DECISIONS -3

Issue to Resolve:
An urban development plan focusing on growing economic and social prosperity in the area.

Outcome Required:
A facility that provides a flexible environment that can respond to changing needs while recognising the community's identity and values. A focus on employment, training and entrepreneurship will provide facilities that grow talent and enable the community to thrive.

Summary:
We have been working with appropriate agencies to come up with an urban development plan focusing on growing economic and social prosperity in the area. Changes have already started to happen in the area with new houses being built and more planned. To support this growth and to create positive opportunities for whānau development, particularly for rangatahi, we have developed a concept for a new community facility.

		Assumption:	That there will be land available to procure					
		Options	Implications of options / what are the benefits?	Cost estimate and timing	Operational	Growth	Levels of service	Renewal
Preferred Option	1	Build Now	If we spend 2021 finishing the design, working up the operating model and completing tendering processes. These timeframes would challenge our ability to achieve added benefits such as social procurement (jobs and training for locals) and environmental outcomes (smart building practice etc).	$10.5m (2021-2023) $740k (2024 onward)	✓			✓
Other Option	2	Build Later	Develop our design, explore options for the operating model, confirm partnerships and other funding sources, and develop a social procurement plan to achieve jobs and training for locals.	$10.5m (2023-2025) $740k (2026 onward)	✓		✓	✓

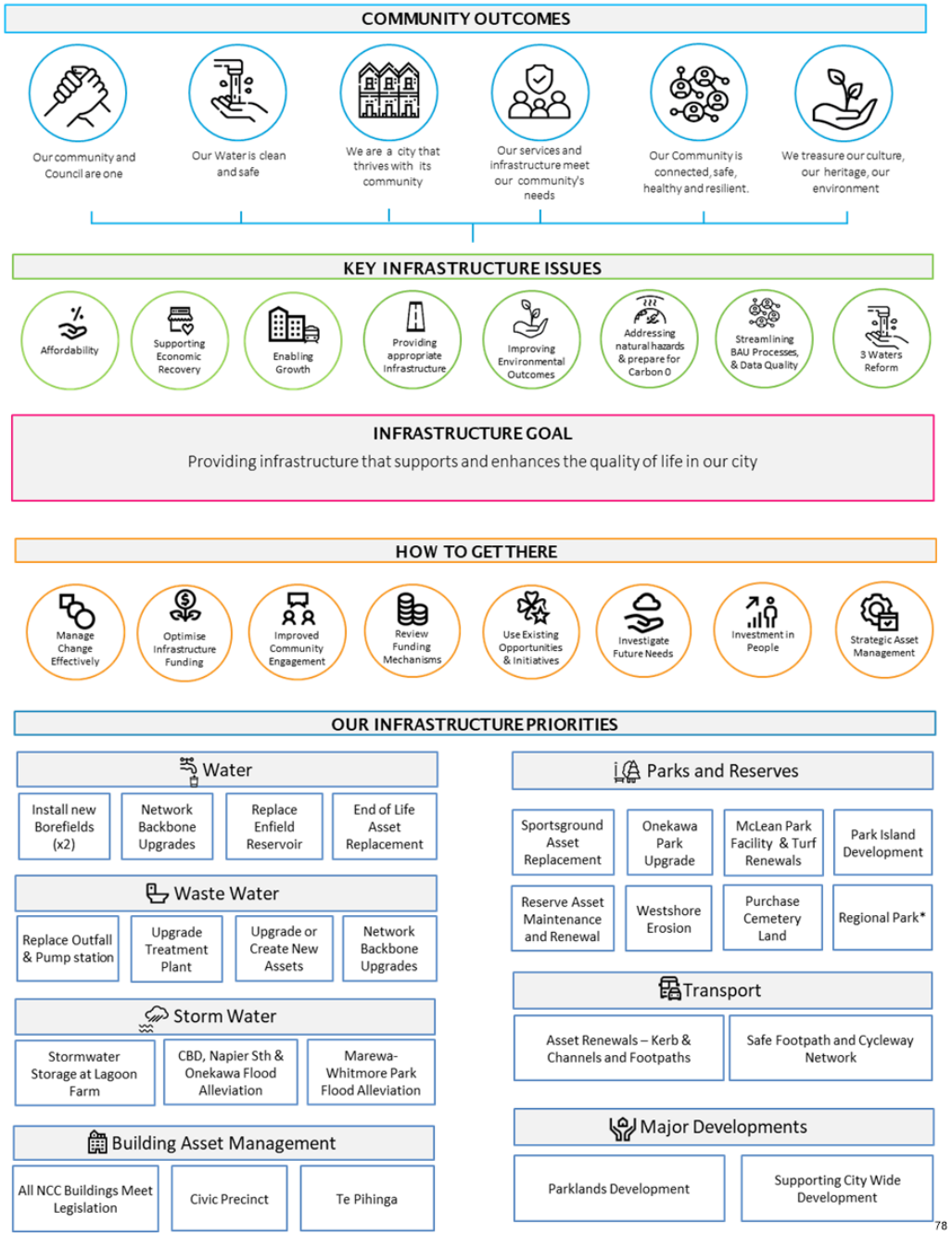
YEAR ON YEAR COSTS

Option	Year 1-3	Yr 4-10	Yr 11-20	Yr 21-30
1	$10.5m	$0.44m	$0.74m	$0.74m
2	$0m	$10.5m	$0.74m	$0.74m

Appendix A:

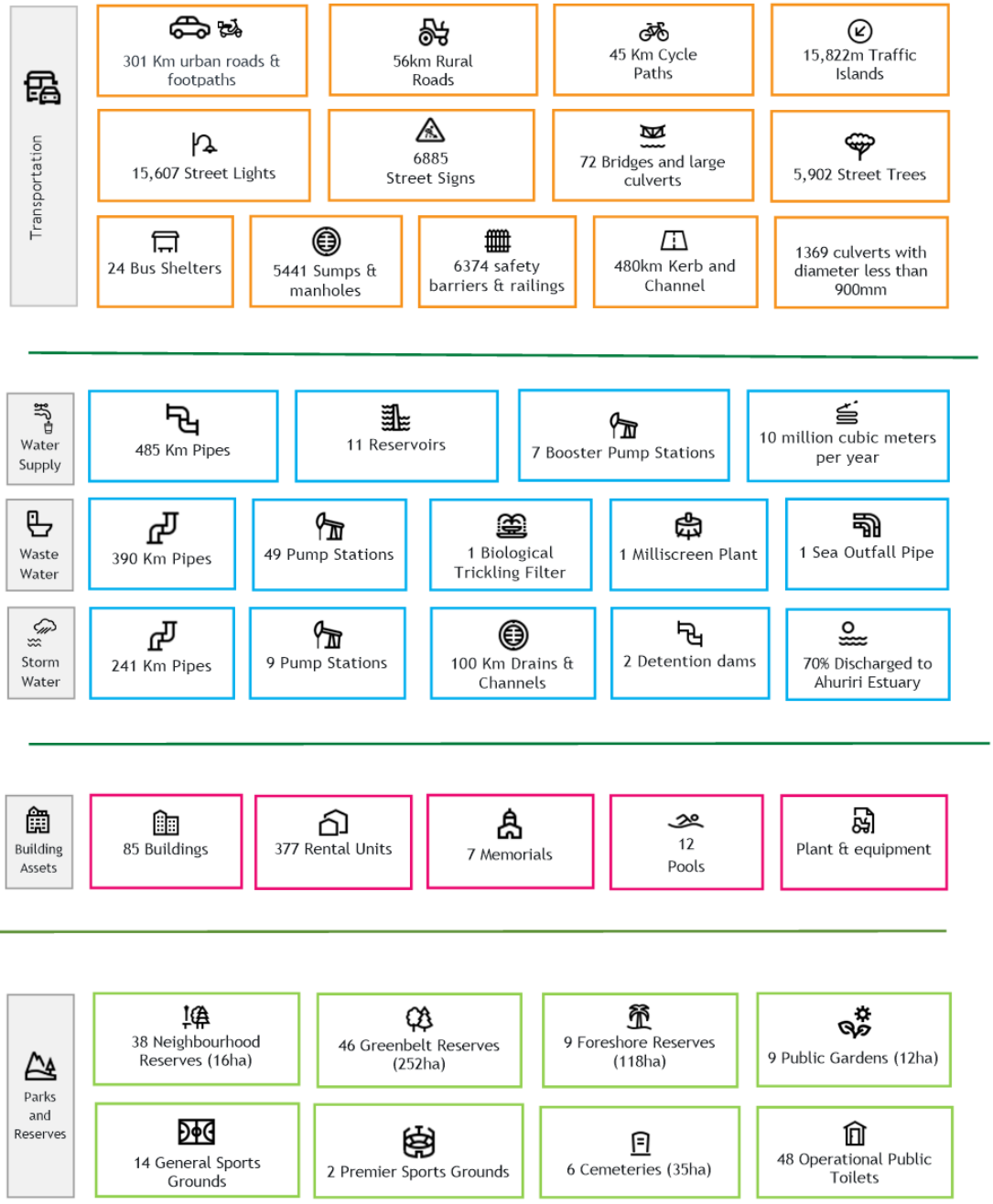
COUNCIL VISION:

A VIBRANT AND INNOVATIVE CITY THAT PROVIDES FOR THE WELLBEING OF OUR COMMUNITY NOW AND INTO THE FUTURE



Appendix B:

Key Facts at a Glance



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Financial Strategy

Supporting documentation for the
2021-31 Long Term Plan Consultation Document



FINANCIAL STRATEGY

Our financial strategy sets out the overall financial goals of the Council for the 2021–31 Long Term Plan. The strategy builds on our current financial position by setting out where we want to be positioned during, and at the end of, the Long Term Plan period.

The Local Government Act 2002 (LGA) is the guiding legislation for all councils' planning and activities. The LGA requires that the Long Term Plan period is for a minimum of 10 years and because of the changes in approach the financial strategy only covers 10 years. The infrastructure strategy covers a 30 year period, and informs the financial strategy of the need to fund both operational expenditure and capital beyond the period of the Long Term Plan.

The financial strategy also provides guidance on how we consider and approach funding of expenditure proposals in the current Long Term Plan, and informs all subsequent activity decisions made for the duration of the 2021–31 Long Term Plan.

This strategy outlines the Council's financial vision for the next 10 years and the impacts on rates, debt, levels of service and investments. It will guide the Council's future funding decisions and, along with the infrastructure strategy, informs the capital and operational spending for the Long Term Plan 2021-2031 (LTP).

Executive summary

This proposed strategy is a significant change for the existing strategy contained in the 2018-2028 (LTP). Historically we have not spent enough money on looking after our key assets – under the ground, on the ground, and in our community. Keeping our rates low has been the priority but it has come at a cost. It has started to affect our community wellbeing.

For too long, Napier has taken a short term and conservative view. At the same time we have been a little too ambitious about what can realistically be achieved – setting a huge programme of projects. In addition, our costs are rising due to factors outside our control. These include increases in Government set levies, policies and regulations, as well as rising insurance costs. It's time to face our future. And our future is now.

Our goal now is focus on the essentials and to invest for the longer term so that our situation will not worsen over time. We have a lot to do – replacing ageing assets, fixing infrastructure, and keeping up with an ever-changing environment.

So, how do we afford it? An easy option would be to increase our rates to pay for our plans. But we are committed to keeping our rates as affordable as we can. To achieve the right balance, we've had to make some tough calls on what can be done within the next 10 years. We've taken a hard look at our spending and have cut our costs down. We've had to move some projects out a few years to save money, and we are also looking to borrow $320m to catch up on maintenance and replacement of our key assets. There are consequences to this approach. We're borrowing more than we ever have before and our budget will not break even until 2031.

In addition, we have had the sale of residential properties in the Parklands subdivision to assist as in keeping rates low, from the 2027/28 year we are not expecting any income from this subdivision, and to ensure that we still deliver the same level of service, we are going to be more reliant on rates.

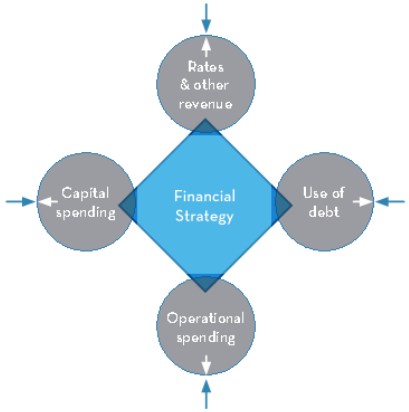
We operate a number of tourism-based facilities and our income from these facilities took a hit, but we have almost returned pre-Covid-19 levels. While there was been a slowdown in the economy due to Covid-19, the City's economy has recovered in part by domestic visitors from other regions. However, we anticipate no income from our interest in the Hawke's Bay Airport until 2025.

Impacts of population growth

In addition, like the rest of country there is strong demand for residential properties, this has then put pressure on the need for additional infrastructure that the Council must build and then recover by use of financial contributions. We are expecting over the 10 year period to see a population increase of just over 6%, and to support that additional population we are expecting a further 1,870 additional residential lots to be created. As part of the Long Term Plan, we have included the necessary infrastructure and operational costs to support the expected increase in both population and number of residential dwellings.

Level of Service

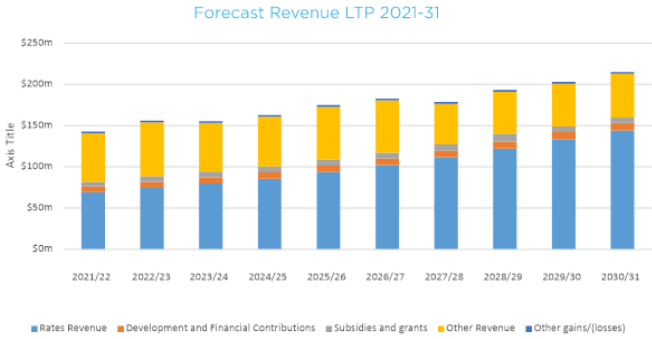
The financial strategy in the last Long Term Plan in 2018 aimed at achieving a balance by trying to deliver affordable rates to the community, minimise Council borrowings and optimise capital spending. This balance can be represented by reflecting the four financial components of rates, operational expenditure, capital expenditure and borrowings as levers, as shown in the diagram below.



The diamond represents the level of service provided by the Council. A larger diamond means an increased level of service (or new services). There is no intention to increase the levels of service, as this will require increased operational and capital expenditure. The proposed strategy is focused on maintaining existing level of service. The diamond is affected by the four levers: rates and other revenue, operational and capital expenditure and debt. Changing only one lever can be achieved without affecting service levels by allowing the other components to adjust.

Rates and other revenue

Having completed a robust Revenue and Financing Policy review, the financial strategy considers the total dollars that are required and the annual increases rather than the allocation of the rates between types of rates and properties that pay rates.



The graph above reflects both increasing rates and total revenue over the period of the strategy, including the impact of the loss of revenue from Parklands subdivision from 2027/28. The rates revenue as a percentage of total revenue increases from 49% to 67% over the 10 year period, and this is predominantly driven by the reduction in other revenues from 41% to 25% as demonstrated in the table below.

Allocation of revenue	2021/22	2030/31
Rates Revenue	49%	67%
Development and Financial Contributions	5%	4%
Subsidies and grants	4%	3%
Other Revenue including Parklands	41%	25%
Other gains/ (increase investments)	1%	1%

Other sources of revenue

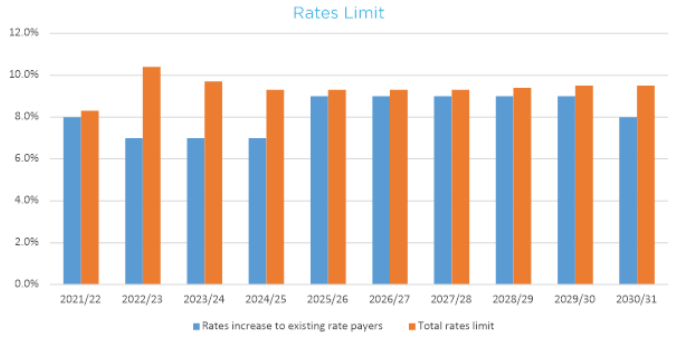
The non-rates revenue that we can draw upon comprises mainly fees and charges, grants and subsidies, and development and financial contributions. Other revenue includes fees and charges, building and resource consent fees, community housing rental income, and library and swimming pool charges. Unlike other local authorities we have significant tourism-based facilities and together with the sale of Parklands properties and some investment income contribute to the other revenue stream.

Rates limits

Council has set itself the following quantified limits on rate increases over the 10 year period. Total rates increases will increase by no more than the Local Government Cost Index (LGCI) plus 6.5% to cover asset renewal costs and debt repayment, together with an allowance of 0.3% for growth in the rating base. The graph and table below demonstrates how we intend to remain within those limits.

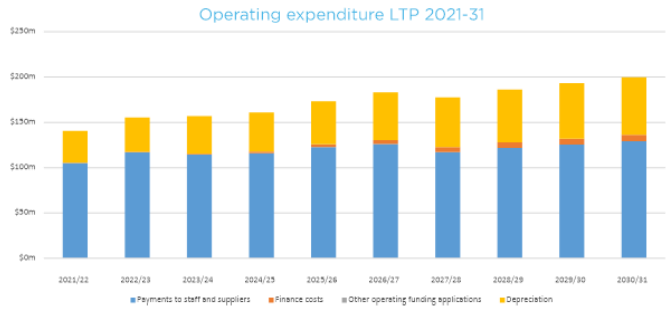
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Rates limit	8.0%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%
LGCI	0.0%	3.6%	2.9%	2.5%	2.5%	2.5%	2.5%	2.6%	2.7%	2.7%
Growth in rating base	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Total rates limit	**8.3%**	**10.4%**	**9.7%**	**9.3%**	**9.3%**	**9.3%**	**9.3%**	**9.4%**	**9.5%**	**9.5%**
Rates increase to existing ratepayers	8.0%	7.0%	7.0%	7.0%	9.0%	9.0%	9.0%	9.0%	9.0%	8.0%

Note: Rates increases exclude water by meter, rates penalties and rates remissions



Operating expenditure

It is worth noting that the model incorporates capital expenditure. Clearly a significant increase in capital expenditure would require a significant rates increase to fund it, which in turn would affect the other two levers of rates and debt. The proposed capital expenditure is focused on replacing existing assets to maintain levels of service and providing additional capacity for growth. New capital expenditure has resulted in additional operating expenditure, e.g., payments to staff and suppliers to operate the additional capital, together with finance costs and depreciation.



Depreciation

Depreciation is a significant component of operating expenditure:

- Depreciation is recognition of the current use of the asset by residents and ratepayers.
- Depreciation is a charge that today's ratepayers should meet as it provides the funds for renewal of the asset. Applied like this it recognises the key issue of intergenerational equity and will ensure that future generations are not left with an unsustainable fiscal burden. The cash or funding generated by the revenue may be used for present capital needs (including renewals), debt reduction or set aside for future capital needs. This helps ensure sound asset management practice and continuity of service to future generations.
- The Council will steadily increase the amount of depreciation that is rate funded.
- Debt will be used where funds from depreciation, capital subsidy and financial contributions are insufficient to meet the capital programme expenditure.

Logic

Depreciation spreads the capital cost of assets over their useful lives, so that each generation of ratepayers pays for their fair share of use of the asset. By not rate funding, it places an unfair burden on future ratepayers, who have to pay for the asset replacement.

Rate funding depreciation supports the intergenerational equity principle whereby everyone who benefits from use of the asset pays their fair share over the assets' useful life.

By rating for depreciation, we are providing cash to fund the capital renewal programme.

Prudent financial management and a 'balanced budget"

There is a fundamental requirement for prudent financial management contained in section 101 Local Government Act 2002 (LGA) which requires all local authorities to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently.

The requirement to have a balanced budget is contained with the Local Government Act 2002 and requires all local authorities to set their budgeted revenues at a level to meet that year's budgeted operating expenses, until the authority resolves it is not prudent to do so.

As noted above depreciation is an operating expense and must be included as an expense when considering the requirement to have balanced budget.

The Council acknowledges that it will be running an unbalanced budget in years 1-9 of the Long Term Plan (LTP) because it will not include all depreciation as an expense when setting its revenues in those years. Following the 2020 asset revaluations the total depreciation expense increased significantly and Council does not believe it is appropriate to immediately increase rates to address the impact this has had on Council's ability to balance the budget.

The following fiscal levers will be used to move progressively towards achieving a balanced budget within the life of this LTP:

- fees and charges
- lifting rates revenue
- efficiencies

We acknowledge that we will not achieve this for nine of the next ten years. This is because we believe that setting rate levels to immediately achieve this would be inequitable and extremely hard on ratepayers. The Council continues to believe the gradual changes proposed will result in the best fiscal and sustainable outcome. While rates will be higher than people would like for the next few years, it will enable us to support the capital investment required for the region while maintaining the levels of service that residents expect.

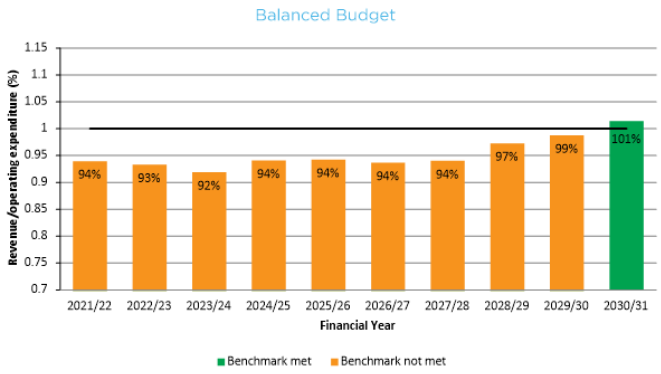
Throughout the Long Term Plan period Council has programmed some significant rates increases, and the Balanced Budget graph shows that over time Council's budgets steadily move closer to balanced that the earlier years and will be fully balanced by year 10.

In 2014 the Government introduced the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations) also known as the Prudence regulations. The purpose of the Regulations was not to define what is prudent, nor is it a definitive measure, however it is a test over a period of time that can be measured against other local authorities. This is one of many other measures that local authorities are required to report against both in long-term plans and annual reports. It is considered a useful guide rather than the definitive answer.

The Regulations define a balanced budget as:

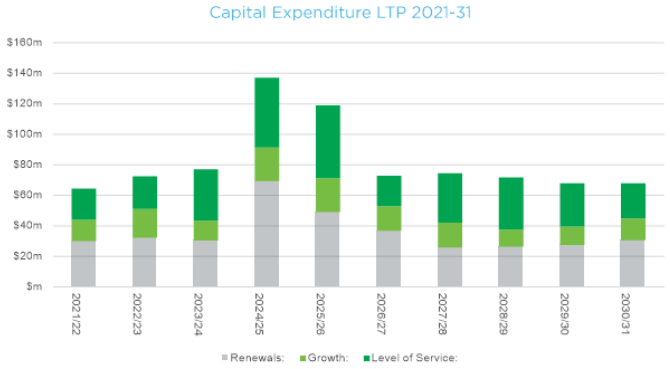
- A local authority meets the benchmark for a year if its revenue (excluding financial contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) for the year exceeds its operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment) for the year.

Council has used this as an appropriate tool in setting its proposed financial strategy, however as noted above it must be considered against other measures of prudence.



Capital expenditure

As noted in the Infrastructure Strategy we are investing significantly in both replacing existing assets and creating new additional assets to meet both the needs of growth and increasing levels of service.



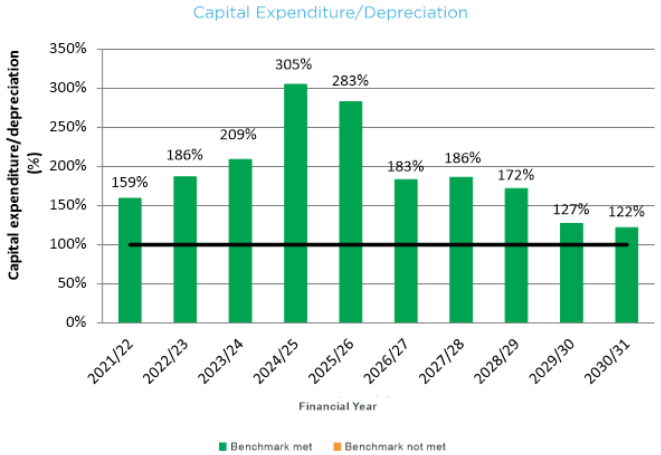
The capital expenditure profile spikes up in 2024/25 and 2025/26 mainly due to two big projects overlapping. They are:

Project	2024/25	2025/26
Napier Library Civic Precinct	$21.6m	$22.2m
Outfall	$31.7m	$9.7m
Total	**$53.3m**	**$31.9m**

If the two projects above were excluded the capital plan profile would be fairly flat at approximately $70m each year.

The total planned capital expenditure spend of $404m for 3 waters for the 10 years makes up about half of the total capital plan ($812m).

All local authorities are required to measure the proposed capital expenditure on essential services against essential services depreciation expense and this is reflected in the graph below. This demonstrates that Council is maintaining its essential services.



Debt

Because of the increase in proposed capital expenditure, and the need to smooth the rates increases over the period of time we are now looking at a significant increase in our overall debt.

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Total rates revenue	69,379	74,466	79,903	85,704	93,612	102,248	111,684	122,002	133,283	144,260
Other revenue*	73,532	81,612	75,484	76,965	81,257	81,257	67,034	71,161	70,035	70,871
Total revenue	**142,911**	**156,078**	**155,387**	**162,669**	**174,869**	**182,954**	**178,718**	**193,163**	**203,318**	**215,131**
Financing costs	**336**	**617**	**837**	**1,619**	**3,031**	**4,449**	**5,394**	**6,157**	**6,656**	**6,871**
Gross Debt	**73,960**	**102,380**	**136,860**	**226,980**	**295,540**	**309,780**	**328,510**	**337,140**	**335,230**	**325,480**
Debt to rates	107%	137%	171%	265%	316%	303%	294%	276%	252%	226%
Debt to total revenue	52%	66%	88%	140%	169%	169%	184%	175%	165%	151%
Financing cost to rates	0.48%	0.83%	1.05%	1.89%	3.24%	4.35%	4.83%	5.05%	4.99%	4.76%
Financing cost to total revenue	**0.24%**	**0.40%**	**0.54%**	**1.00%**	**1.73%**	**2.43%**	**3.02%**	**3.19%**	**3.27%**	**3.19%**

*Includes Financial Contributions, Subsidies and Grants, Other Revenue and Other gains/(losses)

In order to borrow money externally, Council must offer some security just like people do with their mortgage. Like most Councils, when required, Council secures our debt by way of a debenture trust deed over its rates income. We generally do not offer assets security for any loan or performance of any obligation under an incidental arrangement. In exceptional circumstances, with prior Council approval, security may be offered as a charge over one or more specific assets.

Return on investments

Napier City holds investments for strategic reasons where there is some community, social, physical or economic benefit accruing from the investment activity. Our primary objective when investing treasury funds is the protection of its investment capital and liquidity of its investments.

Investments and associated risks are monitored, managed and regularly reported back to Council. We are risk averse in our management of cash. In addition, our preferred approach for funds available for long-term investment, is that our investments support the Napier community.

In addition, Council maintains strategic equity investments in Hawke's Bay Airport Authority Ltd and the Omarunui Regional Landfill. Council's objective with these equity investments is to retain local airport ownership and ratepayer control of solid waste disposal facilities. Any investment in the Local Government Funding Agency (LGFA) will be to ensure Napier and other local authorities have access to low cost debt funding. The primary driver of these investments is for strategic reasons.

We have in place control limits that are designed to manage interest rate and maturity risk on the financial investment portfolio. The portfolio comprises both cash and core treasury investments. Cash investments relate to matching investments with our working capital funding requirements and liquidity buffer amount requirements. An important objective of the financial investment portfolio is to match the portfolios maturity term to planned expenditure thereby ensuring that investments are available when required.

The following are the specified targets for returns on our financial and equity investments:

- The targeted minimum return on our financial investments will be the average of the 90-day and one year Government investment rates.
- The target rate of return for Hawke's Bay Airport Ltd is set through the company's Statement of Intent. In general Council expects the company's return on equity to exceed Council's budgeted cost to borrow funds (2% in this LTP). However, as previously noted due to Covid-19, the Council is not expecting a cash return on its investment until 2024/25.
- No specific return on equity is sought from the Omarunui Regional Landfill. This facility is owned jointly with the Hastings District Council for the purpose of meeting both Council's legal obligations relating to the management and disposal of waste. The joint landfill committee uses a full cost accounting model to determine pricing for this facility.

Significance and Engagement Policy

Supporting documentation for the
2021-31 Long Term Plan Consultation Document

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Te Kaunihera o Ahuriri

SIGNIFICANCE AND ENGAGEMENT POLICY

Purpose

This policy provides clarity on how and when the community can expect to be engaged in Napier City Council's decision-making processes, and lets the Council and the community identify the degree of significance attached to particular issues, proposals, assets, decisions and activities.

Rationale

Community engagement is important to enable the community to participate and have confidence in the decision making process and to help council understand varied points of view to make better decisions and deliver better services for Napier, reflecting the aspirations of mana whenua, residents, ratepayers, community groups and businesses.

At times, engagement and consultation is a requirement of legislation.

Principles

We align with the following principles in our approach to engagement:

- Open and transparent

We will:

- interact in an open, honest and respectful way
- be clear about why and how we are engaging
- provide clear and relevant information
- provide enough time for feedback to be provided
- be open to and consider all feedback received
- advise the community of the decisions made
- Inclusive and accessible

We will:

- consider the engagement preferences of the community, while reflecting the appropriate level of engagement needed
- ensure information is understandable and accessible to a range of people
- consider a range of ways people can express their views
- provide opportunities for Māori to contribute to our decisionmaking processes in a meaningful way, through engagement and/ or partnership approaches

Policy Statement

On every issue requiring a decision, Council will consider the degree of significance and the most appropriate level of engagement. Officers will use the criteria for significance to help identify matters, issues or proposals that are significant. The appropriate level and type of engagement will be determined using the engagement spectrum.

Significance

General Approach

An assessment of the degree of significance of proposals and decisions, and the appropriate level of engagement, will be considered in the early stages of a proposal before decision making occurs. Significance means the degree of importance of the matter, issue, proposal or decision, relating to its likely impact on and consequences for:

- Parts of the city, the city as a whole, or the region

- Any persons who are likely to be particularly affected by or interested in the matter, issue, proposal or decision
- The achievement of, or means to achieve, Council's stated levels of service as set out in the current Long Term Plan
- The capacity of the Council to perform its role and carry out its activities, now and in the future
- The financial, resource and other costs of the decision, or whether these are already included in an approved Long Term Plan.

Criteria for Significance

- the level of community interest
- the impact or consequences for affected individuals and groups in the city or region
- consistency with current Council policy, strategy, outcomes or priorities
- impact on levels of service
- financial impact on Council's overall resources and rating levels
- the cost of the decision
- the involvement of a strategic asset
- the extent to which the decision can be reversed

The criteria to assess significance are outlined in Schedule 3. The criteria are a guide to help Council identify whether a matter is likely to be significant. Ultimately, in assessing the significance of a decision, Council will need to have regard to all relevant circumstances.

Strategic assets

Our strategic assets or groups of assets are those physical assets vital for delivering services to Napier and/or are important to achieve or promote any outcome that is important to the current or future well-being of our community. Strategic assets are the group of assets or the asset as a whole entity and not the individual elements of the asset. We also have some iconic assets of significance that are dealt with through heritage requirements. Council's strategic assets are listed in Schedule 2.

Any decision that transfers ownership or control of a strategic asset to or from Council, can only be taken if explicitly provided for in the Long Term Plan and consulted on in accordance with section 93E of the LGA 2001.

Engagement or consultation on other decisions regarding strategic assets will be determined by the level of significance of any proposal (see section on significance above).

Engagement approach

Community engagement is a process, involving all or some of the community and is focussed on decision-making or problem solving. Council will engage when a matter, issue, proposal or decision is significant or when legislation requires that consultation is undertaken.

Engagement will be proportionate to the matter being considered. In general, the more significant the issue, the greater the need for community engagement. Even if not required to by legislation, we may decide to use a Special Consultative Procedure (outlined below) if the matter is of high significance, or we may choose to use another form of appropriate consultation. A low level of engagement does not mean the quality of the engagement is diminished.

Council uses the Engagement Spectrum, based on the International Association of Public Participation (IAP2), to assess the approach we might take to engage with the community on a case by case basis. A combination of approaches may be used on any given engagement process. The detailed Engagement Spectrum (Schedule 4) outlines approaches, methods and tools. The approach and methods will be outlined in an engagement plan. Engagement processes will be documented and reported to Council to inform their decision-making.

Engagement will be carried out in line with our principles outlined in the first section of this policy.

Engagement spectrum – overview

Engagement with Māori

Council acknowledges the unique status of Māori, with particular regard to mana whenua. We will continue to build and strengthen our relationships with mana whenua

representative entities and engage in a range of ways to ensure their views are appropriately represented in the decision-making process.

Council will engage with mana whenua where any matter involves a significant decision in relation to land or a body of water to ensure that the relationship of mana whenua and their culture and traditions with their ancestral land, water, sites, wāhi tapu, valued flora and fauna and other tāonga is considered.

Council recognises that there are differences between mana whenua and tāngata whenua and that different approaches are needed for Māori who live in Napier but do not have genealogical connections to mana whenua hapū. Council will engage with tāngata whenua where any matter involves a significant decision in relation to matters concerning community wellbeing.

Engagement with Māori will follow the principles set out in Council's Maori Engagement Framework.

Special Consultative Procedure

A Special Consultative Procedure (SCP) is required by the Local Government Act (Part 6) to be undertaken for some plans and processes, including:

- long-term plan (and any amendments)
- bylaws of significant public interest or significant impact on the public – including changes or revocation

If other legislation instructs use of SCP to consult then the SCP must be used regardless of this policy. If other legislation instructs consultation apart from the SCP, that process must be used regardless of this policy, for example, the Resource Management Act or the Reserves Act.

Council may choose to use the SCP for other matters.

When the SCP is used, we will:

- prepare and adopt a statement of proposal in accordance with Part 6 of the LGA), and in some cases a summary of the statement of proposal (section 83AA)
- the statement of proposal will include:
- the reason for the proposal
- an analysis of the options
- other relevant information including any plans or policies (or any amendments if relevant)
- for bylaws – the statement of proposal will include:
- a draft of the proposed bylaw, or the proposed amendment of the bylaw
- the reasons for the proposal
- a report on any determinations made under the Act on whether a bylaw is appropriate
- make the following information available to the public
- the statement of proposal
- advise how people how they can present their views
- state how long the proposal is open for submissions
- make the summary of the statement of proposal and/or the statement of proposal widely available

- provide a reasonable opportunity for people to present their view to the Council through spoken interaction (or using sign language). This can be done via audio link or audiovisual link

Council may request advice or comment from a Council officer or any other person.

When Council may not engage

There may be situations when engagement is impractical or unnecessary because:

- of time constraints e.g. failure to make a decision urgently would result in unreasonable or significant damage to property, or risk to people's health and safety[1], or the loss of a substantial opportunity to achieve the Council's strategic objectives
- the matter is not significant and/or is regarded as business as usual
- the Council considers that the views of the community are already known
- the timing of the decision means it would be better dealt with through the Long Term Plan

[1] this includes any physical alterations to strategic assets that are required to:
- prevent an immediate hazardous situation arising
- repair an asset to ensure public health and safety

Schedule 1: Definitions

Community

A group of people living in the same place or having a particular characteristic in common (i.e. community of interest). This includes interested parties, affected people and key stakeholders.

Engagement

The process of sharing information and seeking feedback or input to inform and assist decision-making.

Long Term Plan

Council's 10 year plan. The plan is reviewed every three years for the following 10 years. Any significant amendments to the plan must take place either every three years or by an additional process requiring consultation.

Significance

Significance, in relation to any issue, proposal, decision, or other matter that concerns or is before a local authority, means the degree of importance of that matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for –

- the district or region:
- any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter:
- the capacity of the local authority to perform its role, and the financial and other costs of doing so.

Significant

Any matter that is determined by Council as having a high degree of significance.

Strategic Asset

As defined in Section 5 of the LGA 2002, in relation to the assets held by a local authority, means an asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority's capacity to achieve or promote any outcome that the local authority determines to be important to the current or future well-being of the community; and includes –

- any asset or group of assets listed in accordance with section 76AA(3) by the local authority; and
- any land or building owned by the local authority and required to maintain the local authority's capacity to provide affordable housing as part of its social policy; and
- any equity securities held by the local authority in –
- a port company within the meaning of the Port Companies Act 1988:
- an airport company within the meaning of the Airport Authorities Act 1966

Schedule 2: Strategic Assets

Refer to section on Strategic Assets (p3 and p6)

Assets Council owns that are strategic assets under Section 5 of the Local Government Act 2002: • Share of Hawke's Bay Airport Ltd

- Rental housing (as a whole)

Assets Council has determined to be strategic assets and strategic group of assets:

Strategic Group of Assets:

- Sewage conveyance, treatment and disposal system, including the sewer network, pump stations and treatment works
- Water supply distribution systems, including reservoirs, pump stations and reticulation
- Land drainage system, including the storm water pipe network, waterways, and retention areas and pump stations
- Roading network
- Sportsgrounds and reserves
- Cemeteries
- Commercial property investments
- Swimming pool facilities
- Literary collections held by the Libraries (as a whole) Strategic Assets:
- Refuse transfer station
- Share of Omarunui Landfill
- McLean Park (land and buildings)
- Inner harbour
- Napier Municipal Theatre (building only)
- Kennedy Park Resort (land only)
- MTG Hawke's Bay (building only)
- Civic Building
- Napier Conference Centre (building only)
- Napier i-Site (building only)
- Bay Skate (grandstand only)
- National Aquarium of New Zealand (building only)

Criteria	Degree of significance	
	LOW	HIGH
Residents or ratepayers affected	Small impact on large proportion Or Moderate impact on small proportion	Moderate impact on large proportion Or Large impact on moderate proportion
Particular grouping in the community affected	No particular group affected	Large impact on specific group(s) e.g. youth, Māori, suburb
Financial impact on Council's overall resources and rating level Including cost of the decision	Small impact <0.05% increase on rates and/or < $500,000 external borrowing	Large impact >1% increase on rates and/or debt cap exceeded
Impacts to levels of service	No change to an activity group Little or no change to levels of service	Creates or ceases an activity group Large spending increase on activity group Large reduction in levels of service
Strategic Asset	Involves minor changes to a strategic asset	Involves changes to ownership or control of strategic assets
Consistency with Policy/Strategy	Consistent	Large inconsistency
Community interest	General agreement	Large divisions in the community Disagreement from large proportion of community
Reversibility	Ability to reverse Has low to medium impact on future generations	Is irreversible and/or will impact negatively on future generations to a high degree
Legal requirements	Has no legal obligation to consult	Has specific legal obligation to consult

Schedule 3: Significance criteria and factors

Schedule 4: Engagement Spectrum

		INFORM	CONSULT	INVOLVE	COLLABORATE	EMPOWER
Approach		Provide information	Obtain feedback	Have dialogue	Partner	Community decides
When the community can expect to be involved		Informing once a decision has already been made	Seek ideas or input on options already developed	Community participate in the process and input into the matter before a decision is made	Work together to develop options and identification of preferred solutions	The final decision is made by the community
Types of issues		• Annual report • Updates on significant projects • Council papers • Annual Plan where there are no significant changes from LTP	• Long Term Plan • Significant amendments to Annual Plan • Bylaw –including changes	• Policy development • Long Term Plan development • Some major projects	• Community plans • Sector-wide issues • Projects with significant community focus/impact or implementation	• Local body elections • Locally based policies and initiatives
Tools	INFORMAL	Social media Newsletters Radio Posters	Social media Focus groups Informal meetings Roadshows Expos	Interactive digital platforms Workshops Forums Panels (peoples panel) Engagement events	Advisory groups	Community-led groups

	FORMAL	Fact sheets Public notices publications	Surveys Formal submissions Hearings	Public meetings Expert panels	Project teams Steering groups Technical experts	Referenda Ballots

Financial Policies

Supporting documentation for the
2021-31 Long Term Plan Consultation Document

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LIABILITY MANAGEMENT POLICY

Purpose

This policy is provided in accordance with Section 102 (1) of the Local Government Act 2002 (LGA), and must state the local authority is policies in respect of the management of both borrowing and other liabilities.

Policy

Napier City Council (the Council) needs to source funds for capital development to ensure that the city continues to progress, and borrowing is an important part of that equation. It is critical to the prudent management of Council's finances that the level of debt is planned and carefully monitored. Council approves borrowing by resolution during the Annual Plan or the Long Term Plan (LTP) process. A resolution of Council is not required for hire purchase, leased, credit or deferred purchase of goods if the period of indebtedness is less than 91 days or the goods or services are obtained in the ordinary course of operations on normal terms for amounts not exceeding $250,000.

Council raises borrowing for the following primary purposes:

- General debt to fund Council's balance sheet.
- Specific debt associated with 'one-off' projects and capital expenditure.
- To fund assets with inter-generational qualities.
- To assist Council in its day-to-day financing, through leases and hire purchases, of equipment purchases and replacement.

Council considers that borrowing is the more prudent way of funding major projects which will benefit several generations of residents.

New Borrowings

Council is able to fund through a variety of mechanisms including internal borrowing, the issue of fixed and floating rate wholesale and retail loan stock, commercial paper, New Zealand Local Government Funding Agency and direct bank borrowing. Stock/paper may be issued to the wholesale market via banks and brokers, but issues into the retail market require additional Council approval. Council has a general preference to firstly use available special funds for its borrowing requirements and thereafter utilise external funding sources.

Council does not borrow or enter into incidental arrangements within or outside New Zealand in currency other than New Zealand currency.

The authority to arrange new borrowings, or to refinance existing debt on more acceptable terms, is delegated to the Director Corporate Services, who has overall responsibility for all activities relating to implementation of approved policy, and for establishing appropriate structures, procedures and controls to support borrowing and risk management activity.

Borrowing Limits

In managing borrowing, Council will adhere to the following limits in relation to external debt:

- Liquidity (term debt plus committed bank facilities and liquid available financial investments) to external debt must be at least 110%
- Net external debt as a percentage of total income will not exceed 230%
- Net interest expense as a percentage of total income will not exceed 10%
- Net Interest as a percentage of rates income will not exceed 15%

Council adheres to the borrowing limit that is reached first and provides the lowest level of debt capacity.

Borrowing Limit Definitions:

- 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 together with any revenue received from other local authorities for services provided (and for which the other local authorities rate).
- Annual rates income excludes regional levies.
- Net external debt is defined as total external debt less cash investments.
- Liquidity is defined as external term debt plus committed bank facilities plus liquid financial investments divided by current external debt.
- Total income is defined as earnings from rates, government grants and subsidies, user charges, interest, dividends, financial and other revenue and excludes non-government capital contributions (e.g. developer contributions and vested assets).
- Net interest is defined as external interest expense less interest income.

Liquidity and Credit Risk Management

Council's ability to readily attract cost-effective borrowing is largely driven by its ability to maintain a strong balance sheet as well as its ability to rate, and manage its image in the market, and its relationships with investors, the Local Government Funding Agency (LGFA), bankers and brokers.

Where practical, Council seeks a diversified pool of external borrowing and ensures that bank borrowings and incidental arrangements are sought from strongly rated New Zealand registered banks (minimum Standard & Poor's (S&P) long-term credit rating A+).

Council minimises its liquidity risk by:

- Matching expenditure closely to its revenue streams and managing cashflow timing differences through its liquid investment portfolio and/or committed bank facilities
- Maintaining its cash management and financial investments in liquid and negotiable instruments
- Avoiding concentration of debt maturity dates

To ensure funds are available when needed, Council maintains sufficient available operating cashflow, committed bank facilities, and/or liquid financial investments to meet its projected cashflow commitments through the liquidity ratio, and maintains a $3 million liquidity buffer through cash deposits.

To minimise the risk of large concentrations of external debt maturing or being reissued in periods of illiquidity or where credit margins are high, Council ensures external debt maturities are spread over a band of periods.

When total external debt is $30 million or greater, Council will use the following maturity profile where prudent:

Period	Minimum	Maximum
0-3 years	20%	60%
3-5 years	20%	60%
Over 5 years	0%	60%

This will also be subject to Council funding needs.

Internal Borrowing / Loans

Council has the option to use its day-to-day cashflow, financial investments and available special fund balances to internally fund capital expenditure as approved by Council resolution. Due to the interest rate margin between external investing and external borrowing, separating Council's investing and borrowing activities is not the most efficient use of its funds. Borrowing internally, utilising its own cash reserves, Council creates fiscal efficiencies by eliminating that margin.

Council manages debt on a net portfolio basis, and borrows externally only when it is commercially prudent to do so.

Interest on internally-funded loans is charged annually in arrears, on year end loan balances at the agreed three-year fixed interest rate. Except where a specific rate has been approved for particular circumstances, the three-year rate is set annually at the start of the financial year, based on the three-year swap rate plus the credit margin on three-year loan stock.

The credit margin is determined by either Council's actual three-year margin or with reference to the LGFA credit curve for a non-credit rated guaranteeing Council borrower.

Gross Debt and Gross Debt Limits

Gross debt includes all external and internal borrowing and gross interest includes interest calculated on external and internal borrowings.

As an additional measure Council has set borrowing limits relating to Gross Debt and the cost of servicing Gross Debt.

- Gross Debt as a percentage of total income will not exceed 150%
- Gross interest expense as a percentage of total income will not exceed 12%
- Gross Interest as a percentage of rates income will not exceed 20%

The use of the Gross measures is an additional discipline that will be monitored and reported on internally. To avoid confusion, only the measures relating to external debt will be reported on when Council prepares its audited financial statements.

New Zealand Local Government Funding Agency (LGFA) Limited

The Council may borrow from the LGFA and, in connection with that borrowing, may enter into the following related transactions to the extent it considers necessary or desirable:

- Contribute a portion of its borrowing back to the LGFA as an equity contribution to the LGFA, for example borrower notes.
- Provide guarantees of the indebtedness of other local authorities to the LGFA and of the indebtedness of the LGFA itself.
- Commit to contributing additional equity (or subordinated debt) to the LGFA if required.
- 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.
- Subscribe for shares and uncalled capital in the LGFA.

Interest Rate Risk Management

Council's borrowing gives rise to a direct exposure to wholesale interest rate movements. Given the long term nature of Council's assets, projects, inter-generational factors, and Council's intention to avoid an adverse impact on rates, Council prefers a percentage of fixed rate or hedged debt. Where possible, interest rate re-pricing risk is spread over a range of maturities.

Council reduces uncertainty due to interest rate movements by the active management of underlying interest rate exposures. Council's fixed rate debt, as a percentage of debt, should be between a minimum of 55% and a maximum of 100%. The percentages are calculated on the rolling 12-month projected external core debt level.

'External Debt' is the amount of total external core debt.

'Fixed Rate' is defined as an interest rate repricing date beyond 12 months on a continuous rolling basis.

'Floating Rate' is defined as an interest rate repricing date within 12 months.

Interest rate risk management objectives are reflected in the table below and outline the target fixed rate into time bands.

Period of actual and planned forecast external debt	Fixed Rate Maturity Profile Target	
	Minimum	Maximum
1 to 3 years	20%	60%
3 to 5 years	20%	60%
5 to 10 years	0%	60%

These targets do not apply when external core debt is less than $15 million.

Maintaining a maturity profile outside the above targets for greater than 90 days requires reporting to Council.

Interest Rate Strategy

Management implements interest rate risk management strategy through the use of the following approved instruments:

- Forward rate agreements
- Interest rate swaps
- Purchased interest rate swaptions
- Purchase of interest rate option products e.g. borrowers' caps, borrowers' swaptions
- Interest rate collar type option strategies (1:1 collars)

Selling interest rate options for the primary purpose of generating premium income is not permitted because of its speculative nature.

Credit exposure arising on interest rate instruments is restricted to $20 million with any one approved counterparty.

Security

Council generally does not offer assets other than a charge over rates or rates revenue as security for any loan or performance of any obligation under an incidental arrangement. In exceptional circumstances, with prior Council approval, security may be offered as a charge over one or more specific assets. Where relevant a register of charges is established and maintained at Council's principal office.

In all borrowing and related activities, Council complies with the relevant provisions of the Securities Act.

Repayment

Council repays external borrowings from the loan redemption reserve allocated to that borrowing, from general funds, rates revenue, asset sale proceeds, or through raising redemption loans. Subject to the appropriate approval and debt limits, a loan may be rolled over or re-negotiated as and when appropriate.

Repayment amounts on internal loans are set based on a table loan calculation over the life of the loan. Repayments are made annually at financial year end.

Contingent Liabilities

Council provides financial guarantees to community organisations. Management ensures that the business plan of the guaranteed party furthers the strategic objectives of Council and that financial statements are received on an annual basis. The Council needs to be satisfied that any community organisation to which it provides a financial guarantee is capable of servicing the proposed borrowing from its income sources. The annual contingent loan liability must not exceed 7.5% of Council's non-targeted rate take for the year.

INVESTMENT POLICY

Purpose

The Investment Policy is adopted under Section 102(1) of the Local Government Act 2002 and must state the local authority's policies in respect of investments.

Policy

Council generally holds investments for strategic reasons where there is some community, social, physical or economic benefit accruing from the investment activity. Generating a commercial return on strategic investments is considered a secondary objective. Investments and associated risks are monitored and managed, and regularly reported to Council in accordance with the relevant sections of the Council's Treasury Management Manual.

In its investment activities Council is guided by the Trustee Act of 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.

Council is a risk-averse entity and does not wish to incur additional risk from its treasury activities. Its broad objectives in relation to treasury activity are to manage all of Council's investments within its strategic, financial and commercial objectives and optimise returns within these objectives, manage the overall cash position of Council's operations to meet known and reasonable unforeseen funding requirements, and invest surplus cash and the financial investment portfolio in liquid securities and strongly credit-rated counterparties.

Staff seek to develop and maintain professional relationships with Council's bankers, financial market participants and other stakeholders.

Acquisitions of New Investments

With the exception of treasury investments, new investments are acquired if an opportunity arises and approval is given by the appropriate Council committee, based on advice and recommendations from Council officers. Before approving any new investments, Council gives due consideration to the contribution the investment will make in fulfilling Council's strategic objectives, and the financial risks of owning the investment.

The authority to acquire treasury investments is delegated to the Director Corporate Services.

Mix of Investments

Council maintains investments in the following mix of investments:

Equity Investments

Equity Investments are held for various strategic, economic development and financial objectives, as outlined in the Long Term Plan (LTP.) Council Equity Investments include interests in the Hawke's Bay Airport Authority and Omarunui Landfill Operation, and may include other Council Controlled Organisations (CCOs). Council may also make advances to CCOs.

Council seeks to achieve an acceptable rate of return on all its equity investments, consistent with the nature of the investment and Council's stated philosophy on investments.

Council reviews the performance of these investments on a regular basis to ensure strategic and economic objectives are being achieved. Any disposition of these investments requires Council approval. Dividends received and proceeds from the disposition of equity investments are used to repay debt, to invest in new assets or investments or any other purpose that is considered appropriate by Council.

New Zealand Local Government Funding Agency Limited (LGFA)

Council may invest in shares and other financial instruments of the LGFA, and may borrow to fund that investment.

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

- Obtain a return on the investment.
- Ensure that the LGFA has sufficient capital to remain viable, meaning that it continues as a source of investment and/or debt funding for the Council.

Council may invest in LGFA bonds and commercial paper as part of its financial investment portfolio.

As a borrower, Council's investment is recognised through shares and borrower notes. As an investor in LGFA shares and as a Guarantor, Council subscribes for uncalled capital in the LGFA.

Property Investments

Council's overall objective is to own only property that is necessary to achieve its strategic and commercial objectives, or deemed to be a core Council function. Council therefore retains an investment in car parking, leasehold land, and rental and retirement housing. Generally, Council will not maintain a property investment where it is not essential to the delivery of relevant services, and property is retained only where it relates to a primary Council output.

Property purchases are supported by registered valuations and, where appropriate, a full business case analysis. Council does not purchase properties on a speculative basis.

Council provides car parking facilities which are operated on a commercial basis, and are run to cover ongoing operational costs.

Rentals and ground rent from property investments, other than land covered by the HB Endowment Land Empowering Act 2002, is included in the consolidated rating account. Council's leasehold land portfolio was transferred from the Hawke's Bay Harbour Board in 1989 as part of the local government reorganisation and Council, by virtue of the Hawke's Bay Endowment Land Empowering Act 2002, is allowing lessees to freehold residential properties, which is diminishing the portfolio.

Council owns various Napier properties which it classifies as the 'Napier City Council Investment Property Portfolio'. The land held in the portfolio is leased to a variety of individuals and entities, and is managed in line with Council's leasehold land policy.

Property disposals are managed to ensure compliance with statutory requirements. Any disposition of a property investment requires Council approval.

Treasury Investments

Council maintains treasury investments for the following primary reasons:

- to invest amounts allocated to loan redemption reserves, trusts, bequests and special funds.
- to invest surplus cash, and working capital funds.

All interest income from Council's treasury investments is included in the consolidated rating account or special activity account.

Treasury Investment Philosophy and Objectives

Council's philosophy in the management of treasury investments is to optimise its capital protection and liquidity objectives while balancing risk and return considerations. 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.

To provide the greatest benefit, Council utilises its surplus internal funds for internal borrowing to reduce external debt, thus effectively reducing net interest costs.

Council's primary objective when investing is the protection of its investment capital and liquidity of its investment. Accordingly, only creditworthy counterparties are acceptable. Creditworthy counterparties are selected on the basis of their current Standard and Poor's (S&P) or equivalent rating,

which must be strong or better.

To avoid undue concentration of exposures, treasury investments/financial instruments should be used with as wide a range of counterparties as practicable. Where possible, transaction notional and principal sizes and maturities should be well spread. Investment in corporate shares is considered to be an inappropriate asset class and therefore expressly forbidden.

Within the above credit constraints, Council also seeks to:

- Ensure investments are liquid
- Maximise investment return
- Manage potential capital losses due to interest rate movements

Credit, Liquidity and Interest Risk Management

- Credit risk is minimised by placing maximum limits for each broad class of non-Government issuer, and by limiting investments to registered banks, strongly rated State-Owned Enterprises, supranationals, local authorities and corporates within prescribed limits.
- Liquidity / Maturity risk is minimised by managing maturity terms within strict policy limits and ensuring that all negotiable investments are capable of being liquidated in a readily available secondary market.
- Interest Rate risk is minimised by investing in fixed rate bonds and bank term deposits spread over a range of maturity terms.

Financial Investment Interest Rate/Maturity Limits

The following control limits are designed to manage interest rate risk and maturity risk on the financial investment portfolio. The portfolio comprises both cash and core treasury investments. Cash investments relate to matching investments with Council's working capital funding requirement and liquidity buffer amount requirements. Core treasury investments relate to unencumbered investments that are invested for terms of greater than three months.

An important objective of the financial investment portfolio is to match the portfolio's maturity term to planned expenditure, thereby ensuring that investments are available when required.

Period	Minimum	Maximum
0-6 months	30%	80%
6-12 months	20%	70%
1-3 years	0%	50%
3-5 years	0%	20%

Counterparty Limits

Counterparty credit risk is the risk of losses (realised or unrealised) arising from a counterparty defaulting on a financial instrument where Council is a party. The credit risk to Council in a default event will be weighted differently depending on the type of instrument entered into. Limits should be spread amongst a number of counterparties to avoid concentrations of credit exposure. Credit ratings are as determined by Standard and Poor's, or equivalent rating. If any counterparty's credit rating falls below the minimum specified in the following table, then all practical steps are taken to eliminate the credit exposure to that counterparty as soon as practicable.

Issuers	Approved Instruments	Minimum Long-Term &Short-Term Credit Rating (S&P)	Maximum per Counter-party	Maximum % of Total Investment Portfolio
NZ Government	Treasury bills Government stock	N/A	Unlimited	100%
NZ Local Government Funding Agency	LGFA Fixed and Floating Rate Bonds, Promissory notes / Commercial paper, Borrower Notes	AA-/A-1	$40.0m	50%

Issuers	Approved Instruments	Minimum Long-Term &Short-Term Credit Rating (S&P)	Maximum per Counter-party	Maximum % of Total Investment Portfolio
NZD Registered Supranationals	Promissory Notes / Commercial Paper, Fixed and Floating, Rate Bonds	AAA	$20.0m	30%
State-Owned Enterprises	Promissory Notes / Commercial Paper, Fixed and Floating, Rate Bonds	A+/A-1	$15.0m	20%
New Zealand Registered Banks *	Money market call deposits and term deposits, Registered Certificates of Deposit, Senior Bonds	A+/A-1	$30.0m or 40% of total portfolio (whichever is the lesser)	100%
Corporate Bonds *	Promissory Notes, Commercial Paper, Fixed and Floating, Rate Senior Bonds	A+/A-1	$3.0m	20%
Local Authority	Fixed and Floating Rate Bonds and Stock, Commercial Paper	A+/A-1 (if rated), Unrated	$5.0m $3.0m	20%

* Note: An approved exception to the above is other treasury investments made with local registered banks that are regulated by the Royal Bank of New Zealand having a credit rating of at least BBB. Such investments shall be limited to a term of 3 months or less, and be for not more than $2 million in aggregate. At no time should the total exposure to this risk category be greater than 5% of the total investment portfolio.

Any other financial instrument must be specifically approved by Council on a case-by-case basis and is applied to only the one singular transaction being approved.

All secured and unsecured investment securities must be senior in ranking. The following types of investment instruments are expressly excluded:

- No asset backed securities are allowed.
- Structured debt where issuing entities are not a primary borrower/ issuer.
- Subordinated debt, junior debt, perpetual notes and debt/equity hybrid notes such as convertibles.

Council does not adopt the use of interest rate risk management instruments on its investments.

Loan Advances

Council may provide advances to CCOs, charitable trusts and community organisations for strategic and commercial purposes only. New loan advances are by Council resolution only. Council does not lend money, or provide any other financial accommodation.

Loan advances are generally provided on an unsecured basis. Where possible, Council seeks security through a mortgage over land and buildings.

Council reviews performance of its loan advances on a regular basis to ensure strategic and economic objectives are being achieved.

Loan Redemption Reserves

Council establishes specific Loan Redemption Reserves for each new external borrowing. The internal Loan Redemption Reserve is invested in accordance with Council's Investment Policy.

Investment Management and Reporting Procedures

Council's investments are managed on a regular basis, with sufficient minimum immediate cash reserves and a cash buffer maintained. The daily cash position is monitored and managed through the Daily Cash Position Report, and long term cashflow through the annual Cashflow Forecast. To maintain liquidity, Council's short and long term investment maturities are matched with Council's known cashflow requirements.

The performance of Council investments is regularly reviewed to ensure Council's strategic objectives are being met. Both performance and policy compliance are reviewed. Internal investment reports are a vital management tool and, depending on their nature, are produced on a daily, weekly, monthly, quarterly or annual basis. The results are summarised and reported to Council on a quarterly and annual basis.

Foreign Exchange Policy

Council has foreign exchange exposure through the occasional purchase of foreign exchange denominated assets approved through the capital planning process. Generally, all commitments over NZ$100,000 equivalent are hedged using forward foreign exchange contracts, once expenditure is approved, the purchase order is placed, and the exact timing and amount is known. Council uses both spot and forward foreign exchange contracts.

Council does not borrow or enter into incidental arrangements, within or outside New Zealand, in currency other than New Zealand currency.

RATES POSTPONEMENT POLICY

Purpose

To enable Council to postpone the requirement to pay all or part of the rates on a Rating Unit under Section 87 of the Local Government (Rating) Act 2002 where a rates postponement policy has been adopted and the conditions and criteria in the policy are met.

Policy

Postponement for Older Persons

Objective

The objective of this part of the policy is to assist ratepayers who are Older Persons with a fixed level of income to meet rates particularly, but not exclusively, resulting from increasing levels of rates.

Definition

Older Persons are those who are old enough to qualify to receive NZ Superannuation.

For the purpose of this provision, Financial Hardship is defined as the inability of a person, to reasonably meet the cost of goods, services and financial obligations that are considered necessary according to New Zealand standards.

Conditions and Criteria

Postponement will only apply to Older Persons on a fixed income.

Only Rating Units used solely for residential purposes will be eligible for consideration for rates postponement under this policy.

Only the person entered as the ratepayer, or their authorised agent, may make an application for rates postponement for Financial Hardship. The ratepayer must be the occupant and current owner of the Rating Unit which is the subject of the application. The person entered on the Council's rating information database as the 'ratepayer' must not own any other Rating Units or investment properties (whether in the district or elsewhere).

The ratepayer (or authorised agent) must make an application to Council on the prescribed form (copies can be obtained from the Council Office).

The Council will consider, on a case by case basis, all applications received that meet the criteria outlined under this section. The following factors will be considered – age, income source and level, annual rates payable, period of postponement, equity in the property owned, and the amount of rates postponed.

Authority to approve applications will be delegated by Council to the Director of Corporate Services, Chief Financial Officer and Investment and Funding Manager.

Applicants seeking rates postponement will be encouraged to seek independent advice before formally accepting any offer for postponement made by the Council.

As a general rule postponement will not apply to the first $500 per annum of the rate account after any rates rebate has been deducted.

Where the Council decides to postpone rates the ratepayer must first make acceptable arrangements (e.g. by setting up a system to meet agreed minimum regular payments) for payments required under the terms of the postponement approval for the current rating year, and future payment years.

Postponement will only apply on properties on which houses have been insured. Annual proof may be required that insurance has been maintained.

Where rates postponement is approved for a property with an outstanding

mortgage, the mortgagee will be advised by Council that rates postponement has been granted by the Council.

Any postponed rates will be postponed until:

The death of the ratepayer(s); or

- Until the ratepayer(s) ceases to be either the owner or occupier of the Rating Unit; or
- Until a date specified by the Council.

The Council will charge an annual postponement fee. The annual postponement fee will cover Council's administrative costs including finance costs. The finance cost will be charged at the average return on investments rate for Council for that year.

All postponement fees payable (including finance costs) will be added to the amount of postponed rates annually and be paid at the time postponed rates are paid.

The policy will apply from the beginning of the rating year in which the application is made although the Council may consider backdating past the rating year in which the application is made depending on the circumstances.

The postponed rates, inclusive of any accumulated postponement fees, or any part thereof may be paid at any time. The applicant may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed pursuant to this policy.

Postponed rates will be registered as a statutory land charge on the Rating Unit title. This means that the Council will have first call on the proceeds of any revenue from the sale or lease of the Rating Unit. In addition to the annual fee and interest, Council will charge any other costs or one-off fees incurred in relation to registration of the postponement as part of the postponement.

This policy will not affect any rates postponement provisions approved prior to 1 July 2009, which will continue to apply in accordance with the conditions related to each case.

This policy does not apply to non-Older Person ratepayers experiencing financial hardship.

Council will assist in the referral of any other ratepayer on a fixed income facing long term financial hardship to the appropriate agency.

Postponement for Significant Extraordinary Circumstances

Objective

To provide a rates postponement to ratepayers experiencing financial hardship directly resulting from Significant Extraordinary Circumstances that affects their ability to pay rates.

For the purpose of this policy the following definitions will apply:

- Significant Extraordinary Circumstances: as defined by Council resolution. Significant Extraordinary Circumstances may be natural or economic in nature, and will identify the type and location of properties affected.
- Financial Hardship: for the purpose of this provision is defined as the inability of a person, after seeking recourse from Government benefits or applicable relief packages, to reasonably meet the cost of goods, services and financial obligations that are considered necessary according to New Zealand standards. In the case of a ratepayer who is not a natural person, it is the inability, after seeking recourse from Government benefits or applicable relief packages, to reasonably meet the cost of goods, services and financial obligations that are considered essential to the functioning of that entity according to New Zealand standards.
- Small Business: a business operated by a small business person, small partnership or close company as defined in section YA 1 of the Income Tax Act 2007.

Conditions and Criteria

This part of the policy will only apply to Rating Units used for residential

purposes or by Small Businesses.

Once Significant Extraordinary Circumstances have been identified by Council, the criteria and application process (including an application form, if applicable), will be made available. Council may set a timeframe for the event. Council may review the criteria and/or timeframe of Significant Extraordinary Circumstances through subsequent resolutions.

Council resolution will include:

1. that the resolution applies under the Rates Postponement Policy; and
2. the Significant Extraordinary Circumstances triggering the policy (e.g. including, but not limited to, flood, pandemic, earthquake); and
3. how the Significant Extraordinary Circumstances are expected to impact the community (e.g. hardship); and
4. the types or location of properties effected by the Significant Extraordinary Circumstances; and
5. timeframe for postponement in relation to the Significant Extraordinary Circumstances.

No application for postponement can be made under this policy unless Significant Extraordinary Circumstances have been identified by Council.

Any requests for rates postponement for Rating Units with a land value greater than $1.5m will be decided upon at the discretion of Council and requests for rate postponement for Rating Units with a land value less than $1.5m will be delegated to Council officers.

The ratepayer must demonstrate, to the Council's satisfaction that paying the rates would result in Financial Hardship.

The applicant must demonstrate to Council's satisfaction that the ratepayer has taken all necessary steps to claim any central government benefits or allowances the ratepayer is properly entitled to receive that would assist the ratepayer to meet their financial commitments. Evidence such as official correspondence must be provided with the application.

Council will consider applications where the same ratepayer is liable for rates for multiple Rating Units. In such instances, Council will look at the collective impact to the ratepayer.

Only the person/s entered as the ratepayer (in the case of a close company every director must sign the application form), or their authorised agent, may make an application for rates postponement for Significant Extraordinary Circumstances that resulted in Financial Hardship. However, where the ratepayer is not the owner of the Rating Unit, the owner must also provide written approval of the application.

The ratepayer must be the current ratepayer for the Rating Unit at the time Significant Extraordinary Circumstances are identified by Council.

Where the Council decides to postpone rates the ratepayer must make acceptable arrangements for payment of rates, for example by setting up a system for regular payments. Such arrangements will be based on the circumstances of each case.

Council may charge a fee on postponed rates for the period between the due date and the date they are paid. This fee is designed to cover Council's administrative and financial costs. The fees will be set as part of the Council resolution identifying Significant Extraordinary Circumstances.

Postponed rates will remain postponed until the earlier of:

1. The ratepayer/s ceases to be the owner or occupier of the Rating Unit; or
2. A date specified by Council in the Council resolution identifying Significant Extraordinary Circumstances.

Postponement for Special Circumstances

Objective

To enable Council to provide rates postponement for special and unforeseen circumstances, where it considers relief by way of rates postponement is justified in the circumstances.

Conditions and Criteria

Application for rates postponement must be made in writing by the ratepayer or their authorised agent.

Each circumstance will be considered by Council on a case by case basis. Where necessary, Council consideration and decision will be made in the Public Excluded part of a Council meeting.

The terms and conditions of postponement including any application of an annual fee will be decided by Council on a case by case basis.

The applicant will be advised in writing of the outcome of the application.

Capital Programme

Supporting documentation for the
2021-31 Long Term Plan Consultation Document

NAPIER
CITY COUNCIL
Te Kaunihera o Ahuriri

CAPITAL PROGRAMME

Funding			Activity	LTP 2021/22 $000	LTP 2022/23 $000	LTP 2023/24 $000	LTP 2024/25 $000	LTP 2025/26 $000	LTP 2026/27 $000	LTP 2027/28 $000	LTP 2028/29 $000	LTP 2029/30 $000	LTP 2030/31 $000	Renewals %	Growth %	Level of Service %
Loan Rates %	Reserve %	NZTA %														
			City Strategy													
79	**21**	-	Animal Control	152	126	34	27	804	768	38	30	40	117	35	-	65
-	1	-	Parking	940	968	465	477	490	503	517	531	547	561	13	31	56
			Total City Strategy	**1,092**	**1,094**	**499**	**504**	**1,294**	**1,271**	**555**	**561**	**587**	**678**			
			Community and Visitor Experiences													
75	25	-	Bay Skate	184	230	26	81	30	34	84	39	43	38	50	19	31
100	-	-	Community Facilities (Halls)	129	118	3,516	5,197	4,491	131	212	219	376	130	23	4	73
95	5	-	Kennedy Park Resort	957	2,120	1,540	2,357	727	3,197	323	1,111	681	1,311	98	-	2
86	14	-	Marine Parade Pools	395	695	42	217	45	123	56	242	68	70	50	-	50
93	7	-	MTG Hawke's Bay	2,780	472	420	276	495	207	340	540	1,388	921	72	-	28
39	61	-	Napier Aquatic Centre	439	606	507	116	600	488	381	648	525	444	92	1	7
71	29	-	Napier Conferences & Events	321	349	227	222	398	1,383	477	430	485	530	95	-	5
56	44	-	Napier i-SITE Visitor Centre	84	48	20	91	39	208	105	39	50	69	100	-	-
99	1	-	Napier Libraries	1,136	4,491	550	11,424	11,792	732	592	-	-	-	2	-	98
56	44	-	Napier Municipal Theatre	474	347	554	1,088	1,116	725	291	236	857	592	100	-	-
97	3	-	National Aquarium of NZ	1,967	1,764	2,310	1,850	774	971	1,016	1,051	1,462	713	100	-	-
23	77	-	Par2 MiniGolf	16	35	27	8	12	37	111	31	14	8	59	-	41
55	45	-	Reserves	3,400	3,131	1,543	1,919	1,370	1,622	1,856	3,894	8,294	6,859	26	22	52
100	-	-	Retirement and Rental Housing	3,317	953	1,025	1,366	924	1,479	600	2,886	861	1,373	100	-	-
68	32	-	Sportsgrounds	1,730	1,411	645	2,732	457	537	2,126	833	758	1,250	77	8	15
13	87	-	The Faraday Centre	530	31	32	33	33	34	35	36	37	39	27	-	73
			Total Community and Visitor Experiences	**17,859**	**16,801**	**12,984**	**28,977**	**23,303**	**11,908**	**8,605**	**12,235**	**15,899**	**14,347**			

Funding			Activity	LTP 2021/22 $000	LTP 2022/23 $000	LTP 2023/24 $000	LTP 2024/25 $000	LTP 2025/26 $000	LTP 2026/27 $000	LTP 2027/28 $000	LTP 2028/29 $000	LTP 2029/30 $000	LTP 2030/31 $000	Renewals %	Growth %	Level of Service %
Loan Rates %	Reserve %	NZTA %														
			Other Infrastructure													
82	18	-	Cemeteries	655	268	137	146	106	126	2,437	694	112	734	18	74	8
29	71	-	Public Toilets	-	103	476	596	223	343	763	362	559	1,340	100	-	-
0	100	-	Waste Minimisation	2,217	2,407	2,537	2,450	1,996	1,981	1,971	1,043	1,028	1,075	100	-	-
			Total Other Infrastructure	**2,872**	**2,778**	**3,150**	**3,192**	**2,325**	**2,450**	**5,171**	**2,099**	**1,699**	**3,149**			
			Property Assets													
100	-	-	Inner Harbour	-	52	423	3,795	1,765	-	-	109	2,050	1,212	27	-	73
100	-	-	Lagoon Farm	-	31	-	33	-	34	-	36	-	38	-	100	-
90	10	-	Property and Investment Holdings	2,000	3,296	2,272	15,213	11,715	594	611	628	646	26	51	-	49
			Total Property Assets	**2,000**	**3,379**	**2,695**	**19,041**	**13,480**	**628**	**611**	**773**	**2,696**	**1,276**			
			Stormwater													
64	36	-	Stormwater	9,452	9,212	6,501	13,210	22,363	11,081	21,144	12,565	4,546	5,817	20	36	44
			Total Stormwater	**9,452**	**9,212**	**6,501**	**13,210**	**22,363**	**11,081**	**21,144**	**12,565**	**4,546**	**5,817**			
			Support Units													
100	-	-	Chief Executive	70	72	74	76	78	80	82	-	-	-	-	-	100
-	100	-	Finance	4,428	4,429	4,851	8,179	4,388	2,931	2,682	1,268	1,864	1,608	100	-	-
100	-	-	Information Services	1,008	1,038	1,129	1,093	1,123	1,152	1,184	1,217	1,252	1,286	-	-	100
-	100	-	Plant and Vehicles	900	1,082	1,110	976	1,058	1,085	1,175	1,208	1,243	1,276	100	-	-
82	18	-	Services Administration	102	99	60	85	177	289	111	118	415	1,361	100	-	-
			Total Support Units	**6,508**	**6,720**	**7,224**	**10,409**	**6,824**	**5,537**	**5,234**	**3,811**	**4,774**	**5,531**			

Funding			Activity	LTP 2021/22 $000	LTP 2022/23 $000	LTP 2023/24 $000	LTP 2024/25 $000	LTP 2025/26 $000	LTP 2026/27 $000	LTP 2027/28 $000	LTP 2028/29 $000	LTP 2029/30 $000	LTP 2030/31 $000	Renewals %	Growth %	Level of Service %
Loan Rates %	Reserve %	NZTA %														
			Transportation													
24	39	37	Transportation	8,194	11,709	10,523	11,184	10,097	10,410	10,653	16,688	11,493	10,470	39	23	38
			Total Transportation	**8,194**	**11,709**	**10,523**	**11,184**	**10,097**	**10,410**	**10,653**	**16,688**	**11,493**	**10,470**			
			Wastewater													
66	34	-	Wastewater	5,934	10,849	12,285	36,047	16,771	12,049	10,890	12,726	18,095	19,141	49	27	24
			Total Wastewater	**5,934**	**10,849**	**12,285**	**36,047**	**16,771**	**12,049**	**10,890**	**12,726**	**18,095**	**19,141**			
			Water Supply													
56	44	-	Water Supply	10,470	9,941	21,248	14,476	22,630	17,542	11,647	10,247	8,164	7,466	22	26	52
			Total Water Supply	**10,470**	**9,941**	**21,248**	**14,476**	**22,630**	**17,542**	**11,647**	**10,247**	**8,164**	**7,466**			
			Total Capital Programme	**64,381**	**72,483**	**77,109**	**137,040**	**119,087**	**72,876**	**74,510**	**71,705**	**67,953**	**67,875**			

CAPITAL PROGRAMME FUNDING REPORT

Funding Sources	LTP 2021/22 $000	LTP 2022/23 $000	LTP 2023/24 $000	LTP 2024/25 $000	LTP 2025/26 $000	LTP 2026/27 $000	LTP 2027/28 $000	LTP 2028/29 $000	LTP 2029/30 $000	LTP 2030/31 $000
Rates Funded Loans	37,236	38,747	45,639	89,087	70,617	32,525	41,874	42,906	37,610	38,786
NZTA Subsidy	2,641	4,172	4,152	4,252	4,198	3,954	4,160	6,614	3,989	3,400
Infrastructural Asset Renewal and Upgrade Funds	8,114	9,372	7,631	8,809	12,973	14,276	12,522	10,676	14,404	16,243
Other Reserve Funds	16,390	20,192	19,687	34,892	31,299	22,121	15,954	11,509	11,950	9,446
Total Capital Programme	**64,381**	**72,483**	**77,109**	**137,040**	**119,087**	**72,876**	**74,510**	**71,705**	**67,953**	**67,875**

Prospective Financial Statements

Supporting documentation for the
2021-31 Long Term Plan Consultation Document



STATEMENT OF ACCOUNTING POLICIES

In accordance with the Local Government Act 2002 Part 6 Section 93, Napier City Council (the Council) adopted for consultation the Consultation Document for Napier's 2021 – 2031 Long Term Plan document on [date tbc]. The final 2021 – 2031 Long Term Plan (LTP) was authorised and adopted by the Council on [date tbc] following public consultation. As the authorising body, the Council is responsible for the LTP presented along with the underlying assumptions and all other required disclosures. The principal accounting policies adopted in the preparation of the LTP financial statements are set out below. The financial statements comprise the financial statements for the Council as an individual entity. The main purpose of the prospective financial statements outlined in the LTP is to provide users with information about core services that the Council intends to provide ratepayers, the expected cost of those services and, as a consequence, how much the Council requires by way of rates to fund the intended levels of service.

Reporting Entity

Napier City Council (the Council) is a New Zealand territorial local authority. It is governed by the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing the Council's operations includes the LGA and the Local Government (Rating) Act 2002.

The reporting entity consists of the Council only. The Council has investments in the following entities which are Council Controlled Organisations (CCO):

- Hawke's Bay Museum Trust classified as an investment;
- Hawke's Bay Airport Limited (26% share of voting rights) equity accounted;

The Council provides local infrastructure, local public services and amenities, and performs regulatory functions for the community for social benefit rather than making a financial return. Accordingly, the Council has designated itself as a Public Benefit Entity (PBE) for financial reporting purposes.

Basis of Preparation

Statement of Compliance

The prospective financial statements are for the Council as a separate legal entity and have been prepared in accordance with the Section 93 of the LGA 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.

These prospective financial statements have been prepared in accordance with the requirements of the Act Part 6, Section 98 and Part 1 of Schedule 10, which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP). The accounting policies set out below have been applied consistently to all periods in these prospective financial statements.

Functional and Presentation Currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars ($000).

Changes in Accounting Standards

Financial Instruments

In January 2017, the XRB issued PBE IFRS 9 Financial Instruments which is an interim standard meant to replace PBE IPSAS 29 Financial Instruments: Recognition and Measurement. PBE IFRS 9 is effective for annual periods beginning on or after 1 January 2021, with early application permitted. In March 2019, NZASB issued PBE IPSAS 41 Financial Instruments which is mandatory for application in January 2022. The NZASB subsequently deferred the effective date of PBE IFRS 9 to 1 January 2022 so that PBE IFRS 9 did not become mandatorily effective before PBE IPSAS 41. When applied, PBE IPSAS 41 supersedes PBE IFRS 9.

The Council intends to apply PBE IPSAS 41 in the financial year beginning 1 July 2022.

The initial consideration of the impacts the implementation of PBE IPSAS 41 is expected to have in the Council's financial statements are described below.

Classification and measurement

Currently the Council classifies its investment in listed and non-listed equity shares and listed debt instruments as available-for-sale (AFS) financial assets. For the equity shares currently classified as AFS, the Council expects to continue measuring them at fair value through other comprehensive revenue and expense.

Loans as well as receivables are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. The Council has analysed the contractual cash flow characteristics of those instruments and concluded they meet the criteria for amortised cost measurement under PBE IPSAS 41. Therefore, reclassification for these instruments is not required.

Impairment

PBE IPSAS 41 requires the Council to record expected credit losses on all of its debt instruments classified at amortised cost or fair value through other comprehensive revenues and expenses. For all of such assets, except receivables, the Council expects to apply the simplified approach and record lifetime expected losses on all receivables. The Council does not expect the application of PBE IPSAS 41 to result in a significant impairment of its term deposits, or debt instruments.

Amendment to PBE IPSAS 2 Statement of Cash Flows

An amendment to PBE IPSAS 2 Statement of Cash Flows requires entities to provide disclosures that enable users of the financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. This amendment is effective for annual periods beginning on or after 1 January 2021, with early application permitted. The Council does not intend to early adopt the amendment.

PBE FRS 48 Service Performance Reporting

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 and is effective for reporting periods beginning on or after 1 January 2021. The Council does not expect the application of PBE FRS 48 will affect its statement of service performance.

Other changes in accounting policies

There have been no other changes in accounting policies.

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 is 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 the Council reasonably expects to occur associated with the actions the 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 variation may be material.

The LTP is based on 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 final adopted LTP will be updated no later than [date tbc].

In accordance with the Local Government Act 2002 Part 6 Section 93, the Council adopted and authorised for issue the Consultation Document on 10 April 2018. As the authorising body, the Council is responsible for the LTP presented along with the underlying assumptions and all other required disclosures. The prospective financial statements contained in this LTP are in full compliance with PBE Financial Reporting Standards 42 Prospective Financial Statements (PBE FRS 42).

Council reserves the right to change the statements should circumstances change.

Principles of Consolidation

The prospective financial statements comprise of the Council and its equity accounted investments.

Investments

Investment in Associates

The Council's associate investment is accounted for in the financial statements using the equity method. An associate is an entity over which the Council has significant influence and that is neither a subsidiary nor an interest in a joint venture. The investment in an associate is initially recognised at cost and the carrying amount in the financial statements is increased or decreased to recognise the Council'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 Council discontinues recognising its share of further deficits. After the Council'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 Council will resume recognising its share of those surpluses only after its share of the surpluses equals the share of deficits not recognised.

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

Dilution gains or losses arising from investments in associates are recognised in the surplus or deficit.

Subsidiaries

Subsidiaries are all entities over which the Council has control. The Council controls an entity if all three of the following elements are present: power over the entity, exposure to variable returns from the entity, and the ability of the Council to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

The Council has no subsidiaries during the periods presented in the financial statements.

Joint Arrangements

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

Joint Operation

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

Foreign Currency Translation

Transactions and Balances

Foreign currency transactions 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 surplus or deficit of the Statement of Comprehensive Revenue and Expenses.

Revenue Recognition

Revenue is measured at the fair value of consideration received or receivable. The specific accounting policies for significant revenue items are explained below:

Non-exchange Revenue

Rates Revenue

The following policies for rates have been applied:

General rates, targeted rates (excluding water-by-meter), and uniform annual general charges are recognised as revenue at the start of the financial year to which the rates resolution relates, and they are recognised at the amount due. The Council considers that the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.

Rates arising from late payment penalties are recognised as revenue when rates become overdue.

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

Rate remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.

Grants and Subsidies

Grants and subsidies received are recognised as revenue when the Council obtains control of the transferred asset (cash, goods, other assets or services) and the transfer is free from conditions that require the Council refund or return the asset if the conditions relating to the asset are not fulfilled. When grants and subsidies include a condition, a liability is recognised until the Council has satisfied the conditions when revenue is recognised. The Council receives the majority of grants and subsidies revenue from New Zealand Transport Agency (NZTA), which subsidises part of the Council's costs in maintaining the local road infrastructure. The right to receive the funding from NZTA arises once the work is performed therefore revenue is recognised when receivable as there are no further conditions attached to the funding.

Donated, Subsidised or Vested Assets

Donated, subsidised or vested assets are recognised when the right to receive them is established. Revenue is recognised at this time unless there are conditions attached to the asset, which require the asset to be returned if conditions are not met. A liability is recognised until the conditions are met. Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as revenue.

The fair value of vested or donated assets is usually determined by reference to the cost of constructing the asset. For assets received from property developments, the fair value is based on construction price information provided by the property developer.

Parking and Traffic Infringement

Revenue is recognised when the ticket is issued as there are no conditions attached.

Exchange Revenue

Licences and Permits

Revenue derived from licences and permits are recognised on receipt of appropriate application.

Residential Developments

Sales of sections in residential developments are recognised when contracts for sale are unconditional as control is deemed to have been transferred.

Development and Financial 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 as the Council provides, or is able to provide, the service.

Sales of Goods (Retail)

Sales of goods are recognised when a product is sold to the customer. Retail sales are usually in cash or by credit card. The recorded revenue is the gross amount of sale, including credit card fees payable for the transaction. Such fees are included in distribution costs.

Sales of Services

Sales of services are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed, on the basis of the actual service provided as a proportion of the total services to be provided.

Rental Revenue

Rental revenue is recognised on a straight line basis over the term of the lease.

Interest Revenue

Interest revenue is recognised on a time proportion basis using the effective interest method. When a receivable is impaired, the Council reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest revenue. Interest revenue on impaired loans is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Dividend Revenue

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

Building and Resource Consent Revenue

Fees and charges for building and resource consent services are recognised on a percentage completion basis with reference to the recoverable costs incurred at balance date.

Income Tax

In general, local authorities are only subject to tax from income derived through council controlled organisations and as a port operator.

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting surplus or deficit or taxable surplus or deficit.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the controlling entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised in other comprehensive revenue and expense or directly in equity.

Goods and Services Tax (GST)

The Statement of Comprehensive Revenue and Expenses has been prepared so that all components are stated exclusive of GST. All items in the Statement of Financial Position are stated net of GST, with the exception of receivables and payables, which include GST invoiced.

Where GST is not recoverable as input tax, it 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.

Leases

The Council is the Lessee

Leases of Property, Plant and Equipment where the Council has substantially all the risks and rewards of ownership are classified as finance leases.

Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other long term payables. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The interest element of the finance cost is charged to the surplus or deficit in the Statement of Comprehensive Revenue and Expenses over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of Comprehensive Revenue and Expenses on a straight line basis over the period of the lease.

The Council is the Lessor

Assets leased to third parties under operating leases are included in property, plant and equipment in the Statement of Financial Position. They are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment. Rental revenue (net of any incentives given to lessees) is recognised on a straight line basis over the lease term.

Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

Bank overdrafts are shown within borrowings under current liabilities in the Statement of Financial Position.

Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less impairment for doubtful debts.

Trade receivables are due for settlement no more than 150 days from the date of recognition for land development and resale debtors, and no more than 30 days for other debtors.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of receivables is established when there is objective evidence that the Council will not be able to collect all amounts due according to the original terms. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the Statement of Comprehensive Revenue and Expenses.

When the receivable is uncollectible, it is written-off against the provision account. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due).

Inventories

Inventories are held for distribution or for use in the provision of goods and services. The measurement of inventories depends on whether the inventories are held for commercial or non-commercial (distribution at no charge or for a nominal charge) distribution or use. Inventories are measured as follows:

- Commercial: measured at the lower of cost and net realisable value.
- Non-commercial: measured at cost, adjusted for any loss of service potential.

Cost is allocated using the first in, first out (FIFO) method, which assumes the items of inventory that were purchased first are distributed or used first.

Inventories acquired through non-exchange transactions are measured at fair value at the date of acquisition.

Any write-down from cost to net realisable value or for the loss of service potential is recognised in surplus or deficit in the Statement of Comprehensive Revenue and Expenses in the period of the write-down.

Land held for development and future resale

When land held for development and future resale is transferred from investment property or property, plant, and equipment to inventory, the fair value of the land at the date of the transfer is its deemed cost.

Costs directly attributable to the developed land are capitalised to inventory, with the exception of infrastructural asset costs which are capitalised to property, plant, and equipment.

Non-current Assets Held For Sale

Non-current assets are classified as held for sale and stated at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

An impairment loss is recognised for any initial or subsequent write down of the asset to fair value less costs to sell in the Council's operating expenses. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of derecognition.

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.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the Statement of Financial Position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the Statement of Financial Position.

Other Financial Assets excluding derivatives

Financial assets are initially recognised at fair value plus transaction costs unless they are carried at their value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit.

Purchases and sales of financial assets are recognised on trade date, the date on which the Council commits to purchase or sell the asset. Financial assets are de-recognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Council has transferred substantially all the risks and rewards of ownership.

Financial assets are classified into the categories below:

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Council provides money, goods or services directly to a debtor with no intention of selling the receivable. Those with maturities greater than 12 months after the balance date are classified as non-current assets.

After initial recognition, they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or de-recognised are recognised in the surplus or deficit.

Held to Maturity Investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Council's

management has the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after the balance date, which are classified as non-current assets.

After initial recognition, they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or de-recognised are recognised in the surplus or deficit.

Fair Value through Other Comprehensive Revenue and Expenses (Available for sale)

Available for sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category at initial recognition, or not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the Statement of Financial Position date. These investments are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expense, except for impairment losses, which are recognised in the surplus or deficit. On derecognition, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit. When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments are included in the surplus or deficit as gains and losses from investment securities.

Fair Value Changes

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Council establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

Impairment of Financial Assets

The Council assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets not carried at fair value through profit or loss is impaired. Impairment losses are recognised in the surplus or deficit. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available for sale financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in surplus and deficit is removed from equity and recognised in surplus or deficit in the Statement of Comprehensive Revenue and Expenses. Impairment losses recognised on available for sale equity instruments are not reversed through surplus or deficit in the Statement of Comprehensive Revenue and Expenses. Instead, increases in the fair value of these assets after impairment are recognised in other comprehensive revenue and expenses in the Statement of Comprehensive Revenue and Expenses.

Refer to trade receivables for details of impairment testing of loans and receivables.

Property, Plant and Equipment

Property, Plant and Equipment consist of:

Operational assets – These include land, buildings, library books, plant and equipment and motor vehicles.

Restricted assets – Restricted assets are mainly 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.

Infrastructure assets – infrastructure assets are the fixed utility system owned by the Council and group. 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.

Additions

Items of Property, Plant and Equipment are initially recognised at cost, which includes purchase price plus directly attributable costs of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The cost of an item of property, plant, and equipment is recognised as an asset only when it is probably 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.

Where a physical asset is acquired for nil or nominal consideration, it is recognised at its fair value at the date the asset was received with the fair value recognised as revenue. Work in progress is recognised at cost less impairment and is not depreciated.

Disposals

Gains and losses on disposal are determined by comparing the 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 revaluation reserves in respect of those assets are transferred to the accumulated comprehensive revenue and expense within equity.

Revaluations

Assets which are revalued are shown at fair value (which is based on periodic valuations by external independent valuers that are performed with sufficient regularity to ensure that the carrying value does not differ materially from fair value) less subsequent depreciation (except land which is not depreciated). 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. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Roading infrastructure assets and Library Collections are valued at depreciated replacement cost and revalued annually. Other infrastructural assets (except land under roads), Land and Buildings and Council Restricted Reserves are revalued on a three yearly valuation cycle.

Increases in the carrying amounts arising on a revalued class of assets are credited to a revaluation reserve in public equity. To the extent that the increase reverses a decrease previously recognised for the same class of assets in the surplus or deficit, the increase is first recognised in the surplus or deficit. Where the revaluation movement would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Council and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Comprehensive Revenue and Expenses during the financial period in which they are incurred.

Depreciation

Depreciation of property, plant and equipment other than land is calculated on a straight line basis at rates that will write off the cost or valuation, less estimated residual value, over their expected useful economic lives. The following rates have been applied:

	Depreciation
Buildings & Structural Improvements	2 to 10%
Fixed Plant & Equipment	5 to 20%
Mobile Plant & Equipment	5 to 50%
Motor Vehicles	10 to 33.33%
Furniture & Fittings	4 to 20%
Office Equipment	8 to 66.67%
Library Book Stock	7 to 25%

Depreciation of infrastructural and restricted assets is calculated on a straight line basis at rates that will write off their cost or valuation over their expected useful economic lives.

The expected lives, in years, of major classes of infrastructural and restricted assets are as follows:

	Years
TRANSPORTATION	
Base Course	60-130
Surfacings	20-25
Concrete Pavers	80
Footpaths & Pathways/Walkways	15-80
Drainage	25-100
Bridges & Structures	20-100
Road Lighting	4-50
Traffic Services & Safety	10-25
WATER	
Reticulation	56-200
Reservoirs	100
Pump Stations	15-80
STORMWATER	
Reticulation	80-100
Pump Stations	15-80
WASTEWATER	
Reticulation	80-100
Pump Stations	15-80
Milliscreen	10-80
Outfall	60
OTHERS	
Grandstands, Community & Sports Halls	50
Sportsgrounds, Parks & Reserves Improvements	10-50
Buildings on Reserves	10-50
Pools	10-50
Inner Harbour	20-50

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each Statement of Financial Position date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Investment Property

Investment property is held for long term rental yields and capital appreciation and is not occupied by the Council or held to meet service delivery objectives.

Properties leased to third parties under operating leases will generally be classified as investment property unless:

- the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation;
- the occupants provide services that are integral to the operation of the owner's business and/or these services could not be provided efficiently and effectively by the lessee in another location;
- the property is being held for future delivery of services;
- the lessor uses services of the owner and those services are integral to the reasons for their occupancy of the property.

Investment property is carried at fair value, representing open market value determined annually by external valuers. Changes in fair values are recognised in the surplus or deficit of the Statement of Comprehensive Revenue and Expenses.

Intangible Assets

Trademarks and Licences

Trademarks and licences have a finite useful life and are initially recognised at cost, and subsequently carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight line method to allocate the cost of trademarks and licences over their estimated useful lives, which vary from three to five years.

Computer Software

Acquired computer software and software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of three to five years.

Costs associated with developing or maintaining computer software are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Council, and that will generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads. Computer software development costs recognised as assets are amortised over their estimated useful lives not exceeding three years.

Impairment of Non-Financial Assets

Assets that have an indefinite useful life and capital work in progress are not subject to amortisation and are tested annually for impairment. All other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Indicators of impairment will depend on whether the asset is deemed to be cash generating or non-cash generating. All cash generating assets are assets held with the primary objective of generating a commercial return, all other assets are non-cash generating.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For non-cash generating assets where the Council would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of the asset. For cash generating assets, value in use is determined using a present value of future cash flows valuation methodology.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units) for assets that are cash generating. Once this assessment is made, this is adjusted through the revaluation reserve for revalued assets (where there is a positive reserve), or in the surplus or deficit in the Statement of Comprehensive Revenue and Expenses where revaluation does not occur or there is no positive revaluation reserve.

Trade and Other Payables

These amounts are initially recorded at their fair value and subsequently recognised at amortised cost. They represent liabilities for goods and services provided to the Council prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Borrowings are initially recognised at their fair value plus transaction costs. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the Statement of Financial Position date.

Borrowing Costs

In line with PBE IPSAS 5 Borrowing Costs, all borrowing costs are recognised as an expense in the period in which they are incurred.

Provisions

Provisions are recognised when the Council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. An increase in the provision due to the passage of time is recognised as an interest expense.

Financial Guarantee

A financial guarantee contract is a contract that requires the Council to make specified payments to reimburse the holder of the contract for a loss it incurs because a specified debtor fails to make payment when due. Financial guarantee contracts are initially recognised at fair value. If a financial guarantee contract was issued in a stand-alone arm's length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received, the fair value of the liability is initially measured using a valuation technique, such as considering the credit enhancement arising from the guarantee or the probability that the Council will be required to reimburse a holder for a loss incurred discounted to present value. If the fair value of a guarantee cannot be reliably determined, a liability is only recognised when it is probable there will be an outflow under the guarantee.

Financial guarantees are subsequently measured at the higher of:

- The present value of the estimated amount to settle the guarantee obligation if it is probable there will be an outflow to settle the guarantee; and
- The amount initially recognised less, when appropriate, cumulative amortisation as revenue.

Grant Expenditure

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received. Any funds that are not spent for the approved purpose are returned to the Council by 30 June of the same financial year.

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 the Council's decision.

Employee Benefits

Wages and Salaries, Annual Leave and Sick Leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in current employee benefit liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

Long Service Leave and Gratuities

The liability for long service leave and gratuities is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Retirement Benefit Obligations

Current and former employees of the Council are entitled to benefits on retirement, disability or death from the Council's multi-employer benefit scheme. The scheme manager, National Provident Fund, has advised Council there is no consistent and reliable basis for allocating the obligation scheme assets and cost of the multi-employer defined benefit scheme to individual participating employers. As a result, the scheme is accounted for as a defined contribution plan and contributions are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset if a cash refund or a reduction in the future payments is available.

Defined Contribution Schemes

Obligations for contributions to KiwiSaver are accounted for as defined contribution superannuation schemes and are recognised as an expense in the surplus or deficit when incurred.

Bonus Plans

The Council recognises a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

Biological Assets

Livestock

Livestock are measured at their fair value less estimated point-of-sale costs. The fair value of livestock is determined based on market prices of livestock of similar age, breed and genetic merit. Changes in fair value are recognised in surplus or deficit in the Statement of Comprehensive Revenue and Expense.

Net Assets / Equity

Net Assets/Equity is the community's interest in the Council and is measured as the difference between total assets and total liabilities.

Restricted and Council Created Reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by the Council.

Restricted reserves are those subject to specific requirements accepted as binding by the Council and which may not be revised by the Council without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Also included in restricted reserves are reserves restricted by Council decision. The Council may alter them without references to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

Cost Allocation

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

Critical Accounting Estimates and Assumptions

In preparing these financial statements, the Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions 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 as follows:

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. There are closure and post-closure responsibilities such as the following:

Closure responsibilities:

- Final cover application and vegetation
- Incremental drainage control features
- Completing facilities for leachgate collection and monitoring
- Completing facilities for monitoring and recover of gas

Post-closure responsibilities:

- Treatment and monitoring of leachate
- Ground water and surface monitoring
- Gas monitoring and recovery
- Implementation of remedial measures such as needed for cover, and control systems
- Ongoing site maintenance for drainage systems, final cover and vegetation

The management of the landfill will influence the timing of recognition of some liabilities – for example, the current landfill will operate in four stages. A liability relating to stages three and four will only be created when the stage is commissioned and when refuse begins to accumulate in these stages.

Capacity of the Site:

The landfill is divided into four valleys as below:	Total Capacity (million)	Useful Life of Valley
Valley A - opened in December 1998, closed 2006	2.6m3	17 years
Valley D - opened in December 2006 and currently in operation	2.1m3	18 years
Valleys B & C - not yet in operation		

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 2.3%.

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 $201,500
- The provision reported is for the Napier City Council's share only (36.32%).

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 underground such as stormwater, wastewater and water supply pipes. 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
- Estimating the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the 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 the Council could be over or under in estimating the annual depreciation charge recognised as an expense in the Statement of Comprehensive Revenue and Expenses. To minimise this risk, the Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections and deterioration and condition modelling are also carried out regularly as part of the Council asset management planning activities, which gives the Council further assurance over its useful life estimates.

Experienced independent valuers perform the Council's infrastructural asset revaluations except for most above and below ground water, wastewater and stormwater assets where the independent valuer peer reviews Council's valuations. In some cases, e.g. Pumps are independently valued by independent valuer.

Critical Judgements in applying Napier City Council's Accounting Policies

Classification of Property

The Council owns a number of leasehold land and rental properties. The receipt of market-based rentals from these properties is incidental to the holding of these properties. In the case of residential leasehold properties, there are legal restrictions applying to how Council can manage these properties and in the case of rental properties, these are held as part of the Council's social housing policy or to secure the ability to undertake long term city development projects. As some of these properties are held for service delivery objectives, they have been accounted for as property, plant and equipment.

PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES

Forecast for the ten years 2021/22 to 2031/32

AP 2020/21 $000		LTP 2021/22 $000	LTP 2022/23 $000	LTP 2023/24 $000	LTP 2024/25 $000	LTP 2025/26 $000	LTP 2026/27 $000	LTP 2027/28 $000	LTP 2028/29 $000	LTP 2029/30 $000	LTP 2030/31 $000
	Revenue										
63,854	Rates revenue	69,379	74,466	79,903	85,704	93,612	102,248	111,684	122,002	133,283	144,260
216	Finance revenue	-	-	-	-	-	-	-	-	-	-
3,391	Financial contributions	7,090	7,296	7,478	7,665	7,857	8,053	8,262	8,485	8,714	8,941
4,911	Subsidies and grants	5,249	6,818	6,865	7,031	7,045	6,871	7,140	9,671	7,115	6,594
47,631	Other revenue	59,099	65,347	59,194	60,280	64,254	63,705	49,366	50,700	51,782	53,013
1,564	Other gains/(losses)	2,094	2,151	1,947	1,989	2,101	2,077	2,266	2,305	2,424	2,323
121,567	**Total revenue**	**142,911**	**156,078**	**155,387**	**162,669**	**174,869**	**182,954**	**178,718**	**193,163**	**203,318**	**215,131**
	Expenditure										
40,727	Employee Benefit Expense	43,309	44,565	45,783	46,929	48,157	49,417	50,701	52,071	53,477	54,869
28,392	Depreciation and Amortisation	35,247	38,150	41,667	43,240	47,679	52,565	54,765	58,119	61,398	63,747
275	Finance Costs	336	617	837	1,619	3,031	4,449	5,394	6,157	6,656	6,871
52,721	Other Operating Expenses	61,771	72,144	68,726	69,097	74,474	76,562	66,615	69,749	71,816	74,409
122,115	**Total expenditure**	**140,663**	**155,476**	**157,013**	**160,885**	**173,341**	**182,993**	**177,475**	**186,096**	**193,347**	**199,896**
(548)	**Operating surplus/(deficit) before tax**	**2,248**	**602**	**(1,626)**	**1,784**	**1,528**	**(39)**	**1,243**	**7,067**	**9,971**	**15,235**
310	Share of associate surplus/(deficit)	(69)	165	1,209	1,239	1,270	1,302	1,336	1,372	1,409	1,330
(238)	**Surplus/(deficit) before tax**	**2,179**	**767**	**(417)**	**3,023**	**2,798**	**1,263**	**2,579**	**8,439**	**11,380**	**16,565**
-	Income tax expense	-	-	-	-	-	-	-	-	-	-
(238)	**Surplus/(deficit) after tax**	**2,179**	**767**	**(417)**	**3,023**	**2,798**	**1,263**	**2,579**	**8,439**	**11,380**	**16,565**
	Other comprehensive revenue										
5,640	Valuation gains/(losses) taken to equity	24,229	40,983	7,508	55,394	60,056	8,165	63,958	73,892	9,840	71,629
-	Fair value gains/(losses) through comprehensive income on investments	-	-	-	-	-	-	-	-	-	-
5,402	**Total comprehensive revenue and expenses**	**26,408**	**41,750**	**7,091**	**58,417**	**62,854**	**9,428**	**66,537**	**82,331**	**21,220**	**88,194**

PROSPECTIVE STATEMENT OF FINANCIAL POSITION

Forecast for ten years ending 30 JUNE 2020 TO 30 JUNE 2031

AP 2020/21 $000		LTP 2021/22 $000	LTP 2022/23 $000	LTP 2023/24 $000	LTP 2024/25 $000	LTP 2025/26 $000	LTP 2026/27 $000	LTP 2027/28 $000	LTP 2028/29 $000	LTP 2029/30 $000	LTP 2030/31 $000
	Assets										
	Current assets										
6,758	Cash and cash equivalents	5,136	5,623	5,761	5,749	5,556	4,735	4,276	3,835	3,603	3,368
15,789	Debtors and other receivables	19,834	21,310	20,632	21,025	22,152	22,637	20,912	22,150	22,543	23,276
297	Prepayments	821	851	875	896	917	938	959	980	1,002	1,024
5,821	Inventories	11,904	8,065	7,488	8,126	8,172	470	480	491	502	513
354	Biological assets	249	256	263	269	276	283	291	299	307	315
-	Other financial assets	-	-	-	-	-	-	-	31	156	161
29,019	**Total current assets**	**37,944**	**36,105**	**35,019**	**36,065**	**37,073**	**29,063**	**26,918**	**27,786**	**28,113**	**28,657**
	Non-current assets										
1,712,724	Property, plant and equipment	1,897,051	1,972,728	2,015,957	2,165,333	2,296,843	2,325,363	2,409,106	2,496,598	2,512,993	2,588,738
550	Intangible assets	1,438	1,147	922	802	815	829	852	884	919	954
19,570	Inventories	17,147	12,675	8,723	4,391	-	-	-	-	-	-
58,791	Investment property	61,097	62,930	64,566	66,244	68,033	69,802	71,756	73,766	75,905	77,954
9,367	Investment in associates	8,880	9,045	10,255	11,060	11,886	12,732	13,600	14,492	15,408	16,232
3,452	Other financial assets	4,880	5,519	6,255	7,881	9,163	9,575	10,059	10,350	10,379	10,403
1,804,454	**Total non-current assets**	**1,990,493**	**2,064,044**	**2,106,678**	**2,255,711**	**2,386,740**	**2,418,301**	**2,505,373**	**2,596,090**	**2,615,604**	**2,694,281**
1,833,473	**Total assets**	**2,028,437**	**2,100,149**	**2,141,697**	**2,291,776**	**2,423,813**	**2,447,364**	**2,532,291**	**2,623,876**	**2,643,717**	**2,722,938**
	Liabilities										
	Current liabilities										
19,079	Trade payables and other accruals	17,344	18,674	18,550	19,904	20,210	19,625	18,796	19,195	19,472	19,873
4,876	Employee benefit liabilities	4,895	5,201	5,397	5,582	5,877	6,293	6,728	6,917	7,130	7,477
-	Borrowings	-	-	-	-	-	-	-	1,910	9,750	10,043
23,955	**Total current liabilities**	**22,239**	**23,875**	**23,947**	**25,486**	**26,087**	**25,918**	**25,524**	**28,022**	**36,352**	**37,393**

AP 2020/21 $000		LTP 2021/22 $000	LTP 2022/23 $000	LTP 2023/24 $000	LTP 2024/25 $000	LTP 2025/26 $000	LTP 2026/27 $000	LTP 2027/28 $000	LTP 2028/29 $000	LTP 2029/30 $000	LTP 2030/31 $000
	Non-current liabilities										
723	Employee benefit liabilities	797	852	908	961	1,010	1,062	1,116	1,152	1,193	1,221
22,000	Borrowings	73,960	102,380	136,860	226,980	295,540	309,780	328,510	335,230	325,480	315,438
1,109	Provisions	1,462	1,312	1,162	1,112	1,084	1,084	1,084	1,084	1,084	1,084
23,832	**Total non-current liabilities**	**76,219**	**104,544**	**138,930**	**229,053**	**297,634**	**311,926**	**330,710**	**337,466**	**327,757**	**317,743**
47,787	**Total liabilities**	**98,458**	**128,419**	**162,877**	**254,539**	**323,721**	**337,844**	**356,234**	**365,488**	**364,109**	**355,136**
1,785,686	**Total net assets**	**1,929,979**	**1,971,730**	**1,978,820**	**2,037,237**	**2,100,092**	**2,109,520**	**2,176,057**	**2,258,388**	**2,279,608**	**2,367,802**
	Net assets / equity										
816,587	Accumulated revenue & expenses	813,013	814,287	813,347	820,023	822,698	824,819	827,043	835,810	846,883	864,531
969,099	Other reserves	1,116,966	1,157,443	1,165,473	1,217,214	1,277,394	1,284,701	1,349,014	1,422,578	1,432,725	1,503,271
1,785,686	**Total net assets / equity**	**1,929,979**	**1,971,730**	**1,978,820**	**2,037,237**	**2,100,092**	**2,109,520**	**2,176,057**	**2,258,388**	**2,279,608**	**2,367,802**

PROSPECTIVE STATEMENT OF CHANGES IN NET ASSETS/EQUITY

Forecast for the ten years 2021/22 to 2031/32

AP 2020/21 $000		LTP 2021/22 $000	LTP 2022/23 $000	LTP 2023/24 $000	LTP 2024/25 $000	LTP 2025/26 $000	LTP 2026/27 $000	LTP 2027/28 $000	LTP 2028/29 $000	LTP 2029/30 $000	LTP 2030/31 $000
1,780,284	Total net equity balance at 1 July	1,903,570	1,929,978	1,971,729	1,978,820	2,037,238	2,100,092	2,109,520	2,176,057	2,258,388	2,279,608
5,402	Total comprehensive revenue for the period	26,408	41,750	7,091	58,417	62,854	9,428	66,537	82,331	21,220	88,194
1,785,686	**Total net equity balance at 30 June**	**1,929,978**	**1,971,728**	**1,978,820**	**2,037,237**	**2,100,092**	**2,109,520**	**2,176,057**	**2,258,388**	**2,279,608**	**2,367,802**
	Total comprehensive revenue and expenses attributable to:										
5,402	Napier City Council	26,408	41,750	7,091	58,417	62,854	9,428	66,537	82,331	21,220	88,194
5,402	**Total comprehensive revenue and expenses**	**26,408**	**41,750**	**7,091**	**58,417**	**62,854**	**9,428**	**66,537**	**82,331**	**21,220**	**88,194**

PROSPECTIVE STATEMENT OF CASH FLOWS

Forecast for the ten years 2021/22 to 2031/32

AP 2020/21 $000		LTP 2021/22 $000	LTP 2022/23 $000	LTP 2023/24 $000	LTP 2024/25 $000	LTP 2025/26 $000	LTP 2026/27 $000	LTP 2027/28 $000	LTP 2028/29 $000	LTP 2029/30 $000	LTP 2031/32 $000
	Cash flows from operating activities										
60,661	Receipts from rates revenue	66,680	74,212	79,631	85,414	93,216	101,816	111,212	121,486	132,719	143,711
216	Interest received	-	-	-	-	-	-	-	-	-	-
-	Dividends received	-	-	-	-	-	-	-	-	-	-
59,606	Receipts from other revenue	60,599	77,028	73,165	73,466	77,199	77,344	65,445	66,801	66,314	66,885
-	Goods and services tax (net)	(1,406)	(19)	62	113	(105)	(132)	117	(109)	(15)	(44)
(95,956)	Payments to suppliers and employees	(113,129)	(107,236)	(110,301)	(112,195)	(117,510)	(117,674)	(117,904)	(121,356)	(124,905)	(128,717)
(275)	Interest Paid	(336)	(617)	(837)	(1,619)	(3,031)	(4,449)	(5,394)	(6,157)	(6,656)	(6,871)
24,252	**Net cash from operating activities**	**12,408**	**43,368**	**41,720**	**45,179**	**49,769**	**56,905**	**53,476**	**60,665**	**67,457**	**74,964**
	Cash flows from investing activities										
250	Proceeds from sale of property, plant & equipment	250	250	250	250	250	250	250	250	250	250
27,000	Proceeds from withdrawal of investments	-	-	-	434	445	456	468	480	493	506
(57,001)	Purchase of property, plant & equipment	(62,098)	(71,387)	(75,984)	(134,675)	(118,107)	(72,430)	(73,060)	(70,295)	(66,519)	(66,326)
(127)	Purchase of intangible assets	193	290	225	121	(13)	(14)	(23)	(33)	(34)	(35)
(14,682)	Acquisition of investments	(1,183)	(455)	(552)	(1,442)	(1,097)	(228)	(300)	(138)	31	156
(44,560)	**Net cash from investing activities**	**(62,838)**	**(71,302)**	**(76,061)**	**(135,312)**	**(118,522)**	**(71,966)**	**(72,665)**	**(69,736)**	**(65,779)**	**(65,449)**

AP 2020/21 $000		LTP 2021/22 $000	LTP 2022/23 $000	LTP 2023/24 $000	LTP 2024/25 $000	LTP 2025/26 $000	LTP 2026/27 $000	LTP 2027/28 $000	LTP 2028/29 $000	LTP 2029/30 $000	LTP 2031/32 $000
	Cash flows from financing activities										
22,000	Proceeds from borrowings	51,960	28,420	34,480	90,120	68,560	14,240	18,730	8,630	-	-
-	Repayment of borrowings	-	-	-	-	-	-	-	-	(1,910)	(9,750)
22,000	**Net cash from financing activities**	**51,960**	**28,420**	**34,480**	**90,120**	**68,560**	**14,240**	**18,730**	**8,630**	**(1,910)**	**(9,750)**
1,692	Net (decrease)/increase in cash, cash equivalents & bank overdrafts	1,530	487	138	(12)	(193)	(821)	(459)	(441)	(232)	(235)
5,066	Cash, cash equivalents & bank overdrafts at 1 July	3,606	5,136	5,623	5,761	5,749	5,556	4,735	4,276	3,835	3,603
6,758	**Cash, cash equivalents & bank overdrafts at 30 June**	**5,136**	**5,623**	**5,761**	**5,749**	**5,556**	**4,735**	**4,276**	**3,835**	**3,603**	**3,368**

The GST (net) component of operating activities reflects the net GST paid or received to or from the Inland Revenue Department.

The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

PROSPECTIVE STATEMENT OF CHANGES IN RESERVE FUNDS

Name of Reserve	Purpose of Reserve	Activity to which reserve relates	Opening Balance 1 July 2021 $000s	Deposits $000s	Expenditure $000s	Closing Balance 30 June 2031 $000s
COUNCIL CREATED RESERVES						
Aquarium Expansion	Derived from grants and donations for the Aquarium Expansion Project	Aquarium	4	-	-	4
Bay View Targeted Rate Fund	Established to recover the cost of connection to the Bay View Sewerage Scheme for properties connecting where the lump sum payment option was not elected. Income is derived from the Bay View Connection rate, and is used to recover loan servicing costs.	Wastewater	(64)	114	(50)	-
Capital Reserve	Derived from rating surpluses. The reserve is available to provide funding for capital projects or debt repayment.	All Activities	1,936	527	(2,454)	9
CBD and Taradale Promotional Levy Funds	Funds from the targeted rates for CBD and Taradale Promotion. The funds collected are paid in full to Napier Inner City Marketing and Taradale Marketing Association.	City and Business Promotion	(5)	2,376	(2,376)	(5)
Cycleway / Walkway Fund	Derived from donations and contributions for the construction and improvements of Cycleways/Walkways	Roading	-	41,533	(41,533)	-
Robson Collection Fund	This fund was set up by the Napier Pilot City Trust in memory of John Robson. Revenue is derived from community donations for the Robson Collection on restorative justice.	Libraries	13	-	(8)	5
Dog Control Fund	This fund is a requirement under the Dog Control Act 1996. All transactions related to the dog owner's share of the costs of Animal Control, both operating and capital, flow to this account. Amounts include dog related fees received and the operating and capital costs of the dog related activity of Animal Control.	Animal Control	1	8,852	(12,992)	(4,139)
Financial Contributions	Collected from financial contributions from developers on the subdivision of land and various land use activities. Used to fund capital works and services. Note: Council is itself a developer (Parklands) and contributions are transferred as internal charges.	Roading, Stormwater, Water, Wastewater, Reserves, Sportsgrounds, Libraries	1,861	87,570	(83,647)	5,784
Infrastructural Asset Renewal and Upgrade Funds*	Collected from the annual rate funded allocation as per the Capital Plan. Used for capital expenditure on infrastructural asset renewals and associated upgrades.	Water Supply, Stormwater, Wastewater, Solid Waste, Sportsgrounds, Reserves, Public Toilets, Cemeteries, Napier Aquatic Centre	20,244	132,585	(144,453)	8,377

Name of Reserve	Purpose of Reserve	Activity to which reserve relates	Opening Balance 1 July 2021 $000s	Deposits $000s	Expenditure $000s	Closing Balance 30 June 2031 $000s
Plant & Equipment Renewals	This fund is derived from the depreciation and interest on capital portions of plant hire charges and profit on plant sold. The fund is used for the purchase of new and replacement plant and vehicles.	All Activities	7,233	35,755	(46,584)	(3,596)
Keep Napier Beautiful	Originally derived from surplus revenue in Keep Napier Beautiful project. Currently credited with annual grant for garden competition and used for competition expenses and administration costs.	Reserves	1	-	-	1
Mayor's Discretionary Fund	Interest on the fund is used for charitable purposes to assist the needy, including contributions to purposes such as the Christmas Cheer Appeal.	Community Planning	2	-	-	2
Pensioner Housing Upgrade Reserve	Established from a contribution from rates equivalent to the annual depreciation on pensioner flats and houses owned by Council. The reserve is available to provide capital upgrade of these facilities.	Retirement & Rental Housing	353	-	-	353
Parking Contributions Account	Funds derived for the provision of parking facilities.	Parking	3,952	1,746	(5,999)	(301)
Parking Equipment Reserve Account	To provide funds for replacement of parking equipment on a regular basis.	Parking	1,933	1,197	-	3,130
Taradale Parking Meters	Funds collected from Parking Meters in Taradale Town Centre to fund the 2010 upgrade of the Town Centre (including parking).	Parking	(198)	1,905	(1,530)	177
Parklands Residential Development Fund	Derived from proceeds of section sales of the Parklands Residential Development project less development expenditure.	Parklands Residential Development, Property Holdings, Sportsgrounds, Reserves, Napier Skate Park	4,991	100,166	(83,135)	22,022
Roading Property Reserve	Derived from the sale or lease of surplus roading property. The proceeds are available for Roading property purchases and improvements.	Roading	(273)	(62)	-	(335)
Property Reserve	Derived from the sale of miscellaneous property. The proceeds are available for the acquisition of other miscellaneous land and buildings. Its purpose in particular is for unscheduled property purchases related to district scheme designations and for private developments which occur from time to time.	Property Holdings	1,979	336	(500)	1,815

Name of Reserve	Purpose of Reserve	Activity to which reserve relates	Opening Balance 1 July 2021 $000s	Deposits $000s	Expenditure $000s	Closing Balance 30 June 2031 $000s
McLean Park Property Reserve Account	Derived from rental income from the McVay Street and Vigor Brown Street houses less current loan servicing costs. As per Council resolution dated 15 May 2002, the fund may be used to fund future McLean Park property purchases or loan servicing costs on future purchases.	Sportsgrounds	292	2,463	(1,218)	1,537
Hawke's Bay Harbour Board Endowment Land Sale Account	Derived from proceeds from freeholding HB Harbour Board Endowment Land. The Hawke's Bay Endowment Land Empowering Act 2002 provides an unrestricted use of proceeds from leasehold land freeholded after 30 March 2002.	Property Holdings, Parklands Residential Development, Marine Parade Pools, Reserves	19,315	4,500	-	23,815
Investment Property Portfolio Sale Account	Derived from proceeds from freeholding HB Harbour Board Endowment Land.	Property Holdings	877	-	-	877
Solid Waste Disposal Income Account	Amount is derived from returns from the Joint Regional Landfill Committee for the operation of the Omarunui Regional Landfill and is used to fund capital development of the landfill and the net operating costs including loan servicing, of the Transfer Station.	Solid Waste	3,442	74,579	(68,659)	9,362
Reserve Subdivision of Land	Derived from contributions on the subdivision of land towards the development of reserves and subject to Council approval as part of the annual budget process.	Reserves	27	1,910	(1,904)	33
Lagoon Farm Account	Derived from the Lagoon Farm activity	Lagoon Farm	200	6,880	(7,453)	(373)
Subdivision and Urban Growth Fund	To service all borrowing in relation to Council's share of subdivision and urban growth projects, and to meet any servicing costs on financing the developer's share of projects where expenditure requirements precede the receipt of financial contributions. A part of the surplus is also used to reduce the general rate requirement.	All Activities	5,259	-	(5,218)	41
Total Council Created Reserves			**73,375**	**504,932**	**(509,713)**	**68,595**

Name of Reserve	Purpose of Reserve	Activity to which reserve relates	Opening Balance 1 July 2021 $000s	Deposits $000s	Expenditure $000s	Closing Balance 30 June 2031 $000s
RESTRICTED RESERVES						
Endowment Land Account	Derived from the sale of BCP Faraday Street land and the transfer of the Criterion Account capital sum previously advanced to the Land Development Account. This account is now used for the sale and purchase of other endowment land.	Property Holdings	70	(674)	(3,795)	(4,399)
Hawke's Bay Harbour Board Endowment Land Income Account	Derived from proceeds from the sale of former Harbour Board leasehold properties up to 30 March 2002. To be used to fund maintenance and capital improvements of the Inner Harbour and any other future capital expenditure related to Napier Harbour as defined by the Act.	Inner Harbour, Reserves, Lagoon Farm, Property Holdings	(2,941)	18,205	(18,394)	(3,130)
Total Restricted Reserves			**(2,871)**	**17,531**	**(22,189)**	**(7,529)**
BEQUESTS AND TRUST FUNDS						
Colenso Bequest	Bequest is invested and the income derived used to: i) Provide a fund for the assistance of poor families. (Capital $2500) ii) Provide assistance for prisoners released from Napier jail. (Capital $500) iii) Provide a fund for the assistance of distressed seamen and strangers. (Capital $1000) iv) Provide prizes for senior scholars at Napier Boys, Napier Girls & Colenso High Schools. (Capital $1000)	Community Planning	29	4	(17)	16
Estate Henry Hodge	For charitable purposes, with a wish that it be used for the erection of flats for the needy.	Retirement & Rental Housing	177	40	-	217
Eskdale Cemetery Trust	This Trust fund, comprising a number of bequests totalling $1,400, was taken over from the former Hawke's Bay County Council, and is available for the maintenance and upkeep of the Eskdale Cemetery.	Cemeteries	26	6	-	32
Hawke's Bay Municipal Theatre	Funds held on behalf of Hawke's Bay Arts and Municipal Theatre Trust.	Napier Municipal Theatre	6	1	-	7

Name of Reserve	Purpose of Reserve	Activity to which reserve relates	Opening Balance 1 July 2021 $000s	Deposits $000s	Expenditure $000s	Closing Balance 30 June 2031 $000s
John Close Bequest	Bequest is invested and income used in two ways: i) Cemetery Trust - for upkeep and maintenance of the Close burial plot, with surplus income to provide ham and ale at Christmas to the poor, old and needy. ii) Coal Trust - provided wood and coal to the needy. A scheme for arrangement for the disposition of income in terms of the Charitable Trusts Act 1957 was to have been initiated in 1993.	Community Planning	50	10	(11)	49
Morecroft Bequest	To provide a Municipal gymnasium or gymnasium equipment, either as a separate building or as part of any memorial or centennial hall which Napier City Council may decide to erect.	Sportsgrounds	16	3	-	19
Napier Christmas Cheer	For community fundraising through the HB Today for the preparation of Christmas parcels to be distributed to disadvantaged individuals and families within the Napier District.	Community Planning	34	142	(136)	40
Total Bequests Trust Funds			**338**	**206**	**(164)**	**380**

Positive numbers indicate a favourable balance; negative numbers indicate an unfavourable balance

FINANCIAL OVERVIEW: SUMMARY OF REVENUE AND FINANCING MECHANISMS

Funding Impact Statement (Whole of Council)

AP 2020/21 $000		LTP 2021/22 $000	LTP 2022/23 $000	LTP 2023/24 $000	LTP 2024/25 $000	LTP 2025/26 $000	LTP 2026/27 $000	LTP 2027/28 $000	LTP 2028/29 $000	LTP 2029/30 $000	LTP 2030/31 $000
	Sources of operating funding										
43,373	General rates, uniform annual general charges, rates penalties	42,992	44,617	46,800	51,024	56,822	61,758	68,632	77,269	84,583	93,133
20,820	Targeted rates	26,387	29,849	33,103	34,681	36,790	40,489	43,052	44,733	48,700	51,127
2,787	Subsidies and grants for operating purposes	2,608	2,646	2,713	2,779	2,847	2,917	2,980	3,057	3,126	3,194
17,564	Fees and charges	23,833	25,151	26,119	27,122	27,942	28,770	29,650	30,588	31,554	32,520
216	Interest and dividends from investments	-	-	-	-	-	-	-	-	-	-
28,870	Local authorities fuel tax, fines, infringement fees, and other receipts	34,078	38,973	31,821	31,870	34,990	33,578	18,321	18,677	18,752	18,978
113,630	**Total operating funding (A)**	**129,898**	**141,236**	**140,556**	**147,476**	**159,391**	**167,512**	**162,635**	**174,324**	**186,715**	**198,952**
	Applications of operating funding										
93,446	Payments to staff and suppliers	105,066	116,696	114,497	116,013	122,618	125,964	117,304	121,805	125,280	129,264
275	Finance costs	336	617	837	1,619	3,031	4,449	5,394	6,157	6,656	6,871
342	Other operating funding applications	13	13	13	13	13	13	13	13	13	13
94,063	**Total applications of operating funding (B)**	**105,415**	**117,326**	**115,347**	**117,645**	**125,662**	**130,426**	**122,711**	**127,975**	**131,949**	**136,148**
19,567	**Surplus/(deficit) of operating funding (A - B)**	**24,483**	**23,910**	**25,209**	**29,831**	**33,729**	**37,086**	**39,924**	**46,349**	**54,766**	**62,804**
	Sources of capital funding										
2,124	Subsidies and grants for capital expenditure	2,641	4,172	4,152	4,252	4,198	3,954	4,160	6,614	3,989	3,400
3,391	Development and financial contributions	7,090	7,296	7,478	7,665	7,857	8,053	8,262	8,485	8,714	8,941
22,000	Increase/(decrease) in debt	51,960	28,420	34,480	90,120	68,560	14,240	18,730	8,630	(1,910)	(9,750)
250	Gross proceeds from sale of assets	250	250	250	250	250	250	250	250	250	250
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
27,765	**Total sources of capital funding (C)**	**61,941**	**40,138**	**46,360**	**102,287**	**80,865**	**26,497**	**31,402**	**23,979**	**11,043**	**2,841**

AP 2020/21 $000		LTP 2021/22 $000	LTP 2022/23 $000	LTP 2023/24 $000	LTP 2024/25 $000	LTP 2025/26 $000	LTP 2026/27 $000	LTP 2027/28 $000	LTP 2028/29 $000	LTP 2029/30 $000	LTP 2030/31 $000
	Application of capital funding										
	Capital expenditure										
6,482	- to meet additional demand	12,589	17,673	11,615	20,585	21,046	14,645	14,876	9,817	10,601	12,818
31,014	- to improve the level of service	20,535	21,348	33,776	45,744	47,780	20,035	32,381	34,069	28,480	23,006
20,822	- to replace existing assets	30,069	32,238	30,461	69,424	48,935	36,839	25,858	26,386	27,397	30,536
(10,986)	Increase (decrease) in reserves	23,231	(7,211)	(4,283)	(3,635)	(3,167)	(7,936)	(1,789)	56	(669)	(715)
-	Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
47,332	**Total application of capital funding (D)**	**86,424**	**64,048**	**71,569**	**132,118**	**114,594**	**63,583**	**71,326**	**70,328**	**65,809**	**65,645**
(19,567)	**Surplus/(deficit) of capital funding (C - D)**	**(24,483)**	**(23,910)**	**(25,209)**	**(29,831)**	**(33,729)**	**(37,086)**	**(39,924)**	**(46,349)**	**(54,766)**	**(62,804)**
-	**Funding balance ((A-B) + (C-D))**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

RATING SYSTEM

The following describes in full the rating system to apply from 1 July 2021:

General Rates

General Rates are used to fund both operating and capital expenditure. They fund the remaining costs of Council operations after all other sources of funding have been applied.

General Rates are assessed through a combination of a Uniform Annual General Charge (UAGC) and a rate in the dollar based on land value.

The amount of the UAGC is set to ensure that the total (excluding water and wastewater rates) uniform (or fixed) rates will be between 20% to 25% of total rates that are to be collected.

The General Rate is set differentially using matters as prescribed in Schedule 2 of the LGRA, and as listed in the Funding Impact Statement. The LGRA Schedule 2 allows councils to set a General Rate based on each of these matters.

General rate differentials

Rating Units assessed for the General Rate are categorised into one of four differential categories:

- Residential/Other
- Commercial & Industrial
- Rural
- Rural Residential

Residential/Other

Any property that is not defined as Commercial & Industrial, Rural Residential or Rural.

Commercial & Industrial

Any property that is in a commercial or industrial zone under the District Plan or used for any business activities, except properties categorised as rural or consented for residential use, will be rated as commercial and industrial properties.

Commercial and industrial activities include, but are not restricted solely to:

- Rural support and other similar activities such as transport, supplies, packhouses and wineries servicing multiple clients
- Professional offices, surgeries etc.
- All retail, wholesale merchandising activities
- All forms of manufacturing and processing
- Bars, restaurants, cafés and other service activities
- Storage facilities
- Hotels, motels, B & B's and other short-term accommodation providers
- Tourism operations
- Care facilities operated for profit

Rural Residential

Any rating unit that would otherwise be classified as Residential, but is not connected or able to be connected to both the city water system and the city sewerage system.

Rural

Any rating unit with an area of 5 Hectares or more that is used predominantly for land based agricultural or farming activities.

Differentials

A review of the Revenue & Financing Policy was conducted with adoption occurring in February 2021. New differentials were introduced. Based on the review, the following are the differentials to be applied based on the

land value of properties in each differential category.

Differentials	Group / Code	Differential Rate
Residential / Other	1	100%
Commercial & Industrial	2	260%
Rural	3	85%
Rural Residential	4	90%

Due to significant increases being experienced for certain property types, General Rate differentials will be phased in over 3 years from the start of the 2021/22 ratings year. The calculation is based on the difference between the old differential (as defined in the 2020/21 Annual Plan) and the target differential, split into 3 equal stages. The schedule for phasing is as follows:

Old Differentials	Old Code	Old Diff Rate	New Differential Rate	New Code	Differential Rate	2021/22	2022/23	2023/24
City Residential	1	100.00%	Residential / Other	1	100.00%	100.00%	100.00%	100.00%
Commercial & Industrial	2	268.09%	Commercial & Industrial	2	260.00%	265.39%	262.70%	260.00%
Miscella-neous	3	100.00%	Residential / Other	1	100.00%	100.00%	100.00%	100.00%
Miscella-neous	3	100.00%	Commercial & Industrial	2	260.00%	153.33%	206.67%	260.00%
Miscella-neous	3	100.00%	Rural	3	85.00%	95.00%	90.00%	85.00%
Miscella-neous	3	100.00%	Rural Residential	4	90.00%	96.67%	93.33%	90.00%
Ex City Rural	4	63.47%	Residential / Other	1	100.00%	75.65%	87.82%	100.00%
Ex City Rural	4	63.47%	Rural Residential	4	90.00%	72.31%	81.16%	90.00%
Ex City Rural	4	63.47%	Rural	3	85.00%	70.65%	77.82%	85.00%
Other Rural	5	63.47%	Residential / Other	1	100.00%	75.65%	87.82%	100.00%
Other Rural	5	63.47%	Rural Residential	4	90.00%	72.31%	81.16%	90.00%
Other Rural	5	63.47%	Commercial & Industrial	2	260.00%	128.98%	194.49%	260.00%
Other Rural	5	63.47%	Rural	3	85.00%	70.65%	77.82%	85.00%
Bay View	6	72.80%	Residential / Other	1	100.00%	81.87%	90.93%	100.00%
Bay View	6	72.80%	Commercial & Industrial	2	260.00%	135.20%	197.60%	260.00%
Bay View	6	72.80%	Rural Residential	4	90.00%	78.53%	84.27%	90.00%

The purpose of the differentials applied to the General Rate is to ensure that the amount payable by groups of ratepayers reflects Council's assessment of the relative benefit received and share of costs those groups of ratepayers should bear based on the principles outlined in the Revenue and Financing Policy.

Notes on allocation of properties into differential categories

Rating units 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 characteristic of the property suggest an alternative use.

To avoid doubt where a rating unit has more than one use the relevant predominant use will be used to determine the category. The predominant use relates to the main productive activity rather than just to the land area. Where there is uncertainty the land will be categorised into the highest rated 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.

Uniform Annual General Charge

Council's Uniform Annual General Charge (UAGC) is set at a level that enables all Targeted Rates that are set on a uniform basis as a fixed amount, excluding those related to Water Supply and Sewage Disposal, to recover between 20% and 25% of total rates. For 2021-22 Council has determined that the UAGC will be set at a level to recover 22% of total rates from fixed amounts.

The charge is applied to each separately used or inhabited part of a rating unit.

Targeted Rates

Targeted Rates are charged to fund both operating and capital expenditure. They are charged where Council considers it desirable to separate out the funding of an activity. They are charged to rating units including those units that are separately inhabited which have access to or are deemed to benefit from the service provided. Targeted rates are a funding mechanism that may be charged for activities deemed to have either a high public or a high private good to identified properties, an area of the city or the city as a whole.

Some targeted rates are applied differentially using either land or capital values, however most targeted rates are applied on a uniform basis (same amount or rate in the dollar).

Water

Fire Protection Rate

This rate recovers a portion of the net costs of the water supply systems before the deduction of water by meter income.

The Fire protection targeted rate is based on the Capital Value of properties connected to, or able to be connected to, the Napier City Council water supply systems.

This rate is differentially applied, in recognition that the carrying capacity of water required in the reticulation system to protect commercial and industrial properties is greater than that required for residential properties. The rate is further differentiated where a property is not connected but is within 100 metres of a water supply system. 50% of the base rate for each differentiated category applies for each property not connected but located within 100 metres of the systems.

Differentials	Connected (%)	Not connected but within 100m (%)
Central Business District and Fringe Area	400%	200%
Suburban Shopping Centres, Hotels and Motels and Industrial rating units outside of the CBD	200%	100%
Other Rating Units connected to or able to be connected to the Council water supply systems	100%	50%

Water Rate

These rates recover the balance of the total net cost of the water supply systems after allowing for revenue collected from the Fire Protection Targeted Rate and the Water by Meter targeted rate.

The targeted rates are differentially applied and are a fixed amount set on a uniform basis, applied to each Separately Used or Inhabited Part of a Rating Unit connected to or able to be connected to, the Council's water supply system.

The differential categories for the water rates are:

- Connected – any Rating Unit that is connected to a Council system
- Service available – any Rating Unit that is not connected to a Council system but is within 100 metres of such system (charged 50% of the targeted rate for connected properties)

Differentials	Connected (%)	Not connected but within 100m (%)
Rating Units connected to or able to be connected to the Council water supply systems	100%	50%

Stormwater Rate

The primary beneficiary of storm water assets are those properties that have a hard surface. There is a strong relationship between Capital Value and the hard surface area of a property.

This rate recovers the cost of storm water activity. The Stormwater Rate is based on the Capital Value of Residential, Rural Residential and Commercial & Industrial properties within the recognised serviced area as per the Stormwater Coverage map (i.e. non-rural property as defined under the District Plan).

Rural properties are exempted.

The differential categories for Stormwater Rates are:

Differentials	Differential Rate within service area
Residential / Other	100%
Commercial & Industrial	250%
Rural Residential	100%

Sewerage Rate

This rate recovers the net cost of the waste water activity.

The Sewerage targeted rate is applied differentially as a fixed amount and is set on a uniform basis. It is applied to each separately used or inhabited part of a rating unit connected to, or able to be connected to, the Sewerage System.

A differential of 50% of the rate applies to each rating unit not connected but located within 30 metres of the system.

Differentials	Connected (%)	Not connected but within 30m (%)
Rating units connected to or able to be connected to the Sewerage System	100%	50%

Bay View Sewerage Connection Rate

The Bay View Sewerage Scheme involves reticulation and pipeline connection to the City Sewerage System. Prior to 1 November 2005, property owners could elect to connect either under a lump sum payment option, or by way of a targeted rate payable over 20 years.

The Bay View Sewerage Connection targeted rate is a fixed amount set on a uniform basis. It is applied to each separately used or inhabited part of a rating unit connected to the Bay View Sewerage Scheme, where the lump sum payment option was not elected.

The rate applies from 1 July following the date of connection for a period of 20 years, or until such time as a lump sum payment for the cost of connection is made.

The category of rateable land for setting the targeted rate is defined as the provision of a service to those properties that are connected to the sewerage system, but have not paid the lump sum connection fee.

Refuse & Recycling

Refuse Collection and Disposal Rate

This rate recovers the cost of the kerbside refuse collection service, including an allocation of the cost of Council support services.

The Refuse Collection and Disposal targeted rate of a fixed amount is set on a uniform basis. It is applied to each separately used or inhabited part of a rating unit for which a rubbish collection service is available and is multiplied by number of times each week the service is provided. Rating units which Council officers determine are unable to practically receive the Council service and have an approved alternative service will be charged the waste service charge that excludes the approved alternative service.

Kerbside Recycling Rate

This rate recovers the net cost of the kerbside recycling collection service, including an allocation of the cost of Council support services.

The Kerbside Recycling targeted rate of a fixed amount is set on a uniform basis. It is applied to each separately used or inhabited part of a rating

unit for which the kerbside recycling collection service is available. Rating Units which Council officers determine are unable to practically receive the Council service and have an approved alternative service will be charged the waste service charge that excludes the approved alternative service.

Off Street Car Parking Rates

CBD Off Street Car Parking Rate

This rate is used to provide additional off street car parking in the Central Business District. Those commercial rating units in the mapped areas identified as the Central Business District Off Street Car Parking 100% and 50% Parking Dispensation areas are charged the CBD Off Street Parking targeted rate based on land value. This rate is set on a differential basis as follows:

Differentials	%
Properties where council provides additional parking due to the property receiving a 100% parking dispensation	100%
Properties where council provides additional parking due to the property receiving a 50% parking dispensation.	50%

Refer Council maps:

- CBD Off Street Car Parking – 100% Parking Dispensation Area
- CBD Off Street Car Parking – 50% Parking Dispensation Area
- Taradale Off Street Car Parking Rate

This rate is used to provide additional off street car parking in the Taradale Suburban Commercial area.

Those commercial rating units in the Taradale Suburban Commercial area only are charged the Taradale Off Street Parking targeted rate based on land value and set on a uniform basis.

Suburban Off Street Car Parking Rate

This rate is used to provide additional off street car parking at each of these areas served by Council supplied off street car parking, and to maintain the existing off street car parking areas.

Those commercial rating units in suburban shopping centres and those commercial properties located in residential areas which are served by Council supplied off street car parking are charged the Suburban Shopping Centre Off Street Parking targeted rate based on land value and set on a uniform basis.

Promotion Rates

CBD Promotion Rate

This rate recovers at least 70% of the cost of the promotional activities run by Napier City Business Inc. The remainder is met from general rates to reflect the wider community benefit of promoting the CBD to realise its full economic potential.

Each commercial and industrial rating unit situated within the area as defined on Council map "CBD Promotion Rate Area" are charged the CBD Promotion targeted rate based on land value and set on a uniform basis.

Taradale Promotion Rate

This rate recovers the full cost of the Taradale Marketing Association's promotional activities. All rating units in the Taradale Suburban Commercial area are charged the Taradale Promotion targeted rate based on land value and set on a uniform basis.

Other Rates and Charges

Swimming Pool Safety Rate

This rate recovers the cost of pool inspections and related costs to ensure owners meet the legal requirements of the Building Act 2004 and Building (Pools) Amendment Act 2016. A targeted rate of a fixed amount set on a uniform basis, applied to each rating unit where a residential pool or small heated pool (within the meaning of the Building (Pools) Amendment Act 2016) is subject to a 3 yearly pool inspection.

Water By Meter Charges

This rate applies to all with a water meter and is charged based on a scale

of charges as shown on the schedule of indicative rates each year.

Where any rating unit is suspected to have above average water usage Council officers may require that a water meter is installed and excess usage is charged based the water by meter targeted rate.

The rate charged on actual water use above 300m3 per SUIP per annum applies to select metered properties.

Targeted Rates Note:

For the purposes of Schedule 10, clause 15(4)(e) or clause 20(4)(e) of the Local Government Act 2002, lump sum contributions will not be invited in respect of targeted rates, unless this is provided within the description of a particular targeted rate.

Separately used or inhabited parts of a Rating Unit definition

Definition

For the purposes of the Uniform Annual General Charge and all uniform (or fixed value) Targeted Rates, a separately used or inhabited part of a rating unit is defined as: Any part of a rating unit that is, or is able to be, separately used or inhabited by the owner or by any other person or body having the right to use or inhabit that part by virtue of a tenancy, lease, licence or other agreement.

This definition includes separately used parts, whether or not actually occupied at any particular time, which are provided by the owner for rental (or other forms of occupation) on an occasional or long term basis by someone other than the owner.

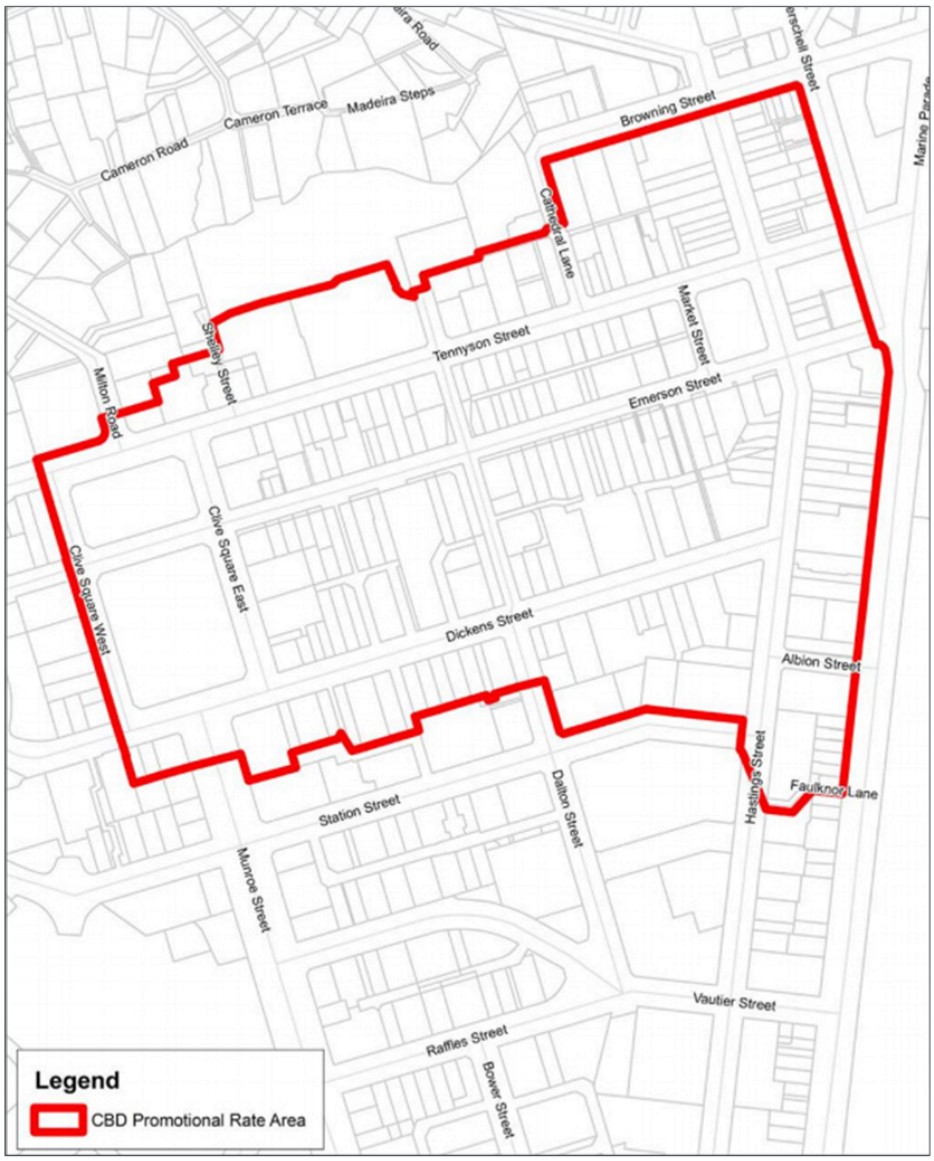
Examples of separately used or inhabited parts of a rating unit include:

- For residential rating units, each consented supplementary unit is considered a separately used or inhabited part. Each situation is assessed on its merits.
- Residential properties, where a separate area that is available to be used as an area independent to the rest of the dwelling is used for the purpose of operating a business, such as a professional practice, dedicated shop\display area or trade workshop. The business area is considered a separately used or inhabited part.
- For commercial or industrial properties, two or more different businesses operating from or making separate use of the different parts of the rating unit. Each separate business is considered a separately used or inhabited part. A degree of common area would not necessarily negate the separate parts.
- Where a single business comprises multiple buildings, or multiple floors of a single building, each building or floor of a multi-story building is deemed to constitute a separate part (SUIP).

These examples are not inclusive of all situations.

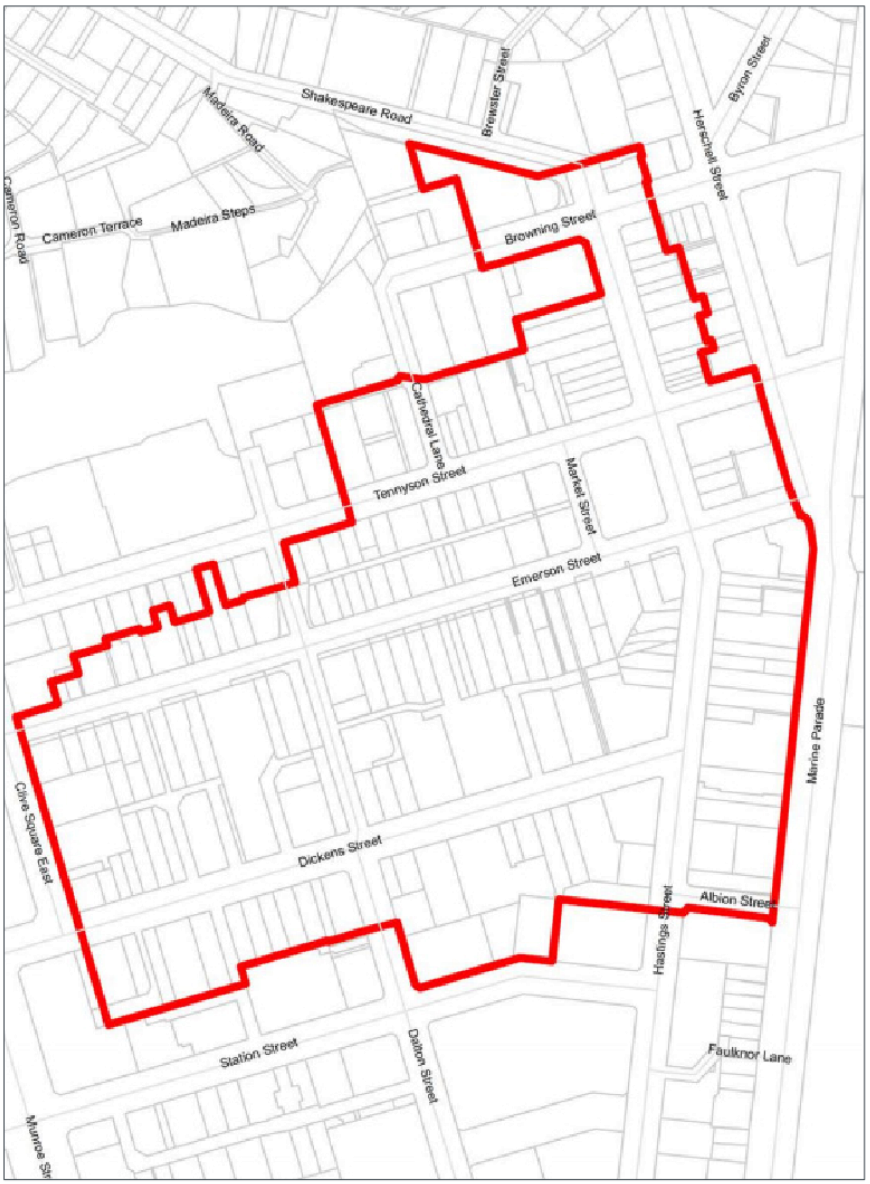
COUNCIL MAPS

CBD Promotion Rate Area



CBD Off Street Parking

100% Parking Dispensation Area

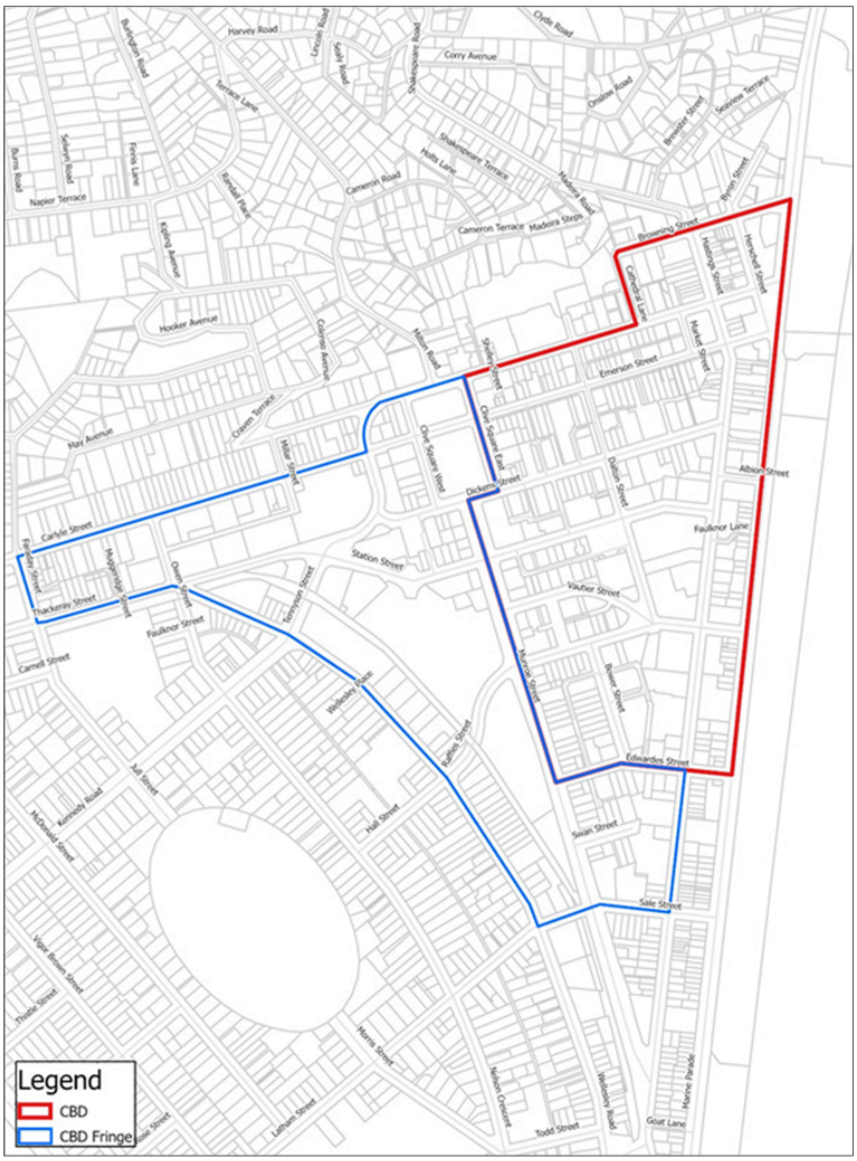


CBD Off Street Parking

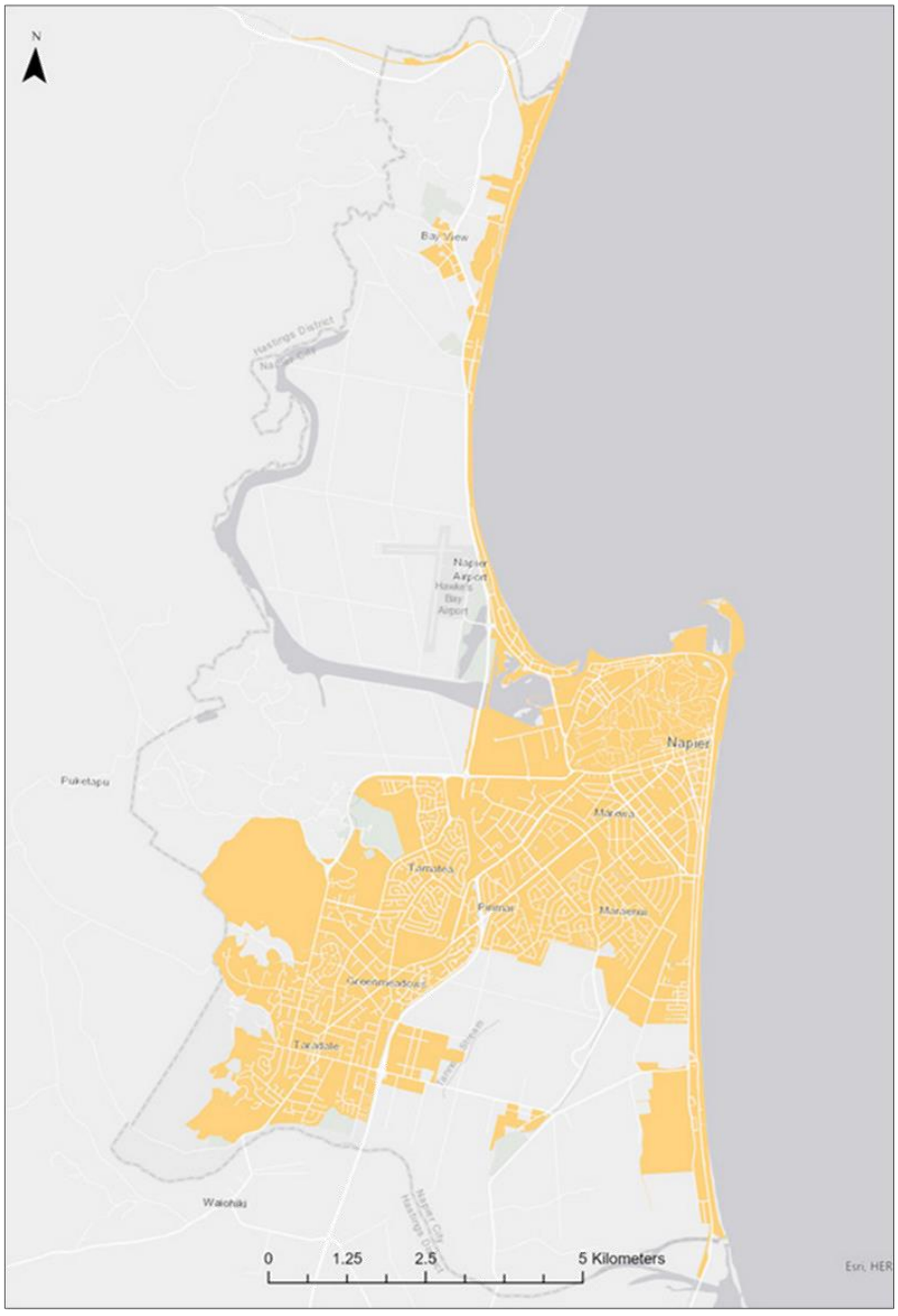
50% Parking Dispensation Area



CBD Fire Protection Area



Stormwater Coverage



Other Rating Matters

Due Dates for Payment of Rates

Instalment Rating

Rates for 2021/22 are set and assessed effective from Instalment 1 and are due and payable in four equal instalments as follows:

- First Instalment due 18 August 2021
- Second Instalment due 17 November 2021
- Third Instalment due 16 February 2022
- Fourth Instalment due 18 May 2022

Water by Meter Charges

Targeted rates for metered water supply are separately invoiced; either quarterly in September, December, March and June for non-domestic supplies, or annually in June for metered domestic supplies.

The payment due date is the 20th of the month after the month of invoice.

Penalties

In accordance with sections 57 and 58 of the Local Government (Rating) Act 2002, a penalty of 10 per cent is added to each instalment or part thereof which is unpaid two full working days after the due date for payment. Previous years rates which remain unpaid will have a further 10% added two full working days after the due date for instalments one and three.

Fees and Charges

Council applies a range of fees and charges to fully or partially recover the costs of various activities.

The level of fees and charges are reviewed annually and a schedule of Council Fees and Charges is prepared as a separate document.

The schedule is available upon request from the Council office.

INDICATIVE RATES

Description	Category	Factor	Old	New	2021-22 Proposed Rate (Incl GST)	2021-22 Proposed Revenue (Excl GST)
General Rates						
General Rate (cents per $ Land Value)	All rateable property	Land Value	Differential	Differential		
Differential 1 Residential/Other						
Residential			100.00	100.00	0.003	18,883
Former Miscellaneous properties			100.00	100.00	0.003	149
Former Ex City Rural properties			63.47	75.65	0.003	20
Former Other Rural properties			63.47	75.65	0.003	56
Former Bay View Properties			72.80	81.87	0.003	82
Differential 2 Commercial and Industrial						
Commercial & Industrial			268.09	265.39	0.009	11,235
Former Miscellaneous Commercial properties			100.00	153.33	0.005	95
Former Other Rural Commercial properties			63.47	128.98	0.004	22
Former Bay View Commercial Properties			72.80	135.20	0.005	19
Differential 3 Rural						
All Rural Properties (> 5Ha)			63.47	70.65	0.002	547
Differential 4 Rural Residential						
Former Residential and Miscellaneous properties			100.00	96.67	0.003	2
Former Other Rural properties			63.47	72.31	0.002	1,163
Former Bay View Properties			72.80	78.53	0.003	347
Total - General Rates on Land Value						**32,620**
Uniform Annual General Charge (UAGC)	All rateable property	Fixed amount per SUIP*			$424.00	10,272
TOTAL GENERAL RATES						**42,892**

Description	Category	Factor			2021-22 Proposed Rate	2021-22 Proposed Revenue
Targeted Rates			Old	New		Including GST
Stormwater Targeted Rate	Mapped service area	Capital Value				
				Differential		
Residential				100.00	0.000	2,903
Commercial				250.00	0.001	1,279
						4,182
Fire Protection Rate	Service available / Connected	Capital Value		Not Connected	Connected	
CBD Commercial				0.000	0.000	139
Other Commercial & Industrial				0.000	0.000	150
Residential & Other				0.000	0.000	684
						973
Water Supply	Service available / Connected	Fixed amount per SUIP*				
Water Rate (connected)					244.00	5,638
Water Rate - Serviceable (not connected) 50%					122.00	
Refuse Collection & Disposal Rate	Service available	Fixed amount per SUIP*				
1 collection per week					133.00	3,170
2 collection per week					266.00	
3+ collection per week					399.00	
Kerbside Recycling Rate	Service available	Fixed amount per SUIP*			73.00	1,569
Sewerage	Service available / Connected	Fixed amount per SUIP*				
Sewerage Rate (connected)					426.00	9,832
Sewerage Rate - Serviceable (not connected) 50%					213.00	
Bay View Sewerage Connection Rate	Service available	Fixed amount per SUIP*			941.35	18

Description	Category	Factor	2021-22 Proposed Rate	2021-22 Proposed Revenue
CBD Off Street Car Parking Rate	Commercial in catchment area	Land value		
100% Parking Dispensation area			0.001	90
50% Parking dispensation area			0.000	31
				121
Taradale Off Street Car Parking Rate	Commercial in catchment area	Land value	0.001	17
Suburban Off Street Car Parking Rate	Commercial in catchment area	Land value	0.001	12
Promotion Rate - CBD	Commercial in catchment area	Land value	0.001	153
Promotion Rate - Taradale	Commercial in catchment area	Land value	0.001	61
Swimming Pool Safety Rate	Service provision	Fixed amount per rating unit	$54.00	83
Plus Allowance for Rate Penalties				270
Less Allowance for Rate Remissions				(339)
TOTAL RATES (Excluding water by Meter)				**68,651**
Water By Meter Charges	Connected / Supply	Fixed amount per cubic metre		
Non-Domestic Supplies			0.602	728
Metered domestic supplies			1.118	
TOTAL RATES (Including water by Meter)				**69,379**

* SUIP = Separately used or inhabited part

EXAMPLES OF PROPOSED RATES FOR 2021/22

Examples of the impact of rating proposals for 2021/22 are shown in the following table:

Differential Category	Land Value	Capital Value	Rates 2020-21	Rates 2021-22	Change $	Weekly Change $	Change %
Residential							
Average Value & Land Value Increase	299,500	638,300	2,379	2,477	98	1.89	4.1%
Average Value - above average LV movement	310,000	640,000	2,422	2,567	144	2.78	6.0%
Low Value residential	128,000	425,000	1,489	1,846	357	6.86	24.0%
Parklands Residential	320,000	840,000	2,540	2,602	62	1.19	2.4%
Te Awa Residential	290,000	740,000	2,511	2,474	-37	-0.70	-1.5%
Bay View Residential	284,200	614,300	1,964	2,248	283	5.45	14.4%
Ex Rural Residential (City fringe)	668,600	1,389,800	2,811	3,375	564	10.85	20.1%
Commercial / Industrial							
Other Commercial Average	553,900	1,148,300	5,990	7,375	1,385	26.64	23.1%
CBD Average	867,900	2,368,800	11,658	13,281	1,623	31.20	13.9%
Industrial Average	1,069,700	1,777,800	9,566	11,976	2,410	46.34	25.2%
Bay View Average Commercial	473,500	855,500	1,931	3,585	1,654	31.81	85.7%
Rural Average Commercial	457,200	1,610,600	1,527	2,523	995	19.14	65.2%
Rural							
Average Rural	1,832,800	2,320,400	4,392	4,946	555	10.67	12.6%
Rural Residential							
Bay View Average	375,400	782,700	1,853	2,076	223	4.30	12.1%
Other Rural Residential in Stormwater area	457,500	875,900	1,620	1,933	313	6.02	19.3%
Other Rural Residential outside Stormwater area	457,500	875,900	1,620	1,733	113	2.18	7.0%

The three -yearly revaluation for the city for rating purposes was undertaken in 2020 and those new valuations apply as the basis for setting the rates for 2021-22.

The rating examples should be read having regard for the following:

Council's total rates revenue for 2021/22, excluding rate penalties and water by meter charges, will increase by 8.30% which is an average increase of 8.00% for existing properties after an allowance of 0.3% is made for new properties added since last year.

Council has recently consulted on changes to differential categories and differential factors. The changes are proposed to be phased in over 3 years and this results in impacts, in particular on properties previously rated in the Rural and Bay View categories.

As property values directly affect the level of general and targeted rates charged on either laned or capital value , changes in property value, above and below the average movements across the city will mean that the rate increase properties will be greater or less than the proposed 8% overall increase for individual properties.

FINANCIAL PRUDENCE BENCHMARK

Local Government (Financial Reporting and Prudence) Regulations 2014

The Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations 2014) were developed to assist in identifying local authorities where further enquiry is warranted in relation to their financial management, and promote prudent financial management by local authorities.

Under Section 13 of the Regulations 2014, the Council must include in its LTP a Disclosure Statement that details the following benchmarks:

- For the 10 years of the LTP:
    - Rates affordability benchmarks; and
    - Debt Affordability benchmarks;
- For the year prior to the LTP plus the 10 years of the LTP:
    - Balanced budget benchmark;
    - Essential services benchmark; and
    - Debt servicing benchmark;

Section 101A of the LGA requires local authorities, to prepare and adopt a financial strategy that includes a statement that quantifies limits on rates, rate increase and borrowings. These limits are then used as the basis of the Rates and Debt Affordability benchmarks.

Long-term plan disclosure statement for period commencing 1 July 2021

What is the purpose of this statement?

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). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

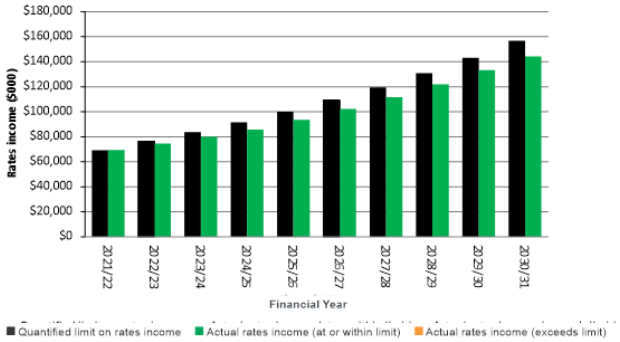
Rates Affordability Benchmark

The council meets the rates affordability benchmark if:

- its planned rates income equals or is less than each quantified limit on rates; and
- its planned rates increases equal or are less than each quantified limit on rates increases.

Rates (increases) affordability

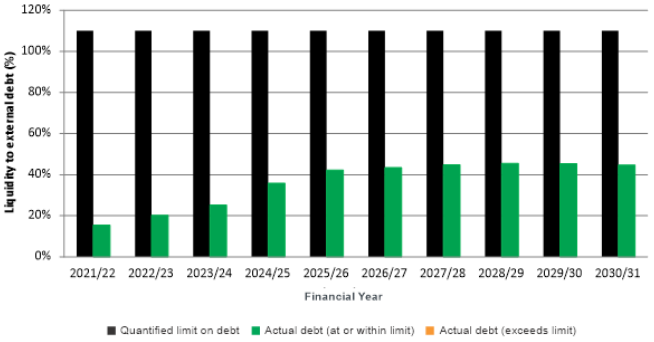
The following graph compares the council's planned rates with a quantified limit on rates contained in the financial strategy included in this long-term plan. The quantified limit is 8% in 2021/22 and thereafter no more than the Local Government Cost Index (LGCI) plus 6.5%, together with an allowance of 0.3% for growth in the rating base. The calculation excludes water by meter, rates remissions and rates penalties as these are not included in the rates collection calculation.



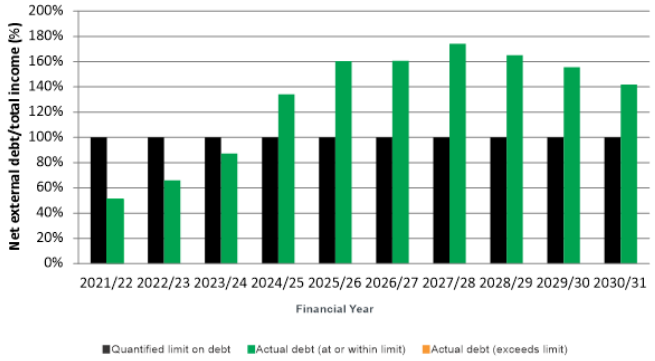
Debt Affordability Benchmark

The council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

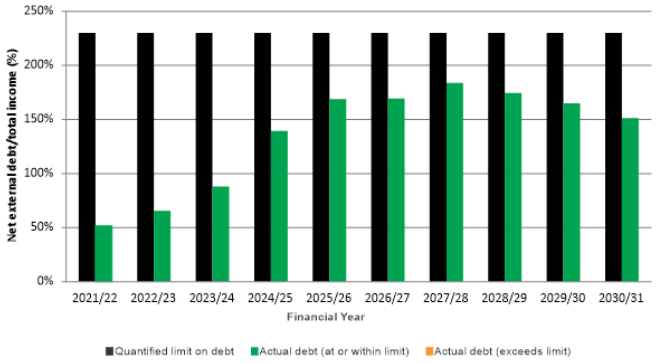
The following graph compares the council's planned debt with a quantified limit on borrowing contained in the financial strategy included in this long-term plan. The quantified limit is liquidity (term debt plus committed bank facilities and liquid available financial investments) to external debt must be at least 110%.



The following graph compares the council's planned debt with a quantified limit on borrowing contained in the financial strategy included in this long-term plan. The quantified limit is net external debt as a percentage of total income will not exceed 230%. Note, where the external debt is $0 in a particular year, net debt is shown as $0 as well.



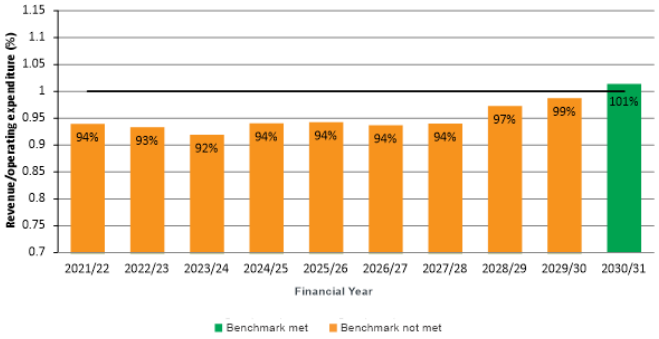
The following graph compares the council's planned debt with a quantified limit on borrowing contained in the financial strategy included in this long-term plan. The quantified limit is net interest expense on external debt to total income will not exceed 10%.



Balanced Budget Benchmark

The following graph displays the council's planned revenue (excluding financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

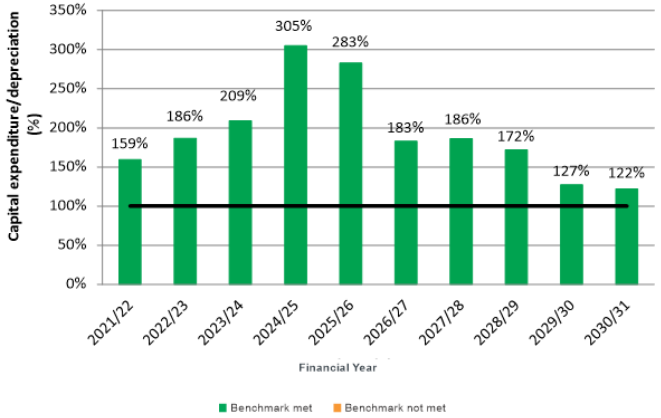
The council meets the balanced budget benchmark if its planned revenue equals or is greater than its planned operating expenses.



Essential Services Benchmark

The following graph displays the council's planned capital expenditure on network services as a proportion of expected depreciation on network services.

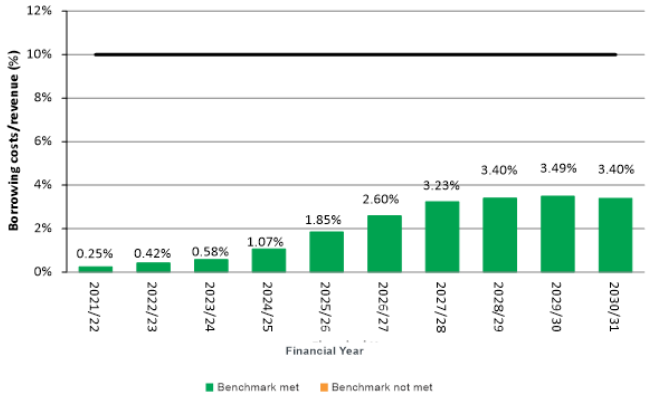
The council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services



Debt Servicing Benchmark

The following graph displays the council's planned borrowing costs as a proportion of planned revenue (excluding 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 more slowly than the national population is projected to grow, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 10% of its planned revenue.



Council Controlled Organisations

Supporting documentation for the
2021-31 Long Term Plan Consultation Document

NAPIER
CITY COUNCIL
Te Kaunihera o Ahuriri

COUNCIL CONTROLLED ORGANISATIONS

The Council has investments in the following CCO's to assist the Council to achieve its objectives:

Hawke's Bay Airport Limited

Policies and Objectives Regarding Ownership and Control

Hawke's Bay Airport Limited (HBAL) is incorporated under the Companies Act and is owned by the Crown 50%, Hastings District Council 24% and Napier City Council 26%. The HBAL produces separate annual accounts and no payments are forecast to be made by the Council to HBAL in the Long Term Plan (LTP).

There are no Council specific objectives, policies or targets for HBAL. Council reviews and confirms HBAL objectives outlined below.

Nature and Scope of Activities

The Nature and Scope of Activities to be undertaken by HBAL are outlined below.

The HBAL's mission is to enable safe, customer focused and sustainable air transport services in and out of Hawke's Bay. This is worked towards through the following strategic pillars:

- Operations: Ensuring a safe, rewarding and delightful journal for our travellers. Striving for excellence in everything we do.
- Commercial: Maximising the returns across our aeronautical business while delivering greater value and a strong sense of place.
- Property: Making the best use of our land while safeguarding our airport to optimise returns and increase value to our shareholders.
- Partners: Engaging with our customers, stakeholders, business partners and community to grow our airport in a way which benefits everyone.
- People: Working together to get the best outcomes from our people in a great place to work and live.
- Sustainability: Grow business in a way that delivers financial returns, environmentally excellent, socially responsible and operationally efficient.

Performance Targets

The following table sets out the financial performance targets as per the Company's Statement of Intent for the year ended 30 June 2021, and the following two years.

Financial Performance Targets	2020/21 $000s	2021/22 $000s	2022/23 $000s
Group Revenue	4,179	6,859	8,397
Operating Expenses	3,154	3,517	3,838
Profit/(Loss) Before Tax	(2,176)	(330)	922
Profit/(Loss) After Tax	(1,567)	(266)	636
Total Debt	27,004	25,504	22,964
Total Assets	63,305	61,403	59,773
Shareholder's Funds	30,674	30,409	31,045
Operating Cashflow	573	3,161	4,482
Capital Expenditure	8,490	883	1,098
Dividend	-	-	-
Return on Equity	(5.1%)	(0.9%)	2.0%
Net Gearing Ratio	47%	46%	43%
Shareholders' Funds/Total Assets %	49%	50%	53%

Hawke's Bay Museums Trust

Policies and Objectives Regarding Ownership and Control

The Hawke's Bay Museums Trust (HBMT) is a Council Controlled Organisation as three of the five-member Board are Council nominees. This is in accordance with the revised Constitution and Rules adopted 30 October 2006, which were amended to reflect the change in role to that of owner and guardian of the regional collection.

The Objectives of the Trust are:

- To hold ad protect the regional collection for the people of Hawke's Bay.
- To encourage the development of quality cultural facilities capable of accessing or drawing upon the collection within Hawke's Bay.
- To advance and promote cultural heritage and arts through the use of the collection.
- To oversee collection management through the development of collection policy, conservation and risk management strategies via a contract for services with the Napier City Council.
- To oversee collection development through the regulation of the acquisition and disposal of collection items.
- To manage the bequests vested in the Trust in a way that maximizes benefit to the collection.

Nature and Scope of Activities

The Nature and Scope of Activities to be undertaken by Napier City council are outlined below. These activities will be achieved in accordance with agreed best industry practice (Museum Industry Standards, MIS) and consistent with HBMT policies and procedures.

- Protection:
  - Storage
  - Security
  - Records Management
- Quality
  - Conservation
  - Accessioning
  - De-accessioning
- Access:
  - Exhibitions
  - Research
  - Archives
- Development
  - Fundraising
  - Reserves management
  - Relationship development

Capital Expenditure

There is no planned expenditure on buildings or plant and machinery for the 2021-2023 periods. Accessions and conservation will be funded from grants, donations, de-accessions, bequests and investment interest income.

Faraday Centre

Trustees are reviewing the future direction of the Faraday Centre. This includes potentially separating this activity from the HBMT when a sustainable model is identified.

Compensation from Local Authority

The costs of maintaining the collection will be equally funded by Napier City Council and Hastings District Council. Additional funding may be sought from other sources as appropriate.

The board estimates the commercial value of the HBTMT collection (including the Faraday Collection) at approximately $41 million excluding GST.

Performance Targets

Performance targets set by HBMT for 2021-2023 are:

Key Result Area	Performance Indicator	2021-2023
Protection	Full insurance cover provided for the collection.	Yes
	Collections are stored in an acceptable environment.	No items reported to have suffered deterioration due to environment.
Quality	Every item accessioned into the collection has undergone a detailed selection process within the framework of Collection Strategy.	Yes
	De-accessions are managed in accordance with the Collection Strategy and reported to the Board.	Yes
Access	HBMT collections are used for academic and personal research.	1,500 enquiries
	Collections are made available to the public through quality exhibitions.	Minimum of five collection based exhibitions.
Development	Bequest funds income is used in the manner determined by the donor.	Yes
	Conservation funds income is used solely for collection care.	Yes
	Joint HBMT/Te Rōpū Kaiawhina Taonga meeting held.	1 per annum

Other Organisations with Council's Significant Interest

Omarunui Landfill Operation

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 Omarunui Landfill site is the disposal point of refuse from Napier City and Hastings District with charges set at a level to cover all operating and capital costs. The site is a 180-hectare farm located off Omarunui Road in the Hastings District.

The facility is operated as part of this Council's solid waste infrastructure with the charges set at a level to cover all operating and capital costs.

Fees and Charges

Supporting documentation for the 2021-31 Long Term Plan Consultation Document

NAPIER CITY COUNCIL
Te Kaunihera o Ahuriri

ANIMAL CONTROL

*All fees and charges are inclusive of GST (except as noted *).*

Dog Registration

Selected owner discount applies to owner's who undertake Council training on dog owner's obligations (one year dog ownership as qualifying period)

For dogs registered for the first time after the commencement of the registration year a charge of one twelfth of the annual unlicenced owner fee per month, or part-month of the remaining year, is payable, provided the dog is no older than three months at time of first registration. Dogs older than three months at the time of first registration will be charged from the date that the dog attained the age of three months.

The minimal charge for licenced dog ownership for seniors (65+) addresses the very low rate of issues from this sector.

Charges for Dog Registration and Control are approved pursuant to Section 37 of the Dog Control Act 1996 and the Napier City Animal Control Bylaw.

	20/21 Fee	incl GST	Proposed 21/22 Fee	incl GST
Registration Fees				
Full fee (paid by 1 August)	$110.00	Yes	$115.00	Yes
Full Fee (paid after 1 August)	$165.00	Yes	$171.00	Yes
Responsible Dog Owner fee (paid by 1 August)	$74.00	Yes	$77.00	Yes
Responsible Dog Owner fee (paid after 1 August)	$110.00	Yes	$115.00	Yes
Responsible Dog Owner application fee	$25.00	Yes	$26.00	Yes
Working Dog (paid by 1 August)	$48.00	Yes	$50.00	Yes
Working Dog (paid after 1 August)	$72.00	Yes	$75.00	Yes
Working Dog (Public Good) e.g. Guide Dog	No charge	Yes	No charge	Yes
Dangerous Dogs (paid by 1 August)	$168.00	Yes	$172.00	Yes
Dangerous Dog (paid after 1 August)	$245.00		$254.00	Yes
Impounding Charges				
First impounding registered dog	$85.00	Yes	$88.00	Yes
Second impounding registered dog	$100.00	Yes	$104.00	Yes
Third and subsequent impounding registered dog	$150.00	Yes	$155.00	Yes
Recovery of Costs				
Call out rate to open Shelter outside of hours	$178.00	Yes	$184.00	Yes
Animal Control Officer Hourly rate (including enforcement activity)	$110.00	Yes	$114.00	Yes
Daily care of dog	$10.00	Yes	$10.00	Yes
Permit Fee (3 or more dogs or breeding kennels) Annual Fee	$51.00	Yes	$53.00	Yes
Sale of Dog (including microchip implantation)	$285.00	Yes	$295.00	Yes
Replacement Registration Tag	$5.00	Yes	$5.00	Yes
Surrender of Dog to Animal Control	$51.00	Yes	$53.00	Yes
Surrender of Dog to Animal Control with community services card	$11.00	Yes	$11.00	Yes
Seizure of dog	$87.00	Yes	$90.00	Yes
Stock Control				
The cost of retrieving stock will be charged in actual costs in accordance with the hourly rates in this schedule				
Stock Impounding Charges (rate per night)	$41.00	Yes	$42.00	Yes
Microchipping of dog and registration on National Dog Database*	$32.00	No	$33.00	No
Microchipping of dog and registration on National Dog Database with community services card	$6.00	Yes	$6.00	Yes

ARTHUR RICHARDS HALL

*All fees and charges are inclusive of GST (except as noted *).*

	20/21 Fee	incl GST	Proposed 21/22 Fee	incl GST
Meeting Room				
Group 1 - Profit-Making Organisations and Family Gatherings				
Hourly charge	$24.50	Yes	$24.50	Yes
Morning or Afternoon	$67.50	Yes	$67.50	Yes
Evening	$100.00	Yes	$100.00	Yes
Whole Day	$140.00	Yes	$140.00	Yes
Group 2 - Community, Hobby & Sports Groups				
Hourly charge	$20.00	Yes	$20.00	Yes
Morning or Afternoon	$55.00	Yes	$55.00	Yes
Evening	$75.00	Yes	$75.00	Yes
Whole Day	$100.00	Yes	$100.00	Yes

BAY SKATE

*All fees and charges are inclusive of GST (except as noted *).*

	20/21 Fee	incl GST	Proposed 21/22 Fee	incl GST
Bay Skate				
Admission				
Bay Skate members and affiliated club members	$4.00	Yes	$4.20	Yes
Non-members	$6.00	Yes	$6.30	Yes
Senior Citizens / Community Services Card holders	$4.00	Yes	$4.20	Yes
Child (3 or under)	No Charge	Yes	No Charge	Yes
Spectators	No Charge	Yes	No Charge	Yes
Membership				
Bay Skate annual membership	$25.00	Yes	$25.90	Yes
Equipment Hire				
Scooter	$10.00	Yes	$10.40	Yes
Inline Skates	$10.00	Yes	$10.40	Yes
Skateboard	$10.00	Yes	$10.40	Yes
Roller skates	$10.00	Yes	$10.40	Yes
Aggressive skate	$10.00	Yes	$10.40	Yes
Beach path hire	$10.00 per hour	Yes	$10.00 per hour	Yes
Protective equipment	Free with equipment hire	Yes	Free with equipment hire	Yes
Helmet	Free with equipment hire	Yes	Free with equipment hire	Yes
Venue Hire				
Rink Only				
Rink only - Affiliated Club (per hour)	$10.00	Yes	$10.40	Yes
Events (Grandstand and Rink Use)				
Community Group (per hour)	$50.00	Yes	$51.80	Yes
Corporate (per hour)	$200.00	Yes	$208.00	Yes

BUILDING

*All fees and charges are inclusive of GST (except as noted *).*

Building Consents

All building consent, building consent amendment, code compliance certificate, certificate of acceptance and certificate for public use fees are charged on an actual and reasonable cost recovery basis as per the below fees and charges. Fees are payable prior to the grant/issue of the applicable consent/certificate.

Certificates of acceptance pursuant to section 96(1)(a) of the Building Act 2004 are subject to any fees, charges or levies that would have been payable had a consent been applied for before the work was carried out plus the current actual and reasonable costs associated with the application as per the below fees and charges.

	20/21 Fee	incl GST	Proposed 21/22 Fee	incl GST
Building Fees				
Project Information Memorandum (stand-alone only)	$275.00	Yes	$285.00	Yes
Compliance Schedule	$300.00	Yes	$311.00	Yes
Building Administration Fees				
Online Lodgement Fee	$144.00	Yes	$149.00	Yes
Building Accreditation Fee	$20.00	Yes	$20.70	Yes
Building Warrant of Fitness Fee				
Administration and Audit Fee	$150.00	Yes	$155.00	Yes
Hourly Rates				
Building Consents Officer	$170.00	Yes	$176.00	Yes
Building Administrator	$85.00	Yes	$88.10	Yes
Inspection Fee				
Inspection Fee	$170.00	Yes	$176.00	Yes
Liquor Licence Fee				
Certificate of Compliance Fee	$100.00	Yes	$104.00	Yes
Fees Payable for Specific Works (Set by Legislation)				
Building Research Levy per $1,000 value above $20,000*	$1.00	GST EXEMPT	$1.00	GST EXEMPT
Building Levy per $1,000 value $20,444 and above	$1.75	Yes	$1.80	Yes
Roading Fees in Association with Building Consents				
Application Processing Fee	$27.00	Yes	$28.00	Yes
Inspection for Road Damage	$69.00	Yes	$71.50	Yes
Inspection for Vehicle Crossing	$156.00	Yes	$162.00	Yes
Sundry Inspections				
Per Hour (minimum fee one hour)	$170.00	Yes	$176.00	Yes
Building Statistics				
Full Report	$25.00	Yes	$25.90	Yes
Single Report	$15.00	Yes	$15.50	Yes
Additional Sections	$6.00	Yes	$6.20	Yes
Miscellaneous Charges				
Property File Fee				
Property File Management Fee (charged per consent)	$80.00	Yes	$82.90	Yes
Certificate of Title	$25.00	Yes	$25.90	Yes

CEMETERIES

*All fees and charges are inclusive of GST (except as noted *).*

	20/21 Fee	incl GST	Proposed 21/22 Fee	incl GST
Cemeteries				
Interments - Burials				
Adults	$715.00	Yes	$741.00	Yes
Child (Over 29 days and under 14 years)	$275.00	Yes	$285.00	Yes
Stillborn child (within Neo-Natal area and up to 28 days after birth)	No Charge	Yes	No Charge	Yes
Stillborn child (not within Neo-Natal area and up to 28 days after birth)	$97.00	Yes	$100.50	Yes
Disinterments and Reburials				
Same Plot	$2,606.00	Yes	$2,700.00	Yes
Different Plot	$2,606.00	Yes	$2,700.00	Yes
Extra Depth				
Extra Depth (to allow for three burials)	$135.00	Yes	$140.00	Yes
Burial of Deceased Formerly Resident Outside City Boundary				
Burial of Deceased Formerly Resident Outside City Boundary	$646.00	Yes	$669.00	Yes
Sale of Burial Plots				
Includes Perpetual Maintenance				
Children under 14 years area (Western Hills and Park Island)	$937.00	Yes	$971.00	Yes
Whararangi	$2,291.00	Yes	$2,373.00	Yes
Western Hills	$2,291.00	Yes	$2,373.00	Yes
Eskdale	$2,291.00	Yes	$2,373.00	Yes
Sale of Ash Plots				
Includes Perpetual Maintenance				
Whararangi Inground Plaque	$417.00	Yes	$432.00	Yes
Whararangi Middle Ridge Ash Beam	$417.00	Yes	$432.00	Yes
Western Hills Rose Garden Beds 1-14	$305.00	Yes	$316.00	Yes
Western Hills Rose Garden Beds 15 and onwards	$417.00	Yes	$432.00	Yes
Western Hills Upright Ash Interment Area	$770.00	Yes	$798.00	Yes
Interment - Ashes - Includes Registration				
Interment of Ashes	$143.00	Yes	$148.00	Yes
Scattering of Ashes	$143.00	Yes	$148.00	Yes
Disinterment of Ashes				
Disinterment of Ashes	$143.00	Yes	$148.00	Yes
Registration of Memorial only				
Registration of Memorial only	$97.00	Yes	$100.50	Yes
Book of Remembrance				
Record of name in Book of Remembrance	$70.00	Yes	$72.50	Yes
Monument Permit				
Permit to erect a monument	$55.00	Yes	$57.00	Yes
Change of Plot Ownership				
Transfer or relinquishment of ash or burial plot	$77.00	Yes	$79.80	Yes

	20/21 Fee	incl GST	Proposed 21/22 Fee	incl GST
Additional Fee				
In exceptional circumstances arrangements can be made for a burial outside normal working hours. Normal hours are 8.00am to 4.00pm Monday to Friday and 8.00am to 12noon Saturday. For Saturday after 12noon, Sunday and Public Holidays additional charges will apply based on an actual quoted basis. Requests for quotations must be made at least 24 hours in advance during normal working hours.				
Cost Per After Hours Call (for Saturday, Sunday and Public Holidays between 10am and 5pm)	$68.00	Yes	$70.40	Yes
Out-of-hours additional fee - Minimum charge	$784.00	Yes	$812.00	Yes
Sale of Niches				
Whararangi	$175.00	Yes	$181.00	Yes
Eskdale	$87.00	Yes	$90.10	Yes
Services Fee				
Dressing of grave and use of equipment	$89.00	Yes	$92.20	Yes

CHAPMAN PAVILION

*All fees and charges are inclusive of GST (except as noted *).*

	20/21 Fee	incl GST	Proposed 21/22 Fee	incl GST
Chapman Pavilion				
Times of Hire: Morning is 8.00am to 1.00pm, Afternoon is 1.00pm to 6.00pm, Evening is 6.00pm to 11.00pm and Full Day is 8.00am to 11.00pm. Weekdays are Monday to Thursday, Weekends are Friday to Sunday.				
Performance Bond: Payment of a performance bond is required to confirm a booking. This bond will be refunded after the hire date, less any unpaid hire fees and additional costs incurred by Napier City Council as a result of actions or negligence of the hirer. The performance bond will be refunded if the booking is cancelled at least 30 days before the first hire date.				
Public Holidays: Additional costs incurred by Napier City Council for bookings on public holidays will be on-charged to the hirer.				
Chapman Pavilion Pettigrew Lounge (Corporate Lounge 1)				
Performance Bond *	$400.00	No	$414.00	No
Weekday Morning or Afternoon	$135.00	Yes	$140.00	Yes
Weekday Evening	$175.00	Yes	$181.00	Yes
Weekday Full day	$345.00	Yes	$357.00	Yes
Weekends Morning or Afternoon	$175.00	Yes	$181.00	Yes
Weekends Evening	$345.00	Yes	$357.00	Yes
Weekends Full day	$580.00	Yes	$601.00	Yes
Chapman Pavilion Corporate Lounge 2				
Performance Bond *	$400.00	No	$414.00	No
Weekday Morning or Afternoon	$120.00	Yes	$124.00	Yes
Weekday Evening	$155.00	Yes	$161.00	Yes
Weekday Full Day	$300.00	Yes	$311.00	Yes
Weekends Morning or Afternoon	$155.00	Yes	$161.00	Yes
Weekends Evening	$310.00	Yes	$321.00	Yes
Weekends Full Day	$530.00	Yes	$549.00	Yes
Chapman Pavilion Both Lounges				
Performance Bond *	$600.00	No	$622.00	No
Weekday Morning or Afternoon	$225.00	Yes	$233.00	Yes
Weekday Evening	$280.00	Yes	$290.00	Yes
Weekday Full Day	$550.00	Yes	$570.00	Yes
Weekends Morning or Afternoon	$280.00	Yes	$290.00	Yes
Weekends Evening	$600.00	Yes	$622.00	Yes
Weekends Full Day	$975.00	Yes	$1,010.00	Yes
Napier City Council Wardens				
Senior Floor Attendant (per hour)	$60.00	Yes	$62.20	Yes

CORPORATE SERVICES

*All fees and charges are inclusive of GST (except as noted *).*

	20/21 Fee	incl GST	Proposed 21/22 Fee	incl GST
Administrative, Property & Sundry				
Standing Order				
SANZ Sections 15.9, 15.12 & 15.14 (per page)	N/A	Yes	N/A	Yes
Spare copies of open agendas and relevant documents (per A4 page), minutes	No Charge	Yes	No Charge	Yes
Local Government Official Information & Meetings Act (Sec 13)				
First hour - no charge. Subsequent time charged per half hour				
Staff Time Fees per hour				
Other Costs: Charged at an amount which covers the actual costs involved				
Requests for readily accessible information (per hour)	$76.00	Yes	$78.70	Yes
Photocopying per page (per A4 sized page after the first 20 pages)	$0.20	Yes	$0.21	Yes
Valuation & Rating Information				
Rating Information Database - property valuation and rating information supplied in hard copy				
Charge per page (under 5 pages free)	$0.30	Yes	$0.31	Yes
Postponed Rates				
In addition to the annual fee, Council charge interest on the accumulating balance of rates postponed for approvals after 1st July 2009, and any other costs or one-off fees incurred in relation to registration of the postponement.				
Postponements approved prior to 1st July 2009 - Annual Fee	$75.00	Yes	$77.70	Yes
Postponements approved after 1st July 2009 - Annual Fee	$43.00	Yes	$44.50	Yes
Lease				
Preparation Fee	$800.00	Yes	$829.00	Yes
Licence to Occupy				
Preparation Fee (Standard)	$200.00	Yes	$207.00	Yes
Preparation Fee (Complex) (eg. where more than one class of land or set of regulations is involved)	$270.00	Yes	$280.00	Yes
Lessor's Consent				
Grant of Lessor's Consent Fee	$75.00	Yes	$77.70	Yes
Poster Bond				
Charge to be at discretion of the Director of Corporate Services.		Yes		Yes

ENVIRONMENTAL SOLUTIONS

*All fees and charges are inclusive of GST (except as noted *).*

	20/21 Fee	incl GST	Proposed 21/22 Fee	incl GST
Trade Waste Charges				
Laboratory charges - Trade & Industrial sites - Type 1 *	$234.26	Yes	$243.00	No
Laboratory charges - Trade & Industrial sites - Type 2 *	$188.06	Yes	$195.00	No
Laboratory charges - Trade & Industrial sites - Type 3 *	$97.42	Yes	$100.90	No
Laboratory charges - Trade & Industrial sites - Type 4	at cost + 10%	Yes	at cost + 10%	Yes
Hourly charge - Environmental Compliance Officer	$135.00	Yes	$140.00	Yes
Labour charges (per hour)				
Manager Environmental Solutions	$163.00	Yes	$169.00	Yes
Environmental Lead	$153.00	Yes	$159.00	Yes
Environmental Coordinator	$0.00	Yes	$132.00	Yes
Environmental Management Officer	$135.00	Yes	$140.00	Yes
Environmental Compliance Officer	$135.00	Yes	$140.00	Yes
Environmental Officer	$135.00	Yes	$140.00	Yes
Environmental Intern	$123.00	Yes	$127.00	Yes
Waste Minimisation & Recycling				
Waste Minimisation Lead	$153.00	Yes	$159.00	Yes
Waste Minimisation Officer	$135.00	Yes	$140.00	Yes
Receptacles				
Recyclling crates (each)	$15.00	Yes	$15.00	Yes
Wheelie Bin (each)	$0.00	Yes	$85.00	Yes
Pollution response				
Laboratory charges	at cost + 10%	Yes	at cost + 10%	Yes
Plus hourly labour charges rates (as above)				

Types of Trade Waste sites

Type 1 Trade & Industrial Premises: Tanneries

Type 2 Trade & Industrial Premises: All industrial and trade premises not utilising metals in their processing that are not tanneries

Type 3 Trade & Industrial Premises: Industries using metals in their processes that are not tanneries

Type 4 Trade & Industrial Premises: Trade waste customers not previously charged using the above rates, initial sampling

FARADAY CENTRE

*All fees and charges are inclusive of GST (except as noted *).*

	20/21 Fee	incl GST	Proposed 21/22 Fee	incl GST
Admission				
Adults	$9.00	Yes	$9.30	Yes
Children (under 15 years)	$4.50	Yes	$4.70	Yes
Senior Citizens (65 +) and Community Services Card holders single admission	$7.50	Yes	$7.80	Yes
Family Pass (2 Adults, 2 Children)	$25.00	Yes	$25.90	Yes
Annual Pass	$125.00	Yes	$129.50	Yes
Concession Card (10 trip Adults)	$75.00	Yes	$77.70	Yes
Concession Card (10 trip Children)	$40.00	Yes	$41.40	Yes
Group rate Adults	$7.50	Yes	$7.80	Yes
Group rate Children	$4.00	Yes	$4.10	Yes
Meeting Room				
Hourly rate	$40.00	Yes	$41.40	Yes
Morning or Afternoon	$100.00	Yes	$103.60	Yes

Faraday Centre Private Function (holds up to two hundred people)

GRAEME LOWE STAND LOUNGES

*All fees and charges are inclusive of GST (except as noted *).*

	20/21 Fee	incl GST	Proposed 21/22 Fee	incl GST
Graeme Lowe Stand Lounges				
Times of Hire: Morning is 8.00am to 1.00pm, Afternoon is 1.00pm to 6.00pm, Evening is 6.00pm to 11.00pm and Full Day is 8.00am to 11.00pm. Weekdays are Monday to Thursday, Weekends are Friday to Sunday.				
Performance Bond: Payment of a performance bond is required to confirm a booking. This bond will be refunded after the hire date, less any unpaid hire fees and additional costs incurred by Napier City Council as a result of actions or negligence of the hirer. The performance bond will be refunded if the booking is cancelled at least 30 days before the first hire date.				
Event Day: A day on which an entry charge event is held on the Mclean Park field of play.				
Public Holidays: Additional costs incurred by Napier City Council for bookings on public holidays will be on-charged to the hirer.				
Graeme Lowe Stand Lounge 1				
Performance Bond *	$400.00	No	$414.00	No
Weekday Morning or Afternoon	$295.00	Yes	$306.00	Yes
Weekday Evening	$360.00	Yes	$373.00	Yes
Weekday Full day	$855.00	Yes	$886.00	Yes
Weekends Morning or Afternoon	$365.00	Yes	$378.00	Yes
Weekends Evening	$440.00	Yes	$456.00	Yes
Weekends Full day	$1,075.00	Yes	$1,114.00	Yes
Event Day	$1,075.00	Yes	$1,114.00	Yes
Graeme Lowe Stand Lounge 2				
Performance Bond *	$400.00	No	$414.00	No
Weekday Morning or Afternoon	$320.00	Yes	$332.00	Yes
Weekday Evening	$410.00	Yes	$425.00	Yes
Weekday Full day	$955.00	Yes	$989.00	Yes
Weekends Morning or Afternoon	$405.00	Yes	$420.00	Yes
Weekends Evening	$480.00	Yes	$497.00	Yes
Weekends Full day	$1,205.00	Yes	$1,248.00	Yes
Additional Facilities				
Graeme Lowe Stand Kitchen				
Performance Bond *	$200.00	No	$207.00	No
Morning or Afternoon	$85.00	Yes	$88.10	Yes
Evening	$170.00	Yes	$176.00	Yes
Full Day	$280.00	Yes	$290.00	Yes
Event Day	$280.00	Yes	$290.00	Yes
Napier City Council Wardens				
Senior Floor Attendant (per hour)	$60.00	Yes	$62.20	Yes

GREEN MEADOWS EAST COMMUNITY HALL

*All fees and charges are inclusive of GST (except as noted *).*

	20/21 Fee	incl GST	Proposed 21/22 Fee	incl GST
Main Hall & Kitchen				
Group 1 - Profit-Making Organisations and Family Gatherings				
Hourly charge	$41.50	Yes	$43.00	Yes
Morning or Afternoon	$112.00	Yes	$116.00	Yes
Evening	$171.00	Yes	$177.00	Yes
Whole Day	$249.00	Yes	$258.00	Yes
Group 2 - Community, Hobby & Sports Groups				
Hourly charge	$28.50	Yes	$29.50	Yes
Morning or Afternoon	$83.00	Yes	$86.00	Yes
Evening	$124.00	Yes	$128.00	Yes
Whole Day	$166.00	Yes	$172.00	Yes
Meeting Room				
Group 1 - Profit-Making Organisations and Family Gatherings				
Hourly charge	$18.50	Yes	$19.20	Yes
Morning or Afternoon	$51.00	Yes	$52.80	Yes
Evening	$74.00	Yes	$76.70	Yes
Whole Day	$104.00	Yes	$108.00	Yes
Group 2 - Community, Hobby & Sports Groups				
Hourly charge	$15.50	Yes	$16.10	Yes
Morning or Afternoon	$41.00	Yes	$42.50	Yes
Evening	$55.00	Yes	$57.00	Yes
Whole Day	$72.00	Yes	$74.60	Yes

INNER HARBOUR

*All fees and charges are inclusive of GST (except as noted *).*

	20/21 Fee	incl GST	Proposed 21/22 Fee	incl GST
Permanent Berthage				
Iron Pot				
A minimum length charge applies to these berths as follows: Jull Wharf (10 metres), Nelson Quay Berths 24-37 (7 metres), Nelson Quay Berths 11-23 (9 metres).				
Commercial (per metre per annum)	$390.00	Yes	$404.00	Yes
Recreational (per metre per annum)	$341.00	Yes	$353.00	Yes
Meeanee Quay Piers 1 & 2				
A minimum length charge applies to these berths as follows: Meeanee Quay Pier 1 (9 metres), Meeanee Quay Pier 2 Berths 62-72 (12 metres), Meeanee Quay Pier 2 Berths 73-80 (10 metres), Meeanee Quay Pier 2 Berths 81-85 (9 metres).				
Commercial (per metre per annum)	$390.00	Yes	$404.00	Yes
Recreational (per metre per annum)	$341.00	Yes	$353.00	Yes
Meeanee Quay Piers 1 & 2 Living on Board Charge				
Living on Board Charge (per week)	$19.00	Yes	$19.70	Yes
West Quay				
Commercial (per metre per annum)	$380.00	Yes	$394.00	Yes
Recreational (per metre per annum)	$328.00	Yes	$340.00	Yes
West Quay Extension (per metre per annum)	$413.00	Yes	$428.00	Yes
Temporary Berthage & Other Charges				
Visiting Vessels				
Commercial (per day)	$100.00	Yes	$104.00	Yes
Recreational (per day)	$26.00	Yes	$26.90	Yes
Rebates & Penalties				
Rebate for Payment of Annual Fees within Specified Time				
Commercial (per metre)	$22.00	Yes	$22.80	Yes
Recreational (per metre)	$19.00	Yes	$19.70	Yes
Penalty for Occupying Discharge Berth Outside Normal Discharge Time				
Per day or part thereof	$575.00	Yes	$596.00	Yes
Penalty for Non-Payment of Annual Fees by Due Date	10%	Yes	10%	Yes
Nelson Quay Boat Ramp				
Annual Fee				
Hawke's Bay Sports Fishing Club Members	$110.00	Yes	$114.00	Yes
Public who are not members of the Hawke's Bay Sports Fishing Club	$150.00	Yes	$155.00	Yes
Casual Users Fee				
Casual entry fee is $10.00 per entry. This assumes that parking is not always available within the wharf car park and that a further entry may be required to retrieve the boat. This makes a cost of $20 per boat launch which is as per the Council approved Fees and Charges Schedule.				
Casual Fee per boat launch	$20.00	Yes	$20.70	Yes

KENNEDY PARK

*All fees and charges are inclusive of GST (except as noted *).*

Accommodation

Peak rates apply in high season, Public Holidays, and other times of high demand. Minimum rates and minimum stays may also apply at these times.

Group (minimum 20 people) discount prices are available upon application, excluding high season.

Child 1-14 years. Infants under one year free.

	20/21 Fee	incl GST	Proposed 21/22 Fee	incl GST
Park Motels (Rack Rate)				
Standard Rate single/double	$129.00 - $350.00	Yes	$134.00 - $363.00	Yes
Extra Adult	$26.00 - $30.00	Yes	$27.00 - $31.00	Yes
Extra Child	$22.00 - $25.00	Yes	$23.00 - $26.00	Yes
Holiday Units (Rack Rate)				
Standard Rate single/double	$120.00 - $300.00	Yes	$124.00 - $311.00	Yes
Extra Adult	$26.00 - $30.00	Yes	$27.00 - $31.00	Yes
Extra Child	$22.00 - $25.00	Yes	$23.00 - $26.00	Yes
En-Suite Units (Rack Rate)				
Standard Rate single/double	$111.00 - $250.00	Yes	$115.00 - $259.00	Yes
Extra Adult	$26.00 - $30.00	Yes	$27.00 - $31.00	Yes
Extra Child	$22.00 - $25.00	Yes	$23.00 - $26.00	Yes
Cabins (Rack Rate) (Guests use communal bathroom facilities)				
Standard Rate single/double	$73.00 - $180.00	Yes	$76.00 - $186.00	Yes
Extra Adult	$26.00 - $30.00	Yes	$27.00 - $31.00	Yes
Extra Child	$22.00 - $25.00	Yes	$23.00 - $26.00	Yes
Powered Sites / Non Powered Sites (Rack Rate)				
Standard Rate single/double	$50.00 - $110.00	Yes	$52.00 - $114.00	Yes
Extra Adult	$26.00 - $30.00	Yes	$27.00 - $31.00	Yes
Extra Child	$22.00 - $25.00	Yes	$23.00 - $26.00	Yes
Hireage Charges				
Portacot (per day)	$8.00	Yes	$8.30	Yes
High Chair (per day)	$8.00	Yes	$8.30	Yes
Portable Barbeque (per two hours)	$29.00	Yes	$30.00	Yes
Power Adaptor (per day)	$10.00	Yes	$10.40	Yes
Chiller Key (per day)	$2.50	Yes	$2.60	Yes
Pedal Car (per hour)	$12.00	Yes	$12.40	Yes
DVD Player (per day)	$11.00	Yes	$11.40	Yes

LIBRARY SERVICES

*All fees and charges are inclusive of GST (except as noted *).*

	20/21 Fee	incl GST	Proposed 21/22 Fee	incl GST
Library Services Charges				
Rentals				
Book Rental	No Charge	Yes	No Charge	Yes
Children's Compact Disc	No Charge	Yes	No Charge	Yes
Book Rental - Best Seller Collection	$6.00	Yes	$6.20	Yes
Magazine Rental - Best Seller Collection	$3.00	Yes	$3.10	Yes
Compact Disc Rental - per item 14 days	$2.00	Yes	$2.10	Yes
DVD Rental - new title, per item 7 days	$4.00	Yes	$4.10	Yes
DVD Rental - older item, including Children's, 7 days	$2.00	Yes	$2.10	Yes
DVD Rental - series, 14 days	$6.00	Yes	$6.20	Yes
Extended Loan Charges				
All materials except BestSeller books, BestSeller magazines, and console games - per item per day	$0.55	Yes	$0.57	Yes
BestSeller Collection - Books and magazines. Per item per day	$1.55	Yes	$1.60	Yes
Maximum charge per item	$12.00	Yes	$12.40	Yes
Interloan Charges				
Handling Fee	$7.00	Yes	$7.30	Yes
Interloans from libraries that charge an additional fee (handling fee will be additionally charged)	$22.00	Yes	$22.80	Yes
Rush Fee (additional to above charges)	$25.00	Yes	$25.90	Yes
City Loan				
Handling Fee	$7.00	Yes	$7.30	Yes
Visitors from Outside the Hawkes Bay Region				
Borrowing Fee	$5.00	Yes	$5.20	Yes
Membership Cards				
Replacement of Membership Cards	$5.50	Yes	$5.70	Yes
Research Services				
Per hour with first 15 minutes free	$50.00	Yes	$51.80	Yes
Borrow a Librarian Per 30 min session	Up to $20	Yes	Up to $20	Yes
Photocopying				
Per A4 sheet (Black & White 1 x side only)	$0.30	Yes	$0.31	Yes
Per A3 sheet (Black & White 1 x side only)	$0.60	Yes	$0.62	Yes
Per A4 sheet (Colour 1 x side only)	$0.90	Yes	$0.93	Yes
Per A3 sheet (Colour 1 x side only)	$2.20	Yes	$2.30	Yes
Internet/Email Charges				
Per hour	$4.50	Yes	$4.70	Yes
Per 30 minutes	$2.50	Yes	$2.60	Yes
Printout Charges				
Microfilm reader printer (per A4 sheet)	$0.60	Yes	$0.62	Yes
A4 black & white printouts (per side)	$0.40	Yes	$0.41	Yes
A3 Colour Printouts (per side)	$2.50	Yes	$2.60	Yes
A4 Colour Printouts (per side)	$1.00	Yes	$1.00	Yes

	20/21 Fee	incl GST	Proposed 21/22 Fee	incl GST
Charges Related to Damaged or Lost Items				
Books with a high replacement value are priced at the discretion of library management				
Item Charges				
Items are charged at individual purchase price as per catalogue record. If a purchase price is not recorded, a standard replacement cost is charged as per the following average item price table	Individual Purchase Price	Yes	Individual Purchase Price	Yes
Books				
All Books	up to $50.00	Yes	up to $50.00	Yes
Compact Disc				
Purchase price of item as per catalogue record, if not available a standard replacement cost will be charged at	$32.00	Yes	$33.20	Yes
DVD				
Per Disk	$32.00	Yes	$33.20	Yes
Childrens Puzzles				
Children's Puzzles	$32.00	Yes	$33.20	Yes

LICENCE FEES ENVIRONMENTAL HEALTH

*All fees and charges are inclusive of GST (except as noted *).*

All Environmental Health Licence fees are charged on an actual and reasonable cost recovery basis. The below fees are a fixed deposit and must be paid at time of submission of the appropriate application. Charges incurred over the deposit will be charged based on the rates below.

	20/21 Fee	incl GST	Proposed 21/22 Fee	incl GST
Licence Fees				
Food Premises / Food Control Plans Fees under the Food Act 2014				
New Template Food Control Plan Registration	$234.00	Yes	$242.00	Yes
Renewal of Template Food Control Plan Registration	$102.00	Yes	$106.00	Yes
Amendment of Food Control Plan Registration (per hour)	$183.00	Yes	$190.00	Yes
New National Programme Registration	$234.00	Yes	$242.00	Yes
Renewal of National Programme Registration	$102.00	Yes	$106.00	Yes
Amendment of National Programme Registration (per hour)	$183.00	Yes	$190.00	Yes
Verification of Food Control Plan based on template or MPI	$458.00	Yes	$474.00	Yes
Postponement of Verification of Food Control Plan	$71.00	Yes	$73.60	Yes
Verification follow up (per hour)	$160.00	Yes	$166.00	Yes
Compliance and Monitoring	$160.00	Yes	$166.00	Yes
Hairdressers				
Hairdressers	$188.00	Yes	$195.00	Yes
Skin Piercing Premises				
Skin Piercing Premises	$188.00	Yes	$195.00	Yes
Offensive Trades				
Tanneries	$336.00	Yes	$348.00	Yes
Refuse Collection	$183.00	Yes	$190.00	Yes
All Other Trades	$239.00	Yes	$248.00	Yes
Funeral Directors				
Funeral Directors	$239.00	Yes	$248.00	Yes
Camping Grounds				
Camping Grounds	$336.00	Yes	$348.00	Yes
Hawkers				
Hawkers	$102.00	Yes	$106.00	Yes
Mobile Shop				
Mobile Shop	$183.00	Yes	$190.00	Yes
Noise Control				
Stereo Seizure	$255.00	Yes	$264.00	Yes
Amusement Devices				
Fees are set by the Amusement Device Regulations 1978				
One device, first 7 days (or part thereof)	$11.50	Yes	$11.90	Yes
Each additional device, first 7 days (or part thereof)	$2.30	Yes	$2.40	Yes
Each device each further 7 days (or part thereof)	$1.30	Yes	$1.30	Yes
Miscellaneous Charges				
Miscellaneous Permits	$102.00	Yes	$106.00	Yes
Advice over and above 1hr - per hour	$160.00	Yes	$166.00	Yes
Hourly Rates				
Environmental Health Officer	$160.00	Yes	$166.00	Yes
Compliance Officer	$160.00	Yes	$166.00	Yes

	20/21 Fee	incl GST	Proposed 21/22 Fee	incl GST
Liquor Licence Inspector	$160.00	Yes	$166.00	Yes
Regulatory Administrator	$85.00	Yes	$88.10	Yes
Street Tables and Chairs				
Street Tables and Chairs	$255.00	Yes	$264.00	Yes
Street Tables and Chairs Amendment Fee	$160.00	Yes	$166.00	Yes
Inner City Temporary Commercial Promotion Activity				
Licence to Occupy	$51.00	Yes	$52.80	Yes
Litter Control				
Infringement fee (maximum)	$400.00	Yes	$414.00	Yes

Liquor Licence Application Fees

Fees set by regulation under Sale and Supply of Alcohol Act 2012

Application Fees				
Very low risk application	$368.00	Yes	$381.00	Yes
Low risk application	$609.50	Yes	$631.00	Yes
Medium risk application	$816.50	Yes	$846.00	Yes
High risk application	$1,023.50	Yes	$1,060.00	Yes
Very high risk application	$1,207.50	Yes	$1,251.00	Yes
Annual Fees				
Very low risk premises	$161.00	Yes	$167.00	Yes
Low risk premises	$391.00	Yes	$405.00	Yes
Medium risk premises	$632.50	Yes	$655.00	Yes
High risk premises	$1,035.00	Yes	$1,072.00	Yes
Very high risk premises	$1,437.50	Yes	$1,489.00	Yes
Special Licence Applications				
1 to 2 small size events	$63.25	Yes	$65.50	Yes
3 to 12 small, 1 to 3 medium size events	$207.00	Yes	$214.00	Yes
All other special licenses / large events	$575.00	Yes	$596.00	Yes
Other Applications				
Managers Certificate Applications	$316.25	Yes	$328.00	Yes
Temporary Authority	$296.70	Yes	$307.00	Yes
Temporary Licence	$296.70	Yes	$307.00	Yes
Appeal to ARLA	$517.50	Yes	$536.00	Yes
Permanent Club Charter annual fee	$632.50	Yes	$655.00	Yes
Extract of Register	$57.50	Yes	$59.60	Yes

MUSEUM THEATRE GALLERY (MTG)

*All fees and charges are inclusive of GST (except as noted *).*

	20/21 Fee	incl GST	Proposed 21/22 Fee	incl GST
Museum, Theatre, Gallery				
Admission				
General Admission	No Charge	Yes	No Charge	Yes
Guided Tours (per person)	Price on Application	Yes	Price on Application	Yes
Theatre				
Film Admission				
Adults	film specific	Yes	film specific	Yes
Student (15 years plus with Student ID)	film specific	Yes	film specific	Yes
Senior Citizens (65 +) and Community Services Card holders, and Friends of the Museum	film specific	Yes	film specific	Yes
Children (under 15 years)	film specific	Yes	film specific	Yes
Venue Rental				
All catering, staffing, audio-visual equipment or services are additional charges - price on application.				
Terms and Conditions apply and are available on application.				
Cancellations made less than 7 days in advance of event may incur an additional fee.				
A minimum charge of 3 hours applies to hourly venue rentals.				
Venue Hire Deposits				
Venue Hire - Corporate and Profit Making Organisations	$315.00	Yes	$326.00	Yes
Venue Hire - Community and Non Profit Making Organisations	$160.00	Yes	$166.00	Yes
Theatre Group 1 - Corporate and Profit Making Organisations				
Cleaning fee (one off charge)	$110.00	Yes	$114.00	Yes
Daytime (8.30am to 12.30pm or 12.30pm to 5.30pm)	$500.00	Yes	$518.00	Yes
Daytime full day rate	$850.00	Yes	$881.00	Yes
Evening (5.30pm - 11pm)	$700.00	Yes	$725.00	Yes
Setup / Pack Out / Rehearsal per hour (including staff costs)	$100.00	Yes	$104.00	Yes
Theatre Group 2 - Community & Non Profit Making Organisations				
Cleaning fee (one off charge)	$100.00	Yes	$104.00	Yes
Daytime (8.30am to 12.30pm or 12.30pm to 5.30pm)	$300.00	Yes	$311.00	Yes
Evening (5.30pm - 11pm)	$430.00	Yes	$445.00	Yes
Setup / Pack Out / Rehearsal per hour (including staff costs)	$90.00	Yes	$93.20	Yes
Theatre - Gala Film Screening				
330 tiered seating. Available for fund raising gala screenings.				
Special screening fees for Admissions after 5pm and weekends				
Special Film Screening	Price on Application	Yes	Price on Application	Yes
Main Foyer				
Subject to availability.				
Standard fee (up to 4 hours, thereafter $150.00/hour)) - corporate rate	$650.00	Yes	$673.00	Yes
Standard fee (up to 4 hours, thereafter $90.00/hour)) - community rate	$370.00	Yes	$383.00	Yes

	20/21 Fee	incl GST	Proposed 21/22 Fee	incl GST
Century Theatre Foyer				
Subject to availability.				
Standard fee (up to 4 hours, thereafter $125.00/hour) - corporate rate	$530.00	Yes	$549.00	Yes
Standard fee (up to 4 hours, thereafter $75.00/hour) - community rate	$320.00	Yes	$332.00	Yes
Education Suite Group 1 - Corporate & Profit Making Organisations				
35 seating theatre style.				
Subject to availability.				
Evening (5.30pm - 11pm)	$300.00	Yes	$311.00	Yes
Education Suite Group 2 - Community & Non Profit Making Organisations				
35 seating theatre style.				
Subject to availability.				
Evening (5.30pm - 11pm)	$250.00	Yes	$259.00	Yes
Equipment Hire				
Pianos				
Community and student rates available on request.				
Concert Piano - (Steinway) Per concert	$315.00	Yes	$326.00	Yes
Piano - (Bechstein) Per concert	$85.00	Yes	$88.10	Yes
Piano - (Bechstein) Per lunchtime concert	$34.00	Yes	$35.20	Yes
Piano Tuning (per tuning)	$175.00	Yes	$181.00	Yes
Education				
Programmes				
Per Student - Primary	$2.50	Yes	$2.60	Yes
Per Student - Secondary	$4.50	Yes	$4.70	Yes
Per Student - Tertiary	$10.00	Yes	$10.40	Yes
Per Student - Port Programme	$3.00	Yes	$3.10	Yes
Accompanying Adult / Teacher	No Charge	Yes	No Charge	Yes
Self Guided - School Groups	No Charge	Yes	No Charge	Yes
School Holiday Programmes	Price on Application	Yes	Price on Application	Yes
Special Programmes & Pre-Schools	Price on Application	Yes	Price on Application	Yes
Archive				
Image Delivery				
Postage	Price on Application	Yes	Price on Application	Yes
Photography				
Photography per hour (where NO suitable image is available)	$65.00	Yes	$67.30	Yes
Photography - Per scanned image	$22.50	Yes	$23.30	Yes
Photography - Disk	$6.00	Yes	$6.20	Yes
Photography - Reproduction fee per image	$35.00	Yes	$36.30	Yes
Reproduction				
Personal, non commercial & websites	No Charge	Yes	No Charge	Yes
Published, commercial interior image	$37.10	Yes	$38.40	Yes
Merchandise, book cover and advertising	$222.00	Yes	$230.00	Yes
Research				
Research - Hourly rate	$65.00	Yes	$67.30	Yes

	20/21 Fee	incl GST	Proposed 21/22 Fee	incl GST
Photocopying				
Photocopying - Standard (per page)	$1.30	Yes	$1.30	Yes
Photocopying - Manuscript (per page)	Price on Application	Yes	Price on Application	Yes

NAPIER AQUATIC CENTRE

*All fees and charges are inclusive of GST (except as noted *).*

	20/21 Fee	incl GST	Proposed 21/22 Fee	incl GST
Napier Aquatic Centre				
Cash Admission				
Adults single admission	$4.90	Yes	$5.10	Yes
Children (5 years and over) single admission	$3.80	Yes	$3.90	Yes
Children (under 5 years, accompanied by adult in water) single admission	No Charge	Yes	No Charge	Yes
Senior Citizens (65 +) and Community Services Card holders single admission	$3.80	Yes	$3.90	Yes
General Spectators	$1.60	Yes	$1.70	Yes
Club Member	$1.60	Yes	$1.70	Yes
Waterslide (unlimited rides) - additional to entry fee per person	$4.90	Yes	$5.10	Yes
Concession Cards				
Child (10-Swim Cards)	$34.00	Yes	$35.20	Yes
Child (20-Swim Cards)	$67.00	Yes	$69.40	Yes
Child (50-Swim Cards)	$162.50	Yes	$168.00	Yes
Adult (10-Swim Cards)	$44.00	Yes	$45.60	Yes
Adult (20-Swim Cards)	$87.00	Yes	$90.10	Yes
Adult (50-Swim Cards)	$215.00	Yes	$223.00	Yes
Community Card Holder (10-Swim Cards)	$34.00	Yes	$35.20	Yes
Community Card Holder (20-Swim Cards)	$67.00	Yes	$69.40	Yes
Community Card Holder (50-Swim Cards)	$162.50	Yes	$168.00	Yes
Club Member (10-Swim Cards)	$13.50	Yes	$14.00	Yes
Club Member (20-Swim Cards)	$26.80	Yes	$27.80	Yes
Club Member (50-Swim Cards)	$66.50	Yes	$68.90	Yes
Aqua Aerobics (10-Swim Cards)	$50.00	Yes	$51.80	Yes
Aqua Aerobics (20-Swim Cards)	$100.00	Yes	$104.00	Yes
Aqua Aerobics (50-Swim Cards)	$250.00	Yes	$259.00	Yes
Pool Hire Charges				
All pool hire charges on a per-hour basis				
Schools				
Entry fee is exclusive for hire of the following facilities except for single lane hire.				
Single Lane (plus $1.00 including GST entry fee per pupil)	$9.60	Yes	$9.90	Yes
Slide Special	$3.00	Yes	$3.10	Yes
Old Pool	$69.00	Yes	$71.50	Yes
Ivan Wilson 25-metre Pool	$81.00	Yes	$83.90	Yes
Old Learners Pool	$37.60	Yes	$39.00	Yes
Regular Club Hires : Per Hour				
Entry fee is exclusive for hire of the following facilities except for single lane hire.				
Single Lane (plus club entry fee per pool user)	$9.60	Yes	$9.90	Yes
Old Pool	$69.00	Yes	$71.50	Yes
Ivan Wilson 25-metre Pool	$81.00	Yes	$83.90	Yes

	20/21 Fee	incl GST	Proposed 21/22 Fee	incl GST
Casual Hires : Per Hour				
Entry fee is exclusive for hire of the following facility				
Old Pool	$93.00	Yes	$96.30	Yes
Learn 2 Swim (Includes admission charge)				
Please contact the Swim School Co-ordinator for Learn 2 Swim Charges or visit our website at www.napieraquatic.co.nz				
Aquafitness				
Per Session	$5.50	Yes	$5.70	Yes

NAPIER CONFERENCE CENTRE

*All fees and charges are inclusive of GST (except as noted *).*

	20/21 Fee	incl GST	Proposed 21/22 Fee	incl GST
Venue Rental				
Rental covers air-conditioned facility and room set to client's specifications.				
All catering, audio-visual equipment and other equipment or services are additional charges - price on application.				
Terms and Conditions				
Terms and Conditions apply and are available on application.				
Ballroom				
Group 1 - Corporate Organisations				
Morning (8.00am - 12.30pm)	$846.00	Yes	$876.00	Yes
Afternoon (12.30pm - 5.00pm)	$846.00	Yes	$876.00	Yes
Full day rate (8.00am - 5.00pm)	$1,410.00	Yes	$1,461.00	Yes
Evening (5.00pm - Midnight)	$1,095.00	Yes	$1,134.00	Yes
Group 2 - Community Organisations				
Morning (8.00am - 12.30pm)	$363.00	Yes	$376.00	Yes
Afternoon (12.30pm - 5.00pm)	$363.00	Yes	$376.00	Yes
Evening (5.00pm - Midnight)	$495.00	Yes	$513.00	Yes
Group 3 - Weddings				
Afternoon (12.30pm - 5.00pm)	$308.00	Yes	$319.00	Yes
Evening (5.00pm - Midnight)	$775.50	Yes	$803.00	Yes
Small Exhibition Hall				
Group 1 - Corporate Organisations				
Morning (8.00am - 12.30pm)	$555.00	Yes	$575.00	Yes
Afternoon (12.30pm - 5.00pm)	$555.00	Yes	$575.00	Yes
Full day rate (8.00am - 5.00pm)	$925.00	Yes	$958.00	Yes
Evening (5.00pm - Midnight)	$720.00	Yes	$746.00	Yes
Group 2 - Community Organisations				
Morning (8.00am - 12.30pm)	$231.00	Yes	$239.00	Yes
Afternoon (12.30pm - 5.00pm)	$231.00	Yes	$239.00	Yes
Evening (5.00pm - Midnight)	$319.00	Yes	$330.00	Yes
Group 3 - Weddings				
Afternoon (12.30pm - 5.00pm)	$198.00	Yes	$205.00	Yes
Evening (5.00pm - Midnight)	$497.20	Yes	$515.00	Yes
Gallery				
Group 1 - Corporate Organisations				
Morning (8.00am - 12.30pm)	$363.00	Yes	$376.00	Yes
Afternoon (12.30pm - 5.00pm)	$363.00	Yes	$376.00	Yes
Full day rate (8.00am - 5.00pm)	$605.00	Yes	$627.00	Yes
Evening (5.00pm - Midnight)	$470.00	Yes	$487.00	Yes
Group 2 - Community Organisations				
Morning (8.00am - 12.30pm)	$165.00	Yes	$171.00	Yes
Afternoon (12.30pm - 5.00pm)	$165.00	Yes	$171.00	Yes
Evening (5.00pm - Midnight)	$220.00	Yes	$228.00	Yes
Group 3 - Weddings				

	20/21 Fee	incl GST	Proposed 21/22 Fee	incl GST
Evening (5.00pm - Midnight)	$344.30	Yes	$357.00	Yes
Breakout Room One				
Group 1 - Corporate Organisations				
Morning (8.00am - 12.30pm)	$294.00	Yes	$305.00	Yes
Afternoon (12.30pm - 5.00pm)	$294.00	Yes	$305.00	Yes
Full day rate (8.00am - 5.00pm)	$490.00	Yes	$508.00	Yes
Evening (5.00pm - Midnight)	$380.00	Yes	$394.00	Yes
Group 2 - Community Organisations				
Morning (8.00am - 12.30pm)	$121.00	Yes	$125.00	Yes
Afternoon (12.30pm - 5.00pm)	$121.00	Yes	$125.00	Yes
Evening (5.00pm - Midnight)	$165.00	Yes	$171.00	Yes
Breakout Room Two				
Group 1 - Corporate Organisations				
Morning (8.00am - 12.30pm)	$418.80	Yes	$434.00	Yes
Afternoon (12.30pm - 5.00pm)	$418.80	Yes	$434.00	Yes
Full day rate (8.00am - 5.00pm)	$698.00	Yes	$723.00	Yes
Evening (5.00pm - Midnight)	$540.00	Yes	$559.00	Yes
Group 2 - Community Organisations				
Morning (8.00am - 12.30pm)	$170.50	Yes	$177.00	Yes
Afternoon (12.30pm - 5.00pm)	$170.50	Yes	$177.00	Yes
Evening (5.00pm - Midnight)	$236.50	Yes	$245.00	Yes
Boardroom				
All Users				
Morning (8.00am - 12.30pm)	$210.00	Yes	$218.00	Yes
Afternoon (12.30pm - 5.00pm)	$210.00	Yes	$218.00	Yes
Full day rate (8.00am - 5.00pm)	$350.00	Yes	$363.00	Yes
Evening (5.00pm - Midnight)	$270.00	Yes	$280.00	Yes
Large Exhibition Hall				
Group 1 - Corporate Organisations				
Morning (8.00am - 12.30pm)	$606.00	Yes	$628.00	Yes
Afternoon (12.30pm - 5.00pm)	$606.00	Yes	$628.00	Yes
Full day rate (8.00am - 5.00pm)	$1,010.00	Yes	$1,046.00	Yes
Evening (5.00pm - Midnight)	$785.00	Yes	$813.00	Yes
Group 2 - Community Organisations				
Morning (8.00am - 12.30pm)	$258.50	Yes	$268.00	Yes
Afternoon (12.30pm - 5.00pm)	$258.50	Yes	$268.00	Yes
Evening (5.00pm - Midnight)	$396.00	Yes	$410.00	Yes

NAPIER I-SITE VISITOR CENTRE

*All fees and charges are inclusive of GST (except as noted *).*

	20/21 Fee	incl GST	Proposed 21/22 Fee	incl GST
Napier i-SITE Visitor Centre				
Paid Advertising Display (per annum)				
10% Hawke's Bay Operator Discount (Applies to Brochure Display Pocket rate only)				
Product Page Display	$132.00	Yes	$137.00	Yes
1 Pocket Display	$451.00	Yes	$467.00	Yes
Poster (A1) (Includes one pocket)	Rate Available on Request	Yes	Rate Available on Request	Yes
Other Advertising Features	Rate Available on Request	Yes	Rate Available on Request	Yes
Cruise - Stand & Advertising Options	Rate Available on Request	Yes	Rate Available on Request	Yes
i-SITE New Zealand Nationwide Standard Charges				
Standard travel industry commission charges of 10 to 20% on operator on bookings				
Charges for information requested and reservations made outside of Hawke's Bay as required				
Communication and Search Fee - standard	$16.50	Yes	$17.10	Yes
Communication and Search Fee - special event	$22.00	Yes	$22.80	Yes

NAPIER MUNICIPAL THEATRE

*All fees and charges are inclusive of GST (except as noted *).*

	20/21 Fee	incl GST	Proposed 21/22 Fee	incl GST
Theatre Hire				
Professional (per day)				
Terms and conditions apply, available on application.				
Performance day hire includes the use of the stage, auditorium, foyers for entrance, dressing rooms, cleaning of public areas and use of the house sound and lighting as installed at the time of the hire. Also included is one Municipal Theatre technician for a maximum of eight hours. This techinican is required to be on duty at all times whilst you are in the venue to oversee your hire and is not part of the set-up crew. All hours in excess of eight on performance days and including pack-in/out and rehearsal days are chargeable on the final invoice.				
Energy charges as per meter reading and additional staffing costs are chargeable on final invoice.				
Professional (per day)	$3,297.25	Yes	$3,416.00	Yes
Setup/pack-out	$774.40	Yes	$802.00	Yes
Rehearsal	$1,258.40	Yes	$1,304.00	Yes
Deposit required *	$1,258.40	No	$1,304.00	No
Community (per day)				
Terms and conditions apply, available on application.				
Performance day hire includes the use of the stage, auditorium, foyers for entrance, dressing rooms, cleaning of public areas and use of the house sound and lighting as installed at the time of the hire. Also included is one Municipal Theatre technician for a maximum of eight hours. This techinican is required to be on duty at all times whilst you are in the venue to oversee your hire and is not part of the set-up crew. All hours in excess of eight on performance days and including pack-in/out and rehearsal days are chargeable on the final invoice.				
Energy charges as per meter reading and additional staffing costs are chargeable on final invoice.				
Community (per day)	$1,960.20	Yes	$2,031.00	Yes
Setup/pack-out	$447.70	Yes	$464.00	Yes
Rehearsal	$774.40	Yes	$802.00	Yes
Deposit required *	$774.40	No	$802.00	No
Public Meetings (per day)				
Terms and conditions apply, available on application.				
Includes the use of the fore-stage only, auditorium, Port of Napier foyer for entrance, house sound and lighting as installed at time of hire.				
Energy charges as per meter reading and additional staffing costs are chargeable on final invoice.				
Public Meetings (per day)	$1,258.40	Yes	$1,304.00	Yes
Setup/pack-out	$447.70	Yes	$464.00	Yes
Deposit required *	$447.70	No	$464.00	No
Individual Room Hire (per hour)				
Terms and conditions apply, available on application				
Minimum 3-hour hire of any area applies. In general bookings are accepted/confirmed only within a six-week period prior to the proposed date. All other costs (staffing, equipment, energy, catering and cleaning) are chargeable on final invoice.				
Pan Pac Foyer				
Pan Pac Foyer - Including Port of Napier Foyer	$157.30	Yes	$163.00	Yes
Napier Building Society Mezzanine				
Napier Building Society Mezzanine - only with other areas	$72.60	Yes	$75.20	Yes
Westpac Bank Function Room				
Westpac Bank Function Room	$72.60	Yes	$75.20	Yes
Rotary Room				
Rotary Room	$48.40	Yes	$50.10	Yes

	20/21 Fee	incl GST	Proposed 21/22 Fee	incl GST
Pianos				
Community and student rates are available on request				
Municipal Theatre Steinway				
Concert Hire (per performance)	$363.00	Yes	$376.00	Yes
Lunchtime concerts in foyer (per performance)	$102.85	Yes	$107.00	Yes
Non-performance hires in foyer (per hour)	$42.35	Yes	$43.90	Yes
Piano Tuning (per tuning)	Price On Application	Yes	Price On Application	Yes
Municipal Theatre Yamaha Upright or Challen Grand				
Piano hire (per performance)	$102.85	Yes	$107.00	Yes
Piano hire (non-performance)	$42.35	Yes	$43.90	Yes
Piano Tuning (per tuning)	Price On Application	Yes	Price On Application	Yes
Equipment Hire (per day)				
Other equipment can be sourced as required through local agencies				

NATIONAL AQUARIUM OF NEW ZEALAND

*All fees and charges are inclusive of GST (except as noted *).*

	20/21 Fee	incl GST	Proposed 21/22 Fee	incl GST
Admissions				
General Admissions				
Adults	$23.00	Yes	$23.80	Yes
Child (from 3 up to 14 years)	$11.50	Yes	$11.90	Yes
Children (under 3 years)	No Charge	Yes	No Charge	Yes
Student	$21.00	Yes	$21.80	Yes
Family (2 adults & up to 2 children)	$62.00	Yes	$64.20	Yes
Senior Citizens (65 +) and Community Services Card holders	$16.50	Yes	$17.10	Yes
Extra Child	$7.00	Yes	$7.30	Yes
Close Encounters				
Penguins/Alligators (per person) (maximum of 4)	$132.50	Yes	$137.00	Yes
Friends of the Aquarium Membership				
Adult	$66.00	Yes	$68.40	Yes
One Adult/One Child	$97.00	Yes	$100.50	Yes
Family (2 adults and up to 2 children)	$153.00	Yes	$159.00	Yes
Extra Child	$25.00	Yes	$25.90	Yes
School Parties				
Pre-school and Special Schools	$4.00	Yes	$4.10	Yes
Primary	$5.00	Yes	$5.20	Yes
Secondary	$7.00	Yes	$7.30	Yes
Tertiary	$11.50	Yes	$11.90	Yes
Extra Adult	$12.00	Yes	$12.40	Yes
Group Discount (10 or more people)				
Adult	$21.50	Yes	$22.30	Yes
Child (from 3 up to 14 years)	$11.00	Yes	$11.40	Yes
Birthday Parties				
Conditions apply, and are available on request	Price on Application	Yes	Price on Application	Yes
IHC				
Accompanying Caregivers	No Charge	Yes	No Charge	Yes
IHC	$12.00	Yes	$12.40	Yes
Sleep-Overs				
Per Person	$61.00	Yes	$63.20	Yes
Holiday Programme				
Per Person	$40.00	Yes	$41.40	Yes
Technical Staff				
Per Hour	Price on Application	Yes	Price on Application	Yes
Functions				
Aquarium Exhibition Hall	$18.50		$18.50	
Catering, entertainment and other equipment or services are additional charges - prices on application				
Charge Per Hour (Daytime)	$199.00	Yes	$206.00	Yes
Evening (Including Diver charges)				
Corporate Rate	$950.00	Yes	$984.00	Yes

	20/21 Fee	incl GST	Proposed 21/22 Fee	incl GST
Charity Rate	$725.00	Yes	$751.00	Yes
East Coast LAB				
Charge Per Hour (Daytime)	$120.00	Yes	$124.00	Yes
1/2 Day				
Corporate Rate	$400.00	Yes	$414.00	Yes
Charity Rate	$300.00	Yes	$311.00	Yes
Full Day				
Corporate Rate	$800.00	Yes	$829.00	Yes
Charity Rate	$600.00	Yes	$622.00	Yes
Evening				
Corporate Rate	$600.00	Yes	$622.00	Yes
Charity Rate	$450.00	Yes	$466.00	Yes
Education Room (Half day and Full day only on weekend days)				
Charge Per Hour (Daytime)	$75.00	Yes	$77.70	Yes
1/2 Day				
Corporate Rate	$250.00	Yes	$259.00	Yes
Charity Rate	$175.00	Yes	$181.00	Yes
Full Day				
Corporate Rate	$500.00	Yes	$518.00	Yes
Charity Rate	$350.00	Yes	$363.00	Yes
Evening				
Corporate Rate	$350.00	Yes	$363.00	Yes
Charity Rate	$275.00	Yes	$285.00	Yes

Availability

Half day period - 8:00am to 12:30pm and 12:30pm to 5:00pm

Full day period - 7:30am to 5:00pm

Evening period - 5:00pm to 9:00pm

PAR 2 MINIGOLF

*All fees and charges are inclusive of GST (except as noted *).*

	20/21 Fee	incl GST	Proposed 21/22 Fee	incl GST
Par2 MiniGolf				
All green fees are for one 18-hole game per person.				
Green Fees				
Child (2 years and under accompanied by a paying adult)	No Charge	Yes	No Charge	Yes
Child (3 to 14 years of age)	$7.60	Yes	$7.90	Yes
Adult	$10.90	Yes	$11.30	Yes
Family (2 Adults and 2 children)	$29.50	Yes	$30.60	Yes
Family (additional child)	$4.90	Yes	$5.10	Yes
Return Game - Adult	$8.00	Yes	$8.30	Yes
Return Game - Child	$5.10	Yes	$5.30	Yes
Return Game - Family	$21.50	Yes	$22.30	Yes
Return Game - Family (additional Child)	$4.00	Yes	$4.10	Yes
Spectators	No Charge	Yes	No Charge	Yes
Senior Citizens (65 +) and Community Services Card holders	$7.90	Yes	$8.20	Yes
Groups of 10 or More				
Group Rate - Children: 10 to 29 pax	$6.20	Yes	$6.40	Yes
Group Rate - Secondary (15 years and over): 10 to 29 pax	$8.10	Yes	$8.40	Yes
Group Rate - Adults: 10 to 29 pax	$9.20	Yes	$9.50	Yes
Group Rate - Children: 30+ pax	$5.50	Yes	$5.70	Yes
Group Rate - Secondary (15 years and over): 30+ pax	$7.50	Yes	$7.80	Yes
Group Rate - Adults: 30+ pax	$8.50	Yes	$8.80	Yes
After Hours Group Rates				
Par 2 MiniGolf is available after hours for group bookings - terms and conditions apply and are available on request.				

PARKING

*All fees and charges are inclusive of GST (except as noted *).*

	20/21 Fee	incl GST	Proposed 21/22 Fee	incl GST
Parking Fees				
Time restrictions may apply				
Metered fees (per hour)	$1.00	Yes	$1.00	Yes
Pay and Display (per hour)	$1.00	Yes	$1.00	Yes
Discounted Daily rate at specified car parks	$5.00	Yes	$5.00	Yes
Specific Parking fees				
Dickens Street East car park per hour (max stay 2 hours)	$2.00	Yes	$2.00	Yes
Lee Road car park per hour (max stay 3 hours)	$0.60	Yes	$0.60	Yes
Symons Lane - All on lane parking per hour (max stay 3 hours)	$0.60	Yes	$0.60	Yes
Symons Lane car park per hour (max stay 4 hours)	$0.60	Yes	$0.60	Yes
Leased Parking fees				
Leased carparking (per week)	$25.00	Yes	$25.00	Yes
Dalton Street leased car parking (per week)	$30.00	Yes	$30.00	Yes
Edwardes Street Leased car parking (per week)	$15.00	Yes	$15.00	Yes
Secure Leased Parking	$35.00	Yes	$35.00	Yes
Riddell Street Leased car parking (per week)	$10.00	Yes	$10.00	Yes
Hastings Street leased car parking (per week)	$30.00	Yes	$30.00	Yes
Supplementary Services				
Parking Permit (per day)	$15.00	Yes	$15.00	Yes
Meter Shroud (per day)	$20.00	Yes	$20.00	Yes
Parking Signs (per day)	$20.00	Yes	$20.00	Yes
All Bonds (refundable on return for meter shrouds or parking signs) *	$25.00	No	$25.00	No
Car Pound				
Storage of impounded vehicle first month	$60.00	Yes	$60.00	Yes
Storage of impounded vehicle per week after first month	$35.00	Yes	$35.00	Yes
Infringement Fees				
Any parking offence involving parking on a road in breach of a Local Authority bylaw, in excess of a period fixed by a meter or otherwise, where the excess time is one of the times stated below.				
The Land Transport (Road User) Rule 2004 specifies parking offences that incur a penalty, and the maximum fees councils can charge drivers.				
Parking Infringement Fees are not subject to GST.				
Not more than 30 minutes (less a $2.00 discount if paid within seven days of issue)	$12.00	Yes	$12.00	Yes
More than 30 minutes, but not more than one hour (less a $2.00 discount if paid within seven days of issue)	$15.00	Yes	$15.00	Yes
More than one hour but not more than two hours (less a $2.00 discount if paid within seven days of issue)	$21.00	Yes	$21.00	Yes
More than 2 hours but not more than 4 hours (less a $3.00 discount if paid within seven days of issue)	$30.00	Yes	$30.00	Yes
More than 4 hours but not more than 6 hours (less a $3.40 discount if paid within seven days of issue)	$42.00	Yes	$42.00	Yes
More than 6 hours (less a $5.00 discount if paid within seven days of issue)	$57.00	Yes	$57.00	Yes

	20/21 Fee	incl GST	Proposed 21/22 Fee	incl GST
Street Occupation				
Licence for occupation at ground level or $0.05/m	$55.00	Yes	$55.00	Yes
Charge against damage to Council property (whole frontage) per m	$7.00	Yes	$7.00	Yes
Removal or replacement of parking meters and signs each	$35.00	Yes	$35.00	Yes
Removal and reinstatement of roadmarking, per metre.	$6.00	Yes	$6.00	Yes
Vehicle Disposal (admin $75 + disposal)	$165.00	Yes	$165.00	Yes

PARKS AND RESERVES

*All fees and charges are inclusive of GST (except as noted *).*

	20/21 Fee	incl GST	Proposed 21/22 Fee	incl GST
Reserves				
Occupation and use of any public Park or Reserve by either a commercial operation, circus, Mardi Gras, Gypsy Fair or entertainment group, which intend to charge a public admission or sell products for financial gain				
Rental (per day)	$417.00	Yes	$432.00	Yes
Bond (refundable only if grounds and amenities are left in good order)*	$1,200.00	No	$1,243.00	No
Community Events which are free to the public				
Use of grounds & amenities	No Charge	Yes	No Charge	Yes
Bond (refundable only if grounds and amenities are left in good order)*	$1,200.00	No	$1,243.00	No
Perfume Point Reserve (HB Sport Fishing Club)				
Use of sealed public car park for marquee : (per day)	$260.00	Yes	$269.00	Yes
Use of grass reserve for vehicle and boat trailer parking : (per day)	$494.00	Yes	$512.00	Yes

PLANNING SUPPORT SERVICES

*All fees and charges are inclusive of GST (except as noted *).*

	20/21 Fee	incl GST	Proposed 21/22 Fee	incl GST
Geographic Information Services (GIS)				
Map Requests				
A request that involves less than 15 minutes to produce				
A0 Paper Size	$53.80	Yes	$55.70	Yes
A1 Paper Size	$32.30	Yes	$33.50	Yes
A2 Paper Size	$16.10	Yes	$16.70	Yes
Special Map Request Charges				
Specialised maps are those which require new layers to be added, analysis work and/or specialised printing techniques. In addition to the printing charges outlined above (same as every-day map requests) there is a charge based on actual time taken plus any disbursements.				
Hourly Charge-Out Rate				
GIS Officers	$113.00	Yes	$117.00	Yes
Planning Administration				
Disbursements				
Plan Copying A0 (per sheet)	$16.10	Yes	$16.70	Yes
Plan Copying A1 (per sheet)	$10.80	Yes	$11.20	Yes
Plan Copying A2 (per sheet)	$5.40	Yes	$5.60	Yes
Photocopying A4/A3 Assisted	$1.10	Yes	$1.10	Yes
Full Digital property file	$40.00	Yes	$41.40	Yes
Digital building file only	$30.00	Yes	$31.10	Yes
Subsequent request following receipt of digital building file	$15.00	Yes	$15.50	Yes
Property Number Map Book	$32.20	Yes	$33.40	Yes
Certificate of Title	$26.80	Yes	$27.80	Yes
Hourly Rates				
Administration Staff	$80.70	Yes	$83.60	Yes

POLICY PLANNING

*All fees and charges are inclusive of GST (except as noted *).*

	20/21 Fee	incl GST	Proposed 21/22 Fee	incl GST
Policy Planning				
Policy Charges				
Request to Change District Plan	$20,340.00	Yes	$21,072.00	Yes
Notice of Requirement (Sec 168)	$20,340.00	Yes	$21,072.00	Yes
Alteration of Designation (Sec 181) - Non Notified	$1,525.50	Yes	$1,580.00	Yes
Alteration of Designation (Sec 181) - Notified	$10,170.00	Yes	$10,536.00	Yes
Removal of Designation (Sec 182)	$322.90	Yes	$335.00	Yes
Officers' Hourly Rates - Planning (per hour)	$183.10	Yes	$190.00	Yes
Officers' Hourly Rates - Administration (per hour)	$80.70	Yes	$83.60	Yes

PUBLIC TOILETS AND SHOWERS

*All fees and charges are inclusive of GST (except as noted *).*

	20/21 Fee	incl GST	Proposed 21/22 Fee	incl GST
Marine Parade Toilet (Soundshell)				
Toilets				
Adults & Children 5 years and over	$0.20	Yes	$0.21	Yes
Children under 5 years	No Charge	Yes	No Charge	Yes
Showers				
Shower charge	$3.20	Yes	$3.30	Yes
Hire of towel (includes soap)	$2.20	Yes	$2.30	Yes
Lockers				
Lockers will be opened after the end of the hire period and will be available for rehire				
Deposit *	$12.20	No	$12.60	No
Charge up to 4 hours	$1.10	Yes	$1.10	Yes
Charge over 4 hours (same day)	$2.20	Yes	$2.30	Yes
A daily charge for each additional day or part thereof will apply after the first day	$2.20	Yes	$2.30	Yes
Bike Store				
Deposit *	$12.20	No	$12.60	No
Charge up to 4 hours	$1.10	Yes	$1.10	Yes
Charge over 4 hours (same day)	$2.20	Yes	$2.30	Yes

REFUSE TRANSFER STATION

*All fees and charges are inclusive of GST (except as noted *).*

	20/21 Fee	incl GST	Proposed 21/22 Fee	incl GST
Refuse Transfer Station Charges				
Tonnages are obtained via calibrated weighbridge, minus the weight of the vehicle, in 20kg increments.				
No fixed charge for individual rubbish bags – minimum charges apply.				
Government waste levy and ETS (Emissions Trading Scheme) charges are incorporated in the rate for general refuse.				
Fridges, freezers and batteries will only be accepted after paying general waste charges. This is because of high costs to de-gas these appliances and high cost of recycling batteries.				
Discount for bulk waste account holders dumping a tonnage in excess of 500 tonnes per annum is disestablished.				
All Vehicles				
Green waste (per tonne)	$120.00	Yes	$124.00	Yes
General Refuse (per tonne)	$260.00	Yes	$300.00	Yes
Discount for separating Green waste	$6.00	Yes	$6.20	Yes
Waste oil, paint, fridges, freezers and batteries are weighed as part of your load and charged at general refuse rate to help cover disposal costs				
Minimum Charges				
General refuse (applies to loads under 50kg)	$13.00	Yes	$15.00	Yes
General refuse (applies to loads up to 100kg)	$26.00	Yes	$30.00	Yes
Green waste (applies to loads under 50kg)	$10.00	Yes	$10.40	Yes
Green waste (applies to loads up to 100kg)	$14.00	Yes	$14.50	Yes
Fixed Charges				
Polystyrene & Bulk packaging (per cubic metre)	$70.00	Yes	$72.50	Yes
Car tyres (each); Motorcycle or quad bike tyres (single or pair) Truck or Tractor tyres not accepted	$8.00	Yes	$8.30	Yes
Charge to re-issue lost inwards docket	$10.00	Yes	$12.50	Yes
Recycling				
Paper + cardboard, glass, cans + plastics (type 1,2) and scrap metal at the recycling station	No Charge	Yes	No Charge	Yes

RODNEY GREEN CENTENNIAL EVENT CENTRE

*All fees and charges are inclusive of GST (except as noted *).*

	20/21 Fee	incl GST	Proposed 21/22 Fee	incl GST
Rodney Green Centennial Event Centre				
Times of Hire: Morning is 8.00am to 1.00pm, Afternoon is 1.00pm to 6.00pm, Evening is 6.00pm to 11.00pm and Full Day is 8.00am to midnight (unless specified otherwise).				
Performance Bond: Payment of a performance bond is required to confirm a booking. This bond will be refunded after the hire date, less any unpaid hire fees and additional costs incurred by Napier City Council as a result of actions or negligence of the hirer. The performance bond will be refunded if the booking is cancelled at least 30 days before the first hire date.				
Seasonal Hire: A booking for 20 or more sessions over one year (a session is a morning, afternoon, or evening).				
Public Holidays: Additional costs incurred by Napier City Council for bookings on public holidays will be on-charged to the hirer.				
Discount for Sports Tournaments. Only applies if the tournament's principal venue is the Rodney Green Centennial Event Centre. Discount may be negotiated at the time of booking with the Manager of Sport and Recreation, based on economic benefit the tournament brings to the city.				
Local Sports Bodies - Seasonal Hire				
Performance Bond *	$600.00	No	$622.00	No
Morning or Afternoon	$110.00	Yes	$114.00	Yes
Evening	$180.00	Yes	$186.00	Yes
Full Day	$295.00	Yes	$306.00	Yes
Sports Bodies, Not for Profit, and Local Community Benefit				
Performance Bond *	$600.00	No	$622.00	No
Morning or Afternoon	$260.00	Yes	$269.00	Yes
Evening	$390.00	Yes	$404.00	Yes
Full Day	$690.00	Yes	$715.00	Yes
Commercial				
Performance Bond *	By negotiation with McLean Park Manager	No	By negotiation with McLean Park Manager	No
Morning or Afternoon	By negotiation with McLean Park Manager	Yes	By negotiation with McLean Park Manager	Yes
Evening to Midnight	By negotiation with McLean Park Manager	Yes	By negotiation with McLean Park Manager	Yes
Full Day to Midnight	By negotiation with McLean Park Manager	Yes	By negotiation with McLean Park Manager	Yes
Per hour after midnight	By negotiation with McLean Park Manager	Yes	By negotiation with McLean Park Manager	Yes
Additional Facilities				
Kitchen				
Performance Bond *	$200.00	No	$207.00	No
Morning or Afternoon	$70.00	Yes	$72.50	Yes
Evening	$85.00	Yes	$88.10	Yes
Full Day	$170.00	Yes	$176.00	Yes
Dining Room				

	20/21 Fee	incl GST	Proposed 21/22 Fee	incl GST
Performance Bond *	$200.00	No	$207.00	No
Morning or Afternoon	$60.00	Yes	$62.20	Yes
Evening	$70.00	Yes	$72.50	Yes
Full Day	$130.00	Yes	$135.00	Yes
Combined Kitchen and Dining Room				
Performance Bond *	$200.00	No	$207.00	No
Morning or Afternoon	$90.00	Yes	$93.20	Yes
Evening	$115.00	Yes	$119.00	Yes
Full Day	$220.00	Yes	$228.00	Yes
Meeting Room				
Performance Bond *	$200.00	No	$207.00	No
Morning or Afternoon	$60.00	Yes	$62.20	Yes
Evening	$70.00	Yes	$72.50	Yes
Full Day	$130.00	Yes	$135.00	Yes
Changing Rooms				
Male and female per day	$40.00	Yes	$41.40	Yes
BasketBall Hoops				
Price estimates or quotations provided on application	Price on Application	Yes	Price on Application	Yes
Custodian				
Cleaning and other services during hire period (per hour)	$45.00	Yes	$46.60	Yes
Napier City Council Wardens				
Senior Floor Attendant (per hour)	$60.00	Yes	$62.20	Yes
Floor Protection Cover (Carpet Tiles)				
Price estimates or quotations provided on application	Price on Application	Yes	Price on Application	Yes

SEWERAGE

*All fees and charges are inclusive of GST (except as noted *).*

	20/21 Fee	incl GST	Proposed 21/22 Fee	incl GST
Sewer Connections				
Minimum Charges are per connection and non refundable				
100mm Diameter Connection				
Utility Location (Corridor access request/Road crossing) -work in road reserve only - Fee	$585.00	Yes	$606.00	Yes
100mm diameter connection - Deposit (minimum charge)	$1,631.00	Yes	$1,690.00	Yes
Plus a charge per metre of - Open ground pipelaying - Fee	$309.00	Yes	$320.00	Yes
Plus a charge per metre of - Sealed road/footpath pipelaying - Fee	$484.00	Yes	$501.00	Yes
Larger Than 100mm Diameter Connection (industrial, Commecial, Subdivision)				
All costs including street restoration to be charged to applicant. Quotations available on request.				
Minimum Charge	$1,631.00	Yes	$1,690.00	Yes
Disconnection/Reuse				
Disconnection/Reuse - Fee	$482.00	Yes	$499.00	Yes
Video Inspection				
Video Inspection Charge (per hour) - minimum one hour	$198.00	Yes	$205.00	Yes
Bay View Connections (Stage 1 Village)				
All Connections to Stage 1 - Fixed fee to connect plus actual costs of connection	$16,158.00	Yes	$16,740.00	Yes
Service Marking for Council Water, Stormwater and Sewers				
Provision of as built plans	No Charge	Yes	No Charge	Yes
Per Hour - Marking large diameter trunk mains	$145.00	Yes	$150.00	Yes
Per Hour - Marking of Stormwater, sewer and water mains	$145.00	Yes	$150.00	Yes
Trade Waste Charges				
City Charge				
Existing Trade Waste Customers - Charge Per m	$0.78	Yes	$0.89	Yes
Industry to be phased into Trade waste charging system - Charge Per m	$0.78	Yes	$0.89	Yes
Awatoto and Pandora Charge				
Awatoto Charge Per m	$0.27	Yes	$0.31	Yes
Pandora Charge Per m	$0.52	Yes	$0.60	Yes
Tanker Discharge				
Per Load at Milliscreen Plant				
Monday to Friday 7.00am to 4.00pm & Saturday 6.30am to 10.00am (Non Statutory Days)				
Tankers ($ per m	$10.45	Yes	$10.80	Yes
After Hours - A minimum additional charge. (Additional Charges to recover overtime, days in lieu etc may apply)	$200.00	Yes	$207.00	Yes
Additional items				
Connection Application Fee (charge per hour, non refundable)	$81.00	Yes	$83.90	Yes

SOUNDSHELL

*All fees and charges are inclusive of GST (except as noted *).*

	20/21 Fee	incl GST	Proposed 21/22 Fee	incl GST
Soundshell				
Shows				
Use of stage and backstage area for a free community event or for commercial events	No Charge	Yes	No Charge	Yes
Group 1 - Profit-Making Organisations and Family Gatherings				
Hourly charge	$25.00	Yes	$25.90	Yes
Morning or Afternoon	$68.50	Yes	$71.00	Yes
Evening	$102.00	Yes	$106.00	Yes
Whole Day	$142.50	Yes	$148.00	Yes
Group 2 - Community, Hobby & Sports Groups				
Hourly charge	$20.50	Yes	$21.20	Yes
Morning or Afternoon	$56.00	Yes	$58.00	Yes
Evening	$76.00	Yes	$78.70	Yes
Whole Day	$102.00	Yes	$106.00	Yes

SPORTSGROUNDS

*All fees and charges are inclusive of GST (except as noted *).*

Sportsgrounds

Performance Bond: A performance bond is required to confirm a booking for a one-off event or tournament. This bond will be refunded after the hire date, less any unpaid hire fees and additional costs incurred by Napier City Council as a result of actions or negligence of the hirer. The performance bond will be refunded if the booking is cancelled at least 30 days before the hire date.

Seasonal Hire: A booking for up to 20 competition matches on any one sports ground over one season.

Season Definition: Winter (April to August inclusive); Summer (October to March inclusive). Out of season games will be charged at the one-off rate.

Admission Charge: Where the hirer charges an admission fee, the hire fee is as scheduled or 20% of the gate, whichever is greater.

Cancellation: Cancellation charges will apply when Council has incurred preparatory costs and cancellation is not due to the weather. This includes junior sports.

Junior (Local Competition): Maximum school year 8.

Discount for Sports Tournaments: Only applies if the tournament's principal venue is Onekawa Park (Netball), Nelson Park (Cricket) or Park Island. Discount may be negotiated at the time of booking with the Sports Facilities Manager, based on economic benefit the tournament brings to the city.

One-off Games: Includes, but is not limited to, out-of season, friendly and trial games.

Practice: One team only and must be booked - more than one team will be treated as a trial or friendly game and will be charged at the one-off game rate.

Charges for Unbooked Games: A penalty rate of 150% of the one-off game rate will be charged for any game played without an approved booking.

Public Holidays: Additional costs incurred by Napier City Council for bookings on public holidays will be on-charged to the hirer.

	20/21 Fee	incl GST	Proposed 21/22 Fee	incl GST
Sports Tournaments - Open Ground				
Performance Bond *	Price on Application	Yes	Price on Application	No
Tournament charge	As per charges for the code	Yes	As per charges for the code	Yes
Ground remarking	$83.00	Yes	$86.00	Yes
Cleaning changing rooms per visit (Park Island) Weekdays	$148.00	Yes	$153.00	Yes
Cleaning changing rooms per visit (Park Island) Weekends and after hours	$255.00	Yes	$264.00	Yes
Cleaning changing rooms per visit (Park Island) Statutory Holidays	$728.00	Yes	$754.00	Yes
Rubbish bins (additional to standard supply)	$20.00	Yes	$20.70	Yes
Electricity usage	Actual usage	Yes	Actual usage	Yes
Other services required	Price on application	Yes	Price on application	Yes
Non-Sporting Events: Community - Open Ground				
Performance Bond *	Price on Application	Yes	Price on Application	No
Event charge - per day, per winter playing field	$102.00	Yes	$106.00	Yes
Cleaning changing rooms per visit (Park Island) Weekdays	$148.00	Yes	$153.00	Yes
Cleaning changing rooms per visit (Park Island) Weekends and After Hours	$255.00	Yes	$264.00	Yes
Cleaning changing rooms per visit (Park Island) Statutory Holidays	$728.00	Yes	$754.00	Yes
Rubbish bins (additional to standard supply)	$20.00	Yes	$20.70	Yes
Electricity usage	Actual usage	Yes	Actual usage	Yes
Other services required	Price on application	Yes	Price on application	Yes

	20/21 Fee	incl GST	Proposed 21/22 Fee	incl GST
Events: Commercial and / or Admission - Open Ground				
Performance Bond *	Price on Application	Yes	Price on Application	No
Event charge - per day, per winter playing field	$484.00	Yes	$501.00	Yes
Cleaning changing rooms per visit (Park Island) Weekdays	$148.00	Yes	$153.00	Yes
Cleaning changing rooms per visit (Park Island) Weekends and After Hours	$255.00	Yes	$264.00	Yes
Cleaning changing rooms per visit (Park Island) Statutory Holidays	$728.00	Yes	$754.00	Yes
Rubbish bins (additional to standard supply)	$20.00	Yes	$20.70	Yes
Electricity usage	Actual usage	Yes	Actual usage	Yes
Other services required	Price on application	Yes	Price on application	Yes
Rugby				
Rugby: Seasonal Sporting Competition - Open Ground				
Seasonal charge per ground (20 competition matches maximum)	$1,003.00	Yes	$1,039.00	Yes
One-off games	$107.00	Yes	$111.00	Yes
7-aside seasonal charge per ground (20 competition matches maximum)	$499.00	Yes	$517.00	Yes
7-aside one-off games	$26.00	Yes	$26.90	Yes
Junior (Local Competition)	No Charge	Yes	No Charge	Yes
Booked practice (one team only)	No Charge	Yes	No Charge	Yes
Rubbish bins (additional to standard supply)	$20.00	Yes	$20.70	Yes
Preparation outside normal work hours (per hour - labour, plant and materials)	Actual Cost	Yes	Actual Cost	Yes
Other services required (including remarking of grounds)	Price on Application	Yes	Price on Application	Yes
Touch Rugby				
Touch Rugby: Seasonal Sporting Competition - Open Ground				
Seasonal charge per ground (20 competition matches maximum)	$499.00	Yes	$517.00	Yes
One-off games	$26.00	Yes	$26.90	Yes
Booked practice (one team only)	No Charge	Yes	No Charge	Yes
Rubbish bins (additional to standard supply)	$20.00	Yes	$20.70	Yes
Preparation outside normal work hours (per hour - labour, plant and materials)	Actual Cost	Yes	Actual Cost	Yes
Other services required (including remarking of grounds)	Price on Application	Yes	Price on Application	Yes
Football (Soccer)				
Football: Seasonal Sporting Competition - Open Ground				
Seasonal charge per ground (20 competition matches maximum)	$1,003.00	Yes	$1,039.00	Yes
One-off games	$107.00	Yes	$111.00	Yes
7-aside seasonal charge per ground (20 competition matches)	$509.00	Yes	$527.00	Yes
7-aside one-off games	$26.00	Yes	$26.90	Yes
Junior (Local Competition)	No Charge	Yes	No Charge	Yes
Booked practice (one team only)	No Charge	Yes	No Charge	Yes
Rubbish bins (additional to standard supply)	$20.00	Yes	$20.70	Yes

	20/21 Fee	incl GST	Proposed 21/22 Fee	incl GST
Preparation outside normal work hours (per hour - labour, plant and materials)	Actual Cost	Yes	Actual Cost	Yes
Other services required (including remarking of grounds)	Price on Application	Yes	Price on Application	Yes

Rugby League

Rugby League: Seasonal Sporting Competition - Open Ground

Seasonal charge per ground (20 competition matches maximum)	$758.00	Yes	$785.00	Yes
One-off games	$78.00	Yes	$80.80	Yes
7-aside or Tag Football seasonal charge per ground (20 competition matches)	$377.00	Yes	$391.00	Yes
7-aside or Tag Football one-off games	$21.00	Yes	$21.80	Yes
Junior (Local Competition)	No Charge	Yes	No Charge	Yes
Booked practice (one team only)	No Charge	Yes	No Charge	Yes
Rubbish bins (additional to standard supply)	$20.00	Yes	$20.70	Yes
Preparation outside normal work hours (per hour - labour, plant and materials)	Actual Cost	Yes	Actual Cost	Yes
Other services required (including remarking of grounds)	Price on Application	Yes	Price on Application	Yes

Hockey

Hockey: Seasonal Sporting Competition - Open Ground

Charge per booking	Price on Application	Yes	Price on Application	Yes

Softball

Softball: Seasonal Sporting Competition - Open Ground

Seasonal charge per ground (20 competition matches maximum)	$570.00	Yes	$591.00	Yes
One-off games	$83.00	Yes	$86.00	Yes
Junior (Local Competition)	No Charge	Yes	No Charge	Yes
Booked practice (one team only)	No Charge	Yes	No Charge	Yes
Rubbish bins (additional to standard supply)	$20.00	Yes	$20.70	Yes
Preparation outside normal work hours (per hour - labour, plant and materials)	Actual Cost	Yes	Actual Cost	Yes
Other services required (including remarking of grounds)	Price on Application	Yes	Price on Application	Yes

Cricket: Seasonal Sporting Competition - Open Ground

Charges include morning and evening preparation only (for example, use of covers during the day is the responsibility of the hirer).

Grass Wickets (Nelson Park)

Seasonal charge per wicket (20 club competition matches maximum; one match per day)	$2,901.00	Yes	$3,005.00	Yes
Club practice (20 weeks; 2 nights per week; 2 wickets)	$2,901.00	Yes	$3,005.00	Yes
Representative practice (per day; 1 wicket)	$148.00	Yes	$153.00	Yes
One off game (except as specified below)	$285.00	Yes	$295.00	Yes
One off game (twilight; outfield wicket)	$148.00	Yes	$153.00	Yes
One off game (50 over)	$285.00	Yes	$295.00	Yes
One off game (twenty/20)	$117.00	Yes	$121.00	Yes
Two day game (consecutive days; one pitch)	$392.00	Yes	$406.00	Yes
Three day game (consecutive days; one pitch)	$590.00	Yes	$611.00	Yes
Four day game (consecutive days; one pitch)	$784.00	Yes	$812.00	Yes
Five day game (consecutive days; one pitch)	$977.00	Yes	$1,012.00	Yes

	20/21 Fee	incl GST	Proposed 21/22 Fee	incl GST
Women's 40 over game	$270.00	Yes	$280.00	Yes
Junior representative (grass at representative practice rate)	$148.00	Yes	$153.00	Yes
Artificial Wickets				
Seasonal charge per wicket (20 club competition matches maximum)	$1,105.00	Yes	$1,145.00	Yes
One off game	$57.00	Yes	$59.10	Yes
Junior (Local Competition)	No Charge	Yes	No Charge	Yes
Additional Charges				
Rubbish bins (additional to standard supply)	$20.00	Yes	$20.70	Yes
Preparation outside normal work hours (per hour - labour, plant and materials)	Actual Cost	Yes	Actual Cost	Yes
Other services required (including remarking of grounds)	Price on Application	Yes	Price on Application	Yes
Tennis				
Tennis Charges				
Petane Domain - 3 courts (annual charge)	$1,598.00	Yes	$1,656.00	Yes
Preparation outside normal work hours (per hour - labour, plant and materials)	Actual Cost	Yes	Actual Cost	Yes
Other services required	Price on application	Yes	Price on application	Yes
Athletics				
Athletics Charges				
Napier - per season	$1,741.00	Yes	$1,804.00	Yes
Preparation outside normal work hours (per hour - labour, plant and materials)	Actual Cost	Yes	Actual Cost	Yes
Other services required	Price on application	Yes	Price on application	Yes
Netball				
Netball Charges				
Onekawa Park - 12 courts (full year charge)	$5,976.00	Yes	$6,191.00	Yes
Preparation outside normal work hours (per hour - labour, plant and materials)	Actual Cost	Yes	Actual Cost	Yes
Other services required	Price on application	Yes	Price on application	Yes
McLean Park				
For events with two or more consecutive days of use, the minimum charge shall apply for the first day. Charges for additional days will be negotiated with the hirer.				
20% of gate clause in General Terms applies				
Rugby and Cricket - Charge Ground				
Per day minimum charge (excluding floodlights)	$2,774.00	Yes	$2,874.00	Yes
Floodlights hire (per hour of use)	$1,384.00	Yes	$1,434.00	Yes
Other services and facilities required	Price on Application	Yes	Price on Application	Yes
Other Hirers - Charge Ground				
Performance Bond *	Price on Application	Yes	Price on Application	No
Per day minimum charge	$2,795.00	Yes	$2,896.00	Yes
Floodlights hire (per hour of use)	$1,375.00	Yes	$1,425.00	Yes
Evacuation Controller and Senior Stand Attendants (per hour)	$60.00		$62.20	Yes
Electricians or Technicians on Standby - per hour	$97.00	Yes	$100.50	Yes

	20/21 Fee	incl GST	Proposed 21/22 Fee	incl GST
Video screen	$1,565.00	Yes	$1,621.00	Yes
Scoreboard	$100.00	Yes	$104.00	Yes
Video Screen Technician - per hour	$100.00		$104.00	Yes
Preparation outside normal work hours (per hour - labour, plant and materials)	Actual Cost	Yes	Actual Cost	Yes
Other services and facilities required	Price on Application	Yes	Price on Application	Yes

Tremain Field (Park Island)

20% of gate clause in General Terms applies.

Rugby Union and Rugby League - Charge Ground

Seasonal charge per ground (20 matches maximum)	$1,059.00	Yes	$1,097.00	Yes
One off game charge	$112.00	Yes	$116.00	Yes
Preparation outside normal work hours (per hour - labour, plant and materials)	Actual Cost	Yes	Actual Cost	Yes
Other services required	Price on application	Yes	Price on application	Yes

Bluewater Stadium (Park Island)

20% of gate clause in General Terms applies.

Charge Ground

Foorball : Refer to Football in seasonal sporting competition - Open ground section				
Preparation outside normal work hours (per hour - labour, plant and materials)	Actual Cost	Yes	Actual Cost	Yes
Other services required	Price on application	Yes	Price on application	Yes
Non football use	Price on application	Yes	Price on application	Yes

STORMWATER

*All fees and charges are inclusive of GST (except as noted *).*

	20/21 Fee	incl GST	Proposed 21/22 Fee	incl GST
Stormwater Connections				
All minimum charges are per connection				
Steel Kerb Connection 90mm Equivalent				
Steel Connection to Kerb & Channel - Deposit	$662.00	Yes	$686.00	Yes
Double Connection to Kerb and Channel - Deposit	$1,021.00	Yes	$1,058.00	Yes
100mm Connection				
Utility Location (Corridor access request/Road crossing) -work in road reserve only - Fee	$585.00	Yes	$606.00	Yes
150mm Connection to Stormwater Pipe - Minimum deposit charge due on application	$778.00	Yes	$806.00	Yes
Plus a charge per metre of - Open ground pipelaying - Fee	$259.00	Yes	$268.00	Yes
Plus a charge per metre of - Sealed road/foothpath pipelaying - Fee	$434.00	Yes	$450.00	Yes
Larger Than 150mm Connection				
For a diameter larger than 150mm all costs including street restoration to be to applicant. Quotations available on request.				
All minimum payments are non-refundable				
Minimum Charge for Commercial/Subdivision Pipe >150mm connections due on application - Deposit	$691.00	Yes	$716.00	Yes
Service Marking for Council Water, Stormwater and Sewers				
Provision of as built plans	No Charge	Yes	No Charge	Yes
Per Hour - Marking large diameter pumping and/or gravity mains	$145.00	Yes	$150.00	Yes
Per Hour - Marking of Stormwater, sewer and water mains	$145.00	Yes	$150.00	Yes
Additional items				
Connection Application Fee (charge per hour, non refundable)	$81.00	Yes	$83.90	Yes

SUBDIVISION AND LAND DEVELOPMENT

*All fees and charges are inclusive of GST (except as noted *).*

	20/21 Fee	incl GST	Proposed 21/22 Fee	incl GST
Processing of Resource Consents (Subdivision)				
These set fees relate to the minimum charge only. Actual fee payable includes the cost of time taken to process each application, memorandum, consent, notice, certificate or schedule, the cost of disbursements, plus any inspections required.				
Planning				
Scheme Plan Approval (0-10 lots)	$1,017.00	Yes	$1,054.00	Yes
Scheme Plan Approval (11-20 lots)	$2,135.00	Yes	$2,212.00	Yes
Scheme Plan Approval (greater than 20 lots)	$2,540.00	Yes	$2,631.00	Yes
Amendments to Flats/Crosslease	$610.00	Yes	$632.00	Yes
Certification Fee (223 & 348)	$205.00	Yes	$212.00	Yes
Certificate of Compliance (224) Regulatory Engineering	$460.00	Yes	$477.00	Yes
Certificate of Compliance (224) Regulatory Engineering				
Rights of Way Approval	$355.00	Yes	$368.00	Yes
Document Sealing/Signing Fee	$122.00	Yes	$126.00	Yes
Site Visit Fee	$152.00	Yes	$157.00	Yes
Monitoring Inspection in relation to any consent, designation, or site inspection	$315.00	Yes	$326.00	Yes
Property File Management Fee (charged per consent)	$75.00	Yes	$77.70	Yes
Hourly Rates				
Regulatory Engineering	$162.70	Yes	$169.00	Yes
Team Leader Planning and Compliance	$180.00		$186.00	Yes
Senior/Principal Resource Consents Planner	$170.00		$176.00	Yes
Resource Consents Planner	$160.00	Yes	$166.00	Yes
Regulatory Administrator	$85.00	Yes	$88.10	Yes
Consultants' and solicitors' fees associated with all work types, including the processing of a consent or certificate (including specialist technical or legal advice or where a consent involves creating legal instruments)	Charged at cost plus disbursements		Charged at cost plus disbursements	
The following costs are for attendances by the City Solicitors on behalf of Council for the preparation and arrangement of legal documentation.				
Costs				
Bond (includes Caveat) *	$619.00	Yes	$641.00	No
Release of Bond (includes Caveat) *	$488.00	Yes	$506.00	No
Release of Bond and issue of replacement Bond (includes withdrawal of existing Caveat and creation of new Caveat) *	$845.00	Yes	$875.00	No
Easement (per document)	$488.00	Yes	$506.00	Yes
Covenant (per document)	$488.00	Yes	$506.00	Yes
Certificate under Building Act	$394.00	Yes	$408.00	Yes
Release of Certificate, Caveat	$268.00	Yes	$278.00	Yes
Consent	$236.00	Yes	$244.00	Yes
Release of Consent Notice, Fencing Covenant	$330.00	Yes	$342.00	Yes
Lease Renewal	$560.00	Yes	$580.00	Yes
Freeholding	$560.00	Yes	$580.00	Yes

	20/21 Fee	incl GST	Proposed 21/22 Fee	incl GST
Engineering Approval (Assets)				
Proposed works in terms of the code of practice				
The charges apply where the proposed works are in terms of D and E of the code.				
Where the proposed works are not in terms of D and E of the code but subject to specific design then the actual cost is charged.				
Minimum charge (for up to 3 lots)	$204.50	Yes	$212.00	Yes
Per lot for each additional over 3	$31.20	Yes	$32.30	Yes
Minimum charge (staff time hourly rate) (Where there is insufficient information or amendments are required, additional charges may be made)	$162.70	Yes	$169.00	Yes
Bond for Completion of - As Built - Plans				
Bond for - As Built - plans are required for stand-alone projects (not part of a subdivision) that include infrastructure that is to be taken over by Council.				
Bond calculated at 5% of estimated cost of project with a minimum of $5,831 *	$5,628.60	Yes	$5,831.00	No
Construction - Acceptance of Pipe Assets	$0.00	Yes	$0.00	Yes
Wastewater - Sewerage				
Initial inspection, water-tightness test, CCTV inspection and final inspection.				
Minimum charge	$215.20	Yes	$223.00	Yes
Per lot for each additional over 3	$54.90	Yes	$56.90	Yes
Stormwater				
Initial inspection, water-tightness test, CCTV inspection and final inspection.				
Minimum charge	$215.20	Yes	$223.00	Yes
Per lot for each additional over 3	$54.90	Yes	$56.90	Yes
Water Supply				
Initial inspection, pressure test, disinfection, residual check and flushing and final inspection				
Minimum charge	$410.00	Yes	$425.00	Yes
Per lot for each additional over 3	$67.80	Yes	$70.20	Yes
Charging by Metre Length				
Where charging by number of lots is inappropriate the following charges per metre apply				
Sewerage - Minimum charge	$215.20	Yes	$223.00	Yes
Sewerage - Per meter	$2.65	Yes	$2.70	Yes
Stormwater - Minimum charge	$215.20	Yes	$223.00	Yes
Stormwater - Per meter	$2.65	Yes	$2.70	Yes
Water Supply - Minimum charge	$409.00	Yes	$424.00	Yes
Water Supply - Per meter	$2.65	Yes	$2.70	Yes
Roading and Reserves				
Roading - Fixed Charge (initial inspections for construction of new roads)	$568.20	Yes	$589.00	Yes
Roading - plus a Per Lot charge of	$27.50	Yes	$28.50	Yes
Reserves - Minimum Charge (initial inspections for development of new reserves)	$645.70	Yes	$669.00	Yes
Reserves - Additional Inspection Charge	$123.80	Yes	$128.00	Yes
Financial Contributions				
In the District Plan (refer to Rule 65.14) the formula for the increase in Financial Contributions is based on the movement in the Statistics NZ Producers Price Index (PPI) Inputs Table E Index.				
Infill				
Urban (per lot)	$27,558.20	Yes	$28,210.10	Yes
Urban - Multi-Story (per dwelling unit)	$22,210.30	Yes	$22,735.24	Yes
Urban - Multi-Story (plus per hectare - Stormwater)	$64,182.80	Yes	$65,699.80	Yes
Jervoistown: Full urban (per lot) non local off site	$24,282.60	Yes	$24,856.94	Yes

	20/21 Fee	incl GST	Proposed 21/22 Fee	incl GST
Jervoistown: Full urban (plus: per lot) local off site	$95,488.50	Yes	$97,746.18	Yes
Ahuriri (per lot)	$27,557.10	Yes	$28,210.10	Yes
Ahuriri - Multi-Story (per dwelling unit)	$21,515.30	Yes	$22,735.24	Yes
Ahuriri - Multi-Story (plus per hectare - Stormwater)	$62,178.40	Yes	$65,699.80	Yes
Greenfields				
King St / Guppy Rd (per dwelling unit)	$23,157.30	Yes	$23,704.34	Yes
King St / Guppy Rd (plus per hectare - Stormwater)	$214,984.10	Yes	$222,066.88	Yes
King St / Guppy Rd (plus per metre Guppy Road frontage - if applicable)	$802.90	Yes	$821.44	Yes
King St / Guppy Rd (less: per metre Guppy Road frontage roading structure plan credit - where applicable)	$536.00	Yes	$555.30	Yes
Lagoon Farm (per lot)	$24,823.90	Yes	$25,410.31	Yes
Mission Heights (per lot)	$24,042.40	Yes	$21,890.86	Yes
Park Island (per lot)	$25,077.00	Yes	$25,669.79	Yes
Te Awa (per lot)	$22,989.70	Yes	$23,533.74	Yes
Te Awa (plus: per hectare) local off site	$549,868.60	Yes	$562,868.76	Yes
Te Awa (plus: per meter of road frontage - where applicable)	$3,568.10	Yes	$3,652.78	Yes
Rural				
Poraiti (per lot)	$18,751.10	Yes	$19,194.28	Yes
Lifestyle Character (per lot)	$20,332.30	Yes	$23,704.34	Yes
Lifestyle Character: Plus for lots not connected to a stormwater system discharging above the flood detention dam in Kent Terrace	$2,825.00	Yes	$2,926.70	Yes
All other rural areas including subdistrict rural (per lot)	$16,823.00	Yes	$20,441.00	Yes
Jervoistown (per lot) non local off site	$19,644.80	Yes	$20,109.00	Yes
Jervoistown (plus: per lot - road) Applies to the area west of Jervois Road, North of Meeanee Road and South of Burness Road	$8,249.70	Yes	$8,445.00	Yes
Jervoistown (plus: per lot - stormwater) Applies to those properties that drain to the Upper Purimu Drain	$9,627.00	Yes	$9,845.00	Yes
Jervoistown (plus: per lot - stormwater) Applies to those properties that drain to the Jervois Drain	$122,317.50	Yes	$125,209.00	Yes
Capital Contributions				
Bay View Water Supply (per domestic connection)	$3,101.50	Yes	$3,213.20	Yes
Bay View Financial Contributions				
This schedule of charges for Financial Contributions is charged under Council's Developemnt and Financial Contributions Policy. It is indexed on 1st July based on the movement in the Statistics NZ Producers Price Index (PPI) Inputs Table E Index.				
Bay View Water Supply (commercial)				
The Greater of:				
(1) 15mm connection, or	$3,101.50	Yes	$3,213.00	Yes
(2) the sum of:				
(2a) Non residential based:				
(i) Offices and Shops				
- Gross Floor area ($ per m	$12.40	Yes	$12.80	Yes
- plus Pervious Land area ($ per m	$4.70	Yes	$4.90	Yes
(ii) Warehouses				
- Gross Floor area ($ per m	$6.20	Yes	$6.40	Yes
- plus Pervious Land area ($ per m	$4.70	Yes	$4.90	Yes
(iii) Unsealed yards ($ per m	$4.70	Yes	$4.90	Yes

	20/21 Fee	incl GST	Proposed 21/22 Fee	incl GST
(2b) Residential based				
(i) Residential Care, Travellers Accommodation and Retirement Complexes				
- Population per Head	$451.00	Yes	$467.00	Yes
- plus Pervious Land area ($ per m	$4.60	Yes	$4.80	Yes
(ii) Day Care Centres and Educational Facilities				
- Population per Head	$226.50	Yes	$235.00	Yes
- plus Pervious Land area ($ per m	$4.60	Yes	$4.80	Yes
Bay View Wastewater (Commercial)				
The Greater of:				
(1) Bay View wastewater connection charge, or	See sewer connection charges	Yes	See sewer connection charges	Yes
(2) the sum of:		Yes		Yes
(2a) Non residential based:				
(i) Offices and Shops				
- Gross Floor area ($ per m	$8.40	Yes	$8.70	Yes
(ii) Warehouses				
- Gross Floor area ($ per m	$4.10	Yes	$4.20	Yes
(2b) Residential based				
(i) Residential Care, Travellers Accommodation and Retirement Complexes				
- Population per Head	$314.40	Yes	$326.00	Yes
(ii) Day Care Centres and Educational Facilities				
- Population per Head	$157.20	Yes	$163.00	Yes
Napier Financial Contributions				
Transportation				
Roads and Transportation	$13,343.40	Yes	$13,284.75	Yes
Water Supply Contribution (Non-Residential Based)				
Offices and Shops				
- Gross floor area ($ per m	$8.00	Yes	$8.00	Yes
- Plus pervious land area ($ per m	$3.00	Yes	$3.00	Yes
- or equivalent wastewater connection, whichever is greater	See Equivalent Connections	Yes	See Equivalent Connections	Yes
Medical Clinics/Hospitals				
- Gross floor area ($ per m	$10.00	Yes	$10.00	Yes
- Plus pervious land area ($ per m	$3.00	Yes	$3.00	Yes
- or equivalent wastewater connection, whichever is greater	See Equivalent Connections	Yes	See Equivalent Connections	Yes
Warehouses / Factories / Network Utility Operations				
- Gross floor area ($ per m	$4.00	Yes	$4.00	Yes
- Plus pervious land area ($ per m	$3.00	Yes	$3.00	Yes
- or equivalent wastewater connection, whichever is greater	See Equivalent Connections	Yes	See Equivalent Connections	Yes
Unsealed Yards				
- Pervious land area ($ per m	$3.00	Yes	$3.00	Yes

	20/21 Fee	incl GST	Proposed 21/22 Fee	incl GST
- or equivalent wastewater connection, whichever is greater	See Equivalent Connections	Yes	See Equivalent Connections	Yes
Churches				
- Per Church	$4,005.80	Yes	$3,988.00	Yes
- Plus pervious land area ($ per m	$3.00	Yes	$3.00	Yes
- or equivalent wastewater connection, whichever is greater	See Equivalent Connections	Yes	See Equivalent Connections	Yes
Wastewater Contribution (Non-Residential Based)				
Offices and Shops				
- Gross floor area ($ per m	$5.60	Yes	$5.60	Yes
- or equivalent wastewater connection, whichever is greater	See Equivalent Connections	Yes	See Equivalent Connections	Yes
Medical Clinics/Hospitals				
- Gross floor area ($ per m	$6.90	Yes	$6.95	Yes
- or equivalent wastewater connection, whichever is greater	See Equivalent Connections	Yes	See Equivalent Connections	Yes
Warehouses / Factories / Network Utility Operations				
- Gross floor area ($ per m	$2.80	Yes	$2.80	Yes
- or equivalent wastewater connection, whichever is greater	See Equivalent Connections	Yes	See Equivalent Connections	Yes
Churches				
- per Church	$2,793.60	Yes	$2,781.65	Yes
- or equivalent wastewater connection, whichever is greater	See Equivalent Connections	Yes	See Equivalent Connections	Yes
Stormwater Contribution (Non-Residential Based)				
Offices and Shops - Land area ($ per m	$5.50	Yes	$5.50	Yes
Medical Clinics/Hospitals - Land area ($ per m	$5.50	Yes	$5.50	Yes
Warehouses / Factories / Network Utility Operations - Land area ($ per m	$5.50	Yes	$5.50	Yes
Unsealed Yards - Land area ($ per m	$1.30	Yes	$1.40	Yes
Churches - Land area ($ per m	$5.50	Yes	$5.50	Yes
Water Supply Contribution (Residential Based)				
Residential Care Facilities				
- Population ($ per head)	$301.00	Yes	$300.00	Yes
- Plus pervious land area ($ per m	$3.00	Yes	$3.00	Yes
- or equivalent wastewater connection, whichever is greater	See Equivalent Connections	Yes	See Equivalent Connections	Yes
Travellers Accommodation				
- Population ($ per head)	$301.00	Yes	$300.00	Yes
- Plus pervious land area ($ per m	$3.00	Yes	$3.00	Yes
- or equivalent wastewater connection, whichever is greater	See Equivalent Connections	Yes	See Equivalent Connections	Yes
Day Care Centres				
- Population ($ per head)	$151.00	Yes	$151.00	Yes
- Plus pervious land area ($ per m	$3.00	Yes	$3.00	Yes

	20/21 Fee	incl GST	Proposed 21/22 Fee	incl GST
- or equivalent wastewater connection, whichever is greater	See Equivalent Connections	Yes	See Equivalent Connections	Yes
Educational Facilities				
- Population ($ per head)	$151.00	Yes	$151.00	Yes
- Plus pervious land area ($ per m	$3.00	Yes	$3.00	Yes
- or equivalent wastewater connection, whichever is greater	See Equivalent Connections	Yes	See Equivalent Connections	Yes
Retirement Complexes				
- Population ($ per head)	$298.90	Yes	$297.00	Yes
- Plus pervious land area ($ per m	$3.00	Yes	$3.00	Yes
- or equivalent wastewater connection, whichever is greater	See Equivalent Connections	Yes	See Equivalent Connections	Yes
Wastewater Contribution (Residential Based)				
Residential Care Facilities				
- Population ($ per head)	$208.90	Yes	$208.90	Yes
- or equivalent wastewater connection, whichever is greater	See Equivalent Connections	Yes	See Equivalent Connections	Yes
Travellers Accommodation				
- Population ($ per head)	$208.90	Yes	$208.90	Yes
- or equivalent wastewater connection, whichever is greater	See Equivalent Connections	Yes	See Equivalent Connections	Yes
Day Care Centres				
- Population ($ per head)	$104.50	Yes	$104.50	Yes
- or equivalent wastewater connection, whichever is greater	See Equivalent Connections	Yes	See Equivalent Connections	Yes
Educational Facilities				
- Population ($ per head)	$104.50	Yes	$104.50	Yes
- or equivalent wastewater connection, whichever is greater	See Equivalent Connections	Yes	See Equivalent Connections	Yes
Retirement Complexes			$0.00	
- Population ($ per head)	$208.90	Yes	$208.90	Yes
- or equivalent wastewater connection, whichever is greater	See Equivalent Connections	Yes	See Equivalent Connections	Yes
Stormwater Contribution (Residential Based)				
Residential Care Facilities - Land area ($ per m	$5.50	Yes	$5.50	Yes
Travellers Accommodation - Land area ($ per m	$5.50	Yes	$5.50	Yes
Day Care Centres - Land area ($ per m	$5.50	Yes	$5.50	Yes
Educational Facilities - Land area ($ per m	$5.50	Yes	$5.50	Yes
Retirement Complexes - Land area ($ per m	$5.50	Yes	$5.50	Yes
Equivalent Connections				
15mm Diameter - Water Connection	$1,968.90	Yes	$2,040.00	Yes
15mm Diameter - Wastewater Connection	$1,375.00	Yes	$1,425.00	Yes
20mm Diameter - Water Connection	$3,505.60	Yes	$3,632.00	Yes
20mm Diameter - Wastewater Connection	$2,455.00	Yes	$2,543.00	Yes
25mm Diameter - Water Connection	$5,475.50	Yes	$5,673.00	Yes

	20/21 Fee	incl GST	Proposed 21/22 Fee	incl GST
25mm Diameter - Wastewater Connection	$3,834.10	Yes	$3,972.00	Yes
32mm Diameter - Water Connection	$8,969.90	Yes	$9,293.00	Yes
32mm Diameter - Wastewater Connection	$6,282.00	Yes	$6,508.00	Yes
40mm Diameter - Water Connection	$14,003.10	Yes	$14,507.00	Yes
40mm Diameter - Wastewater Connection	$9,802.90	Yes	$10,156.00	Yes
50mm Diameter - Water Connection	$21,879.70	Yes	$22,667.00	Yes
50mm Diameter - Wastewater Connection	$15,316.00	Yes	$15,867.00	Yes
80mm Diameter - Water Connection	$56,005.20	Yes	$58,021.00	Yes
80mm Diameter - Wastewater Connection	$39,204.30	Yes	$40,616.00	Yes
100mm Diameter - Water Connection	$87,512.90	Yes	$90,663.00	Yes
100mm Diameter - Wastewater Connection	$61,260.00	Yes	$63,465.00	Yes

TARADALE COMM CO-LAB

*All fees and charges are inclusive of GST (except as noted *).*

	20/21 Fee	incl GST	Proposed 21/22 Fee	incl GST
Meeting Room				
Group 1 - Profit-Making Organisations and Family Gatherings				
Hourly charge	$25.00		$25.90	Yes
Morning or Afternoon	$68.50		$71.00	Yes
Evening	$102.00		$105.70	Yes
Whole Day	$142.50		$147.60	Yes
Group 2 - Community, Hobby & Sports Groups				
Hourly charge	$20.50		$21.20	Yes
Morning or Afternoon	$56.00		$58.00	Yes
Evening	$76.00		$78.70	Yes
Whole Day	$102.00		$105.70	Yes

TARADALE TOWN HALL

*All fees and charges are inclusive of GST (except as noted *).*

	20/21 Fee	incl GST	Proposed 21/22 Fee	incl GST
Town Hall				
Group 1 - Profit-Making Organisations and Family Gatherings				
Hourly charge	$50.00	Yes	$51.80	Yes
Morning or Afternoon	$144.00	Yes	$149.00	Yes
Evening	$275.00	Yes	$285.00	Yes
Whole Day	$400.00	Yes	$414.00	Yes
Group 2 - Community, Hobby & Sports Groups				
Hourly charge	$41.00	Yes	$42.50	Yes
Morning or Afternoon	$100.00	Yes	$104.00	Yes
Evening	$145.00	Yes	$150.00	Yes
Whole Day	$230.00	Yes	$238.00	Yes
Rotary Lounge				
Group 1 - Profit-Making Organisations and Family Gatherings				
Hourly charge	$41.00	Yes	$42.50	Yes
Morning or Afternoon	$110.00	Yes	$114.00	Yes
Evening	$168.00	Yes	$174.00	Yes
Whole Day	$245.00	Yes	$254.00	Yes
Group 2 - Community, Hobby & Sports Groups				
Hourly charge	$28.00	Yes	$29.00	Yes
Morning or Afternoon	$82.00	Yes	$85.00	Yes
Evening	$122.00	Yes	$126.00	Yes
Whole Day	$163.00	Yes	$169.00	Yes

TOWN PLANNING RESOURCE CONSENTS

*All fees and charges are inclusive of GST (except as noted *).*

All Town Planning Resource Consents fees are charged on an actual and reasonable cost recovery basis. The below fees are a fixed deposit and will be invoiced to you at the time the application is determined to be accepted. Charges incurred over the deposit will be charged based on the rates below.

	20/21 Fee	incl GST	Proposed 21/22 Fee	incl GST
Development Charges				
Development Charges (Section 36 Resource Management Act)				
Non Notified Resource Consent	$915.00	Yes	$948.00	Yes
Non Notified Resource Consent (multi-unit)	$1,017.00	Yes	$1,054.00	Yes
Notified Resource Consent	$10,170.00	Yes	$10,536.00	Yes
Limited Notification Resource Consent	$8,136.00	Yes	$8,429.00	Yes
Variation of Conditions - Non Notified	$610.00	Yes	$632.00	Yes
Variation of Conditions - Notified	$3,685.00	Yes	$3,818.00	Yes
Boundary Activity	$305.00	Yes	$316.00	Yes
Temporary/Marginal Activity	$305.00	Yes	$316.00	Yes
Pre-Application Advice (over and above 1 hour)	Hourly rate	Yes	Hourly rate	Yes
Resource Consent Montitoring	$160.00	Yes	$166.00	Yes
Set Fees				
These set fees relate to the mimimum charge only. Actual fee payable includes the cost of time taken to process each application, memorandum, consent, notice, certificate or schedule, the costs of disbursements, plus any inspections required.				
Certificate of Compliance (Sec 139)	$610.00	Yes	$632.00	Yes
Existing Use Certificate	$610.00	Yes	$632.00	Yes
Extension of Resource Consent Expiry Fee (Sec 125)	$610.00	Yes	$632.00	Yes
Outline Plan Lodgement (Sec 176A)	$915.00	Yes	$948.00	Yes
Review of Decisions (Sec 357)	$1,780.00	Yes	$1,844.00	Yes
Overseas Investment Certificate	$610.00	Yes	$632.00	Yes
Resource Management Certificate for Sale and Supply of Alcohol 2012	$100.00	Yes	$104.00	Yes
Property File Management Fee (charged per consent)	$75.00	Yes	$77.70	Yes
Moveable Signs Within CBD				
CBD Sandwich Boards Signage Fee	$150.00	Yes	$155.00	Yes
Hourly Rates				
Consultants' and solicitors' fees associated with all work types, including the processing of a consent or certificate (including specialist technical or legal advice or where a consent involves creating legal instruments)	Charged at cost plus disbursements		Charged at cost plus disbursements	
Regulatory Engineering	$162.70	Yes	$169.00	Yes
Team Leader Planning and Compliance	$180.00	Yes	$186.00	Yes
Senior/Principal Resource Consents Planner	$170.00	Yes	$176.00	Yes
Resource Consents Planner	$160.00	Yes	$166.00	Yes
Regulatory Administrator	$85.00	Yes	$88.10	Yes
Land Information Memorandum				
LIM				
Residential and Rural	$305.00	Yes	$316.00	Yes
Commercial and Industrial	$455.00	Yes	$471.00	Yes

TRANSPORTATION

*All fees and charges are inclusive of GST (except as noted *).*

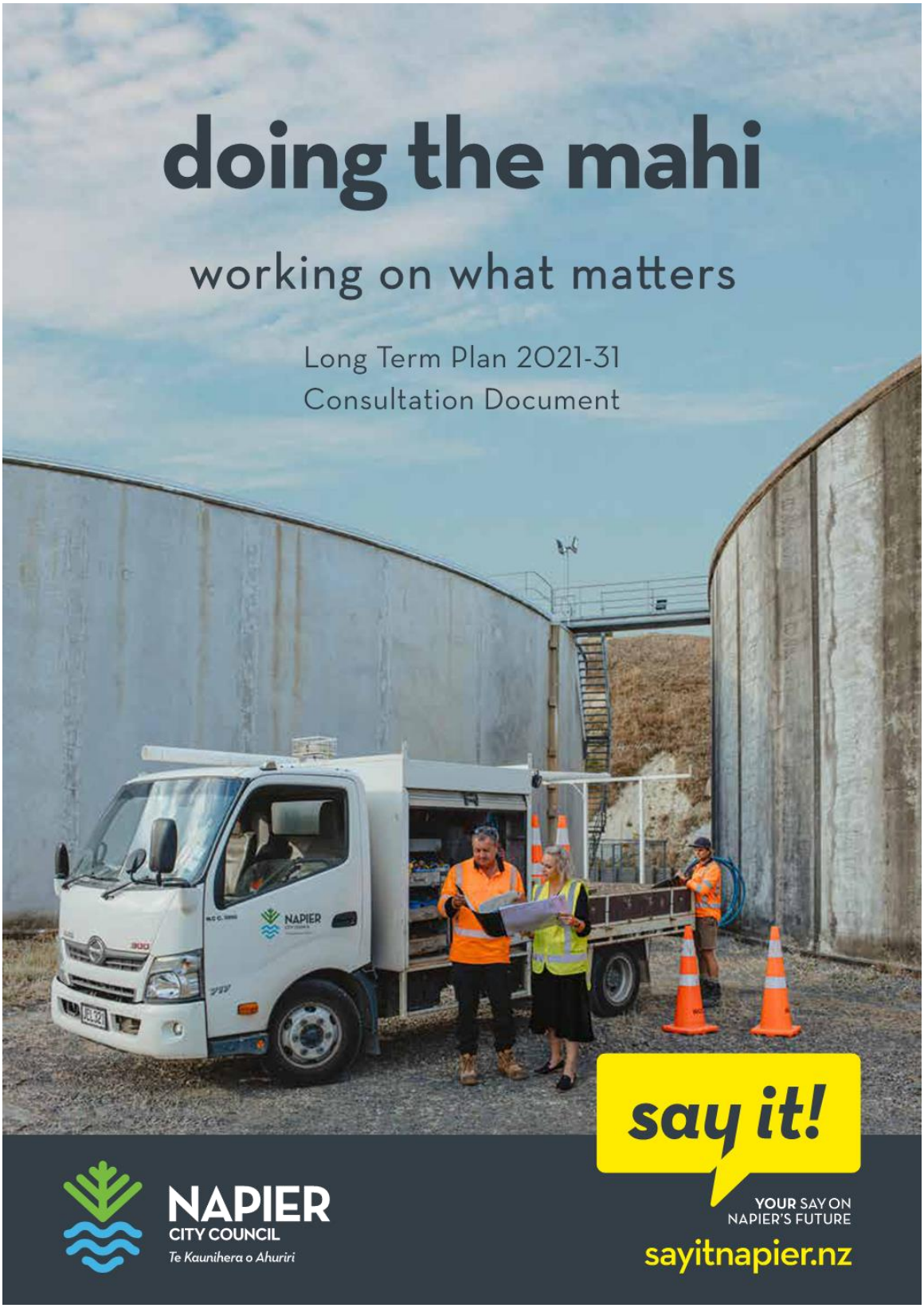
	20/21 Fee	incl GST	Proposed 21/22 Fee	incl GST
Roading				
Street Banners				
Erect and take down (one fee includes both)	$152.44	Yes	$158.00	Yes
Corridor Management				
Corridor Access Requests	$361.23	Yes	$374.00	Yes
Traffic Management Plans	$242.40	Yes	$251.00	Yes
Additional Inspections (per additional inspection)	$114.08	Yes	$118.00	Yes
Service Marking for Council Water, Stormwater and Sewers				
Provision of as built plans	No Charge	Yes	No Charge	Yes
Marking large diameter sewer pumping mains	No Charge	Yes	No Charge	Yes
Marking large diameter trunk mains	No Charge	Yes	No Charge	Yes
Per Hour - Marking of Stormwater, sewer and water mains (applies to service authorities that charge for their services to be marked)	$110.72	Yes	$115.00	Yes

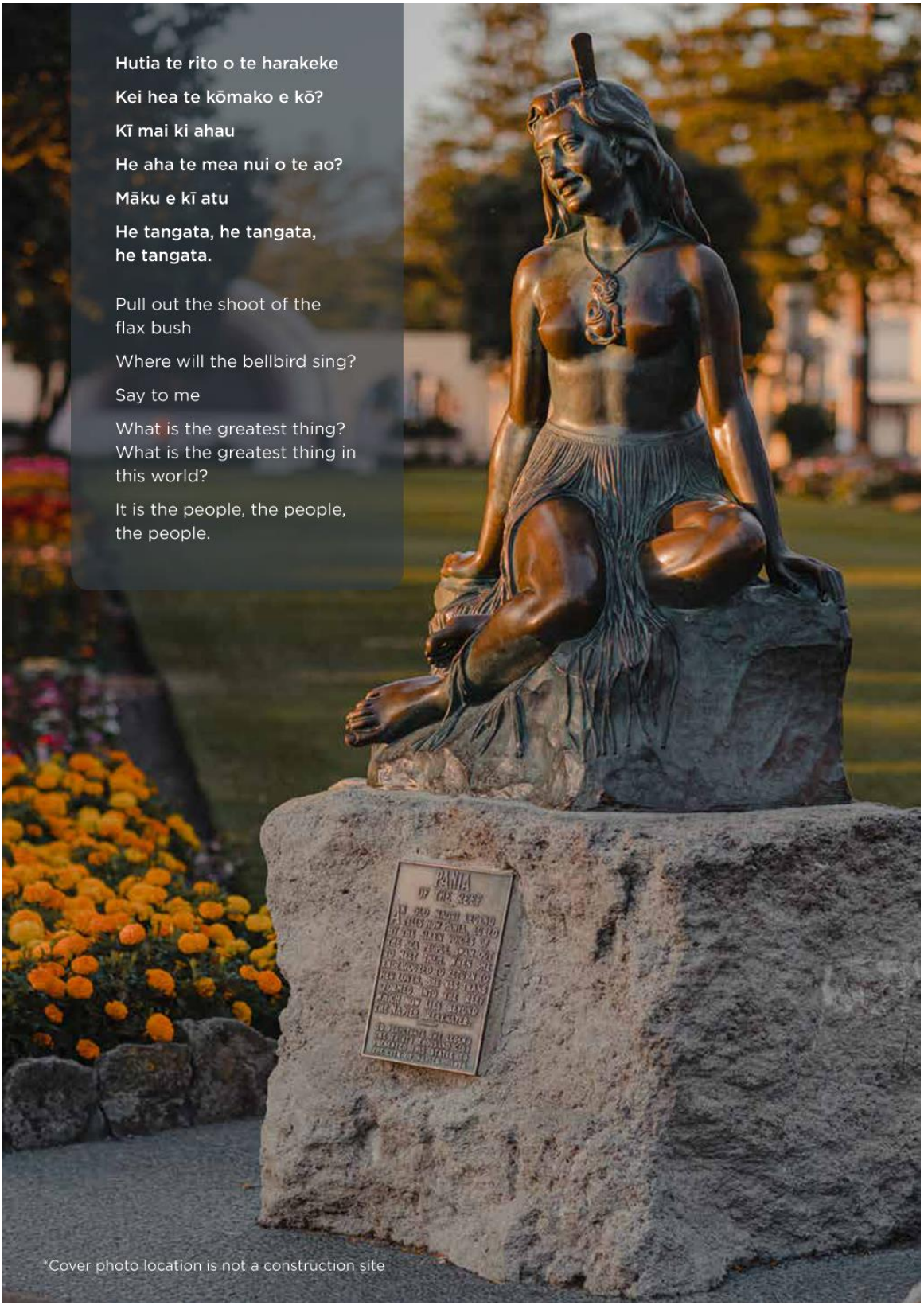
WATER SUPPLY

*All fees and charges are inclusive of GST (except as noted *).*

	20/21 Fee	incl GST	Proposed 21/22 Fee	incl GST
Water Connections				
All ordinary supplies outside the Napier Water Supply Area are metered. Backflow preventers to be fitted in accordance with the hazard category.				
All extraordinary supplies are metered, but fire sprinkler systems that conform with the requirements of NZS4541 are not metered. Backflow preventers to be fitted in accordance with the hazard category.				
All minimum charges are per connection and are non refundable.				
Ordinary Supply (Domestic) Napier				
Connection (15mm diameter). All work located within the kerb to boundary area only - Fee	$2,131.00	Yes	$2,208.00	Yes
Ordinary Supply (Domestic) Bay View Urban Area				
Connection (15mm diameter). All work located within the kerb to boundary area only - Fee	$2,131.00	Yes	$2,208.00	Yes
Meter(s) and meter box(es) - Fee	$693.00	Yes	$718.00	Yes
Backflow Preventer - Fee	$875.00	Yes	$907.00	Yes
Additional connection costs for road crossing				
Utility Location (Corridor access request/Road crossing) -work in road reserve only - Fee	$585.00	Yes	$606.00	Yes
Charge per metre of road crossing (charges to be confirmed)	Actual cost	Yes	Actual cost	Yes
Extraordinary Supply (Non-Domestic) 15mm Diameter				
Connection - Fee	$2,131.00	Yes	$2,208.00	Yes
Meter and Meter box - Fee	$693.00	Yes	$718.00	Yes
Backflow Preventer - Fee	$875.00	Yes	$907.00	Yes
Meter and Meter Box to existing 15mm diameter connection - Fee	$810.00	Yes	$839.00	Yes
Additonal connection costs for road crossing				
Utility Location (Corridor access request/Road crossing) -work in road reserve only - Fee	$585.00	Yes	$606.00	Yes
Charge per metre of road crossing (charges to be confirmed)	Actual cost	Yes	Actual cost	Yes
Extraordinary Supply (Domestic and Non-Domestic) Over 15mm Diameter				
Connection - actual cost - Minimum deposit charge due on application	$2,131.00	Yes	$2,208.00	Yes
Meter and Meter Box - actual cost - Minimum deposit charge due on application	$693.00	Yes	$718.00	Yes
Backflow Preventer - actual cost. Minimum deposit charge due on application (quotation if required)	$875.00	Yes	$907.00	Yes
Disconnection(s)/Reuse				
Water Disconnections (up to 50mm) - Fee	$523.00	Yes	$542.00	Yes
Water Disconnections (over 50mm) actual cost - Minimum deposit charge due on application	$523.00	Yes	$542.00	Yes
Well Sealing				
Well Sealing Fee	$157.00	Yes	$163.00	Yes
Testing of Meters				
25mm or less (no certificate)	$148.00	Yes	$153.00	Yes
Private sub meter reading (per meter, per reading cycle)	$8.00	Yes	$8.30	Yes
Testing of Backflow Preventer				
Charge for inspection only- Remedial work charged at actual	$175.00	Yes	$181.00	Yes

	20/21 Fee	incl GST	Proposed 21/22 Fee	incl GST
Pot Holing in Road for Services				
Actual Costs with a minimum fee due on application.	$464.00	Yes	$481.00	Yes
Service Marking for Council Water, Stormwater and Sewers				
Provision of as built plans	No Charge		No Charge	
Per Hour - Marking large diameter trunk mains	$145.00		$150.00	
Per Hour - Marking of Stormwater, sewer and water mains	$145.00	Yes	$150.00	Yes
Water take from hydrant annual application fee	$102.00	Yes	$106.00	Yes
Additional items				
Connection Application Fee (charge per hour, non refundable)	$81.00	Yes	$83.90	Yes


doing the mahi
working on what matters
Long Term Plan 2021-31
Consultation Document
NAPIER
say it!
NAPIER
CITY COUNCIL
Te Kaunihera o Ahuriri
YOUR SAY ON
NAPIER'S FUTURE
sayitnapier.nz


Hutia te rito o te harakeke
Kei hea te kōmako e kō?
Kī mai ki ahau
He aha te mea nui o te ao?
Māku e kī atu
He tangata, he tangata,
he tangata.
Pull out the shoot of the flax bush
Where will the bellbird sing?
Say to me
What is the greatest thing? What is the greatest thing in this world?
It is the people, the people, the people.
*Cover photo location is not a construction site

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Why an LTP matters

Councils do lots of planning. A Long Term Plan (LTP) pulls together a plan for all of our activities, major projects, our expected income and costs, and what our rates will need to be for the next 10 years. We review our LTP every three years. When developing our plan, we are required to come up with a proposal. This proposal is the basis of our consultation document. Sometimes there are a range of options. When this happens, we need to get the views of our community on the options including our proposed option before we finalise the plan. The consultation process adds to our understanding of the issues facing our city and what matters to our community, so our plan is realistic and responsive.

What matters to you?

say it!

Last year, we spent some time asking this question out in our community, online and through our everyday connections with people and groups.

Here is what we heard:

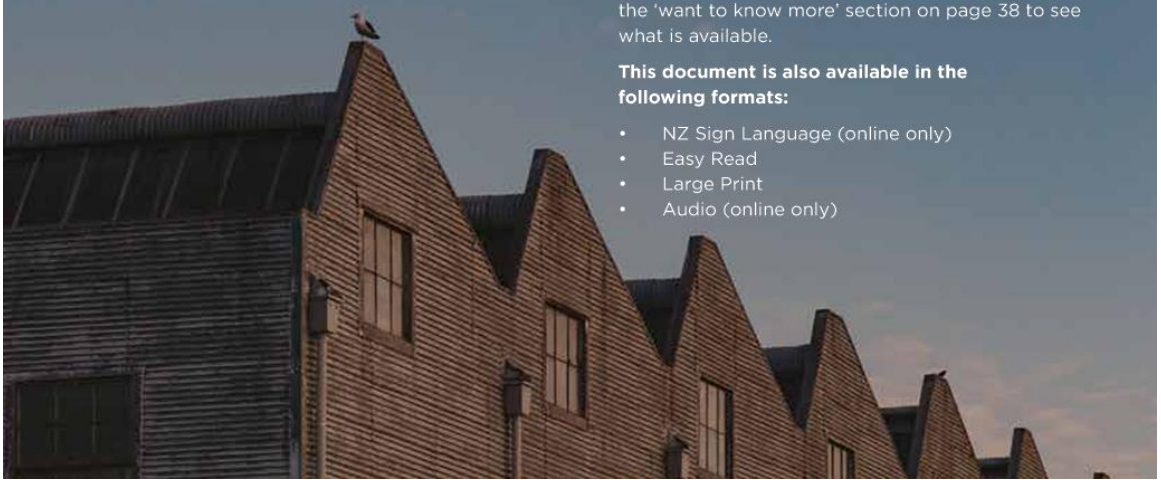
- Water matters A LOT
- People matter – we want places to meet and connect in our neighbourhoods
- Being close to nature matters
- Being safe matters

This Consultation Document outlines a number of key projects that we plan to work on that focus on what we have heard matters to our community. Have we got it right? **Have your say!**

You can find more information about the things covered in this Consultation Document at **sayitnapier.nz** or at our **Customer Service Centre (06 835 7579)** or at the **Napier Libraries**. Check out the 'want to know more' section on page 38 to see what is available.

This document is also available in the following formats:

- NZ Sign Language (online only)
- Easy Read
- Large Print
- Audio (online only)



How to say it!

Read this booklet, then visit sayitnapier.nz/ltp and fill in the online form. If you prefer, complete the form at the back of this booklet and send it in to us.

Online at
sayitnapier.nz/ltp

Drop in your form

Customer Service Centre
Dunvegan House
215 Hastings Street
Napier
8.30am-5pm Mon-Fri

Mail your form

FreePost Authority
Number 772273,
LTP Submissions,
Napier City Council, Private Bag
6010, Napier 4142

Submissions close
5pm 12 May 2021

Looking for funding?

We like to be able to support great ideas and projects happening in our city. Our budget for this Long Term Plan is tight.

If you are seeking funding support, we encourage you to visit napier.govt.nz/napier/grants where you can find out how to apply for a grant.

Or contact our team at csgrants@napier.govt.nz who can provide advice on what funding could be available to your group.

Upcoming events

We encourage you to talk with us about our Long Term Plan 2021-31 proposals by attending one or more of the following events:

Community Meetings

Napier War Memorial Centre

- 21 April 2021 - 11:00 am
- 29 April 2021 - 6:00pm

Facebook Live

Tune in to our live chat sessions to ask Mayor Kirsten Wise and Napier City Council staff all of your Long Term Plan 2021-31 questions.

- 19 April 2021 - 7:00pm
- 4 May 2021 – 7:00pm

Join us here:
fb.com/NapierCityCouncil

Book a Chat

Talk direct with a Councillor – online, in person or on the phone. To book a 15 minute chat visit sayitnapier.nz/ltp or phone 06 835 7579

A NZ Sign Language communicator will be available at all sessions.

Consultation Timeline

Submissions Open
12 April 2021

Submissions Close
12 May 2021 at 5pm

Long Term Plan Hearings
8 – 10 June 2021, Pettigrew Green Arena

Adoption of the Long Term Plan 2021-31
29 June 2021



Kia ora from *Kirsten Wise*

TE KAHIKA O TE KAUNIHERA O AHURIRI
NAPIER MAYOR

It's been a tough few years since the preparation of our last Long Term Plan, with a number of challenges at a local, national and international level. Due to this, everyone's priorities may be quite different to what they were three years ago. We welcome this opportunity to come to you, our community, to plan for the next 10 years.

It's no secret that our city, like many others across the country, is struggling with issues. That's because, historically, we have not invested enough to look after our key assets – under the ground, on the ground, and in our community. Keeping our rates low has been the priority. In fact, Napier's average rates rises have been among the lowest in the country for close to two decades. But, it has come at a cost and it has started to affect our city's liveability.

For too long, Napier has taken a short term and conservative view. At the same time we have been a little too ambitious about what can realistically be achieved – setting ourselves a huge programme of projects. In addition, our costs are rising due to factors outside our control. These include increases in Government set levies, policies and regulations, rising insurance costs to meet, as well as a number of catch-up costs including shortfalls from COVID-19. It's time to face our future. And our future is now.

It is tricky but we have a plan.

Our goal is now to focus on the essentials and to invest for the longer term so that our situation will improve over time. We have a lot to do – replacing ageing assets, fixing infrastructure, and keeping up with an ever-changing environment.

Our people matter too. We have a responsibility to support our community to thrive – economically, socially, culturally and environmentally. We're dedicated to building a city where everyone matters and everyone can contribute. There are some real issues to address, however working together, with the whole of our community – we can get there.

To achieve the outcomes we all want for our city, it is vital we continue to partner with others to succeed. We are linked in with a range of agencies, organisations and individuals across our community, regionally and nationally.

So, how do we afford it? An easy option would be to pass on all of these costs directly to the ratepayer, which would be a significant increase to rates. That doesn't sit well with us, we're committed to keeping our rates as affordable as we can. To achieve the right balance, we've had to make some tough calls on what can be done within the next 10 years. We've taken a hard look at our spending and our plan is to keep our costs down. We've had to move some projects out a few years to save money, and we're also looking to borrow $337 million during the next 10 years to catch up on renewals and replacement of our key assets.

There are consequences to this approach. We're borrowing more than we have before and our budget will not break even until 2031.

The start of 2021 has been uncertain and we understand this will continue over the coming months and possibly years. Our plan is based on what we know now, while acknowledging we are in for change, particularly when it comes to how our water services could be provided in the future.

Our team is committed to making things right for Napier. To do this, we're taking bold but necessary steps. Our focus for the next 10 years is to work on what matters. We want to know what matters to you. Join in on one of our engagement events – we would love to hear your thoughts. Please spend a few moments to make a submission - your feedback matters to us. We're keen to get on with '*doing the mahi*'.





OUR CHALLENGES

Locally | Nationally | Globally

Climate Change

Climate change has rapidly become a significant issue, but the world's response has been slow. In Napier, we have had first-hand experience of it with the recent rainfall event and subsequent flooding. In the next 10 years and beyond we know that climate change threats are on the rise with more frequent and intense rainfall events, rising sea levels and hotter temperatures. Our plan looks at how climate change will impact our services and what our role is to both reduce greenhouse gases (a leading cause of climate change) and to adapt to its effects.

Are our pumps up to it? We're factoring in increased rainfall into the upgrades of not only our stormwater pumps, but also our pipes and our buildings and facilities.

Are we green enough? We're switching to electric vehicles, recycling more, and any new buildings and facilities will be designed with sustainability in mind.

In the city we have switched to LEDs for our streetlights, we have a plan to reduce waste, we're promoting active transport by building more pathways with more to come.

We're looking at what we plant where (to reduce water demand) and actively looking at coastal erosion.

Is our community ready? Working with communities to build resilience and planning ahead is important if we are to adapt to climate change impacts. We play a major part in responding to and recovering from civil defence emergencies.

Our District Plan helps guide how land can be used, and it is currently being reviewed. Climate change is a factor that we're considering within the review.

What's the cost?

Responding to climate change does come at a cost. Sometimes it's just a matter of taking a more sustainable option when buying. But sometimes it requires us to add extra services or assets to manage the impacts of climate change – such as dealing with coastal erosion or increasing the capacity of our stormwater network to cope with flooding. Further work is needed to quantify the costs but we have an Infrastructure Strategy that identifies some of the costs. See page 33.

COVID-19

The tourism industry plays a major part in our economy and continues to be heavily impacted by COVID-19 restrictions. We operate a number of tourism-based facilities and our income from these facilities took a hit last year, but we have almost returned to pre-Covid levels. We anticipate no income from our shareholding in the Hawke's Bay Airport until 2025.

Last year, we met the challenges head-on and developed our recovery plan, including allocating $1.5 million to help our community bounce back. The effects continue to be felt in our city and our region, with high levels of uncertainty remaining. We have not allocated any further funding in our plan at this time but anticipate any significant future financial impacts would need to be funded by loans.

Three Waters Reform

Along with a number of other councils, we are working with the Government on the reform programme for water services. Because the shape of the reform will not be known until later in the year, we are continuing with our plans to improve

our water services. You can read more on this under our water section on page 8 and in our financial section on page 28.

Deferred Renewals

We have not kept up with replacing and upgrading all of our assets. Some are well past the end of their useful life and are getting beyond repair. At the same time, the money we've put away each year to save for replacing and renewing our assets has been too low. In the meantime, costs have increased and so have standards.

We can't afford to do everything at once, So we are prioritising essential replacements and upgrades, concentrating on what is well-utilised, and what we can afford. We have a plan to make sure we set more money aside for renewals over the next 10 years. We're ensuring we'll be ahead of the game when it comes to renewals - not waiting for things to be well past their use-by date before attending to them.

Community Housing

We provide 377 subsidised housing units across Napier. The subsidised rent we receive from tenants is used to pay the costs of providing this housing. Unfortunately, the rent we receive no longer covers the costs. From next year, the costs are projected to exceed the income we receive from rent by an average of around $2.5 million per annum ($24.5 million over the next 10 years).

We are reviewing the options for the future for our housing and will be consulting on these before making a decision in the next 12 months. In the meantime, we need to fund the shortfall.

We could do this through a rates increase or through a loan. We are consulting on these options, as you can see in the Housing section on page 20.

But either of these options mean we need to change our Revenue and Financing Policy. You can have your say on this change, visit sayitnapier.nz

How will the proposed average rates increase of 8% affect your rates in 2021/22?

Use our rates calculator at **sayitnapier.nz/ltp** or phone **06 835 7579** to talk to our Customer Services Team who will be able to help.



WHAT'S PUSHING OUR RATES UP?

There are a number of things that are driving our rates increases over the next 10 years. Some of them are out of our control, like increased insurance costs and government charges (e.g. waste levies and water compliance). Others are costs that we knew were coming (catch-up costs), like the extra cost of our rubbish and recycling services.

We have been 'topping up' the money we get from rates and other income with money from our reserves (savings account) to cushion some of these extra costs. These reserves are now low. We need to fund our ongoing services and projects from all our income sources (including rates) and loans.

We will continue to receive income from the development of Parklands and are anticipating extra income from Kennedy Park Holiday Resort. This income means we can keep rates lower.

We're proposing a rates increase of 8% for next year, with further rises each year over our 10 year plan. This 8% rise is on average $3.78 per week or $196.37 per year per rateable property.

We review our rates cap (limit) when we review our plan. We have increased our rates cap for the next 10 years to allow for the proposed increase.

We're increasing our borrowing but we are staying within our debt limit of 230% of our income. We have reduced our costs after making changes to gain efficiencies. For more details, see Financial Strategy section on page 28.

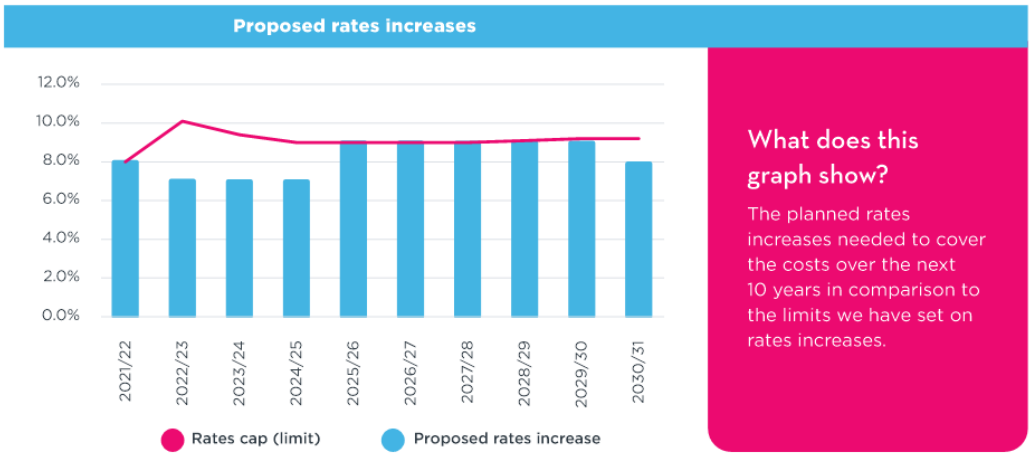
Our 8% increase is made up of:

2.7% Catch-up costs
e.g. waste services

2.5% General cost increases

2.3% Externally driven costs
e.g. increased insurance and government charges

0.5% New projects
e.g. Faraday Centre

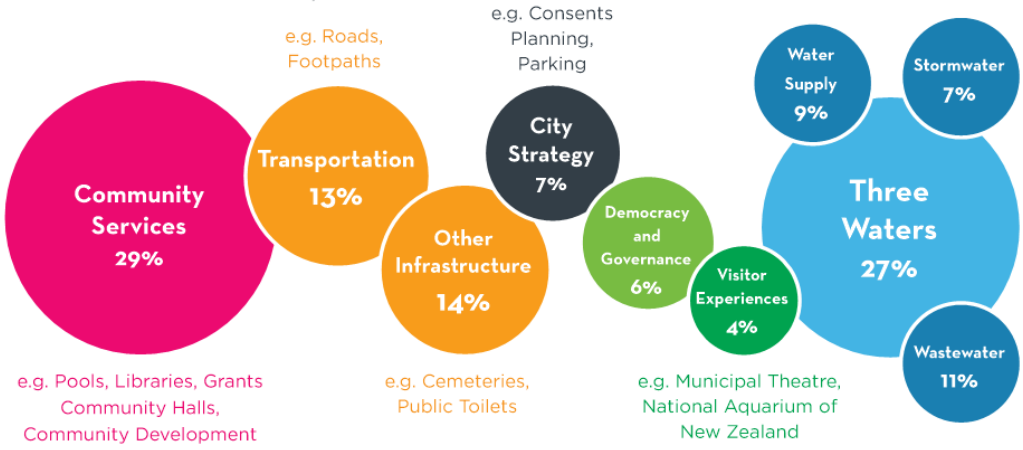


What does this graph show?

The planned rates increases needed to cover the costs over the next 10 years in comparison to the limits we have set on rates increases.

How will our rates be spent?

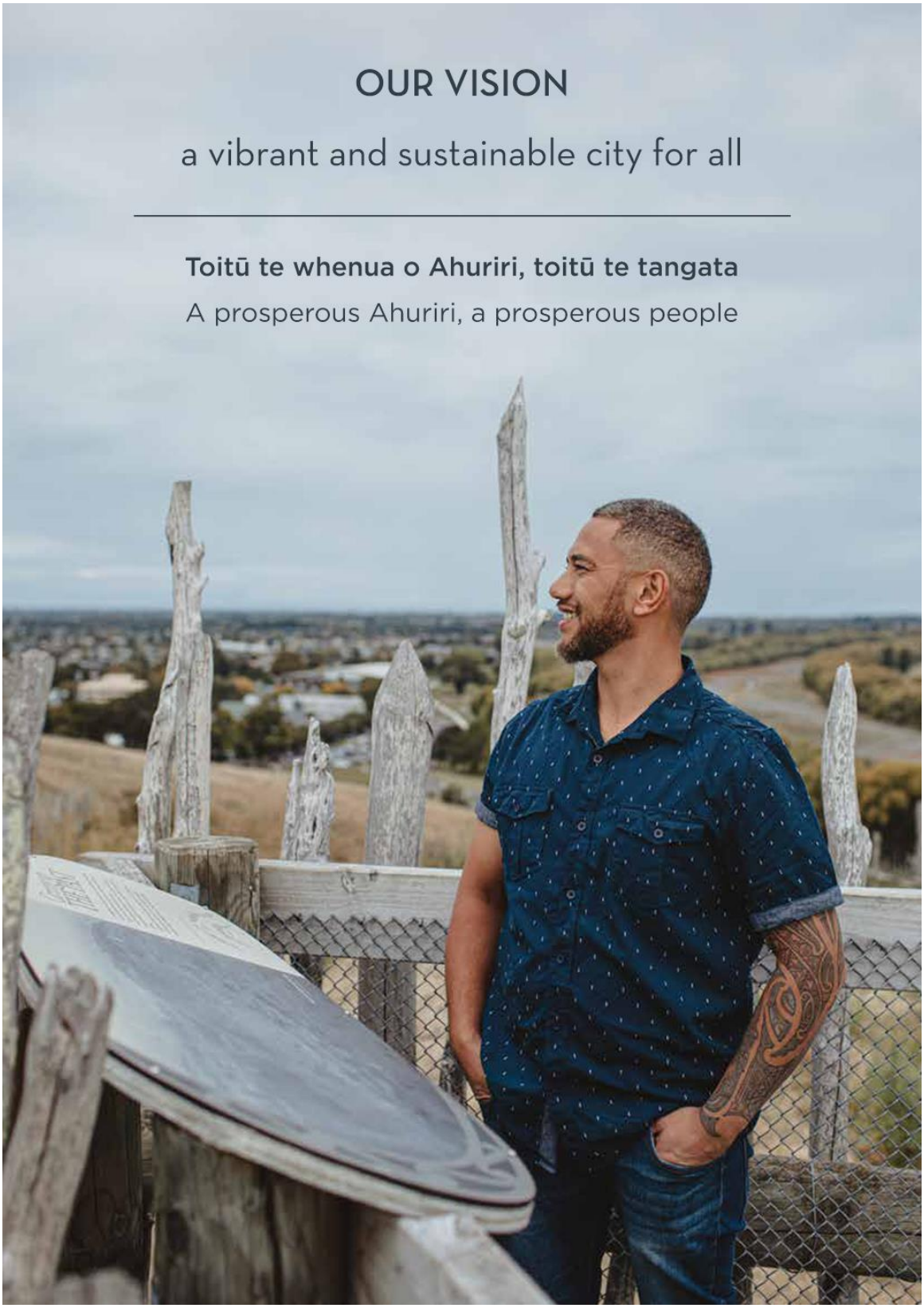
An estimate for the next 10 years



Why do we need to borrow?

A portion of our rates has been put aside to use for things we need to replace in the future. This savings money alone is not enough to fund the replacements that are now due and costs of replacements have also gone up. The gap we face can either be funded by rates or through loans. Funding the costs through rates would push the increase way beyond 8%. So, what we're proposing to do is to fund the gap for the first five years through loans. Then, for the second five years we will continue to borrow but we will also start to set aside money again from rates for our reserves.

Last year we joined the Local Government Funding Agency (LGFA), a collective of councils that pool together to get good lending deals. Currently, interest rates on loans are very low. Being part of the LGFA, means we continue to get low interest rates even if there are increases in the open market. The LGFA set loan limits, our proposed borrowing is at least $100 million under the limit at any one time. It's good practice to fund some things through loans so that the cost is spread across the generations of those who will benefit. Some things we build last for decades, so it's only fair that people who will be using them in 30 years' time help pay for them (intergenerational equity).


OUR VISION
a vibrant and sustainable city for all
Toitū te whenua o Ahuriri, toitū te tangata
A prosperous Ahuriri, a prosperous people


working on what matters
doing the mahi
three waters
Ko te wai te oranga or ngā mea katoa
Water is the life giver of all things
The term 'three waters' refers to drinking water (water supply), stormwater, and wastewater. There has been a lot going on in the three waters area locally, regionally and nationally.
Page 8 of 40 • Napier City Council Long Term Plan 2021-31 Consultation Document



THREE WATERS REFORM

The Government has stepped in, leading reform work to look at how the delivery of water services could be improved through entities that would sit outside of councils, with a focus on drinking water and wastewater initially. The reforms look at how these entities could be designed, including how the water assets (property, equipment etc) would be dealt with, how many entities there could be and what areas they could cover. The Government has already established a new entity, Taumata Arowai, that will control and monitor national water standards starting from 1 July 2021.

Here in Napier, we've already been working with the other Hawke's Bay councils to see how water services could be delivered differently in our region, and that work has contributed to the Government's reform process. We have agreed to continue working with Government on the reform process through a Memorandum of Agreement. Being involved in the Government's research and planning in this way doesn't mean we have 'signed up' to any changes. Rather, it's an opportunity to work closely with central Government as they understand how water services might be delivered in the future.

It is expected that the Government will make decisions on the reform options in May, and from there, Government and councils are expecting to engage with local communities about whether to be part of a new water service entity later in the year. If councils opt in, changes would likely come about sometime in 2024/25, with the transfer of water assets to the new entity being likely.

At the moment, there is uncertainty about how the reforms may shape water service delivery in the future. But we do know our community needs water supply, wastewater and stormwater services – in fact, it's our top priority.

We need to remain up to date with any potential changes, but we will continue with our plans in the meantime to ensure our assets are well maintained and meet the standards our community and government expect.

Our Infrastructure and Financial strategies and capital programme has been developed based on the status quo delivery (i.e. by Council).

For information about specific projects, please see napier.govt.nz/water-projects

Three Waters $12.5 million grant

We were awarded this grant by central Government as part of the reform programme.

This money will help us:

- Accelerate our water projects
- Prepare for the new standards
- Fast track the delivery of low manganese drinking water (reduce dirty water)
- Improve engagement with Māori and the wider community
- Upgrade our asset management system
- Upgrade our maintenance management transformation programme



say it!

WATER SUPPLY

Clean, clear water supply is a must for Napier. But we need to overhaul and modernise our system to achieve it.

After spending time assessing our current system, looking at what needs replacing, and how best to monitor and secure our system – it is clear there is a lot to do.

Some of our bores either need replacing now, or will need replacing soon. We also need to reduce the manganese levels in the water that flows into our homes and businesses. The mixing of manganese and chlorine is responsible for the dirty water many of us have been experiencing.

To lower the levels and achieve clean water, we need to build new, modern treatment plants or find new water bores with lower manganese.

We also need to break up our network into mini networks so that if we face issues in one part of the city, for example a leak, it can be dealt with without it affecting the rest of Napier. It also means we can monitor our water systems better.

New reservoirs are needed. We've bought land on Mataruahou (Napier Hill) to establish up to three new reservoirs.

All of this means our network can supply cleaner water that is more secure.

We now have two options: the work can be done sooner or the work can be done later. We want to do the work sooner so that some of the issues like dirty water can be dealt with earlier.

Another reason we'd like to act quickly is because the Government has indicated that new drinking water supply standards are on the way as early as this year. A draft of the standards has only just been made available and we need to see how our current plan will need to be adjusted to meet them. It is possible that we'll need to action some temporary fixes to make sure our system meets the standards by the due date.

To take a look at the draft drinking water standards please see supporting document section at sayitnapier.nz/ltp

working on what matters

What matters to you?

We want to know your thoughts on the two water supply options below. Tell us at sayitnapier.nz/ltp or use the submission form on the back page.

say it!
YOUR SAY ON NAPIER'S FUTURE

OPTION ONE

PROPOSED

Begin the work now

We propose this option because we have heard loud and clear that you see clean and clear water as a top priority - and we agree. We know that our network is outdated and will struggle to keep up with new and changing standards for drinking water supply, and we also know that modernising our system to achieve better security could take a long time. There is no time like now to start the work – the sooner we begin, the sooner we can all benefit.

Key projects that will modernise our network:

- Two main bore fields with treatment plants that feed into our reservoirs
- Replace Enfield reservoir (Mataruahou – Napier Hill) and related pipes
- Create mini networks within our main network

This option:

- Means we will meet national drinking water standards within five years
- Has a total budget of $74 million capital over the next 10 years – $36 million would be spent within the first four years
- Higher loan repayments earlier in the plan
- Higher operating costs over the plan

How will this be funded?

Capital	*Operating (rates)*
$74 million ($45 million loans) ($29 million reserves)	**$7,000** (2021/22) **$726,000** (total y2-10)

How will this impact **your** rates?

↑ **0.21%** (loan repayment) total rates increase from 2022/23	↑ **0.01%** total rates increase from 2022/23
↑ **$5.20** average annual rates increase per rateable property	↑ **$0.27** average annual rates increase per rateable property

OPTION TWO

Begin the work later

This option delivers the same outcomes as our proposed option but the work is spread over a longer time period. The main positive of this option is that it reduces the rates increase for the next three years by 0.12%. The downside is that the benefits of a modern, more secure network will take longer to take effect.

This option:

- Means we will meet the national drinking water standards within 10 years (this may not be supported by the new water regulator)
- Has the same total budget of $77 million ($74 million plus inflation as our proposed option, but reduces the amount we had planned to spend in the first four years to $22 million (most of the spending starts from 2025)
- Lower loan repayments over the plan
- Lower operating costs over the plan

How will this be funded?

Capital	*Operating (rates)*
$77 million ($46.4 million loans) ($30.6 million reserves)	**$7,000** (2021/22) **$122,000** (total y2-10)

How will this impact **your** rates?

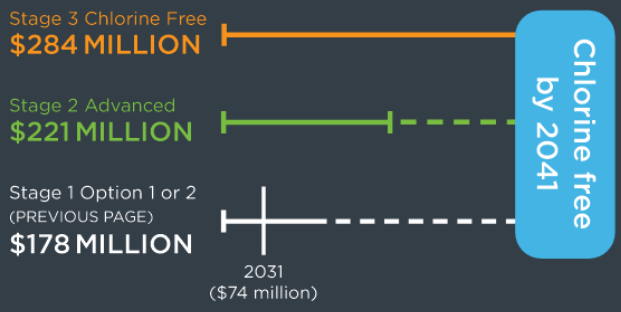
↑ **0.10%** (loan repayment) total rates increase from 2022/23	↑ **0.01%** total rates increase from 2022/23
↑ **$2.46** average annual rates increase per rateable property	↑ **$0.27** average annual rates increase per rateable property

CAN WE GO CHLORINE FREE?

say it!

Our community has signalled a preference for chlorine-free drinking water, so we commissioned an independent review looking into the costs and options around moving to a safe chlorine-free network. The short answer is yes, we can go chlorine free - but it will take a long time, a lot of money and ongoing political commitment. To have a chlorine-free network, the water at the source must be clean and the system delivering it to the tap has to be clean and secure. Safeguards must be in place to make sure the water is continuously safe, even if the system fails (e.g. leakage, breakage, contamination). The good news is that our source water is great. But the chlorine keeps us safe, and we have a lot of work to do to achieve a network secure enough to allow us to remove the chlorine from the water.

Some of the work we are planning to do anyway and the further work that we're proposing to do within the next 10 years will help set us up for a chlorine-free future.



What does this diagram show?

The diagram shows that the work we are planning in Options one and two for our Water Supply Programme (previous page) won't be wasted if we can go chlorine-free in the longer term, but that there is still a shortfall of work needed. It also shows the additional estimated cost for a chlorine-free network.

Does this matter to you?

Do you agree with the direction we are taking? Tell us at sayitnapier.nz/ltp or use the submission form on the back page.

What about fixing the dirty water?

Dirty water is caused by a reaction that occurs when manganese and chlorine mix. This reaction causes a black solid that can coat the inside of pipes, making our water come out various shades of brown and black. Manganese has always been in our water, but the dirty water issues began when we were required to introduce chlorine into our water a few years ago. It has been worse in Tamatea, Onekawa and Pirimai because the bores that supply these areas have higher levels of manganese, but also because of different water pressure and flows. There are several projects underway to help sort this problem out.

New Bores

We've been hunting for new bores that have lower manganese levels, but so far, we haven't identified any. So while we are still working on it, we plan to use additional Taradale bores, which are low in manganese, to supply more of the city.

Mini Networks

We're creating our first mini network in Tamatea / Parklands which will mean we can better control the water pressure and flow into this area. We plan to feed this network from a bore that already has lower manganese. It is the first mini network we're establishing to break up our big network into several smaller ones – and more will follow.

More Cleaning

We are cleaning more of our pipes more often.

working on what matters



STORMWATER

Our stormwater network moves rainwater out of the city to prevent flooding. Napier is mostly flat so we have pumping stations that push the water through a series of channels, sumps, underground pipes and urban waterways out to sea. When it rains, the majority of the city's stormwater is carried to Te Whanganui-a-Orotū (the Ahuriri Estuary) and the rest is carried to the Pacific Ocean along Marine Parade, Hardinge Road, and Westshore. Households, businesses and industries all discharge stormwater into the network. The stormwater isn't treated before it hits our marine environment. Problems occur when contaminants such as plastics, road and roof run-off and chemicals tipped down drains all enter our urban stormwater system.

A combination of urban stormwater and water coming in from rural areas has led to poor water quality, impacting the ecology and wildlife in and around the estuary over a number of decades.

The Ahuriri Estuary is a place of great significance and is valued by everyone. We can do better to protect this special place. In 2018, we developed the Ahuriri Estuary and Coastal Edge Masterplan that is guiding our work in this area. We're teaming up with Hawke's Bay Regional Council (HBRC) and mana whenua to restore the mauri *life-force* of the estuary. We each have projects that we have been working on and some we're doing together. For us these have largely been around replacements and upgrades to parts of our stormwater network, improving the state of open waterways, more testing and monitoring, and the strengthening and enforcement of our bylaws that prevent pollutants entering our network.

We have just over $26.3 million allocated in the next 10 years for projects focused on improving stormwater quality and flood relief.

These projects include:

A stormwater study ($100,000).

We are in the final year of a three-year project investigating the current stormwater system and identifying options for the design of a future stormwater network – making sure the solutions we come up with will work. (Project 1 – Ahuriri and Coastal Edge Masterplan)

A stormwater treatment wetland ($2.5 million).

We plan to create a wetland system adjacent to the Hawke's Bay Expressway to 'polish' the stormwater before it enters the estuary. (Project 1A– Ahuriri and Coastal Edge Masterplan)

Improvements to direct outfalls ($1 million).

We will begin treating the water at individual outfalls that flow directly into the estuary or coast. (Project 1C– Ahuriri and Coastal Edge Masterplan)

Thames Street/Severn Street stormwater management ($535,000).

We'll establish planting to capture stormwater and filter out contaminants before water is discharged into the estuary. (Project 10 – Ahuriri and Coastal Edge Masterplan)

The big channel ($22.2 million).

This channel will move water from the city much faster, to an existing area by Lagoon Farm where it can drain gradually into the estuary, reducing flooding

With HBRC, we have also run an education campaign in an effort to get everyone in the community working to reduce stormwater pollution. Now we want to bring our work together and add to it to create the Ahuriri Regional Park. (See next page for details).



say it!

AHURIRI REGIONAL PARK

Great parks do great things for communities. This project aims to create a new regional park that promotes better environmental and recreational outcomes for this special place.

Te Whanganui-a-Orotū (the Ahuriri Estuary) receives 75% of the city's stormwater, which flows through Lagoon Farm and our open drains into the estuary environment.

By developing a regional park in partnership with HBRC and mana whenua on Lagoon Farm, we want to deliver great environmental outcomes that provide for biodiversity, and fantastic recreation experiences for everyone to enjoy.

Our priority is to improve the quality of the stormwater before it reaches the estuary. We are investigating what type of treatment option would support this – a range of responses will be required. These may include low impact systems like new wetlands, filtering inserted in and at the ends of pipes, or a more engineered approach like a standalone treatment plant for specific contaminants.

We plan to use Council's land at Lagoon Farm for the treatment option(s) that will work best. It may mean moving the stop-bank further into the farm, creating more water space to develop wetlands and establishing an environmentally focused park with the rest of the farmland. Currently this land is operating as a sheep farm that financially 'breaks even'.

We are proposing to rezone the area for conservation purposes through the District Plan Review, which we start consulting on in May. For more information please visit napier.govt.nz/napiers-district-plan

The degradation of the estuary has taken place over decades. And it will take decades to fix with a sustained effort and a commitment to begin now. We need everyone to play their part.

Working with Hawke's Bay Regional Council (HBRC) and mana whenua means that together we can create a significant regional park that will not only improve the water quality and indigenous biodiversity, but will also enhance the environment, protect habitats, offer cultural benefits and create new recreational and educational areas. The development of Lagoon Farm into Ahuriri Regional Park will provide access to areas of the farm currently closed off through new pathways, seating areas, viewing points into the estuary and wetlands, along with increased water areas.



Green area = Scope of potential Regional Park
Pink area = Napier City Council Lagoon Farm land

working on what matters

What matters to you?

We want to know your thoughts on the two Ahuriri Regional Park options below. Tell us at sayitnapier.nz/ltp or use the submission form on the back page.

say it!
YOUR SAY ON NAPIER'S FUTURE

OPTION ONE

PROPOSED

Invest $12.5 million into the development of Ahuriri Regional Park

We already have $200,000 of funding set aside, and Hawke's Bay Regional Council is proposing to contribute another $200,000, in order to develop a masterplan for the regional park project.

Our proposal is to allocate a further $12.5 million in the second half of this 10-year plan to develop the Lagoon Farm land into a regional park.

HBRC is proposing to allocate the same. The Regional Park Masterplan and the stormwater study currently underway will help us identify how the park can be developed.

We will seek stakeholder and community feedback into the Masterplan, so the actual design will be developed over time.

Ideally we can develop the regional park together, however if HBRC is unable to make this level of investment, we can continue with our significant improvements to Napier's stormwater and better water quality for the Ahuriri Estuary.

Potential features of the park:

- Stormwater quality improvements
- Connections from wetland area to the estuary
- Increased biodiversity and indigenous planting
- Cultural storytelling
- Habitat restoration and protection
- New pathways and recreation areas
- Education centre
- New water areas

How will this be funded?

Capital (loans)
$12.5 million
(Year 8 - 1.8 million)
(Year 9 - 6.2 million)
(Year 10 - 4.5 million)

How will this impact your rates?

↑ **0.16%**
total rates increase from 2029/30

↑ **$3.99**
average annual rates increase per rateable property from 2029/30

OPTION TWO

no impact on rates

Do not invest $12.5 million into the development of Ahuriri Regional Park

If we choose this option, we're still able to continue with the projects identified in our last Long Term Plan which include the first phase of the Ahuriri Estuary and Coastal Edge Masterplan. The regional park would not go ahead which would save substantial expenditure. However, it also means there would be no additional public access or recreational value added, less opportunity to increase biodiversity and would potentially limit our stormwater treatment plans. The land would be kept as farmland for now but could be available for another use in the future.





WASTEWATER

As the impacts of climate change and natural disasters become increasingly concerning, our focus shifts to our network's ability to cope with these types of events.

Our plan is to concentrate our efforts in areas that will give us the best improvements, while looking after what we already have in place. Anything we do over the next 10 years should enable our system to be more resilient to environmental events and meet the city's expected growth. It is also important any work we do is compliant with resource consents and Government standards.

A key aim is to make sure the wastewater that flows out to sea is as clean as possible before it is discharged.

Over the past year, our focus has been to fix the leak in our outfall pipe - the pipe that takes the sewage out to sea. Although this repair is now complete, the pipe still needs to be replaced as it is at the end of its life. We're looking at the options for this now – we think a full replacement will take about six years with consents, design and construction processes taken into consideration.

We also have a plan to upgrade the pump station that moves the wastewater through the outfall pipe. Work has already started on creating storage for our wastewater at the treatment plant (the big tanks with filters that remove solid waste and contaminants from the wastewater) so that if we need to shut down for maintenance and repair work, we can. This project is planned for next summer and will be helpful to manage wastewater during flooding events.

Key projects:

- Outfall pipe replacement ($45.5 million – in 2021-26)
- Outfall pump station upgrade ($7.1 million in 2025-27)
- Additional biological trickling filter at the treatment plant ($1.3 million 2029-31 with a total of $17.8 million over the next 30 years
- Wastewater treatment plant upgrades and replacements ($2.2 million – 2021-31, a total of $146.5 million over the next 30 years)

Don't forget to tell us what matters to **you!**

sayitnapier.nz **say it!**

working on what matters


working on what matters
doing the mahi
places & spaces
Kia Tautīneitia te mana motuhake o Ahuriri
Uphold the absolute uniqueness of Ahuriri
Last year, many in our community told us how they had really come to value their local spaces and places.
When looking ahead to the next 10 years, we definitely want to maintain our extensive parks and reserves network but we also need to renew some of our ageing playgrounds and to create new places for our communities to connect.
At the same time, we know some of our existing facilities are in need of upgrades and maintenance, and compliance levels and insurance costs are on the rise. We have increased our budget by $135.6 million over the next 10 years to make sure we look after what we have. See graph on page 31.
We can't do everything at once and will need to schedule the work over a number of years.



Artist's impression of Te Pihinga

say it!

TE PIHINGA

Te Pihinga has been years in the making. From around 2013, a number of state houses were removed from Maraenui, creating large parcels of unused land. Since then, we have been working with appropriate agencies to come up with an urban development plan focusing on growing economic and social prosperity in the area.

Changes have already started to happen with developers building new houses with more planned. To support this growth and to create positive opportunities for whānau development, particularly for rangatahi, we have worked with the community and developed a concept for a new community facility (Te Pihinga).

The facility provides a flexible environment that can respond to changing needs while recognising the community's identity and values. With a focus on employment, training and entrepreneurship it will provide facilities that grow talent and enable the community to thrive.

The space will host programmes and provide tools that will challenge people to reach their potential through a range of activities, attracting people from around the city.

A key focus for the construction of the facility will be to create jobs and training opportunities for locals. This approach dials up the economic and social benefits of the project straight away, before the doors are even open. Known as 'social procurement', it is an approach we want to take with future projects across Council.

We see this project as an investment in our long-term future, creating positive opportunities for our young people and others in the community who need support, and creating a level playing field for all.

This project was included in our last Long Term Plan, but recognising we have some work to do on getting the basics right in our city (e.g. water services), we're now proposing to push the timing out a couple of years. While we wait, there are preparations to undertake (site investigations and detailed designs). We aim to start construction in 2023.

This approach also gives us time to firm up funding from other partners. While initial discussions with potential funders have been positive, as a key community project the bulk of the funding is proposed to come from Council. We have increased the value of our proposed contribution in order to allow the main building to proceed. Funding from external sources will allow additional phases to be brought forward.

In the meantime, we're installing a splash pad and picnic/bbq area across the road from the proposed community facility, which falls under the wider urban development plan.

working on what matters

Does this matter to you?

We want to know your thoughts on the three Te Pihinga options below. Tell us at sayitnapier.nz/ltp or use the submission form on the back page.

say it!
YOUR SAY ON NAPIER'S FUTURE

OPTION ONE

Do it now (2021-2023)

We would spend the rest of 2021 finishing the design, working up the operating model and completing tendering processes.

These timeframes would challenge our ability to achieve added benefits such as social procurement (jobs and training for locals) and environmental outcomes (smart building practice etc).

How will this be funded?

Capital (loans)	*Operating (rates)*
$10.5 million	$74,000 (2023/24) $168,000 (2024/25)

How will this impact your rates?

↑ 0.27% total rates increase in 2022/23	↑ 0.116% total rates increase in 2023/24
↑ $6.61 average rates increase per rateable property	↑ $2.85 average rates increase per rateable property

OPTION TWO

PROPOSED

Do it a bit later (2023-2025)

With this timeframe, we would be able to develop our design, explore options for the operating model, confirm partnerships and other funding sources, and develop a social procurement plan to achieve jobs and training for locals. Although we're still exploring how the facility could be best run, we've already set aside budget for some of its operating costs when it will open in 2025/26.

How will this be funded?

Capital (loans)	*Operating (rates)*
$11.5 million	$78,000 (2025/26) $176,000 (2026/27)

How will this impact your rates?

↑ 0.27% total rates increase in 2024/25	↑ 0.122% total rates increase in 2025/26
↑ $6.61 average rates increase per rateable property	↑ $3.00 average rates increase per rateable property

OPTION THREE

Don't do it

no impact on rates

As a Council, we know we need to fund a range of programmes and projects to help address growing social issues that impact all of Ahuriri.

The requirement for a community facility has been established through a number of processes including a CPTED assessment (Crime Prevention through Environmental Design) and countless consultation processes. If we don't move ahead, we would need to find other ways to meet the growing social needs of our community.

say it!

HOUSING

We have 377 community housing units across the city, 304 of which are retirement flats. This housing supports people on a low income who have few assets and a special housing need, with our community housing residents paying a subsidised rent.

We have been providing affordable rental housing for over 50 years. We know there is a huge demand for this type of housing and there are a range of providers in this sector. The majority of our housing supports retirees who need secure and affordable homes. We expect demand from this part of our community to keep growing.

However, our housing units are ageing and it is costing more and more to maintain them. Over the last couple of years, we have pared back spending by doing only the bare necessities of repair work, using the dwindling funds in our housing accounts, and delaying work on meeting the new healthy homes standards. But we can't delay forever. The work needs to be completed by 2024 in order to ensure our housing remains compliant, and almost all our savings have been used up.

In order to get a really accurate picture of all the repairs and maintenance required, we commissioned a detailed assessment of each unit last year. The situation is worse than we had originally thought.

For some time, we have signalled that the current approach to how our community housing is funded is not sustainable because the rent we receive does not cover the costs. Given this, we have been reviewing the options for the future of this housing.

The first option is to transfer the entire housing portfolio to another entity (e.g. a Community Housing Provider). The other is to sell some of the units, which may give us the means to keep providing some form of housing, particularly for our seniors.

We have also looked at raising the rents to generate more income. We changed our subsidy levels last year and the rents increased marginally as a result, but not enough to deal with the shortfalls we have forecasted. Reducing the subsidy levels any further would mean we wouldn't be providing affordable housing anymore.

We had hoped that our housing review would be finished by now. Unfortunately, this work was interrupted last year due to the impact of COVID-19 restrictions and the more recent Napier rainfall event, limiting our access to properties and reducing our capacity while staff worked on our Civil Defence responses.

In essence, the cost of providing housing is projected to exceed the income we receive from rent by an average of around $2.5 million per annum, as of this year. That equates to a shortfall of $24.5 million over the next 10 years.

We anticipate that, during the next 12 months, we will be able to consult with the community, and make a decision about the future of our community housing. In the meantime, we will continue to keep our properties operational, but propose to borrow funds to cover the deficit and meet our costs. This would mean the 2021/22 shortfall amount (expected to be around $1.8 million) would be spread over 25 years and funded by a small rates rise (0.1%) to cover loan repayments from 2022/23. The other option is to pass on the full shortfall to rates in 2021/22 equating to a 2.8% rates rise.



Does this matter to you?

We want to know your thoughts on the two community housing options below. Tell us at sayitnapier.nz/ltp or use the submission form on the back page.

say it!
YOUR SAY ON NAPIER'S FUTURE

PROPOSED

OPTION ONE

Use a loan

Fund the 2021/22 funding shortfall of $1.8 million through a loan. Shortfalls from 2022/23 would be funded by subsequent loans, with repayments spread over 25-year terms.

This option is preferred because it allows us to fund the deficit in the short term while we consult with the community on a way forward.

How will this be funded?	$1.8 million *from loans*

How will this impact your rates?

↑ 0.16% total rates increase from 2022/23	↑ $4.02 average rates increase per rateable property

OPTION TWO

Use rates

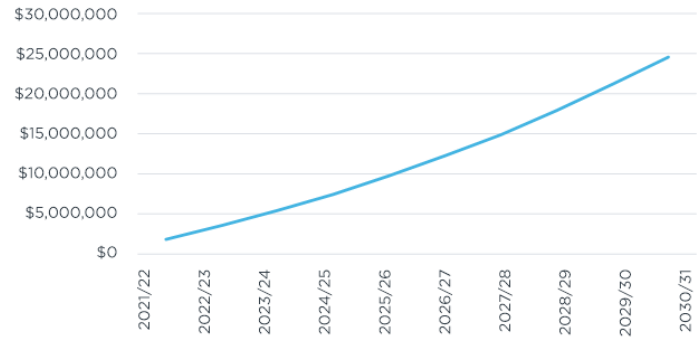
Fund the 2021/22 funding shortfall of $1.8 million directly through rates and shortfalls from 2022/23 with smaller additional rates increases each year thereafter.

How will this be funded?	$1.8 million *from rates*

How will this impact your rates?

↑ 2.87% total rates increase from 2021/22	↑ $70.50 average rates increase per rateable property

Housing deficit over 10 years



How will the proposed average rates increase of 8% affect your rates in 2021/22?

Visit **sayitnapier.nz/ltp** to find out.

Important note:

Both of the above options require a change to our current Revenue and Financing Policy. Our current policy separates out our housing activity and requires it to pay for itself.

We are consulting on this policy at the same time as our Long Term Plan consultation – you can give us your feedback on the change which allows us to direct funding from rates and/or loans to the housing activity by visting **sayitnapier.nz**



say it!

FARADAY CENTRE

The Faraday Centre is Napier's specialised interactive technology museum. It began in 1979 and in 1993 merged with the Hawke's Bay Museums Trust.

From the outset, the Faraday Centre has been managed by an enthusiastic group of volunteers who have looked after and added to its collection of machines, gadgets, appliances and equipment, sharing it all with residents and visitors to Napier.

In 2019, it became apparent that the Faraday Centre could not sustain itself by relying on volunteers alone, particularly given its increasing popularity. We completed a review of the operations and supported a small team of paid staff to work alongside the volunteers, and this small team became responsible for the day-to-day operations of the centre.

This meant we could increase the hours of operation while also promoting the centre more widely.

Since then, visitor numbers have increased.

The building the Faraday Centre occupies is leased by the Hawke's Bay Museums Trust for a very low cost. The building has been assessed as 'earthquake-prone' and needs to be strengthened. There has been little spent on the building over the years and even without the need for strengthening, it is in need of an upgrade to make it function safely and more effectively for staff and volunteers, visitors and the collection itself. Making these improvements would also allow us the opportunity to offer education programmes and school visits.

To make good decisions around the level of involvement we should have, and the investment we should make in the centre (which could require us to purchase and upgrade the building), we have started a business case. The business case will investigate operating and governance models as well as location options and will be finished later this year.

We have set aside $2.3 million from our building reserves to buy and upgrade the existing building if that is what is supported by the business case.

In the meantime, we have two options - we can either stay open and finish the business case or close while we finish the business case.

To find out more about the Faraday Centre, please visit faradaycentre.org.nz

working on what matters

Does this matter to you?

We want to know your thoughts on the two Faraday Centre options below. Tell us at sayitnapier.nz/ltp or use the submission form on the back page.

say it!
YOUR SAY ON NAPIER'S FUTURE

OPTION ONE

Keep it open

PROPOSED

Continue to provide operational support (with additional staff) to keep the Faraday Centre open until the business case is completed and options are considered.

This requires an additional $291,000 per year funded from rates, bringing the total operational funding to just on $340,000 per year.

We propose to keep the $2.3 million in the budget for the building for now.

The process could take a year but would allow the centre to continue to providing a unique experience to visitors and residents, and further develop its collection and services.

How will this be funded?

Operating (rates)
$291,000

How will this impact your rates?

↑ 0.46%
total rates increase

↑ $11.45
average rates increase per rateable property

OPTION TWO

Close it down

Close the centre until the business case is completed and options are considered. This would save staff costs but some operating costs would remain (e.g. insurance, security etc) and there may be costs associated with the closing of the centre itself. While there may be short-term cost savings, a closure of the centre could negatively impact the community in other ways. The centre provides an interactive, indoor educational opportunity for children and adults, and a place for locals to share their expertise and time through volunteering. It also provides paid employment to five local people. We would continue to hold the $2.3 million for a potential re-opening.

The cost to close the centre would be approximately $30,000, with costs to retain the building and collection being around $10,000 per annum.

How will this be funded?

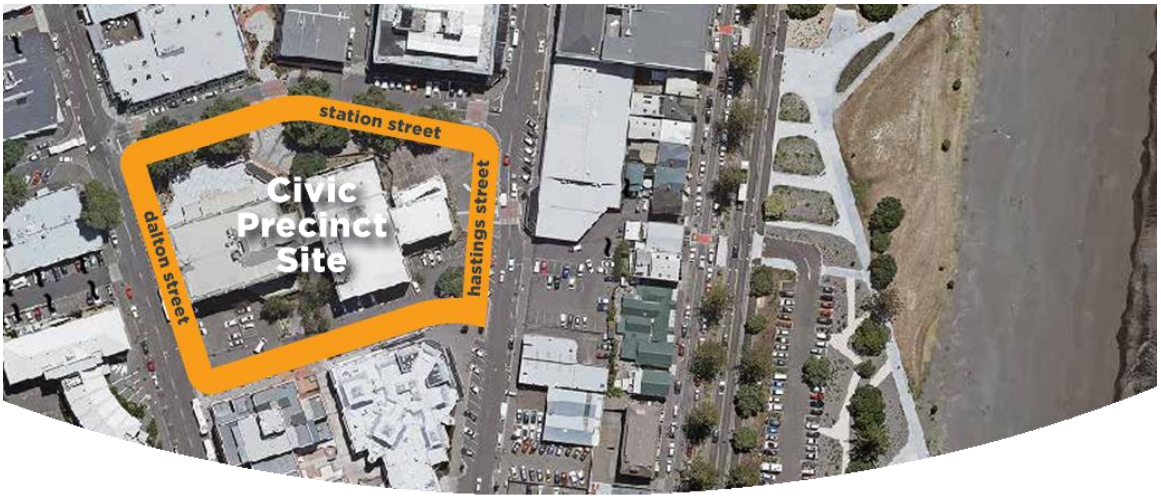
Operating (rates)
$40,000
to close down in 2021/22

How will this impact your rates?

YEAR ONE
↓ 0.01%
total rates decrease
↓ $0.35
total rates decrease per rateable property

YEAR TWO
↓ 0.05%
total rates decrease
↓ $1.16
total rates decrease per rateable property





Napier Library Civic Precinct

Last year, after assessing a range of options, we confirmed that the Napier Library would return to its original site, although not necessarily to its original building. We have also been looking into returning our Mayor, councillors and staff to a central office. We have brought these two projects together and have started developing a spatial plan for the entire site and will consult with the community in the coming months. Dealing with the project as one means that we can avoid duplication in the facilities themselves and save money overall. We have set aside $55 million for the whole development with a goal to start construction in 2024/25.

National Aquarium of New Zealand

We had a plan to significantly upgrade and refocus our National Aquarium, taking it to a new level of experience – a marine centre of excellence. Project Shapeshifter (our aquarium redevelopment project), was highly dependent on receiving substantial external funding which has not eventuated. We signalled last year that Project Shapeshifter had become less of a priority for Council, particularly without any central Government support.

We have removed the funding contribution tagged for the project but will continue to maintain the facility while we investigate options for its future. These options could include a refurbishment of the current facility, using the building for something else, or eventual closure of the facility. When we have reviewed the options, we will consult with the community about the facility's future. In the meantime, we have funding set aside for repairs and basic renewals to keep the building operational.

Napier Aquatic Centre Development

Even with the reinstatement of the Greendale Pool (owned by the Ministry of Education), we know we are outgrowing our current aquatic facilities. We had a plan to develop a new facility at Prebensen Drive because of issues with the Onekawa site, including its previous use as a refuse facility. But we put the development on hold last year, in order to further investigate the Onekawa site and to confirm whether a redevelopment of the current facility is possible. The contamination investigation is complete and the report is expected to be available to Council shortly. Once the report is in, we will take another look at our situation before seeking feedback from the community. Because this will take some time, we have removed the funding allocated for the development from this Long Term Plan. In the meantime, we have funding set aside for repair and basic renewals to keep the building operational. Our options will be clearer when we review our plan in 2023.

Don't forget to tell us what matters to you!

sayitnapier.nz **say it!**

working on what matters

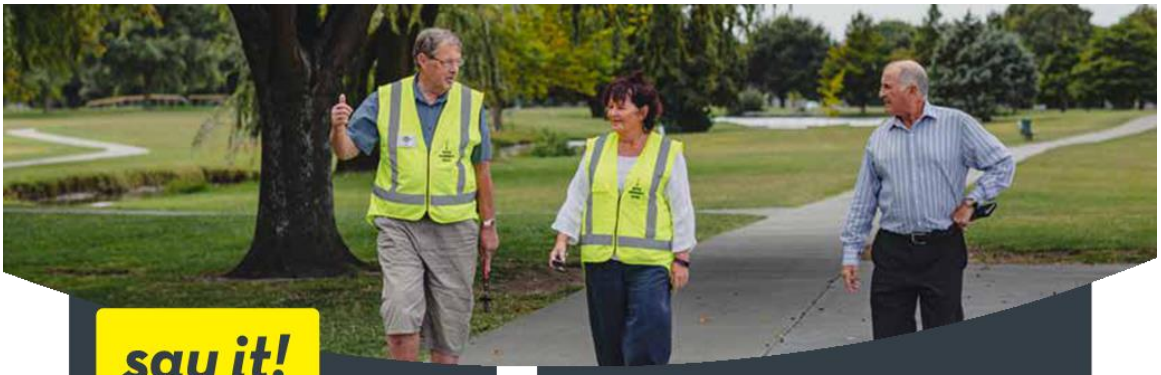


community safety

Safety is important to us all. When we feel safe, we have the freedom to go about our lives confidently and our sense of community is strong. There are already many agencies working to keep our community safe. Our focus is making sure our public places are safe. We do this in many ways, from the design and maintenance of our spaces and roading networks, the use of lighting, and cleaning up graffiti, through to generating vibrancy and life in our city. Every year we invest $350,000 into community safety initiatives. This includes supporting community agencies like NZ Surf Lifesaving, Napier Community Patrols and Neighbourhood Support to do what they do to keep Napier safe. We are part of an international network of 'Safe Communities'. This is a programme where we actively work with others to prevent harm from injury, crime, and addiction and help build resilience in our communities. There is a huge range of projects we support through this programme.

For more information please visit napier.govt.nz/safer-napier

We want people to be able to enjoy Napier and feel safe in their neighbourhoods. We believe businesses should be able to operate and that shoppers should be able to shop in a safe and inviting environment. We know this is important to our community too. We are also very aware of some upsetting incidents that have played out in our public places recently, and know that people are feeling less safe out and about than they used to. A recent survey has identified good support for our CCTV network and patrols. We have both of these activities in place, but we think they can be improved upon.



say it!

STREET MANAGEMENT

Keeping our city safe is important. We've seen an increase in anti-social behaviour since 2015, and more visibility of rough sleeping in parts of the CBD and Marewa in particular.

While the numbers are not huge, the impact on businesses and our community has been felt. We've responded by introducing street patrols as a temporary measure. However, we believe the ambassador approach that is operating in other cities is a better way to address the issues.

Ambassadors are able to work with individuals to link them with services that may be able to help. At the same time, they maintain clear behavioural expectations and are equipped to deal with negative activity by liaising closely with Police and others.

We are about to start work on how this could look for Napier but we do know an ambassador programme will cost a lot more than our street patrols do.

Last year we set aside $500,000 to replace and modernise the city's CCTV network. We see these two activities working hand in hand to effectively respond to issues of community safety in our public places.

Does this matter to you?

We want to know your thoughts on the options below. Tell us at sayitnapier.nz/ltp or on the back page.

PROPOSED

OPTION ONE

Look into it further

We'll continue to assess how an ambassador programme could work in Napier and allocate a further $415,000 per year for its operation to start in 2022.

How will this be funded?

Operating (rates)
$415,000

How will this impact your rates?

↑ 0.65%
total rates increase per year

↑ $16.02
average rates increase per rateable property

OPTION TWO

Stay as we are

no impact on rates

We'll continue to fund patrols in the CBD at a cost of $100,000 per year. There are limitations on what can be achieved with this approach as the focus is primarily on observation and referral to Police when appropriate. The patrols provide a presence but are unable to impact on the levels of begging and antisocial behaviour occurring.

working on what matters

say it!

TRAFFIC SAFETY PLANS

Local Area Traffic Management (LATM) plans are developed every year. These plans aim to increase safety and enjoyment on local streets for all users by managing traffic.

We do that by using physical tools such as installing speed bumps, bollards, chicanes and cycle lanes and by introducing measures such as speed limit restrictions and other road changes (for example, changing intersections or reducing road width). These plans take an area-wide view rather than a focus on a problematic street or intersection and are developed by traffic safety engineers who look at the accident data, usage data (taking into account speed and volume) and community and stakeholder feedback. Plans are then peer reviewed and sometimes temporary measures will be put in place to test the effects before a more permanent solution is installed.

Our community really loves to cycle and walk around our city and neighbourhoods and while we continue to install off-road pathways, cyclists and pedestrians are still considered vulnerable road users. We want everyone to feel safe as they navigate their neighbourhoods but we need the road network to work well too.

Our proposal is to increase the number of plans we undertake from one per year to three per year from 2022/23. The plans cost around $300,000 each. We receive a 51% contribution from Waka Kotahi NZ Transport Agency. Over the next three years, we will complete plans in Marewa, Maraenui and Onekawa but with additional funding, we could start some of these earlier and add more areas in, such as Pirimai, Bay View and parts of Taradale.

Does this matter to you?

We want to know your thoughts on the options below. Tell us at sayitnapier.nz/ltp or on the back page.

PROPOSED

OPTION ONE

Undertake more plans

Increase the number of plans we complete each year from one plan to three plans on average. We could cover more of the city sooner, making Napier and its neighbourhoods safer for all road users.

How will this be funded?

Capital (loans)
$300,000
(from 2022/23)

How will this impact your rates?

↑ 0.03%
total rates increase per year

↑ $0.65
average rates increase per rateable property

OPTION TWO

Stay as we are (one plan per year)

no impact on rates

Continue to complete one plan a year. Marewa, Maraenui and Onekawa would remain the priority, but under this option no additional plans could be added until 2024.





the finances

Our financial strategy sets the direction for the Council's finances for the next 10 years and beyond. We have some challenges ahead as we play catch up, while also restoring our reserves (savings). We have had to use our reserves over the last few years to bring in the new waste and recycling service, deal with the impacts of COVID-19 and to meet the increase in general costs. This plan also resets our anticipated capital programme by removing significant projects such as the Aquatic Development and Aquarium Expansion, and resetting the timing of the Napier Library Civic Precinct. However, this means we are needing to spend money on the upkeep of the existing facilities. At the same time, we haven't been saving enough for future replacements.

To keep rates affordable, while also working towards achieving a balanced budget (income and expenditure balance) requires us to fund asset maintenance by using our reserves, and renewals by using our reserves but also with loans over this LTP. This is to address the shortfalls we face because we haven't set aside enough funding for renewals over the years. At the same time renewals are now costing more than what we forecast, meaning even if we had put enough money aside we would still have a shortfall, although not as much as we have now.

Note: Councils are required to submit a balanced budget in their LTPs, unless they believe it is financially prudent not to. We have resolved to use loans to achieve a balanced budget by year 10 to cushion the impact on the ratepayer of the cost of our capital renewal programme.

Depreciation

Depreciation is money that we take out of our operating budget and put aside for when we need to replace assets. The amount of money we budget for this is based on the value of each of our assets and how much longer the asset will last. Depreciation costs start as soon as you buy or build something and continue over the life of the asset. Depreciation costs change if the value of an asset changes. Our assets are valued every three years, with some valued annually.

Ideally, the full cost of depreciation would be covered by our income. However, even then, the cost of replacements or building when you actually need to do the work is often more than what has been set aside, and that's when shortfalls happen. Our asset valuations have increased meaning we need to collect more for when our assets need replacing.

What does this all mean?

When it comes time to build or replace an asset, Council must decide whether or not to proceed. The replacements that are now due have all been considered, and some have been included in this 10 year plan. We have had to make some tough calls about what is in and what is out.

Part of the problem is that replacements have been delayed and we have a lot due at once.

We want to do more than we have before to reduce this bubble of work and avoid getting into this situation again.

To fund this, we are proposing to loan-fund our renewal shortfall in the first few years of our plan (year 1-5). Then we will increase the money we put aside for renewals from rates in the second part of our plan.

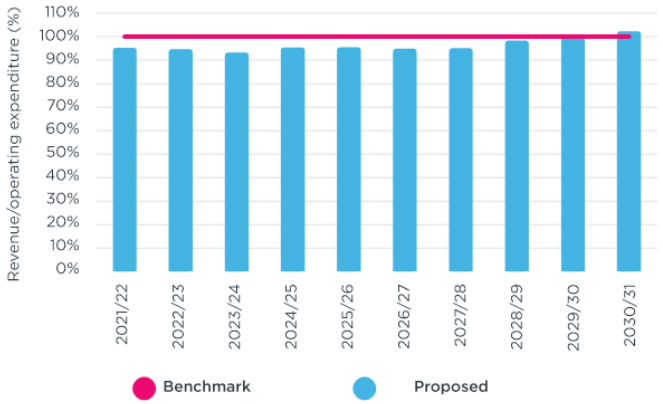
This contributes to the rates increases we are proposing in the second five years of our plan. At the end of our 10 year plan, we will be fully funding depreciation which will be $63.6 million per year.

Balanced budget

Our approach of keeping rates increases low has had an impact on our finances. It means we have not built up enough income over the years and we have delayed work on our assets, as well as not putting enough money away for replacements needed. We haven't used loans in the same way other councils have, which is a way of spreading the cost of capital work over time – just like taking out a mortgage on a house. It is all catching up on us now. We are resetting our financial strategy so that we can still achieve what is needed for our city while we are also borrowing within our means.

We are still very committed to keeping our rates affordable and even with our proposed rates increases over the next 10 years we will still enjoy some of the lowest rates in the country. We don't think it is reasonable to increase the rates in one big hit. So, we are proposing to increase them gradually over the next 10 years by taking out loans to fund renewals. This means we will achieve a balanced budget in 2031. We believe this is the best fiscal (financial) and sustainable outcome for our community.

Balanced budget benchmark



What does this graph show?

The income versus expenditure over the 10 year period and demonstrates those years when our expenditure will be more than our income (excluding financial contributions). But we will catch up by 2031. We will need to borrow to cover when our expenditure is more than our income.

How will the proposed average rates increase of 8% affect your rates in 2021/22? Visit sayitnapier.nz/ltp to find out.

Rates and rates limits - We have increased our rates cap to 8% in year one and 6.5% plus LGCI (Local Government Consumer Index – an inflation tool), for the rest of our 10 year plan, so we can maintain our levels of service and deliver on the key priorities of our plan. The table below shows how the rates are forecast over the next 10 years.

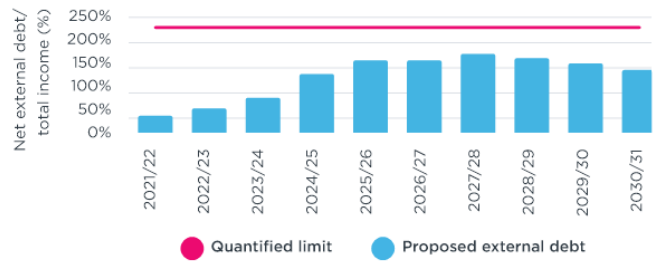
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Total rates limit (including LGCI)	8.30%	10.40%	9.70%	9.30%	9.30%	9.30%	9.30%	9.40%	9.50%	9.50%
Proposed rates increase to existing ratepayers	8.00%	7.00%	7.00%	7.00%	9.00%	9.00%	9.00%	9.00%	9.00%	8.00%
Plus growth in the rating base	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%
Increase in rates revenue	8.30%	7.30%	7.30%	7.30%	9.30%	9.30%	9.30%	9.30%	9.30%	8.30%

Note: rates limit excludes water by meter, rates remissions and rates penalties

Financial and development contributions - When commercial and residential buildings are developed in areas that require additional infrastructure (e.g. water connections), we charge the developer a fee that contributes towards the cost of us providing the infrastructure needed. We are currently reviewing these fees, and how they are applied. Please visit sayitnapier.nz to give feedback on this policy.

Debt and debt Limits - We have raised the limit for the amount of debt we can carry in comparison to the amount of income we will receive. We need to ensure we are able to pay our loans, so we have set our limit to 230%. The limit is set higher than we have forecast because we need to have some leeway to increase our debt if our plan needs to change, and we have expenditure that we haven't anticipated. Another measure of debt is the proportion of what we pay in annual interest compared with our annual income. We joined the LGFA (Local Government Finance Agency) last year. This is a collective of councils who band together to get good loan deals. This means the interest we pay will remain low, making borrowing money very affordable. Because of the increase in proposed capital expenditure and because we want to smooth rates increases for people, our overall debt will significantly increase.

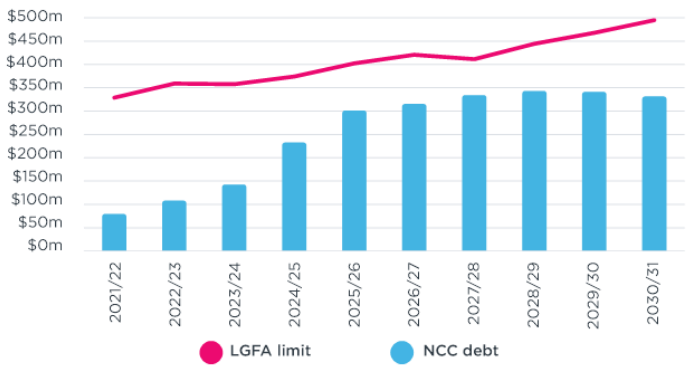
Debt to income



What does this graph show?

The pink line is the limit we have set so that we don't borrow more than we can pay off. The bars show what % our debt is versus our income.

Debt to LGFA loan limit



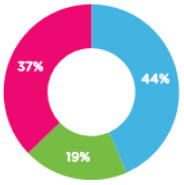
What does this graph show?

This graph shows that NCC debt does not reach the LGFA limit at any time over the next 10 years. The LGFA limit is set at 230% of our total revenue in any given year.

Capital Projects

We are investing significantly to replace assets and create new assets that respond to our growth projections and increasing quality standards. Just under half ($404 million) of our total capital spend will be on three waters infrastructure which is driving the capital works programme compared with our last LTP.

What's driving the capital project spending

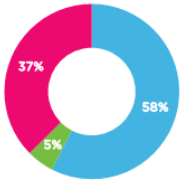


Renewals: $358,143,303
Level of Service: $307,152,783
Growth: $159,715,006
Total $825,011,092

What does this graph show?

It shows we are spending $358 million on existing asset replacement, $307 million to meet increasing service standards and $160 million to respond to growth.

How we are funding capital projects

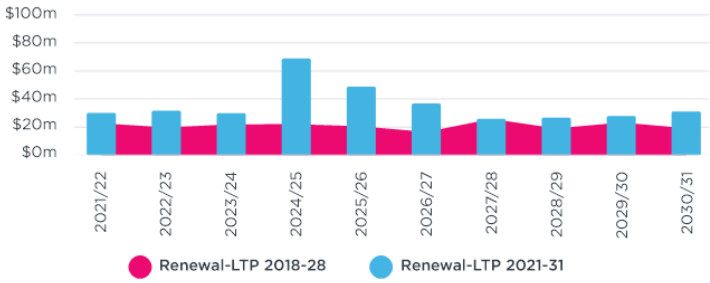


Loan Rates $475,026,969
Reserves $308,451,481
Subsidy $41,532,642
Total $825,011,092

What does this graph show?

Capital projects are funded from loans 58%, our reserves (savings) 37% and some government subsidies e.g. roading funding at 5%.

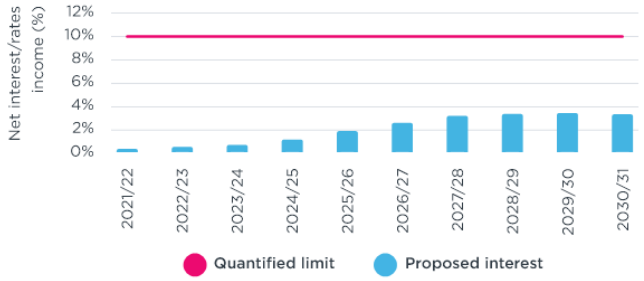
Renewal expenditure LTP 2018-28 vs. LTP 2021-31



What does this graph show?

The pink parts show what we had planned to spend in the next 10 years when we did our plan three years ago versus the blue bars showing what we now plan to spend for this same period.

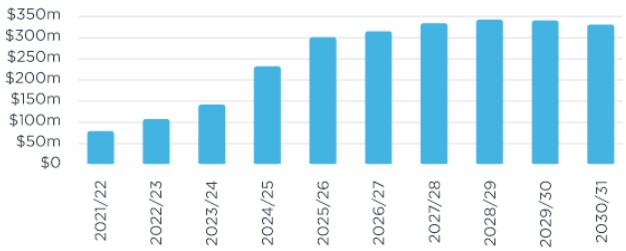
Net interest to total income



What does this graph show?

This graph shows that we will remain well below our limit of 10%.

External borrowings



What does this graph show?

This graph shows our borrowings over the next 10 years, with our highest level being $337 million in 2028/29.

Examples of Proposed Rates for 2021/22

Examples of the impact of rating proposals for 2021/22 are shown in the following table:

Differential Category	Land Value	Capital Value	Rates 2020-21	Rates 2021-22	Change $	Weekly Change $	Change %
Residential							
Average Value & Land Value Increase	299,500	638,300	2,379	2,477	98	1.89	4.1%
Average Value - above average LV movement	310,000	640,000	2,422	2,567	144	2.78	6.0%
Low Value Residential	128,000	425,000	1,489	1,846	357	6.86	24.0%
Parklands Residential	320,000	840,000	2,540	2,602	62	1.19	2.4%
Te Awa Residential	290,000	740,000	2,511	2,474	-37	-0.70	-1.5%
Bay View Residential	284,200	614,300	1,964	2,248	283	5.45	14.4%
Ex Rural Residential (City fringe)	668,600	1,389,800	2,811	3,375	564	10.85	20.1%
Commercial / Industrial							
Other Commercial Average	553,900	1,148,300	5,990	7,375	1,385	26.64	23.1%
CBD Average	867,900	2,368,800	11,658	13,281	1,623	31.20	13.9%
Industrial Average	1,069,700	1,777,800	9,566	11,976	2,410	46.34	25.2%
Bay View Average Commercial	473,500	855,500	1,931	3,585	1,654	31.81	85.7%
Rural Average Commercial	457,200	1,610,600	1,527	2,523	995	19.14	65.2%
Rural							
Average Rural	1,832,800	2,320,400	4,392	4,946	555	10.67	12.6%
Rural Residential							
Bay View Average	375,400	782,700	1,853	2,076	223	4.30	12.1%
Other Rural Residential in Stormwater area	457,500	875,900	1,620	1,933	313	6.02	19.3%
Other Rural Residential outside Stormwater area	457,500	875,900	1,620	1,733	113	2.18	7.0%

The three yearly revaluation for the city for rating purposes was undertaken in 2020 and those new valuations apply as the basis for setting the rates for 2021/22.

The rating examples should be read having regard for the following:

Council's total rates revenue for 2021/22, excluding rate penalties and water by meter charges, will increase by 8.30% which is an average increase of 8.00% for existing properties after an allowance of 0.3% is made for new properties added since last year.

Council has recently consulted on changes to differential categories and differential factors. The changes are being phased in over three years which impacts all properties, in particular on properties previously rated in the Rural and Bay View categories.

Property values directly affect the level of general and targeted rates charged (either land or capital value). Recent changes in property valuations mean that the rates increase will be greater or less than the proposed 8% average rates increase (per rateable property) for some individual properties, particularly commercial and industrial properties which may see an increase in rates. To find out more about the impact of the revaluations visit sayitnapier.nz

All figures in this document are inflated against Berl LGCI forecasts.

infrastructure strategy summary

The Infrastructure Strategy sets out our plan to manage our physical assets, valued at over $2 billion, over the next 30 years. It identifies the key issues we face, what our plan is to respond to them and what the costs are looking like.





We review our Infrastructure Strategy every three years as part of our LTP process. Since our last review, we have been involved in the Government's Three Waters Reform programme, have completed a chlorine-free review, have contended with a significant flood and have completed a number of major projects.

These projects are:

- Detailed asset condition assessments
- Fixed the outfall pipe
- Installed two de-chlorinated water stations
- Completed masterplans for all Three Waters
- Returf of McLean Park
- Destination Playground – Anderson Park
- Further development in Te Awa and Parklands
- Inner Harbour condition assessment and masterplan
- Added to our bikeable and/or walkable pathways (we now have 46.1km)
- Communal facilities block at Kennedy Park Holiday Resort
- High performance training rugby field (Park Island)

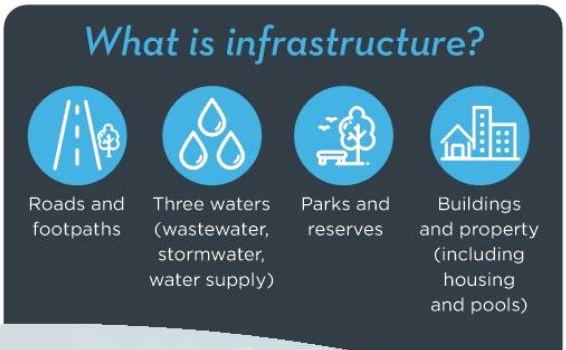
We face some major changes anticipated in key legislation over the coming years including the Resource Management Act, Water Services Bill and the Climate Change Response Amendment Act (Zero Carbon), as well as increasingly stringent standards.

What we are working with

- 90% of Napier is on flat land
- Seismic zone and low lying suburbs. The city is susceptible to groundwater level rise and liquefaction
- Flood prone areas
- Tsunami threat
- Growing population (medium growth city)
- Ageing population
- Ageing assets
- Housing shortages
- Not a lot of land for residential development (currently Te Awa, Parklands and Western Hills)
- Opportunity for intensification / higher density development (i.e. more houses on available land e.g. in-fill / apartment living)

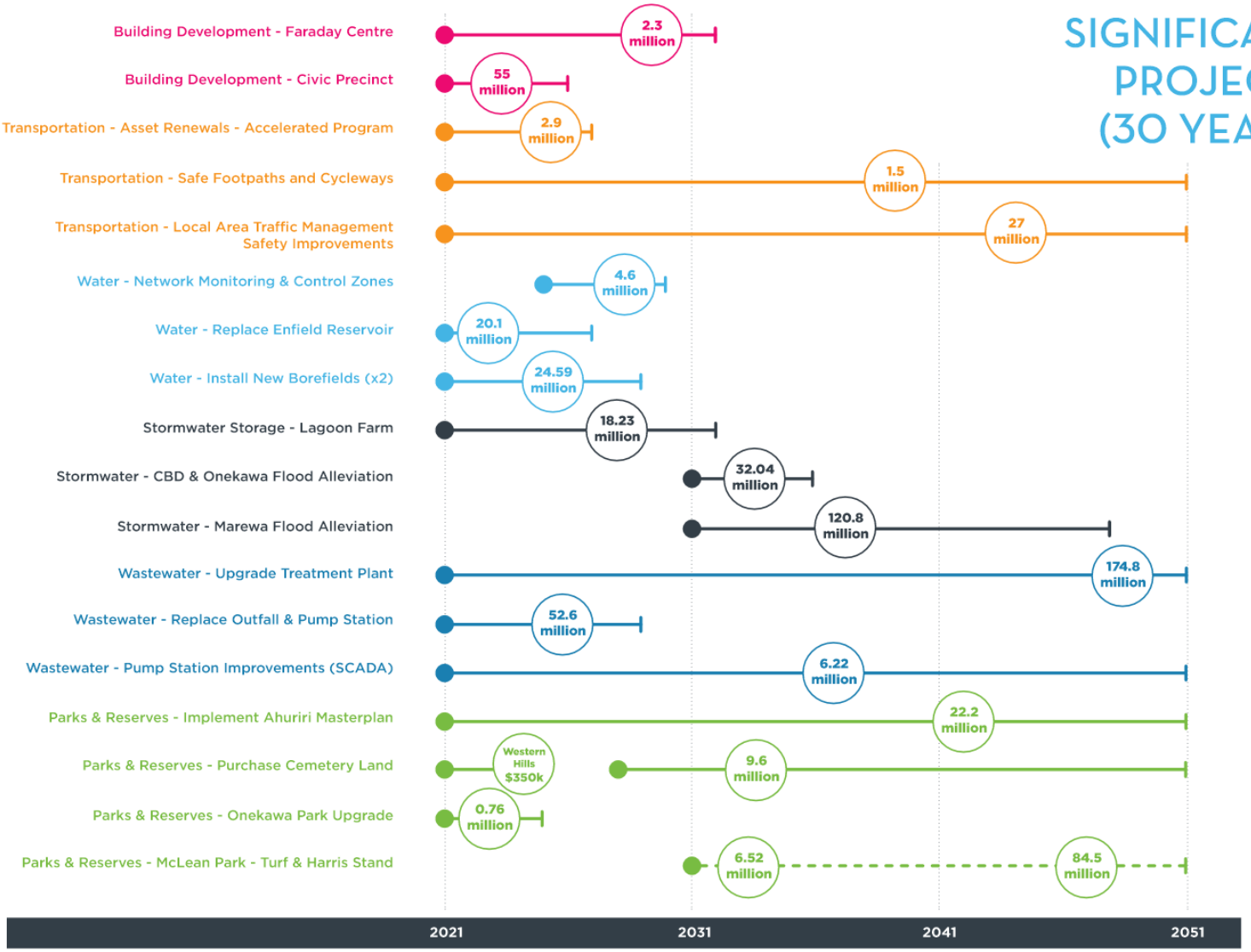
Asset condition

We have been working with outdated systems and processes and have had insufficient information about our assets to inform decisions about replacements and upgrades. Over the past few years, we have looked into what we have, their condition and what we need for our city to grow and develop. Our current plan deals with the essential renewals that are due. To ensure we have visibility of the condition and life of all our assets, we will continue to prioritise our asset assessment programme over the next few years.





SIGNIFICANT PROJECTS (30 YEARS)





INFRASTRUCTURE STRATEGY KEY ISSUES

Affordability

In the past, we have been focused on keeping rates rises small and have relied on our reserves (savings) as a funding source for big projects. We have not set aside enough money to pay for replacements when things are at the end of their useful life. Now that there is a lot of replacement needed, we will be getting loans to help pay for the cost. This means that everyone who will use the asset (now and into the future) will contribute, rather than pushing the full cost onto current ratepayers.

Capacity to deliver and economic recovery

We have a big capital works programme ahead of us ($825 million worth), largely due to our significant investment in water infrastructure, infrastructure for growth and investment in renewing our existing assets. The Government provided a stimulus package to address the economic effects of COVID-19. We were granted some of this funding as well as the Three Waters Reform funding, so we have a lot to deliver in a short time frame.

We had planned to complete $542 million of capital projects during our last LTP. Over the last few years, we have been able to deliver between $20 and $50 million worth of capital projects in any given year, despite planning to deliver almost double that. Some key projects from our last LTP were not completed and have either been removed (e.g. Aquatic development) or their timing has been reset into this LTP. This combined with the new plan means we are proposing to deliver $283 million or 52% more than our last 10 year plan. Over the last 12 months we have recruited more staff, particularly in the three waters area, with more on the way so we can deliver our planned projects.

We are also working with other councils in the region so that those working in the infrastructure delivery industry are not overloaded with projects. We will work with external consultants when we need additional resource. However, it is still a significant amount of work that may require reorganising along the way to ensure we deliver on critical infrastructure to keep our city going.

Enabling growth

Napier is classed as a medium growth city. The Government requires us to provide development opportunities to meet our population growth, including affordable housing provision. At the same time, we are limited as to where we can build to protect our food production capability and to ensure we respond to our natural hazards. We are also reviewing our District Plan to enable intensification.

Futureproofing

Our city is changing. We have moved from primarily a service town to a growing urban-oriented city. Our people are changing too. In a couple of decades time, over 30% of our people will be aged over 65. These factors change all sorts of things such as the type of housing people will want; how they want to get around the city; where and how they will work and, what they want to do in their spare time. Factors like these also affect the sort of developments we should support, what the roads should be like, and what public facilities will be needed. Climate change is already starting to impact our planning too. We need to consider where these impacts will be felt in our city and how we should respond, particularly when we are looking to replace or install new infrastructure – we need to build in the right places at the right time, using the right materials. We

are also facing changing standards and regulations, requiring improved and sometimes new systems and equipment to comply. We expect standards to become more stringent over time.

Environmental outcomes

We are fortunate to live in a city with easy access to nature, particularly water. We know we can do better to improve the quality of our water and the rest of our environment. Our strategy focuses on this, from what we discharge into our water, the materials we use for our infrastructure, to increasing access to green spaces and nature, and encouraging sustainable practice for our developments.

Natural hazards and climate change

We can't build entire networks that will withstand severe natural hazards such as damage caused by earthquakes. But we can identify particular areas that are more susceptible and avoid development in those places. There are already many homes and businesses in areas that are susceptible to natural hazards and the impacts of climate change. We are looking at how to reduce these impacts - for example, we know we can improve evacuation routes in some parts of the city. As climate change and rising sea levels become more and more important, we will continue to make decisions on future investments and infrastructure that take these issues into account.

Processes and data quality

The systems we have been using are outdated and quite manual. We are moving to using new technology that delivers data quickly, seamlessly and with the right level of information. This means we can operate more effectively and make better decisions that, ultimately, deliver cost savings.

Three Waters Reform

The future of water services delivery is uncertain. We are working with the Government on the reform programme which could see services delivered at a regional or multi-regional level. In the meantime, we are continuing with our plans and maintaining water as our top priority.

Deferred renewals

Over the last few years, we have spent time assessing all of our assets – from our pipes and buildings to our pools and playgrounds. We have a lot to look after! We have not kept up with replacing or upgrading all of our assets. Some of them are well past the end of their useful life and are getting beyond repair. We are prioritising replacements and upgrades for what is essential, what is well used along with what we can afford. We are ensuring that we are ahead of the game for upcoming renewals.

WORK ON OUR CRITICAL ASSETS

We have work planned on the critical assets that keep our city running. Outlined below are the issues affecting our assets and how we plan to tackle them.

Transportation

Critical Asset:	**Inner harbour upgrade**
Issue:	End of life
Plan:	Planned 2022-2051

Water Supply

Critical Asset:	**New borefields**
Issue:	Water contamination risk
Plan:	New borefields planned 2021-2028
Issue:	Water Quality
Plan:	Adding treatment plants 2021-2028
Critical Asset:	**New reservoirs**
Issues:	Near end of life, meet growing demand
Plan:	Replacement planned 2021-2028

Wastewater

Critical Asset:	**Replace outfall pipe and pump station**
Issue:	Nearing end of life
Plan:	Replacement planned 2021-2028
Critical Asset:	**Treatment plant**
Issue:	Consent compliance
Plan:	Ongoing upgrades 2021-2051
Issue:	Meet growing demand
Plan:	Additional treatment plant 2029-2031
Critical Asset:	**SCADA system (monitoring and control system)**
Issue:	Manual system
Plan:	Upgrades planned 2021-2051 to achieve efficiency and better information and control

Stormwater

Critical Asset:	**Lagoon Farm diversion (The big channel)**
Issue:	Risk of flooding
Plan:	Planned 2021 through to 2031
Critical Asset:	**Flood alleviation projects**
Issues:	Risk of flooding, meet demand from construction, facilitate growth
Plan:	Planned 2031 though to 2051

Parks and Reserves

Critical Asset:	**McLean Park**
Issue:	Harris Stand nearing end of life
Plan:	Harris Stand 2047
Issue:	Turf replacement (has 20 year lifespan)
Plan:	Returf planned 2031

OTHER CONSULTATIONS

Financial and Development Contributions

When commercial and residential buildings are developed in areas that require additional infrastructure (e.g. water connections), we charge the developer a fee that contributes towards the cost of us providing the infrastructure needed. We are currently reviewing these fees, and how they are applied.

Revenue and Financing Policy

We recently changed this policy, which altered the way the total rates income was split between different types of properties including residential, commercial and rural. We have separated stormwater charges out of general rates and are only charging properties that use stormwater services through a targeted rate. This resulted in most properties seeing a small decrease in rates, while others have had an increase. We are phasing the changes in over the next three years. New valuations have come in since we made the changes, which will have a further impact on some properties. Land values have increased for commercial and industrial properties in particular. This means that rather than a decrease in rates for these properties, there will be an increase. Further information will be provided directly to these property owners.

We are now proposing to change our policy on how we fund our housing services. Currently the policy means that the housing activity is funded solely through the income received through rents. The change will allow this activity to be funded from other sources including rates and loans.

Rates Remission Policy

Several administrative amendments have been made which are designed to increase the efficiency of rates collection such as remissions on council property and changing remissions for waste services.

Please visit sayitnapier.nz for more information and to give feedback on these policies.

SUPPORTING DOCUMENTS

To find the information below visit sayitnapier.nz/ltp or call us on 06 835 7579

Three Waters

- Chlorine Free Review
- Ahuriri Estuary and Coastal Edge Masterplan
- Project Update Napier Urban Waterways Investigation
- Project Update: Pandora Industrial Waterways (Thames & Tyne Waterways) Sediment Quality Assessment
- Three Waters Reform
- Taumata Arowai Exposure Drafts
- Napier City Council Water Projects
- Three Waters Reform MOU Announcement

Places and Spaces

- District Plan Review
- Te Pihinga Concept Plan
- Housing
  - s17A Review
  - Strategic Review of Housing
- Civic Precinct Framework
- Faraday Centre
- Reports to Council

Useful Links: faradaycentre.org.nz

Community Safety

Useful Links: napier.govt.nz/safer-napier

Our Finances

- Financial Strategy
- Financial Statements
- Schedule of Fees and Charges

Other Documents

- Recovery Plan - COVID-19
- Infrastructure Strategy
- NCC Vision, Outcomes and Goals
- Significance and Engagement Policy

Thank you to all those who appear in our document alongside our Mayor and Councillors:

Members of Napier Neighbourhood Support
Members of Napier Community Patrols
Members of Napier Youth Council
Faraday Centre Volunteers
Ormsby and Brosnan Tamariki
Napier City Council Water Services Team
Maraenui Community Members
Keen Napier Cyclists
Chad Tareha Chair Napier City Council Māori Committee


OUR COUNCIL
KIRSTEN WISE - Mayor
p.021 222 4403 | e. mayor@napier.govt.nz
TANIA WRIGHT
Taradale Ward Councillor
p. 027 203 3197
e. councillor.wright@napier.govt.nz
ANNETTE BROSNAN - Deputy Mayor
Onekawa-Tamatea Ward Councillor
p. 027 337 9303
e. councillor.brosnan@napier.govt.nz
GRAEME TAYLOR
Taradale Ward Councillor
p. 027 289 4940
e. councillor.taylor@napier.govt.nz
RONDA CHRYSTAL
Taradale Ward Councillor
p. 027 225 8606
e. councillor.chrystal@napier.govt.nz
RICHARD McGRATH
Onekawa-Tamatea Ward Councillor
p. 021 067 3448
e. councillor.mcgrath@napier.govt.nz
KEITH PRICE
Ahuriri Ward Councillor
p. 027 412 1413
e. councillor.price@napier.govt.nz
HAYLEY BROWNE
Ahuriri Ward Councillor
p. 027 209 3220
e. councillor.browne@napier.govt.nz
API TAPINE
Nelson Park Ward Councillor
p. 027 459 9761
e. councillor.tapine@napier.govt.nz
GREG MAWSON
Nelson Park Ward Councillor
p. 022 567 8104
e. councillor.mawson@napier.govt.nz
MAXINE BOAG
Nelson Park Ward Councillor
p. 021 024 70484
e. councillor.boag@napier.govt.nz
NIGEL SIMPSON
Taradale Ward Councillor
p. 027 467 7661
e. councillor.simpson@napier.govt.nz
SALLY CROWN
Nelson Park Ward Councillor
p. 027 284 8541
e. councillor.crown@napier.govt.nz

INDEPENDENT AUDITOR'S REPORT

YOUR SUBMISSION ON OUR LONG TERM PLAN 2021-31

Have your say before 5pm 12 May 2021 **say it!**

We encourage you to complete the form online at **sayitnapier.nz/ltp** or post this form for free to:
FreePost Authority Number 772273, LTP Submissions, Napier City Council, Private Bag 6010, Napier 4142

You can use extra paper if you need to or you can attach a document. By submitting this form to us, you agree to the information in it being shared with an external company assisting us in analysing the submissions. The company will keep this information confidential and it will not be used for any other purpose. Your name and submission will be published, but your contact details will be kept private. Your submission form will be treated in accordance with the Privacy Act 2020. To view our privacy statement, visit **sayitnapier.nz/ltp**

Your details

Full name:	
Daytime phone number:	
Email address:	
Address:	
Postal address (if different from above):	
If you are submitting on behalf of a group/organisation, please give its name here:	
Do you want to speak in support of your feedback in person? ◯ Yes ◯ No We will contact you about a suitable time and any support requirements	

Your feedback - all questions are optional

WATER SUPPLY

PROPOSED

More details on page 10-11

◯ Begin the work now	◯ Begin the work later
Comments:	

Do you agree with our approach to work towards a network that could be chlorine-free in the long term?

◯ Yes	◯ No
Comments:	

AHURIRI REGIONAL PARK

PROPOSED

More details on page 14-15

◯ Invest $12.5 million into the development of Ahuriri Regional Park	◯ Do not invest $12.5 million into the development of Ahuriri Regional Park
Comments:	

TE PIHINGA - COMMUNITY FACILITY

More details on page 18-19

PROPOSED

- ◯ Do it now (2021-23)
- ◯ Do it a bit later (2023-25)
- ◯ Don't do it

Comments:

HOUSING

More details on page 20-21

PROPOSED

- ◯ Use a loan
- ◯ Use rates

Comments:

FARADAY CENTRE

More details on page 22-23

PROPOSED

- ◯ Keep it open
- ◯ Close it down

Comments:

STREET MANAGEMENT

More details on page 26

PROPOSED

- ◯ Look into it further
- ◯ Stay as we are

Comments:

TRAFFIC SAFETY PLANS

More details on page 27

PROPOSED

- ◯ Undertake more plans
- ◯ Stay as we are (one plan per year)

Comments:

Do you have any other feedback on our 10 year plan?