NAPIER CITY COUNCIL
Te Kaunihera o Ahuriri

Napier Civic Building
231 Hastings Street
t +64 6 835 7579
e info@napier.govt.nz
www.napier.govt.nz

ORDINARY MEETING OF COUNCIL

Open Attachments (Under separate cover 1)

Meeting Date:	Thursday 14 March 2024
Time:	9.30am
Venue:	Large Exhibition Hall War Memorial Centre Marine Parade Napier

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Napier City Council

DRAFT HOUSING STRATEGY

March 2024

NAPIER CITY COUNCIL
Te Kaunihera o Ahuriri

Housing is central to community wellbeing

A home is more than a house

Housing fulfils the basic human physical need for shelter. However, housing is more than this for the Napier community. It affects overall wellbeing and contributes to a person's sense of community and belonging. Housing provides a place to call "home".

Having a home contributes to a sense of security and identity and provides a connection to the community. Housing affordability and security can be a major contributor to physical and mental health, and to overall wellbeing.

"A home is more than a house, it's the foundation for wellbeing, prosperity and being able to live with dignity"—Māori and Iwi Housing Innovation (MAIHI) Framework.

Housing stress and pressure can be the first domino to fall for a household or whānau. It can lead to other negative impacts for the individual, their whānau, and wider community, with flow-on impacts on education, employment and overall economic prosperity.

This housing strategy provides a pathway for the Council to prioritise its role in housing

Napier faces significant housing pressures. At the same time, central government is driving reform for housing policy and the way in which local government operates.

The combination of these pressures and changes means that it is time to step back and agree what is important to Napier Ahuriri and the community that calls Ahuriri home.

This strategy sets out a vision and framework for Napier City Council to address Napier's housing needs and the stress across the housing continuum—from homelessness to home ownership.

This strategy intends to provide a guiding frame so that the Council can clarify its role and prioritise its focus within a complex housing system to best support the residents of Napier. This includes identifying how the Council can work effectively with other actors across the housing continuum. For example, exploring the role that the Council plays in the provision of council housing, and the extent to which the Council provides social support.

This housing strategy complements the Council's overall vision and priorities

This strategy continues work that the Council has undertaken across the housing continuum (including the Homelessness in Napier Report, recommendations from the report were approved by Council in July 2022), and other strategies (such as the Positive Ageing Strategy). It complements the Council's recently adopted vision and strategic priorities for the city.

THE COUNCIL'S VISION AND FIVE STRATEGIC PRIORITIES

> *"Enabling places and spaces where everybody wants to be."*

Financially sustainable council: The Council has an operating model and financial strategy which is affordable for ratepayers and enables us to achieve our objectives.

A great visitor destination: Napier is a destination aspiring to provide 'world-class' facilities and attract visitors to our city.

Spaces and places for all: Napier has spaces and places that everyone has access to and wants to use.

A resilient city—the ability to thrive and withstand impacts, knocks and shocks: Council makes good future planning and investment decisions to prepare for a changing climate future and enables our community to build self-reliance.

Nurturing authentic relationships with our community and partners: Council fosters meaningful relationships, demonstrating our commitment to listen to our community's needs, concerns, and aspirations.

Napier is unique in the housing challenges it faces

Napier's population is growing and changing

Napier Ahuriri is one of two small cities closely situated on the coast of the Hawke's Bay region. It has a population of nearly 66,000 (Social Wellbeing Agency, 2021) and is home to Ahuriri and Heretaunga Tamatea hapū of Ngāti Kahungungu.

With a growing population, it's expected that the city will need 6,700 more houses over the next 30 years (Barker & Associates Limited, 2023).

This population growth is across two of Napier's most vulnerable cohorts—its senior citizens and young Māori. A quarter of current residents are over 65 (Social Wellbeing Agency, 2021) and this is forecast to increase by 60% in the next 30 years (Birman Consulting Limited, 2023).

Māori make up 23% of the total population and have a much younger age profile than the rest of the city (Social Wellbeing Agency, 2021). 45% of male Māori and 42.5% of female Māori in the region are under the age of 19 (StatsNZ, 2018). Napier needs to grow and develop in a way that matches the needs of these changing demographics.

In addition, the restoration and rebuilding of infrastructure across the region in response to climate events such as Cyclone Gabrielle is expected to bring more workers into the region—putting further pressure on housing and related infrastructure.

Housing stress is becoming more acute

Napier, and the wider Hawke's Bay region, has been facing significant housing stress over the last decade. This pressure can be seen across the housing continuum with high house prices and rents pushing more households out of the private market and in need of broader housing support.

House prices and rental unaffordability have increased significantly as development in the city struggles to keep pace with demand. House sale prices have increased by 132% since 2013, compared to 107% nationally. Rents have faced similar trends—increasing 79% since 2013, compared to 47% nationally (Ministry of Housing and Urban Development, 2023a).

Over the last few years, Napier has seen numbers on the public housing register grow. Today it has the fifth-highest number of people on the housing register per 10,000 people nationwide (Ministry of Housing and Urban Development, 2023b). The number of people in emergency and transitional housing is increasing, including a large proportion of households with tamariki.

This housing stress is a symptom of systemic challenges facing Napier

These pressures are symptoms of systemic housing market challenges across Aotearoa, with some elements unique to Napier.

Napier, and the wider Hawkes Bay region, is particularly vulnerable to the effects of climate change. Set between the ocean on one side and highly productive land on the other, Napier also has limited space to develop new housing. Land availability and supply is an ongoing challenge for the city.

The effects of Cyclone Gabrielle have intensified these challenges and placed pressure on housing supply and related infrastructure.

Alongside these physical constraints, Napier has an ongoing challenge with progressing greater intensification and getting buy-in from across the community. Community opposition to growth can be just as limiting as physical constraints.

Housing outcomes across the housing continuum

65,856	74,900	20%	60%	23%	45% male / 43% female
people live in Napier	residents projected in the next 10 years according to medium projections	of residents are over 65 years old	expected increase in people aged 64+ by 2053	of residents are of Māori ethnicity, compared to 16.5% nationally	of Māori are under the age of 19
Social Wellbeing Agency, 2021	StatsNZ, 2021	Social Wellbeing Agency, 2021	Birman Consulting Limited, 2023	Social Wellbeing Agency, 2021	StatsNZ, 2018

HOMELESSNESS

Māori are disproportionately affected by homelessness, with a significant number in emergency accommodation being Māori.	There are 138 households in Napier living in emergency housing, with over half of the residents being children.	In the quarter ending March 2023, there were 760 Emergency Housing Special Needs Grants approved in Napier, 43% of the total across the East Coast.
Ministry of Social Development, 2023	Ministry for Social Development, 2023	Ministry of Housing and Urban Development, 2023d

FULL HOME OWNERSHIP

68% of households live in owned houses and 32% live in rented (not-owned) houses.	House sale prices have increased by 132% since 2013, compared to 107% nationally.
Market Economics, 2021	Ministry of Housing and Urban Development, 2023a

ROUGH SLEEPERS | EMERGENCY AND TRANSITIONAL HOUSING | PUBLIC HOUSING | ASSISTED RENTAL | MARKET RENTAL | PROGRESSIVE HOME OWNERSHIP | FULL HOME OWNERSHIP

PUBLIC HOUSING

There are 714 applicants on the public housing register. This is 103 per 10,000 people and the 5th highest in New Zealand behind Rotorua, Gisborne, Ōpōtiki and Kawerau.	There are 1582 public homes and 226 transitional housing places in Napier.	There are 421 people living across Napier City Council's 377 housing units.
Ministry of Housing and Urban Development, 2023b		Napier City Council, 2023

NEW DEVELOPMENT

84% of houses are detached dwellings, with attached dwellings only making up 16%.	Napier is projected to need 6,700 more dwellings over the next 30 years.
Housing Development Capacity Assessment, 2021	Barker & Associates Limited, 2023

Housing strategy framework

ROLE OF THE COUNCIL

VISION	*A THRIVING COMMUNITY:* *People have access to healthy, safe, and affordable homes that suit their needs*

OUTCOMES	
	Homes in Napier are affordable and suitable
	Housing supports connected and accessible communities
	The housing aspirations of iwi and hapū are enabled through Treaty partnerships
	The housing system supports and enables housing development
	Housing is resilient against climate and environmental impacts

PRINCIPLES THAT GUIDE DECISION-MAKING	
	Leading with partnership
	Wellbeing through housing
	An interwoven housing system

Connector and Advocate
Infrastructure Provider
Regulator
Partner
Housing Provider
Landowner

ROUGH SLEEPERS
EMERGENCY AND TRANSITIONAL HOUSING
PUBLIC HOUSING
ASSISTED RENTAL
MARKET RENTAL
PROGRESSIVE HOME OWNERSHIP
FULL HOME OWNERSHIP

Vision and principles

Vision

Central to the strategy is the idea that housing should meet the needs of all Napier residents. No matter what type of housing people need, choose, or aspire to, they should feel safe and secure.

This is reflected in the vision:

> *“A thriving community: People have access to healthy, safe, and affordable[1] homes that suit their needs.”*

Principles that guide decision-making

This vision is supported with three principles that are intended to guide decision-making and that sit at the heart of the approach the Council will take to achieving housing outcomes.

These principles have been developed following targeted stakeholder engagement. They focus on aspects necessary to support a new way of working.

—LEADERSHIP WITH PARTNERSHIP

Better housing outcomes cannot be achieved by one actor. Collective efforts are needed across the housing continuum, to achieve better outcomes for the Hawke's Bay region and nationwide. This means having healthy and active partnerships and collaboration underpinning all approaches.

Fundamentally, achieving successful housing outcomes requires an effective partnership approach between all organisations, including Napier City Council, iwi and hapū, central government, developers, local community groups, and service providers.

—WELLBEING THROUGH HOUSING

Housing involves more than just a physical structure or financial asset. The quality of a person's housing affects their overall wellbeing and their sense of community and belonging.

This strategy recognises that good-quality housing lays the foundation for our social, economic, environmental, and cultural wellbeing, today and in the future. Good-quality housing makes it easier for the people of Napier to develop and nurture their whānau and build connections with their communities.

—AN INTERWOVEN HOUSING SYSTEM

The housing system is complex and is not confined by council boundaries, individual policies, or individual roles and responsibilities.

Stress on one aspect of the housing continuum can have a domino effect on another. For example, increasing rents can cause pressure on the demand for public, transitional, and emergency housing. Restrictive land-use regulations can dampen new development and put pressure on house prices in a constrained market.

These system dynamics play out across geographical boundaries, into the neighbouring Hastings district and the wider Hawke's Bay region.

1 Refer to the glossary on page 20

Six roles that sit across the housing continuum

Better housing outcomes need partners

The housing system is complex; successful housing outcomes are not the responsibility of a single organisation or sector. Many actors need to come together to achieve system-wide change—the Council, iwi and hapū, developers, public sector partners, the community sector, and individuals.

For Napier, this means that everyone needs to work together to respond to the changing needs of its community. Taking a collective approach to housing will enable each partner's expertise, abilities, and mandates to have greater impact.

There are six core housing roles

For the Council this means focusing on its varied roles to best effect—being clear about the areas it can control and the areas that require its influence. There are six core housing roles available to the Council. We have matched these roles to the focus areas identified for each housing outcome.

PARTNER

Iwi, hapū, and the Council have partnerships informed by responsibilities under the Treaty of Waitangi. These provide an enduring framework for connecting communities and systems based on shared objectives.

CONNECTOR AND ADVOCATE

The Council has a leadership role to play in connecting public agencies, iwi and hapū, housing developers, businesses, and housing providers to help achieve better housing outcomes, as well as more innovative approaches to homelessness and housing issues across the city.

The Council also advocates for the community it represents and for better housing outcomes in Napier.

HOUSING PROVIDER

Like many other councils, Napier City Council plays a community role as a housing provider for the Napier community. The Council has 377 houses in 12 villages spread across the city—a mix of retirement and social housing.

INFRASTRUCTURE PROVIDER

The Council provides core infrastructure, amenities, and services necessary for housing and communities. For example, water supply, wastewater and stormwater services, community facilities, and parks and recreation.

REGULATOR

The Council regulates land-use. It establishes regulatory settings and zoning to enable the Council to achieve wider housing goals. It is also the authority for issuing and enforcing building consents. As part of this regulatory work, the Council plays an educational role helping others to navigate these regulatory process.

LANDOWNER

The Council owns land and assets in strategic locations. These can potentially be used in development partnerships.

The Council also has the power to acquire land, and therefore it could play a more active role in development partnerships.

Five housing outcomes

Better housing outcomes need partners

There are five interconnected housing outcomes that contribute to achieving the vision. These sit across the housing continuum, combining to achieve the necessary transformation across the whole of the housing system. For example, a well-functioning housing system is one that provides sufficient land supply and infrastructure to meet demand. The system provides housing options located within or close to the communities that people associate with. It is climate resilient and can support improved housing affordability and access to greater employment opportunities.

Each outcome has a set of focus areas that contribute to its achievement. We have described Council's role and its influence for each focus area.

We have also suggested success measures to help stimulate future conversation and engagement about measuring impact. These are indicative and should be refined as part of further engagement.

It is important to note that the Council cannot achieve these outcomes alone. Instead, a joined-up, collaborative approach with the local community and other actors in the housing system is required. This includes for outcomes and focus areas where the Council has a high degree of influence.

And finally, because this is an iterative and adaptive strategy, these outcomes and focus areas will evolve as pressures and opportunities change across the community.

Homes in Napier are affordable and suitable

DESCRIPTION	FOCUS AREAS	ROLE OF THE COUNCIL	INFLUENCE	POTENTIAL SUCCESS MEASURES
This outcome focuses on ensuring that homes are affordable and meet the needs and aspirations of Napier's communities, including in areas of highest need such as Napier's ageing population. This outcome sits across the housing continuum. No matter what type of housing people need, it should be affordable, and provide security and stability.	Home ownership is affordable and accessible.	Landowner Regulator Infrastructure provider Connector and advocate	Medium	+ The ratio of housing costs to income decreases. + There is agreement on what affordability looks like in Napier. + The number of people on the public housing register decreases. + The number of people who are rough sleeping or living in emergency housing decreases. + Māori have the same access to affordable and suitable homes as other members of the community.
	Households have security of tenure when renting.	Connector and advocate	Low	
	Māori have access to a range of housing options, including home ownership, affordable and stable rental and papakāinga housing.	Landowner Regulator Infrastructure provider Connector and advocate	Medium	
	There are sufficient non-market housing options for households that cannot afford the private rental and ownership market.	Connector and advocate Housing provider	High	
	Sufficient support is provided to lift households out of homelessness.	Connector and advocate	Low	

Housing supports connected and accessible communities

DESCRIPTION	FOCUS AREAS	ROLE OF THE COUNCIL	INFLUENCE	POTENTIAL SUCCESS MEASURES
This outcome focuses on the interconnection between housing and communities. It is about ensuring that housing is situated in, or close to, places that are connected to local amenities and transport choices.	Housing is built within communities that are close to local amenities, schools, health facilities, and transport options.	Infrastructure provider Regulator Landowner	High	+ Residents' feeling of social connection increases. + Transport to public facilities, private facilities and major places of employment is more accessible. + Employment in the housing sector increases.
	Housing developments have mixed tenure.	Connector and advocate	Low	
	The housing sector builds local skills and fosters local employment opportunities.	Connector and advocate	Low	

The housing system supports and enables development

DESCRIPTION	FOCUS AREAS	ROLE OF THE COUNCIL	INFLUENCE	POTENTIAL SUCCESS MEASURES
This outcome focuses on ensuring there is sufficient housing development across the city. It is about Napier having a well-functioning housing market that is responsive to challenges and opportunities, including the changing needs of its population (including the ageing population).	Housing is enabled across greenfield and brownfield developments to meet demand.	Infrastructure provider Regulator Landowner	High	+ The number of new dwellings consented per 1,000 residents increases. + Increase in new-build development inside the High and Medium Density Residential Zones. + Increase in building consents processed within statutory timeframes. + New-build typologies are increasingly diverse (e.g. townhouses). + Greater number of universally designed homes.
	There is a greater supply of innovative housing support products such as shared-equity and progressive home ownership.	Connector and advocate	Low	
	Regulatory and consenting processes are efficient and responsive to demand.	Regulator	High	
	The design and type of new-build housing responds and adapts to the needs of communities.	Regulator Connector and advocate	Medium	

The housing aspirations of iwi and hapū are enabled through Treaty partnerships

DESCRIPTION	FOCUS AREAS	ROLE OF THE COUNCIL	INFLUENCE	POTENTIAL SUCCESS MEASURES
This outcome focuses on leveraging the potential of Treaty partnerships between iwi, hapū, and the Council so that Treaty-based housing solutions designed by iwi and hapū are supported.	Treaty partnerships between iwi, hapū, and the Council are strong and enduring, and founded on a shared understanding and strategy.	Partner Connector and advocate	High	+ There is evidence of Treaty partnerships, and the strength of that partnership is informed by the direct views of iwi/hapū. + Shared housing outcomes are identified and supported through Treaty partnerships.
	Priority is given to unlocking and enabling Treaty-based housing approaches.	Partner Infrastructure provider Regulator Landowner	Medium	
	The Council champions iwi and hapū-based housing solutions, ensuring that Napier's communities are all aware of the successes of Māori housing solutions.	Partner Connector and advocate	High	

Housing is resilient against climate and environmental impacts

DESCRIPTION	FOCUS AREAS	ROLE OF THE COUNCIL	INFLUENCE	POTENTIAL SUCCESS MEASURES
This outcome is about future-proofing housing across Napier. It recognises that housing needs to be considered and developed in a way that builds resilience. It is about housing being a central component of building a resilient and safe Napier, not just in design and construction, but also with planning where growth takes place.	Climate resilience is at the centre of urban-planning rules and regulations.	Regulator Infrastructure provider	High	+ There is less housing market growth in high-risk areas. + More five-star homes are developed over time.
	New housing developments are resilient and use resources efficiently.	Regulator Connector and advocate	Low	

PUTTING THE STRATEGY INTO ACTION

Three priority areas

These five outcomes sit across the housing continuum, combining to achieve transformation across the housing system.

These outcomes and the vision they support cannot be achieved all at once, or by the Council alone. While Napier faces significant housing pressures, the Council is operating in a fiscally constrained environment and needs to prioritise the actions it will take.

Therefore, when considering the current pressures facing Napier, the outcomes sought, and the roles available to the Council, we have identified **three priority areas of focus** for the Council across the housing continuum:

FOCUS 1

Sufficient support is provided to lift households out of homelessness.

FOCUS 2

There are sufficient non-market housing options for households that cannot afford the private rental and ownership market.

FOCUS 3

Housing is enabled across greenfield and brownfield developments to meet demand.

We briefly explain these priority areas below, while noting that further work needs to be completed on each area as part of finalising the strategy and potential future action plan.

FOCUS 1

Sufficient support is provided to lift households out of homelessness

Households unable to afford market housing and rents across the city are facing significant housing stress. As noted earlier, Napier has the fifth-highest number of people on the register per 10,000 people.

Through the outcome *"Homes in Napier are affordable and suitable"*, the strategy aims to ensure that support is provided to lift households out of homelessness. While the Council's role in directly addressing homelessness (rough sleepers and people in emergency and transitional housing) is limited, it should explore opportunities to work more closely with local providers who are supporting those in need.

A range of local providers are currently supporting those facing severe housing stress and entering homelessness—such as Whatever It Takes Trust. However, many of these providers are struggling financially.

There is an opportunity for the Council to lean into the role of "Connector and Advocate" through enabling the work of others to effect change. This builds on the Council's previous recommendations on homelessness.

FOCUS 2

There are sufficient non-market housing options for households that cannot afford the private rental and ownership market

High house prices and rents are causing more and more households to fall out of the private accommodation market, seeking housing support in the form of public housing, council housing, transitional housing, or emergency housing.

Through the outcome *"Homes in Napier are affordable and suitable"*, the strategy focuses on ensuring that there are sufficient non-market housing options for households that cannot afford the private rental and ownership market. Part of this includes a particular focus on Napier's ageing population.

The Council is in a unique position to support these households, with its council housing portfolio. However, as these units require significant ongoing investment to modernise and maintain them, the Council needs to decide how to leverage the housing portfolio effectively.

There is an opportunity to explore indirect roles, such as "Connector and Advocate". In that role the Council can work with partners such as Kāinga Ora and other community housing providers to deliver public housing effectively across the city, as well as considering region-wide approaches.

FOCUS 3

Housing is enabled across greenfield and brownfield developments to meet demand

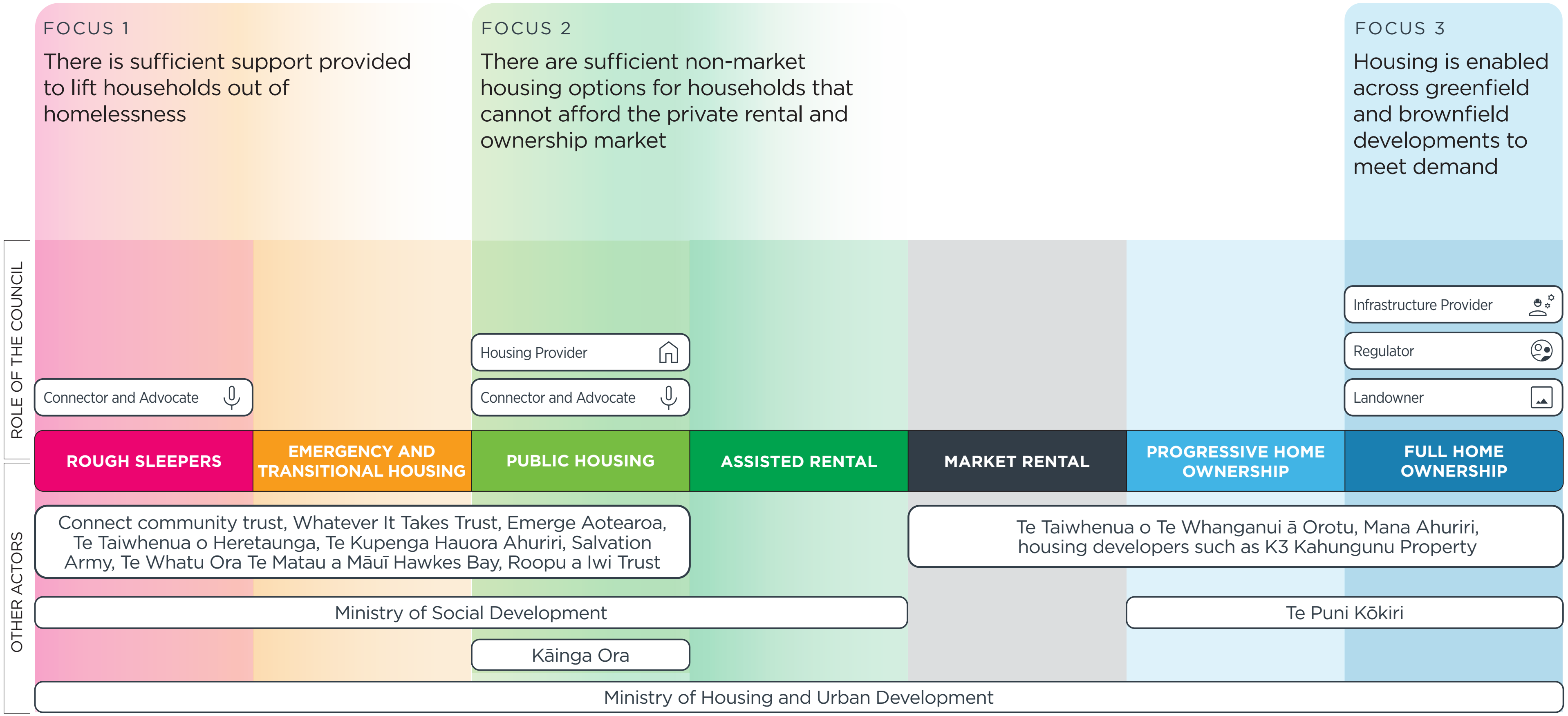
Napier is a growing city with over 6,700 more houses expected over the next 30 years. This growth will need to occur in an intensified and climate resilient manner.

Through the outcome *"The housing system supports and enables development"*, the strategy seeks to ensure that development is enabled across greenfield and brownfield developments to meet demand.

To achieve this, there needs to be a continued focus on enabling the development of housing and related infrastructure in well-connected areas. The Council has many direct roles available to do this, including as "Regulator", "Infrastructure Provider", and "Landowner".

This builds on current work as part of the National Policy Statement on Urban Development, and the subsequent Future Development Strategy.

Application across the housing continuum



Next steps for the Council's housing portfolio

One of the priority areas for this strategy is ensuring there are sufficient non-market housing options for households that cannot afford the private rental and ownership market. As noted on page 18, the Council is in a unique position to be able to support these households given its current housing portfolio—and its particular focus on retirement housing. However, there are choices about what this support looks like over the longer term.

This centres around the role that the Council can play to support the provision of public housing—whether to continue as a direct "housing provider" or to explore other options, such as enabling other providers.

Three broad options have been proposed for the portfolio

The Council's 377 housing units are spread across the city. This is in addition to 1,582 public houses in Napier across Kāinga Ora and Community Housing Providers (Ministry of Housing and Urban Development, 2023c).

Three broad options have previously been canvassed for the future of the housing portfolio.

- Retain the entire portfolio (including options for slight adjustments in the approach such as rental increases, as well as alternative investment vehicles).
- Divest part of the portfolio.
- Divest the entire portfolio.

Clear strategic perspective

The housing strategy provides a framework to help consider these options. In particular, it highlights three key strategic choices:

- Should the Council target retirement tenants given the demand and ageing population, or continue to focus on a mix of retirement and social tenants?
- Should the council take an enabling approach that explores working with other providers to encourage more activity in the city, or continue to take a lead role in the delivery of housing (and how may this change depending on the target tenants)?
- In the longer term, should the council explore options to work with neighbouring councils to provide Council housing, or continue to take a Napier only approach?

Detailed assessment

Once the options have been refined, they will need to be analysed in detail as part of Stage 2.

This includes gaining a better understanding of the current context (the status quo), such as the current and future maintenance requirements of the housing portfolio, and what has changed since previous reports.

The options then need to be assessed against a set of criteria, such as:

- financial implications for Napier ratepayers
- the impact on current tenants, and
- the impact on the need for government assistance and support.

Enabling ⟷	Delivery
Takes a permitting and empowering role, with other providers taking a leadership role.	Takes a lead role as a housing provider within the city.

Regional ⟷	Local
Works with neighbouring councils to provide council housing.	Takes a Napier approach to the housing portfolio; the work of neighbouring councils occurs separately.

Targeted ⟷	Generalised
Prioritises a particular cohort within the population for housing provision – either retirement or social housing.	Provides housing for a broader cohort of those in need, as well as retirement and social housing.

APPENDIX

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Glossary

Affordable: Housing is affordable when there is an ability to balance housing costs with household financial resources so that individuals, families and whānau have enough income left over to pay for other necessities. What this looks like for each individual, family and whānau across Aotearoa will be different.

Assisted rental: Subsidised rental accommodation where rents are usually partially funded by the Income Related Rent Subsidy or the Accommodation Supplement.

Council housing: Properties owned by Napier City Council for the provision of housing.

Emergency housing: Temporary and urgent accommodation for those who have nowhere else to stay or are unable to remain in their usual place of residence.

Homelessness: A living situation where people with no other options to acquire safe and secure housing are without shelter, in temporary accommodation, sharing accommodation with a household, or living in uninhabitable housing. Homelessness includes rough sleepers and people living in emergency or transitional housing.

Housing register: Public housing applicants not currently in public housing who have been assessed as eligible, and who are ready to be matched to a suitable home.

Progressive home ownership: Ways of helping people into their own homes through approaches such as rent-to-buy, shared ownership or leasehold schemes.

Public housing: Properties owned or leased by Kāinga Ora and Community Housing Providers for use as public housing.

Transitional housing: Temporary accommodation and support for individuals or families who are in urgent need of housing.

Future direction for Napier City Council's housing portfolio

Napier City Council

Final Report

MARTIN JENKINS

28 February 2024

Commercial in Confidence

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Executive summary

You have been considering the future of your housing portfolio for five years

Like many other councils, Napier City Council has been providing housing for the local community for over 50 years. You initially focussed on retirement housing, but you now provide housing for 412 retirement, social, and supported living tenants, across 12 villages.

You have been facing financial and operating constraints as a council housing provider, and therefore over the last five years you have been reviewing your housing role and have explored many options.

In 2022 you agreed that you would retain your housing portfolio and develop a Housing Strategy, so that your investment decisions would be based on a broader understanding of housing in Napier and the Council's role across the housing continuum.

Your investment context has changed significantly over the last year

Since that 2022 decision, your external context has changed significantly: housing pressures have got worse, Cyclone Gabrielle caused greater financial strain, and national housing policy settings are in flux.

Your internal delivery pressures have also worsened, and you have needed to contribute $9.4 million over the last five years. If your current approach continues you will need to contribute almost $10 million over the next five years, and almost $45 million over the period 2039–2043.

Napier has increasing numbers of elderly people who rely on affordable options for retirement

As your Housing Strategy notes, Napier has a growing population of elderly people who cannot afford retirement villages, and so rely on affordable rental options for their retirement.

The Council's housing villages continue to be one of the few options available in Napier to those whose income is limited to superannuation and who have no assets.

There are five broad options for the future of your housing portfolio

The Council has many levers it can use to provide council housing effectively and within your financial constraints. The following five broad options use different levers and combinations of levers:

Option 1. Current state

Option 1 is your current approach. This is where tenancy and assets management are done by the Council in-house. Rental income is based on a fixed 80% cost recovery rate, and control of the housing portfolio lies with the Council.

Option 2. Retirement only

Option 2 focusses on providing housing to tenants over 65 and includes the sale of three social villages. The Council retains control of the remaining retirement villages.

Option 3. Mixed delivery model

Option 3 builds on Option 2 and involves using various levers to optimise how you provide housing. This includes changes in your operating model, such as introducing partnerships and outsourcing. Rents are reset annually to be 80% of a three-year rolling average cost of providing housing. Under this option some assets remain in the Council's control, some are sold, and some are developed.

Executive summary (continued)

Option 4. Independent delivery

Under this option an independent housing entity provides the housing service for the retirement villages. Assets would be sold or transferred to the independent entity. This could potentially include a capital injection.

The entity's terms of reference and constitution would define the role of the Council in delivering this service and the levers the entity could use.

Option 5. No direct provision of housing

Under this option the Council would stop providing council housing and divest itself of the whole housing portfolio. The portfolio could be sold or leased to any entity for any purpose – not just housing. However, a new entity to which the portfolio is sold or transferred could possibly continue to provide council housing, and sale agreements could include that as a condition.

We assessed each option against five success factors

The success factor **Financial sustainability** considers which housing operating model and financial strategy will be affordable for ratepayers and will enable the Council to achieve its housing objectives.

Option 1 (Current state) is not financially sustainable, as expenses are forecast to increase to be more than planned rental income and Council funding. The other four options all present a better financial outlook.

Housing supply considers the impact on the overall supply of housing across Napier. The options that score the highest are those that best enable an increase in housing supply and that ensure the housing provided is affordable for tenants and can respond to demand. These are Option 3 (Mixed delivery model) and Option 4 (Independent delivery).

Tenants' needs considers the impact on tenants and communities, both now and into the future. The options that score highest are those that both minimise disruption to current tenants and also enable the housing portfolio to continue to be fit-for-purpose and to support cohesive communities. Option 3 (Mixed delivery model) scores highest here, as it balances minimising disruption to current tenants with ensuring the stock is fit-for-purpose.

Potential suppliers considers the capability and capacity of potential service providers (including the Council) and the external environment in which they operate. Options that score highest are those where the Council transfers or divests itself of assets – particularly Option 5 (No direct housing provision), which assumes a full commercial sale without conditions.

Council achievability considers the ability of the Council to influence whether the outcomes in its Housing Strategy are achieved and to implement the changes required. The options that score highest here tend to be those that are closer to Option 1 and current approaches. Part of this is because the Council has more influence over outcomes when it provides housing directly .

We recommend engaging with the community on the options

Because the necessary decisions would be consequential, and because you have engaged with the community previously on options for your housing portfolio, we recommend that your consultation on your Long-Term Plan also include consulting on:

- the financial implications of continuing your current approach
- your Housing Strategy and your re-focus on retirement housing, and
- four potential options the Council could progress.

Introduction

Napier City Council agreed to develop a Housing Strategy

Napier City Council owns 377 council housing units across 12 villages, housing 421 people. Many of the units date back to the 1960s and need significant ongoing investment to maintain and modernise them and meet tenants' changing needs.

In May 2022 the Council decided to retain their existing housing portfolio and instructed officers to develop a Housing Strategy. The development of a strategy meant that future decisions about investment could be made with a broader understanding of housing in Napier and the Council's role across the housing continuum.

The Housing Strategy is being developed in three stages:

- **Stage 1:** Development of a working draft Housing Strategy.
- **Stage 2:** Assessment of the options and trade-offs for providing council housing.
- **Stage 3:** Engagement with key stakeholders to finalise the Housing Strategy and the Council's approach to housing provision.

A draft strategy was developed in late 2023. The Council has now begun Stage 2 – assessment of options.

As part of Stage 2, this report provides our assessment of your options

The Council has asked MartinJenkins to assess its future options for providing housing, as part of Stage 2 of developing its Housing Strategy. This assessment will inform the consultation process for your Long-Term Plan (LTP).

In assessing options, we have built on previous analysis and advice the Council has received over the last five years from Morrison Low and PwC.

The previous analysis and advice canvassed three broad categories of options, where the Council would:

- retain the entire portfolio
- divest part of the portfolio, or
- divest the entire portfolio.

We began by reviewing Council documents and reports, including Council financials over the past five years, the Council's 2022 Strategic Housing Review, Telfer Young's 2022 market valuation, and the SPM Works Programme and Renewal Forecast report. We decided we would need to develop a more nuanced set of options than just the three options above, and we have developed our methodology to reflect this.

To supplement our desktop research and analysis, we also met with a handful of Council Officers to get a better understanding of the Council's financial situation, how it manages its housing portfolio, and the overall investment approach the Council is planning to take. We have also engaged with the Ministry of Housing and Urban Development to get a better understanding of central government policy.

Our analysis relies on the quality of the inputs provided to us, including market valuations by Telfer Young and condition assessments by SPM. We have not carried out our own due diligence on these aspects, nor have we undertaken any market soundings.

Next steps

Following this assessment, the Council will finalise the Housing Strategy, including its preferred options for providing housing. It is intended these options, or slight variations of them, will form part of the Council's engagement on its LTP.

Your housing portfolio

You have been providing council housing for over 50 years

The Council has provided housing since the 1960s

Napier City Council started providing community housing over 50 years ago, when, like many councils around the country, you received government low-cost loans to build housing units.

Councils across Aotearoa target and support different cohorts, but traditionally council housing has been for pensioners who need affordable homes and are able to live independently.

You have 377 units across 12 villages

Your 377 units are spread over 12 villages, on a total of 10.7 hectares. Your smallest village is Munroe St, with four single-bedroom semi-detached units; your largest is Henry Charles Village, with 80 single-bedroom units.

Your retirement village units are typically one-bedroom units suitable for single occupiers. Your social villages are mainly two-bedroom units, with a few one- and three-bedroom units. These are suitable for couples and small families. Some units are in two- or three-storey blocks.

The "social" and "retirement" split is not straightforward

Your villages are often described as three "social" villages and nine "retirement" villages. However, the mix is more complicated than that, as some of your retired tenants live in a social village and some social tenants live in a retirement village. For example, all three of your social villages have some retirement tenants. Further, some of the retirement units include social residents, as well as residents who receive a Supported Living Benefit.

However, your social villages are different in their make-up – containing multi-storey buildings and a mix of one-, two-, and three-bedroom units.

You provide both tenancy management and asset management services

The Council directly delivers tenancy management and asset management.

Tenancy management includes all services associated with ensuring tenants have appropriate housing and have the housing support they need.

Asset management includes all services associated with ensuring the units and villages are fit-for-purpose and meet legal requirements.

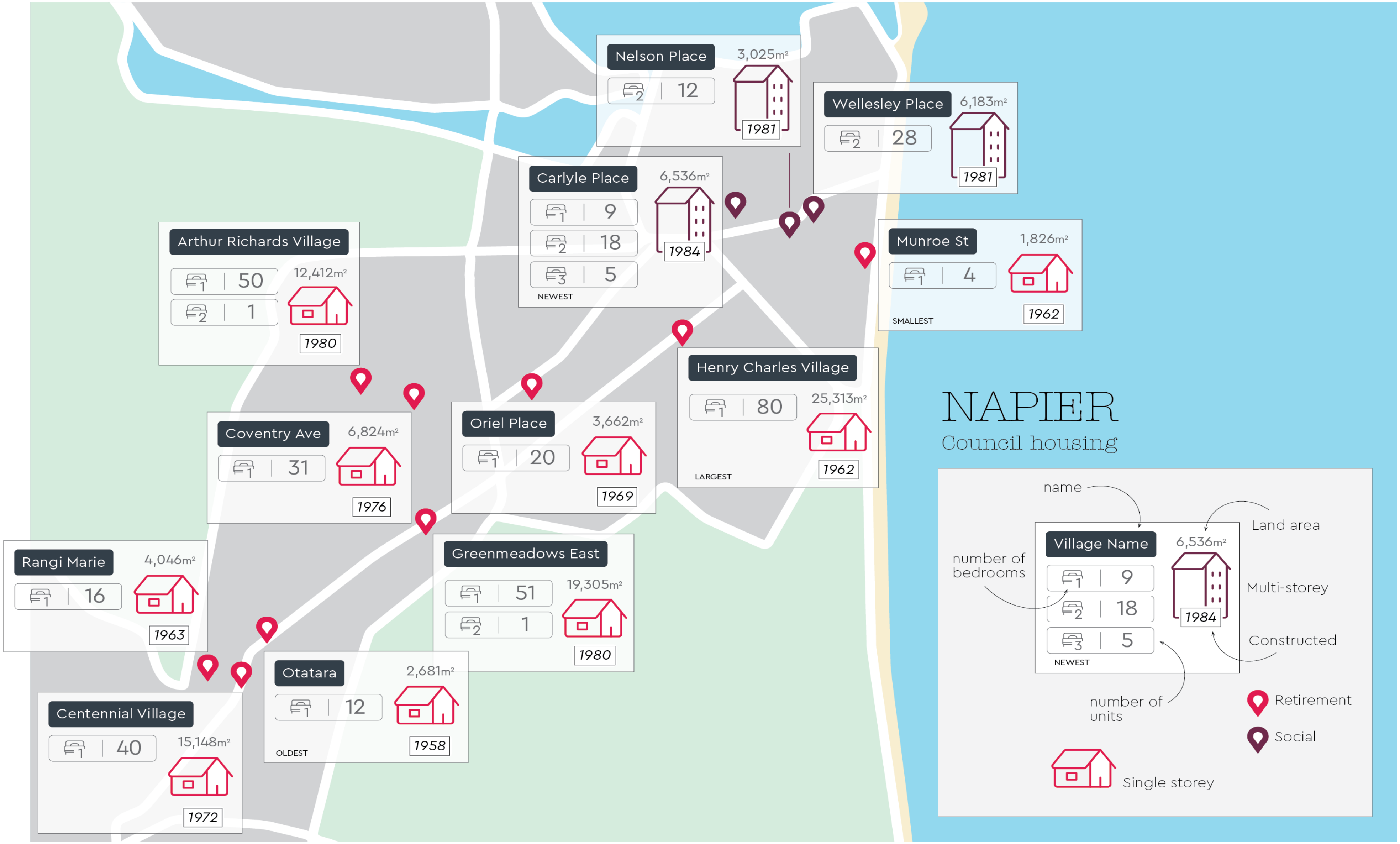
You charge tenants a flat rate

Your rent-setting policies have changed over the last few years. In 2022 you shifted from a policy based on income affordability (30% of the tenant's income), to a private/public rent-setting policy where the tenant (private) pays rent and the Council (public) funds the shortfall. Under this new approach you now set rents at a flat weekly rate of 80% of the cost of providing the housing across the whole portfolio. The Council contributes the remaining 20%.

The rent calculation was based on 2021/2022 expenditure, and you have pegged rentals at this level for the foreseeable future (see the figures below). The Council's contribution will therefore increase to exceed the planned 20% as expenditure exceeds 2021/2022 levels. The new rentals are being phased in as tenancies turn over.

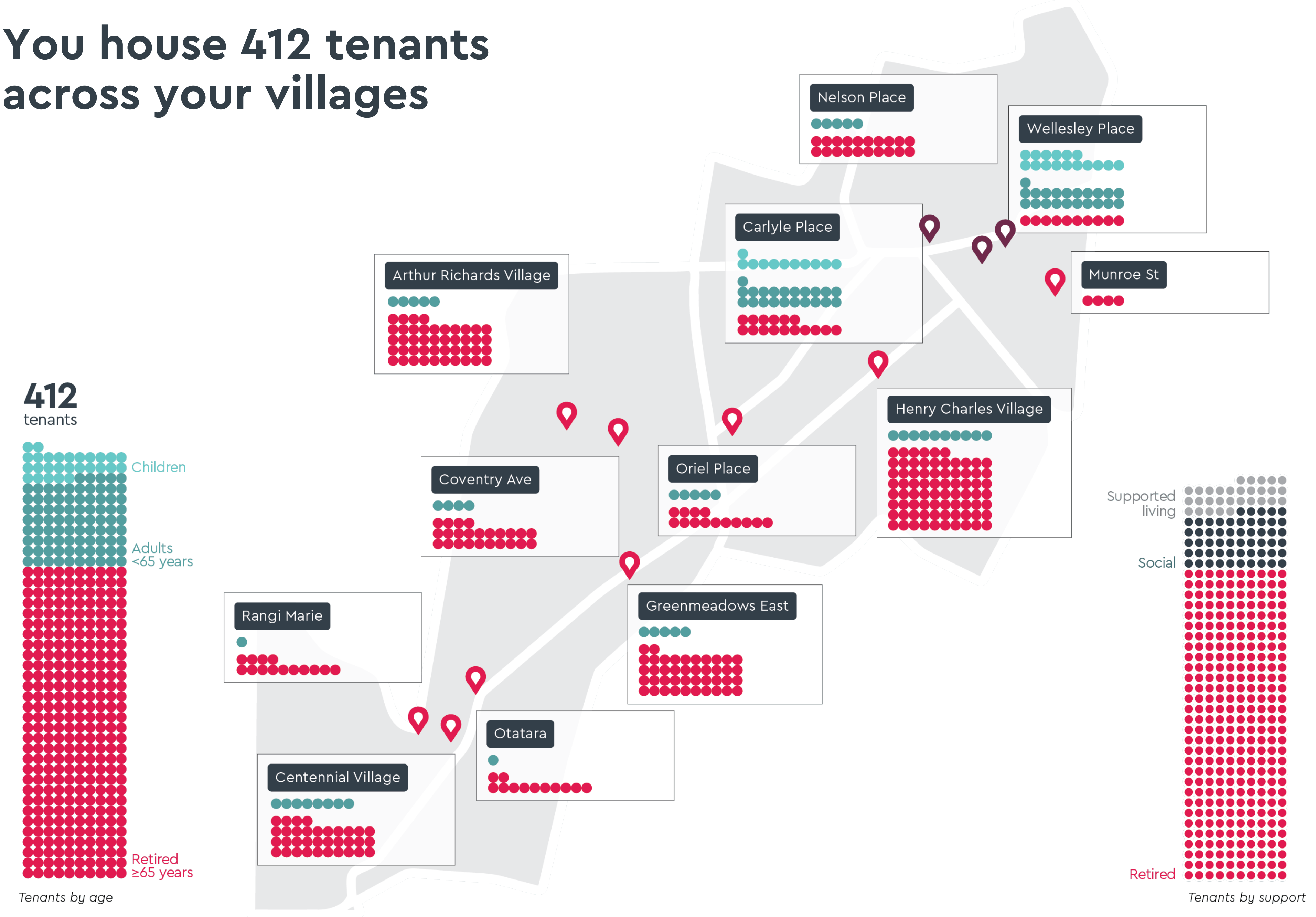
Unit	Single income	Multiple income	Supported living
1 Bedroom	$221	$287	$210
2 Bedroom	$240	$306	$233
3 Bedroom	$280	$346	$268

You own 377 council housing units across 12 villages



Munroe St and Carlyle Place are listed in Schedule 3 of the Napier Borough Endowments Amendment Act 1999

You house 412 tenants across your villages



Since 2018 there have been two reviews on the future of your housing portfolio

As a housing provider you continue to face numerous challenges, including:

- housing stock that is ageing, making it expensive to keep it fit-for-purpose
- increasingly complex tenants' needs and the tenancy management issues that arise from this
- more burdensome compliance and asset management requirements, and
- an increasingly unsustainable financial position for the delivery of housing services.

Since 2018 you have therefore been considering different options for the future of your housing portfolio, with two consecutive reviews.

Section 17A review by Morrison Low

In 2018, a Section 17A review (a cost-effectiveness review) considered several options – the status quo, asset optimisation (enhanced status quo), a shared service arrangement with Hastings District Council, and a partnership with a community housing provider.

Because the Council wanted to retain governance and control of the service, it ruled out establishing a council-controlled organisation (CCO) to deliver housing services, shared services through a joint CCO with Hastings District Council, a long-term lease, and selling the assets (Morrison Low, 2018).

Morrison Low's review found that the status quo was financially unsustainable. It also found that although shared services would reduce costs, this option would not resolve the fundamental need to fund redevelopment and refurbishment. The review recommended that the Council consider two options:

- divesting yourself of a number of villages in order to reinvest in the remaining units, and
- partnering with a community housing provider.

At the time, the Council decided to defer the decision.

A two-phase review by PwC

A more detailed assessment of options for retaining the housing was then done by PwC.

In its first phase, this review identified a potential option of selling part of the portfolio to help fund development of two sites that could generate additional income that would, along with a rent increase, fund the remaining units. This option introduced complexity, and therefore risk, to managing the portfolio (PwC, 2019).

Another option identified was to continue as is with the deficits being funded through a ratepayer contribution. PwC also identified a transfer of the portfolio (full divestment) as the alternative option.

In late 2019 you also reviewed your rent policy and increased rents but capped them at 30% of the tenant's income. This is a generally accepted percentage for housing affordability. With continued forecast deficits, you asked PwC to review, in detail, two options:

- divesting yourself of the portfolio, and
- divesting yourself of part of the portfolio and retaining the rest.

After that detailed second-phase review (PwC, 2021), you consulted with your current tenants on three options: Status quo, part retain / part sell, and sale to an entity in the social housing sector. You did not consult more widely with the community during this stage. You also consulted on using loan funding to fund the financial shortfall of delivery through your LTP.

Tenants did not support selling the portfolio to another provider, and the Council agreed to retain the portfolio. Further information on this Council Resolution is set out in **Appendix 1.**

The problem and the changing context

Your external environment has changed since 2022

Since your decision in 2022, your context has changed significantly. You need to revisit the options available for the housing portfolio now to inform a consultation process on your LTP.

Napier has faced increasing housing pressure over the last decade

Over the last year and a half, Napier has seen numbers on the public housing register grow. Today it has the fifth-highest number of people on the housing register per 10,000 people (Ministry of Housing and Urban Development, 2023b).

Napier has a growing population, and the city will need an estimated 6,700 more houses over the next 30 years (Barker & Associates Ltd, 2023).

This population growth is across two of Napier's most vulnerable cohorts – its senior citizens and young Māori. A quarter of current residents are over 65 (Social Wellbeing Agency, 2021), and the city's over-65 population is forecast to increase by 60% over the next 30 years (Birman Consulting Ltd, 2023).

Māori make up 23% of the total population (Social Wellbeing Agency, 2021), and they also have a much younger age profile than the rest of the city, with 45% of Māori males and 42.5% of Māori females being under the age of 19 (StatsNZ, 2018).

The increasing demand for housing has caused house prices and rental unaffordability to increase significantly, as development in the city struggles to keep pace with demand. House sale prices have increased by 132% since 2013, compared to 107% nationally. Rents have followed similar trends, increasing 79% since 2013, compared to 47% nationally (Ministry of Housing and Urban Development, 2023a).

This has caused an increase in demand for non-market housing options. Increasing unaffordability has put pressure across the housing continuum, with high house prices and rents pushing more households out of the private market so that they need broader housing support.

Cyclone Gabrielle led to further financial pressure

On 14 February 2023 Cyclone Gabrielle caused widespread damage and resulted in a period of extreme isolation and vulnerability for local communities. The recovery from this event has placed significant further financial pressures on the Council.

Council costs have increased as a result of the added costs of infrastructure and community recovery, and of resilience planning for future events.

Last year the Council introduced a recovery budget of $1.5 million. This is funded by a 2% Disaster Recovery Rate (DRR), which amounts to $59 for each household and business. This money is ringfenced for cyclone recovery.

Operating complexity has increased

The Council's operating environment has become more complex as a result of the uncertainty involved with the reform of water services, resource management, and local government, and the introduction of the Severe Weather Emergency Recovery Legislation Act.

Your external environment has changed since 2022 (continued)

National housing policy settings are in flux

Policy settings for council housing and the possible delivery approaches are also potentially shifting – especially for community housing providers.

The Government has committed to ensuring that community housing providers and Kāinga Ora are on a level playing field. This includes giving community housing providers more support in the form of capital and operational funding and long-term contracts.

The Government has also signalled that it will establish a new procurement function in the Ministry of Housing and Urban Development (HUD) to allocate capital for new public housing, on a contestable basis, to Kāinga Ora, community housing providers, and other providers. It is also planning to use Social Impact Bonds, in partnership with providers who can shift families out of emergency housing.

However, the implications of these changes remain uncertain.

Income-related Rent Subsidy and the Operating Supplement

The majority of social housing tenants pay an **Income-Related Rent (IRR)** determined by the Ministry of Social Development, with the amount generally set at 25% of their net income.

The Ministry of Housing and Urban Development (HUD) pays the **Income-Related Rent Subsidy (IRRS)** to Kāinga Ora and registered community housing providers, to cover the balance between the tenant's rental payment and the market rent for the property.

Community housing providers can also access the **Operating Supplement (OS)**, a funding subsidy paid in addition to the IRRS for eligible 'net new' (additional housing) social houses to help enable new build supply. The OS is calculated as a percentage of market rent up to a percentage cap – for Napier the cap is 100% of market rent.

Local authorities and council-controlled organisations cannot register to be a community housing provider. However, a subsidiary of a local authority or CCO may apply to register as a community housing provider if it's operating at arm's length.

The subsidiary must genuinely be operating independently from the parent and not part of its corporate structure. This should be evident from its constitution, the membership of its governing body, and its structures for governance and financial management.

Under current policy, it is understood that an independent housing entity can access the IRRS and OS only on **net new units** within their portfolio, following a moratorium on "redirects" (providing IRRS on existing units) in previous years. In limited situations HUD will consider redirects, where through the additional funding the provider is able to bring on new supply. The OS, which is paid in addition to the IRRS for eligible net new public housing, was introduced by HUD to incentivise new builds, and it is calculated as a percentage of market rent up to a percentage cap.

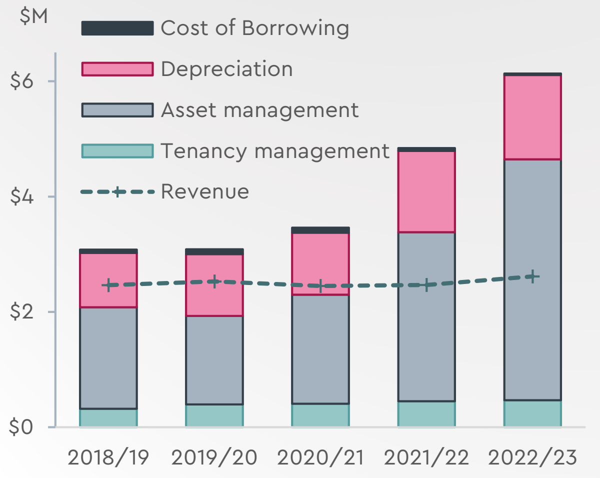
Further, existing tenants are not eligible for IRRS, only those who are from the public housing register. However, when taking tenants from the register, there is some discretion as to who can be allocated units based on set eligibility criteria (for example, residents must be over 65).

Your operating approach continues to be unsustainable

As earlier advice has noted, without capital investment in the portfolio the Council will not be able to expand its housing stock or ensure it has the varied mix of housing types needed to meet statutory requirements and tenants' increasingly complex needs. Insurance and building maintenance costs continue to increase significantly, with total operating costs now exceeding rental incomes.

The Council will continue to need to increase capital expenditure as the assets age and exceed their useful lives, in order to modernise them and keep up with tenants' needs and statutory requirements. This will have a direct impact on depreciation expense.

Historical Cost of Delivering Housing



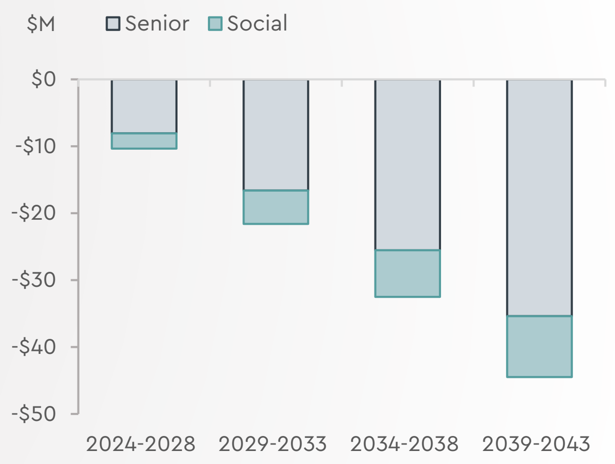
In the last five years the Council has made a net contribution of **$9.4 million.** This is against the Council's total expenditure of $162.8 million in 2022/23.

Even with the change to the private/public rental policy in 2022, the current delivery model is unsustainable. Under the new policy, rents for new tenants are set at 80% of expenses (averaged across the portfolio), but if rents **remain at this rate and are not regularly reviewed**, you will still need to contribute:

- more than **$10 million** over the next five years – or an average rates increase of 2.6% per year.
- almost **$45 million** from 2039 to 2043 – or an average rates increase of 11.1% per year.

This limits the Council's ability to meet future demand, including ensuring its portfolio can meet different types of housing need.

Council Contribution Required to Offer 377 Units



Setting a clear vision

A clear direction for the Council and its housing

In 2023, the Strategic Priorities adopted by the Council and the draft Housing Strategy set a clear direction for the Council as a housing provider in Napier.

Your strategic priorities

The Council's strategic vision, as agreed in August 2023, is:

> **"Enabling places and spaces where everybody wants to be"**

To achieve this, you have adopted five Strategic Priorities that will guide decision making over the coming years, including what projects, activities, and budgets you should prioritise in your LTP.

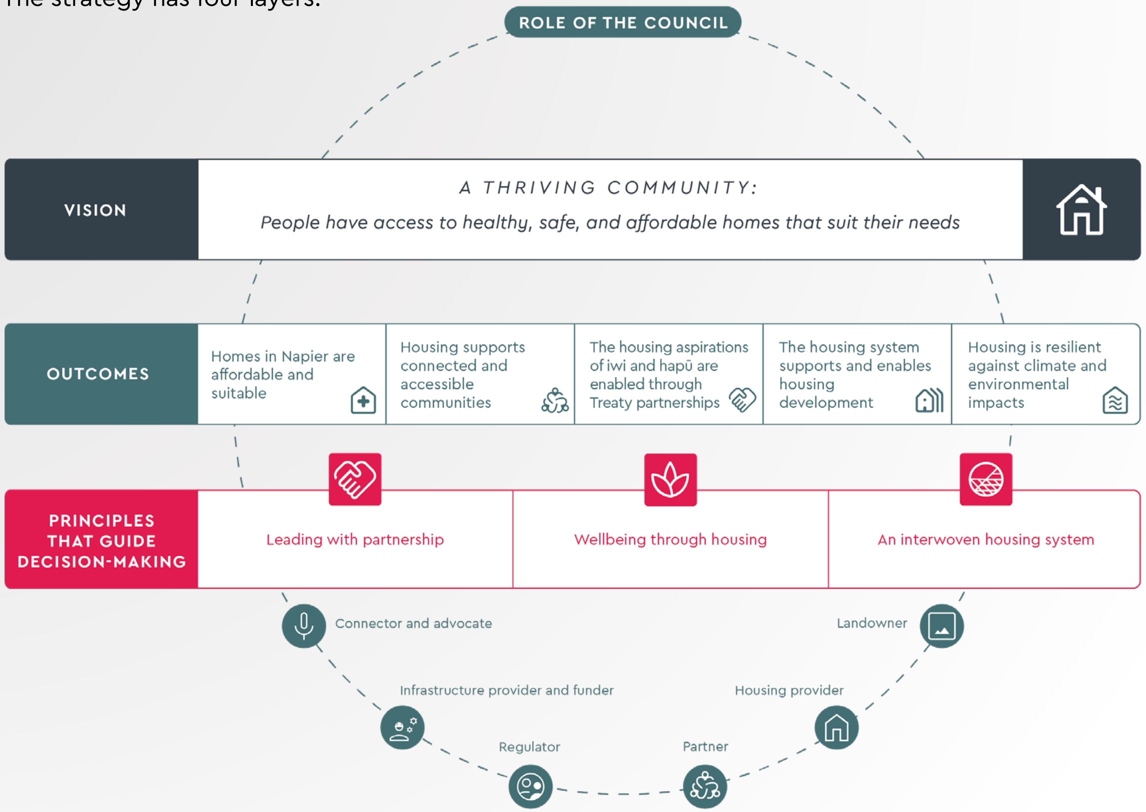
These priorities are:

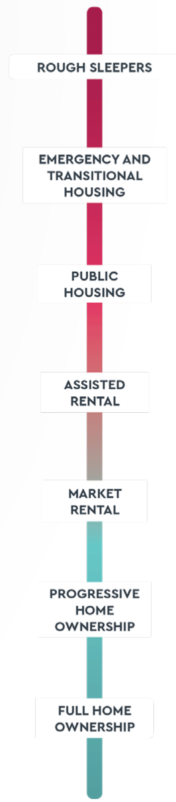
- Financially sustainable council.
- A great visitor destination.
- Spaces and places for all.
- A resilient city – the ability to thrive and withstand impacts, knocks and shocks.
- Nurturing authentic relationships with our community and partners.

Draft Housing Strategy

Your draft Housing Strategy also sets out a vision and framework for the Council to address Napier's housing needs and the stress across the housing continuum.

The strategy has four layers:





A clear direction for the Council and its housing (continued)

As described in the Housing Strategy, the Council is in a unique position to support those households who need housing support, using its council housing portfolio and its role as a housing provider. However, as these units require significant ongoing investment to maintain and modernise them, the Council needs to decide how to make the most effective use of its housing portfolio.

You have an opportunity to explore indirect roles, such as "Connector and Advocate". In that role the Council can work with partners such as Kāinga Ora and other community housing providers to deliver public housing effectively across the city. You could also consider region-wide approaches.

As set out in the Housing Strategy, there is a clear shortfall of non-market housing in Napier. High house prices and rents are causing more and more households to fall out of the private accommodation market, and to seek housing support in the form of public housing, council housing, transitional housing, or emergency housing.

You have indicated a preference for focussing on retirement housing

The Housing Strategy provides a strategic frame for reconsidering the options available to the Council for achieving the strategy. It describes:

- an **enabling approach** that explores options for working with other providers
- a long-term **regional approach** that explores options for working with neighbouring councils, and
- a **targeted approach** that prioritises **retirement** housing.

The majority of councils still provide retirement housing

Together, councils are currently the third-largest provider of public housing, sitting just behind community housing providers, with Kāinga Ora as our main provider. More than 80% of our councils still provide housing to some degree. Some have small portfolios of less than 20 houses, but some larger councils have portfolios in the hundreds, others even in the thousands.

The primary cohort focus for council housing across Aotearoa is retirement housing. Historically, councils became the main provider of housing for low-income older people, while central government focussed on state housing for families.

Napier has a growing elderly population

With Napier's ageing population, demand for housing options that suit older people will increase. This will typically involve smaller housing units that are suitable for one or two occupants, that require less care and maintenance, that are warm and secure, and that preferably are situated among similar kinds of units so that the tenants are among other older people in similar housing situations. It has been estimated that between now and 2053 there will be a demand for 2,450 more retirement village-based independent-living units (villas and apartments) (Birman Consulting Ltd, 2023).

However, an increasing number of elderly people cannot afford retirement villages and rely on affordable rental options for their retirement. This cohort is set to grow as more and more working-age people are unable to afford to buy their own home and so must rent through the private market or rely on public housing. Many of this cohort are not specifically catered for by government housing support.

Napier City Council has a focus on retirement housing

The Council's housing villages remain one of the few options available in Napier to those whose income is limited to superannuation and who have no assets. Your current income and asset thresholds already target this cohort.

Understanding your options

Different approaches have been taken across Aotearoa

Many other councils are finding it increasingly unsustainable to provide housing

Rents often aren't enough to keep the service sustainable in the long-term. The housing is often older and so more expensive to maintain. Councils are also not on a level playing field with other providers, as they don't have access to the IRRS (and their tenants can't access IRR).

Councils across the country are looking at ways to continue to provide the best outcomes for the tenants while also absorbing the increasing delivery costs.

A number of councils have been reviewing their council housing portfolios and reconsidering their role as direct housing providers.

Some are adjusting policy settings such as rents, but some are changing their whole delivery model. For example, some have established a community housing provider and have leased or transferred their portfolio to it, so that they can retain a form of ownership while also accessing the IRRS. This subsidy caps a tenant's rent at 25% of their income, with the balance in any residual market amounts paid for by the Crown.

Others have established different council-controlled organisations or sold all or part of their housing stock to other providers.

Many councils who have made changes have done so across their whole portfolio.

Case studies on different approaches that other councils have taken are set out in **Appendix 2**.

You have previously considered a range of options

One of your five housing outcomes focusses on ensuring that *"Homes in Napier are affordable and suitable"*. No matter what type of housing people need, it should be affordable and provide security and stability. The options assessment focusses on this outcome.

Over your previous reviews you have considered a number of options for the future of your housing portfolio.

The services you provide

Contracting out tenancy services

You explored whether the Council should retain the day-to-day maintenance and asset management but contract out tenancy services to a community housing provider. Tenancy services would then be provided by a specialist agency that could better connect tenants with social services.

How you deliver the services

Regional partnerships

You explored whether council housing could be delivered as a shared service with Hastings District Council, with the two councils jointly providing tenancy management and asset management services.

Partnership with a community housing provider

You explored whether the Council could enter into a partnership with a community housing provider, with the Council retaining ownership of the asset. This could be through a trust or limited partnership. Leasing options were considered but discounted following market soundings.

Redevelopment potential

You explored whether the Council could continue to provide asset and tenancy management, as well as the redevelopment and building of new housing stock. This would be done with the aim of improving your housing stock.

Selling the social villages

One of the options considered here was selling your social housing villages. You explored whether these villages could be sold or leased to a community housing provider.

Selling some of the retirement villages

You explored the sale of retirement villages based on their suitability for housing older people. This would be done to unlock capital for improving the rest of the portfolio.

Selling a mix of villages

You also explored selling a mix of your retirement villages and some of your social villages.

Rental changes

You have explored and implemented two rental changes.

In 2019 you changed your rental setting policy to set rents at no more than 30% of income. The intention of this policy was to increase rents to cover increasing costs while also keeping rents "affordable".

- Rent for tenants receiving superannuation or supported living benefits increased by 5% of their income.
- Rent for other tenants was set at 92% of market rent or 30% of the tenant's income, whichever was lower.

In 2022 you implemented a private/public rent-setting policy. This policy aimed to recover the costs of housing provision and was pegged at 2021/2022 total housing expenditure. The policy has two cost recovery mechanisms:

- 80% through fixed weekly rent paid by tenants, and
- 20% through Council funding.

There are a number of levers you can adjust

You can use different levers to effect change

The draft Housing Strategy outlines the Council's six core housing roles: Connector and advocate; Housing provider; Infrastructure provider; Partner; Regulator; and Landowner.

In your roles as housing provider and landowner you have levers that can be used to deliver council housing effectively and within your financial constraints. They can be used to develop a broad set of options and understand the interdependencies between them.

Lever	Question	Options
Customer focus	*Who do you want to provide housing to?*	Retirement housing; Social housing; Needs based*
Scope of housing services	*What housing services do you want to provide?*	Tenancy management services; Asset management services; Other wraparound services*
Delivery mechanisms	*Who delivers your housing services?*	Council delivery; Mixed delivery; Independent delivery
Composition of the portfolio	*What housing assets do you want in your portfolio?*	Keep; Sell; Develop; Transfer
Funding	*What funding mechanisms can you adjust?*	Rental increase; Investment Income; Reserves; Debt; Efficiencies

* We ruled out these levers for further analysis as they don't align with the role of housing provider in the draft Housing Strategy (the scope of this options analysis). They may fall under other housing roles in the Strategy.

Five broad options to consider

Based on the levers identified on the previous page, we have outlined five broad options sets for consideration ahead of LTP consultation.

These options are not mutually exclusive, or exhaustive, but rather a useful grouping of levers to understand the options available to the Council.

It is also important to note that there are many permutations of each option.

Option 1. Current state

Option 1 is your current approach. This is where tenancy and assets management are done by the Council in-house. Rental income is based on a fixed 80% cost recovery rate, and control of the housing portfolio lies with the Council.

Option 2. Retirement only

Option 2 builds on Option 1, using your current operating model but focusing on providing housing to tenants over 65. Under Option 2, the three social villages are sold, and the Council retains control of the retirement villages.

Rental income continues to be based on a fixed 80% cost recovery rate.

Option 3. Mixed delivery model

Option 3 builds on Option 2, involves using various levers to optimise how you provide housing.

Housing provision continues to be controlled by the Council, but there would be opportunities for operating model changes such as partnerships and outsourcing. Rents are reset annually to be 80% of a three-year rolling average cost to provide housing.

Under this option some assets remain in the Council's control, some are sold, and some are developed.

Option 4. Independent delivery

In Option 4 an independent housing entity provides the housing services for the retirement villages. Assets would be sold or transferred to the independent entity. This could potentially include a capital injection.

The entity's terms of reference and constitution would define the role of the Council in the Housing Strategy and the levers the entity could use to deliver that strategy. This could include, for example, rental settings, use of debt, and changes in asset use.

This option could include a requirement to continue to provide retirement tenancies.

Option 5. No direct provision of housing

In this option the Council would stop providing council housing. This option assumes the Council would divest itself of the housing portfolio.

The portfolio could be sold or leased to any entity for any purpose. It is possible a new entity to which the portfolio is sold or transferred could continue to provide housing, and sale agreements could include that as a condition.

Although the operating model and financial strategy become largely irrelevant in this option, there will be costs specific to implementing this option such as the cost of change or sale and potential legacy rental obligations.

How the levers look across the options

	Option 1 Current state	Option 2 Retirement only	Option 3 Mixed delivery model	Option 4 Independent delivery	Option 5 No direct provision of housing
Customer focus	Retirement; Social	Retirement	Retirement	Retirement	
Scope of housing services	Tenancy management; Asset management	Tenancy management; Asset management	Tenancy management; Asset management	Tenancy management; Asset management	
Delivery mechanisms	Council	Council	Mixed	Independent	
Composition of the portfolio	Keep	Keep; Divest	Keep; Divest; Develop	Divest; Transfer	Divest
Funding	Debt	Proceeds from divestments	Proceeds from divestments; Investment income; Efficiencies; Rental increases	Proceeds from divestments	
Examples			Partnership, outsource	CCO, CHP, CCTO	

Assessing the options

We assess each option against five success factors

Critical success factors

To help identify necessary trade-offs, we assessed each of the five broad options against these five critical success factors:

- Financial sustainability
- Housing supply
- Tenants' needs
- Potential suppliers
- Council achievability.

We expand on and explain these success factors on the next page.

We identified the success factors based on: previous work commissioned on your housing portfolio; the draft Housing Strategy; the Council's Strategic Priorities; and our analysis of the changing context.

Impact on ratepayers

For each option we also describe the impact on rates.

Strategic priorities

- Financially sustainable council
- A great visitor destination
- Spaces and places for all
- A resilient city – the ability to thrive and withstand impacts, knocks and shocks
- Nurturing authentic relationships with our community and partners

Housing strategy

Council housing roles

- Connector and advocate
- Housing provider
- Infrastructure provider
- Partner
- Regulator
- Landowner

Housing outcomes

- Homes in Napier are affordable and suitable
- Housing supports connected and accessible communities
- The housing aspirations of iwi and hapū are enabled through partnership
- The housing system supports and enables housing developments
- Housing is resilient against climate environmental impacts

Changing context

- Increasing housing pressure
- Cyclone Gabrielle
- Changing government policy settings
- Increasing financial costs of delivery

Levers

- Funding
- Customer focus
- Scope of housing services
- Delivery mechanisms
- Portfolio composition

Critical success factors

- Financial sustainability
- Housing supply
- Tenants' needs
- Potential suppliers
- Council achievability

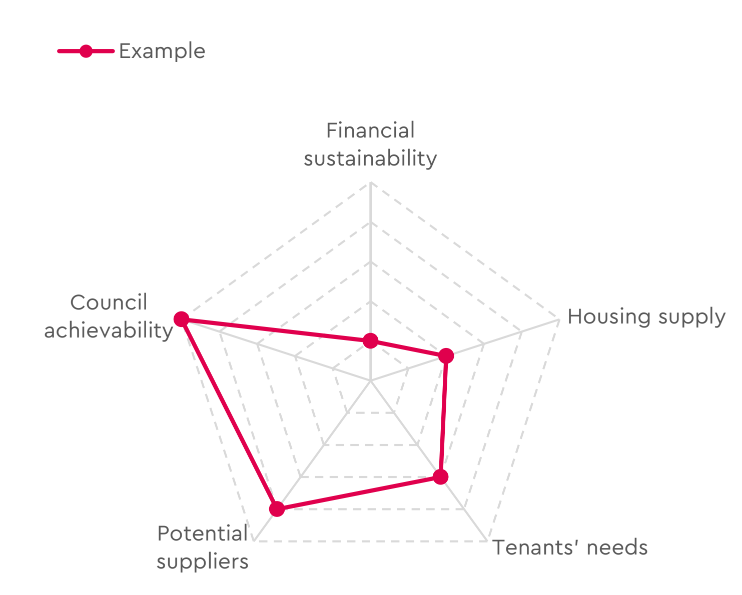
Broad options

- Option 1 Current state
- Option 2 Retirement only
- Option 3 Mixed delivery model
- Option 4 Independent delivery
- Option 5 No direct provision of housing

Expanding on the critical success factors

FACTORS	DESCRIPTION	MEASURES
Financial sustainability	Considers which housing operating model and financial strategy will be affordable for ratepayers and will enable the Council to achieve its housing objectives.	Operating sustainability Funding requirements Portfolio value
Housing supply	Considers the impact on the overall supply of housing across Napier.	Sufficient supply of non-market housing (public housing) Affordability for tenants Responsive to changing demand
Tenants' needs	Considers the impact on tenants and communities, both now and into the future.	Disruption to current tenants is minimised Housing is fit-for-purpose for tenants Housing provided supports cohesive communities
Potential suppliers	Considers the capability and capacity of potential service providers (including the Council) and the external environment in which they operate.	There is supplier demand to provide housing services Potential suppliers have the capability to provide housing services Potential suppliers have the resources to provide housing services
Council achievability	Considers the ability of the Council to influence whether the outcomes in its Housing Strategy are achieved and to implement the changes required.	Ability for Council to influence the direction for housing in Napier Council has appropriate resources to deliver change Strategy and change can be easily delivered in a compliant way

Critical success factors are ranked from 0 to 5 for each broad option and shown on a spider diagram like the example below. 0=Lowest, 5=Highest



Options assumptions and asset analysis methodology

Options assumptions

Unless otherwise stated in each option summary, the following assumptions are included in the options analysis:

- Rents are held at the current rate, being 80% of 2021/2022 housing costs (including operating and capital expenditure). This is consistent with your approach to continue to provide affordable housing.
- Capital expenditure cannot be funded from accumulated depreciation and so new capital is needed.
- Forecast operating expenditure growth is based on PwC's prior forecasts. This assumed growth at an average 3.4% per year over the 10-year forecast period. This growth rate has been applied to a restated current year forecast to reflect the significantly higher increase in expenditure over the previous four years (8.9% per year).
- Any assets sold are assumed to be sold at the Council's June 2023 book value, regardless of the sale date and with no discount required.
- Proceeds from asset sales are invested and earn a return of 5% per year, with this income ring-fenced as housing reserves.
- All investment income is spent in the year it is realised so compounding interest is not applicable.
- Future development costs are modelled at $4,000 per square metre, which is based on guidance from Building Guide.
- Net Present Value calculations are based on a 10-year timeframe and a 5% discount rate, in line with Treasury guidance.
- Each options excludes the repayment of existing debt.
- The Impact on 2030/31 rates calculation uses the Amended LTP Rates Revenue data for 2023/24, which are published at a forecast $80.022 million.
- Cumulative housing reserves reflects both the Council contribution, where required, and the deficit to be funded.
- Indirect costs have been apportioned to each village, based on the number of units: for example, staff costs and Council overheads.
- The cost allocation methodology for Council overheads has not been assessed and no allowances have been made for changing the cost of Council overheads for housing.
- Forecast capital expenditure is based on the PwC forecast. This used the asset renewal forecast calculated by SPM and added in an allowance for unplanned renewals.
- Both supported living tenants and social tenants are excluded across Options 2,3,4 and 5 where the focus is on retirement housing.
- Rental income for the social villages has been forecast using the supported living rate, which is lower than the social tenant rate. This is a financially conservative approach.

Asset analysis methodology

For the asset strategy analysis, we used the asset valuation data provided by the Council and allocated the annual operating and capital requirements to each village. We calculated the annual income by village in each option.

Then for each option:

- we allocated an activity to each village of Hold, Sell, Transfer, or Develop, to understand the portfolio composition for each year
- we calculated sale proceeds and reinvestment income by year, where required
- we calculated annual cashflow position, reflecting the portfolio composition, and
- we calculated accumulated housing reserves.

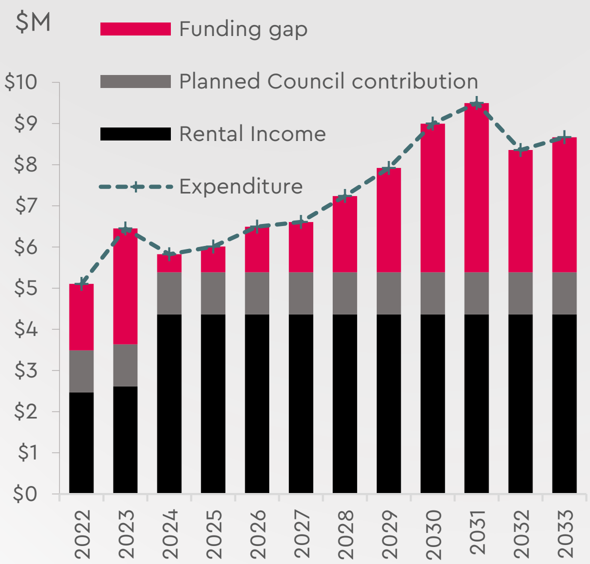
Summary of our assessment

Financial summary

Operating model

Option 1 (Current state) is not financially sustainable. Expenses are forecast to increase in excess of planned rental income and Council funding. This continues to get worse post 2033.

Operating Sustainability – Option 1



There are differences in income and expenditure between the current state and proposed options. For Option 2 (Retirement only), income and expenditure forecast remain the same, less those from social housing. For Option 3 (Mixed delivery model), there is reduced expenditure growth through the assumption that tenancy and asset management services could be delivered more efficiently through alternative operating models. It also includes an increase in planned rental income and some Council funding contribution in some years.

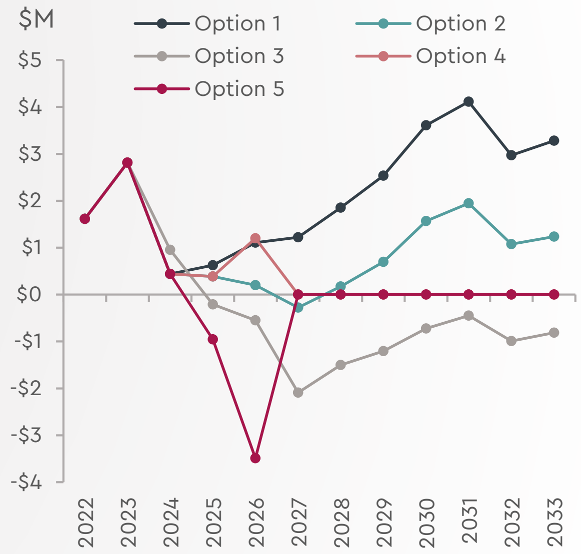
For Option 4 (Independent delivery), there is a breakeven position for Council through an independent delivery model. Option 5 (No direct provision of housing) has no ongoing expenditure or revenue for Council from housing provision.

Funding gap

Annual funding gaps continue under Options 1 (Current state) and 2 (Retirement only), although Option 2 is proportionally less than Option 1 reflecting the sale of the social housing villages.

There are short-term establishment or change costs for Options 3 (Mixed delivery model), 4 (Independent delivery), and 5 (No direct provision of housing). The annual funding gap is reduced to zero for Options 4 (Independent delivery) and 5 (No direct provision of housing). Option 3 (Mixed delivery model) results in an annual funding surplus.

Annual Operating Funding Gap



Note: Consistent colour coding has been used for each option in graphs and tables

Option 1 Current state | Option 2 Retirement only | Option 3 Mixed delivery model | Option 4 Independent delivery | Option 5 No direct provision of housing

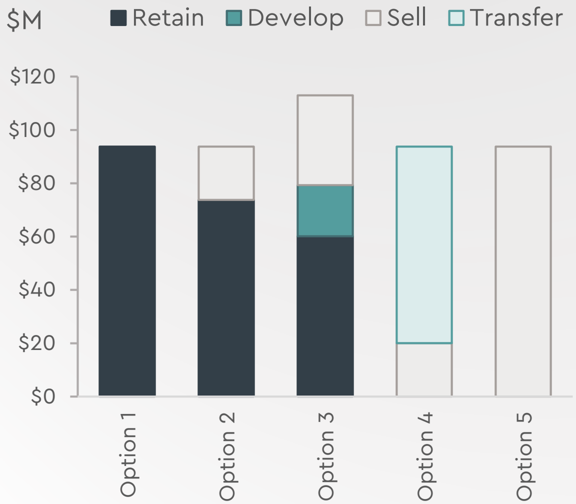
Summary of our assessment (continued)

Asset strategy

Each option has different implications for the portfolio composition. On one end of the spectrum, Option 1 (Current state) retains the current portfolio position, and on the other end, Option 5 (No direct provision) results in a full sale of the portfolio.

Options 2 (Retirement only), 3 (Mixed delivery), and 4 (Independent delivery) include differing combinations of partial sale, development of some sites and potential transfer of the villages to another entity.

Portfolio Composition



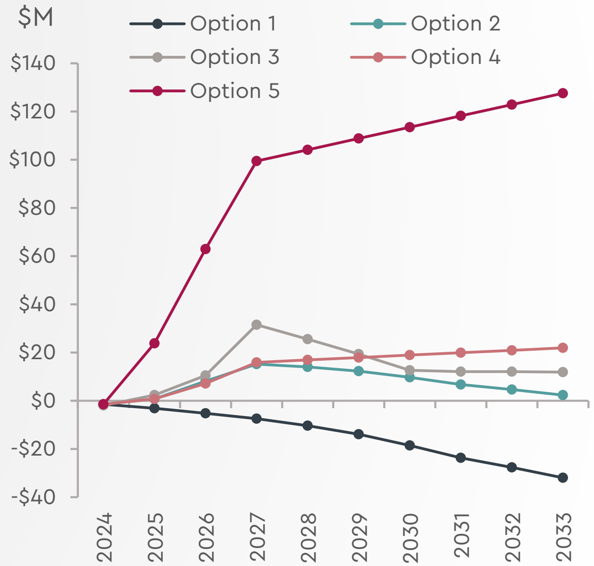
Housing reserves

The cumulative housing reserves reflects the non-portfolio asset values attributable to housing (i.e., the value of the proceeds from sales).

Option 1 (Current state) continues to have a negative balance as debt is required to fund operations. All the other options create housing reserves from the sale of assets.

The growth in reserves under Option 5 (No direct provision of housing) is attributable to the increases in value of the reserves through investment.

Cumulative Housing Reserves



Option 1 Current state | Option 2 Retirement only | Option 3 Mixed delivery model | Option 4 Independent delivery | Option 5 No direct provision of housing

Summary of our assessment (continued)

Success factor trade-offs

Assessing the five options across the critical success factors shows a number of trade-offs.

For example, options that score highly for **financial sustainability**, such as Option 4 (Independent delivery) and Option 5 (No direct provision), also score lowest on factors such as Council achievability and Tenants' needs. These options would be significant shifts for the Council and would require the correct resources to deliver change.

Those options that score highly on **council achievability** are often more closely linked to the current option and approaches. Part of this is because the Council has more influence over outcomes when it provides housing directly.

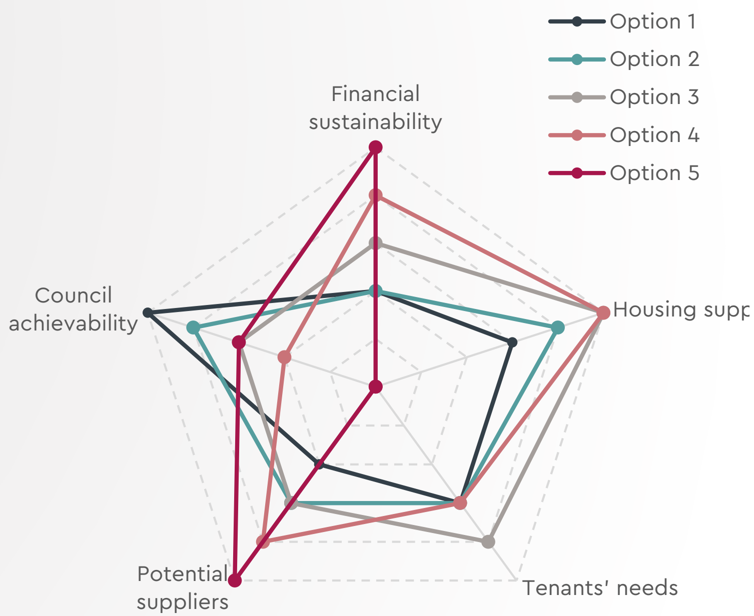
The options that score highest for **tenants' needs** are those that both minimise disruption to current tenants and also enable the housing portfolio to continue to be fit-for-purpose and to support cohesive communities. This is why Option 3 (Mixed delivery model) scores highest, as it balances minimising disruption to current tenants with ensuring the stock is fit-for-purpose.

The options that score highest on **potential suppliers** are those where there is a divestment or transfer of assets. In particular, as Option 5 (No direct housing provision) assumes a full commercial sale, a willing buyer is assumed and would need to be tested with the market.

Option 4 (Independent delivery) requires a willingness for a CHP or a private entity provider to come to the table. Further analysis is required to fully understand future independent options including through market sounding.

The options that score the highest on **housing supply** are the options that best enable an increase in supply, that offer supply that is affordable for tenants as well as the ability to respond to demand. These are Option 2 (Mixed delivery model) and 4 (Independent delivery).

Critical Success Factors



Option 1 Current state | Option 2 Retirement only | Option 3 Mixed delivery model | Option 4 Independent delivery | Option 5 No direct provision of housing

Option 1. Current state

Option summary

Option 1 is the Council's current approach and involves maintaining the current operating model and asset strategy for housing provision. Fundamentally, council controls of the provision of housing.

Operating model

Under this option, the Council will continue to provide tenancy and asset management services (in-house) to retirement and social housing tenants.

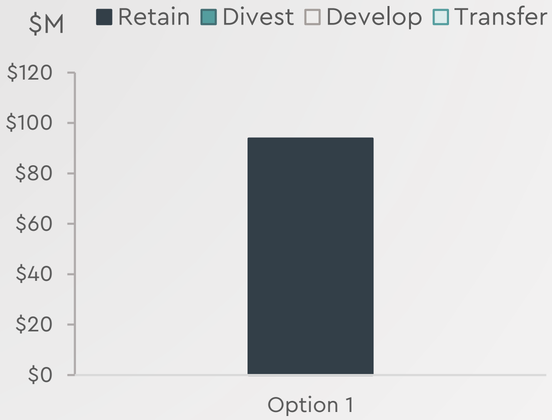
Rental settings are aligned with current rental setting policy. This is based on 80% of costs (as at 2022 year-end) and are not forecast to increase over the assessment period. No efficiencies or cost of provision savings are included in this option.

	OPTION 1
Retirement	Yes
Social	Yes
Tenancy management	Council
Asset management	Council
Control	Council
Deficit funding	Debt

Asset strategy

Under the option, the Council maintains its current portfolio composition. The housing portfolio remains unchanged, and all assets are retained.

Portfolio Composition



OPTION 1
Net present value (10-year)
-$23.5M
Impact on rates (2030/31)
1.4%
Rental income increase required to fund deficit (10-year)
50%

Option 1. Current state (continued)

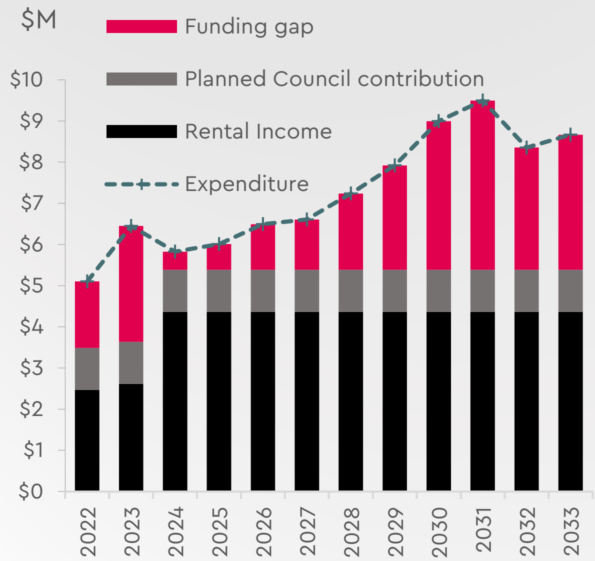
Critical success factors

Financial sustainability

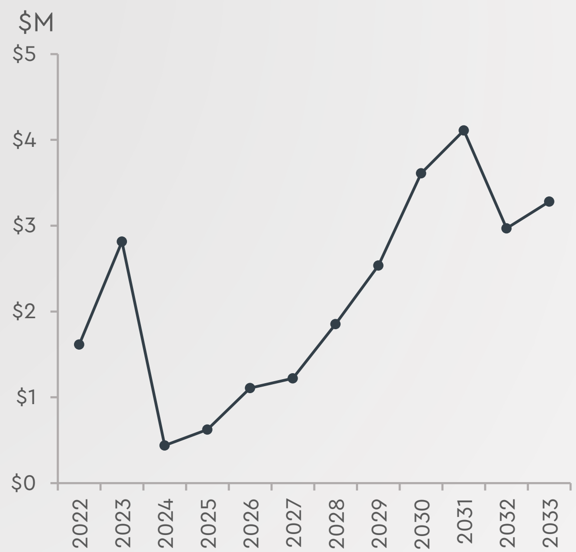
The cost of providing housing increases over the 10-year period – from just over **$5 million to around $8.5 million.**

As the rental-setting policy is fixed, there are significant increases in the annual deficit.

Operating Sustainability – Option 1

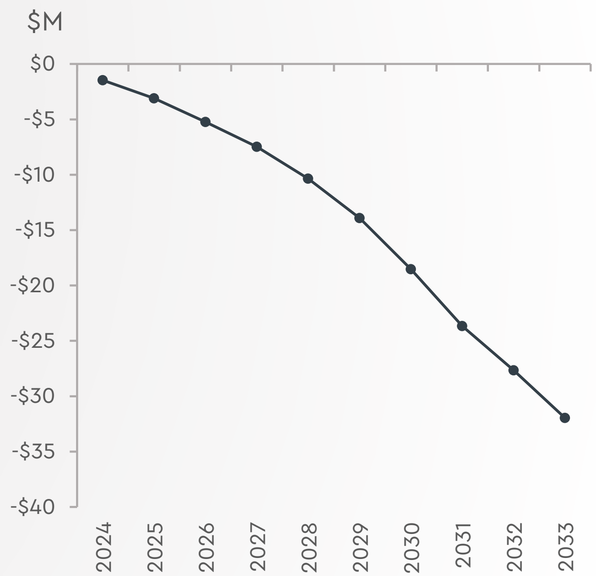


Annual Funding Gap



Council continues to fund 20% of the expenditure. Debt continues to fund the operating deficit as there are no alternative funding options. It would require significant funding to close the cumulative operating deficit of **$31.9 million worth of debt by 2033** if the current funding policy continues.

Cumulative Housing Reserves



The asset value of the housing portfolio is maintained, but the portfolio does not generate any other income or provide for any sale proceeds.

Option 1. Current state (continued)

Housing supply

The current approach to council housing meets Napier's needs for non-market housing to some extent, by providing affordable units for a market that is not specifically catered for by other providers.

Current rental prices continue to be relatively affordable for tenants.

However, the Council is limited to the extent it can adapt to future requirements.

Tenants' needs

There is minimal disruption to current tenants if settings do change.

The housing provided also meets regulatory requirements but is not fully optimised for the needs of current tenants. For example, some of the multi-storey units are not suitable for retirement tenants.

The current utilisation of assets to some extent lends itself to the development of cohesive communities. However, this is limited by the integration of social tenants in retirement villages and retired tenants in social villages.

Potential suppliers

The Council currently has the capability and capacity to continue to provide housing services under this approach. However, it also faces significant challenges in delivering these services.

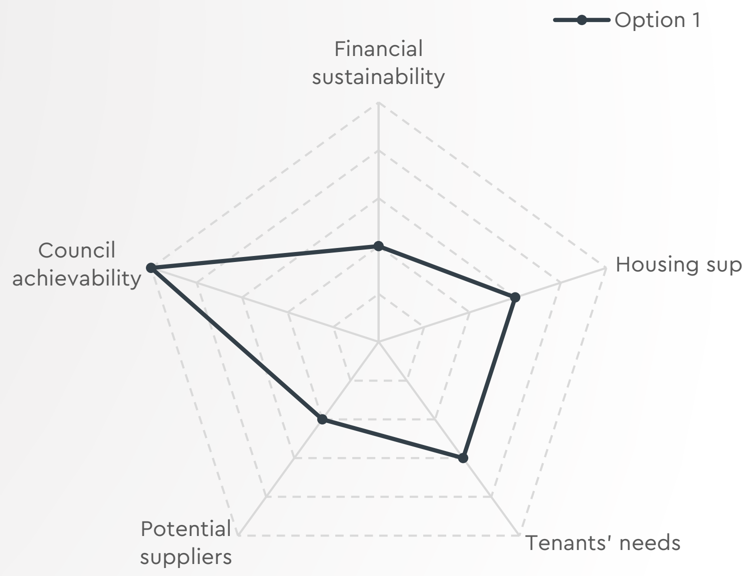
The Council does not have access to further housing subsidies (such as the IRRS) or other sources of income to supplement rental income.

Council achievability

Currently, Napier City Council can directly influence housing outcomes through its role as a provider of council housing.

For this current state option, no resources are needed for changes and no additional regulatory requirements are assumed.

Critical Success Factors



Option 2. Retirement only

Summary of the option

Option 2 assumes a sole focus on retirement housing and tenants. Council maintains control of the provision of housing.

Operating model

Under this option, the Council will continue to provide tenancy and asset management services to retirement housing tenants. This will be done in-house.

Rental settings are aligned with current rental-setting policy. This is based on 80% of costs (as at 2022 year-end) and is not forecast to increase over the assessment period. No efficiencies or cost of provision savings are included in this option.

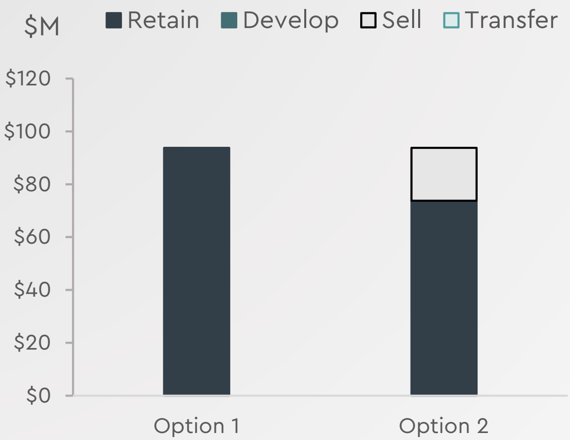
	OPTION 1	OPTION 2
Retirement	Yes	Yes
Social	Yes	No
Tenancy management	Council	Council
Asset management	Council	Council
Control	Council	Council
Deficit funding	Debt	Divestment proceeds, return on investments

Asset strategy

Option 2 will see the Council divest itself of the three social villages – Nelson Place, Carlyle Place, and Wellesley Place.

The villages would be divested at their current book value and proceeds invested to generate income assumed to be 5% per annum.

Portfolio Composition



OPTION 1	OPTION 2
Net present value (10-year)	
-$23.5M	$4.0M
Impact on rates (2025/26)	
1.4%	0.2%
Rental income increase required to fund deficit (10-year)	
50%	20%

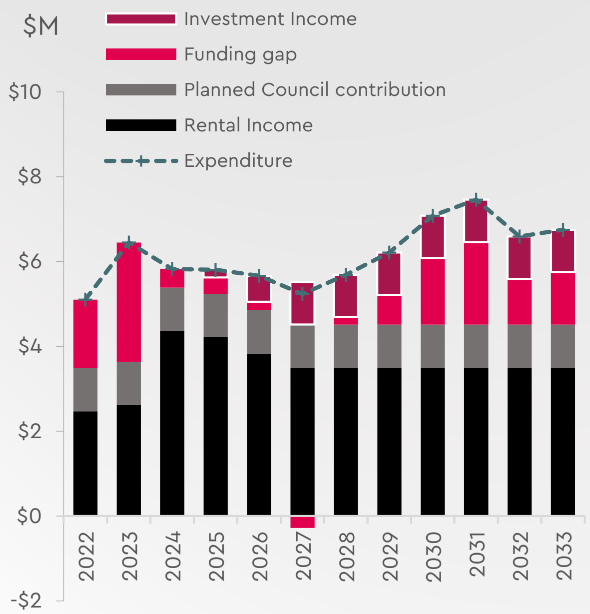
Option 2. Retirement only (continued)

Critical success factors

Financial sustainability

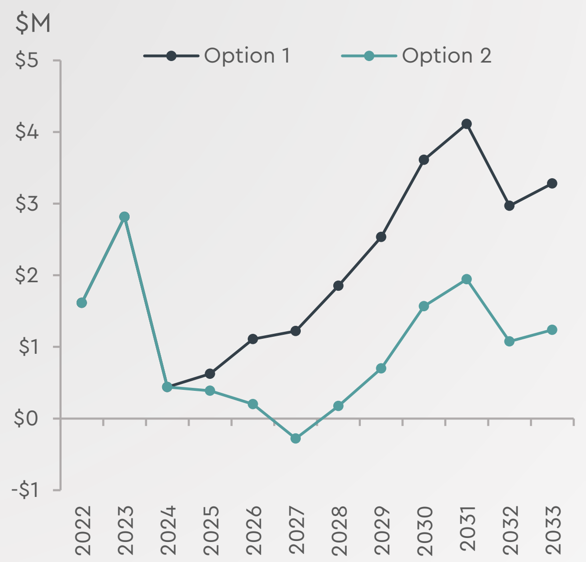
Overall, this option allows Council to use the proceeds of the sale of the three social villages to offer retirement housing for the medium term. However, this will deplete the housing reserves and is not sustainable over the long term.

Operating Sustainability – Option 2



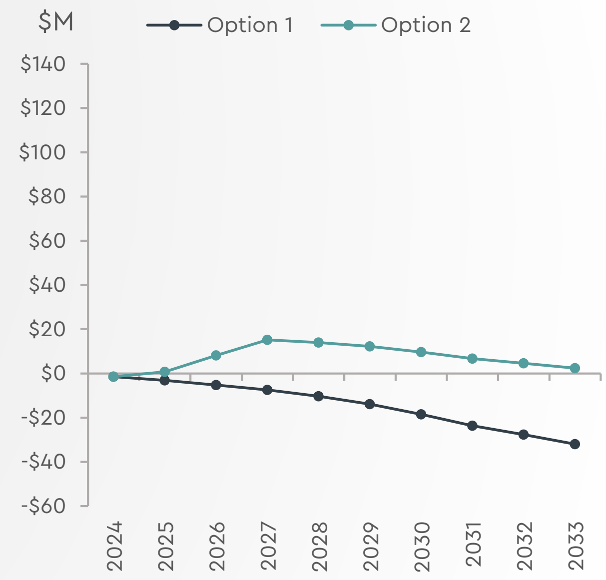
As with Option 1, Council continues to contribute 20% of housing expenditure and there continues to be a funding gap with the operating costs of housing provision continuing to significantly outweigh the income earnt from rentals.

Annual Funding Gap



This results in a **cumulative funding gap over the 10-year period of $25.4 million**. The funding gap is filled by the proceeds from the asset sales and reinvestment income up until 2033/34 when the reserve fund is fully depleted.

Cumulative Housing Reserves



Although housing reserves are higher than under Option 1, the value of the housing portfolio decreases through the Council divesting itself of the social housing villages.

When these housing reserves are depleted, forecast to occur in 2033/34, the Council will be back in the same position as now, albeit with a smaller asset base.

Option 2. Retirement only (continued)

Housing supply

Option 2 would to some extent meet Napier's needs for non-market housing by providing affordable units for a market that is not specifically catered for by other providers. However, the Council would target the housing towards retired tenants.

Under this option, rents will continue to be affordable for tenants.

The cash reserves from the sale of the three social villages would mean the Council would be more able to adapt to future requirements in the medium term, unlike under Option 1 (Current state).

Tenants' needs

Tenants in social villages would need alternative housing support when the villages are sold. However, there would be minimal disruption to those in retirement villages. The inclusion of social tenants in retirement villages would also be phased out.

The housing provided meets regulatory requirements and can to some extent be optimised for needs of current tenants using the further cash reserves from the sale.

The retirement focus lends itself to more cohesive communities, as there won't be a tenant mix within each village.

Potential suppliers

There is a willingness to continue to provide these services to retirement tenants given the focus on this cohort as outlined in the Housing Strategy.

Council currently has the capability and capacity to continue to provide housing services under the current approach.

However, the Council does not have access to housing subsidies or other sources of income to supplement rental income.

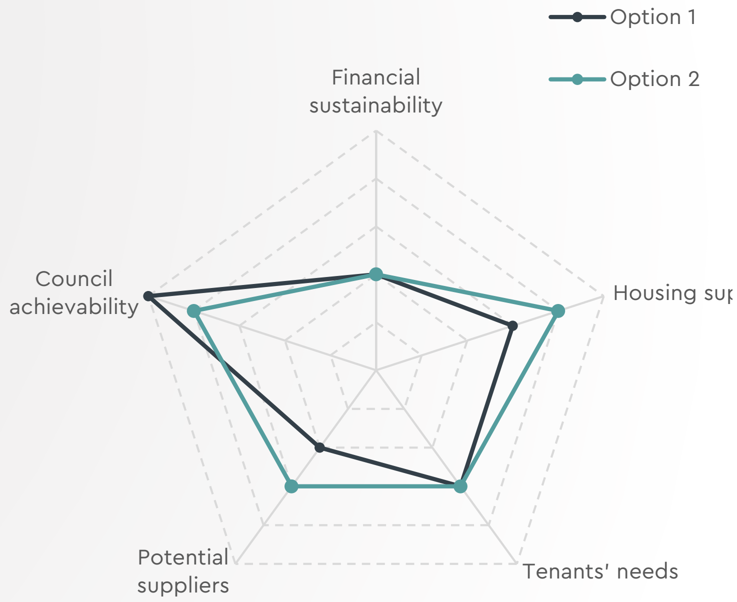
Council achievability

Currently, Napier City Council can directly influence housing outcomes through its role as a provider of council housing.

Divesting itself of the social villages would require the Council to provide some additional resources in order to complete the sale, particularly to obtain an optimal price for the assets, and to make the associated operational changes.

We do not expect that the sale of the social villages would involve any material regulatory requirements.

Critical Success Factors



Option 3. Mixed delivery model

Summary of the option

Option 3 involves using various levers to optimise the provision of housing through changes to the operating model and asset strategy. Council maintains control of the provision of housing.

Operating model

Under this option, the Council will focus on providing housing to retirement tenants, and with the potential for tenancy and asset management services to be provided by a third-party or through a partnership model.

Rental settings are reset annually at 80% of the rolling three-year average cost (comprising the last year and two forecast years), in order to smooth the changes.

	OPTION 1	OPTION 3
Retirement	Yes	Yes
Social	Yes	No
Tenancy management	Council	Mixed
Asset management	Council	Mixed
Control	Council	Council
Deficit funding	Debt	Divestment proceeds, return on investments

An outsourcing or partnership approach could possibly achieve efficiencies or reduce the cost of providing housing, with 5% of operating cost savings built into this option.

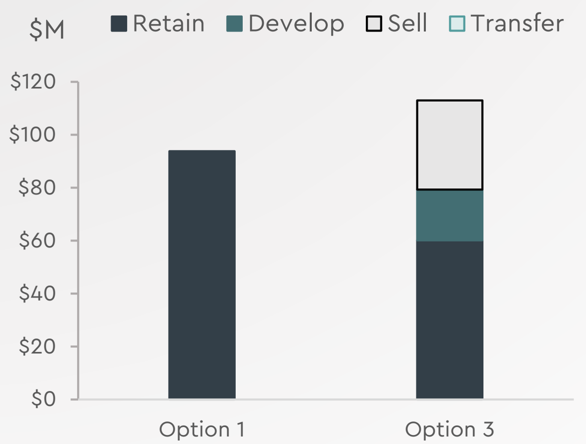
Asset strategy

The portfolio will have a mixture of divestment and development of new units on existing land.

The three social villages and two retirement villages (Munroe St and Arthur Richards Village) are sold at their current book values, with proceeds invested at 5% per year.

80 new units are developed (in a multi-storey building) on the unused land at Greenmeadows East as an example.

Portfolio Composition



	OPTION 1	OPTION 3
Net present value (10-year)		
	-$23.5M	$17.5M
Impact on rates (2025/26)		
	1.4%	-0.7%
Rental income increase required to fund deficit (10-year)		
	50%	40%

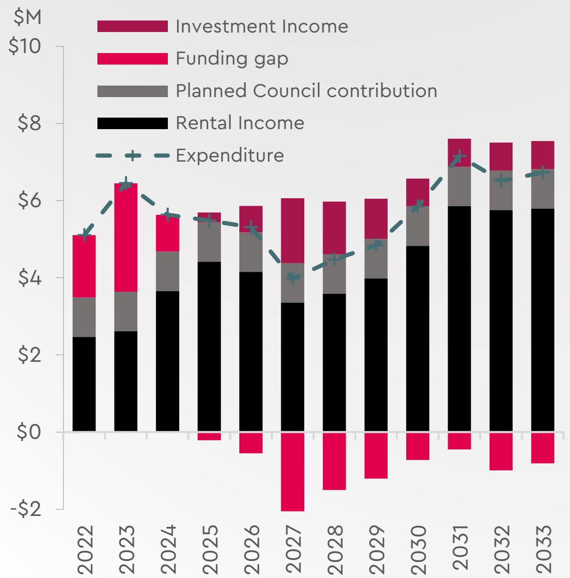
Option 3. Mixed delivery model (continued)

Critical success factors

Financial sustainability

Overall, this option allows the Council to sustainably provide a greater number of retirement units than currently. Under this option, efficiencies of 5% are forecast to be achieved through alternative operating models, such as outsourcing asset management services. A combination of increased rental investment income generated from the sale of the villages, and, in some years, the 20% Council contribution enables income to cover expenditure. In some years the Council will not need to contribute the 20%.

Operating Sustainability – Option 3

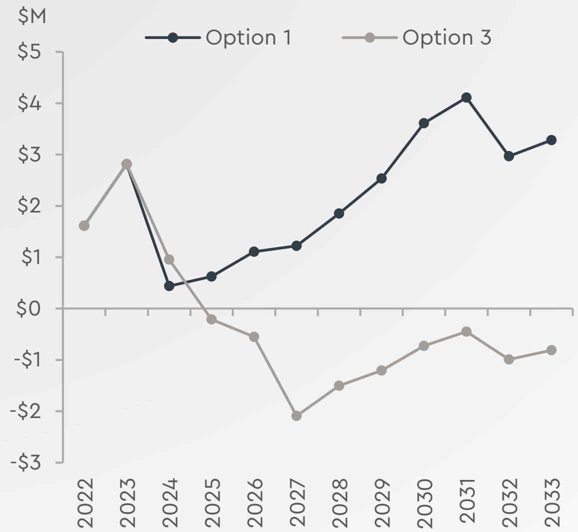


The proceeds from the asset sales will provide the capital funding for the proposed development on the Greenmeadows East site, forecast at $19.2 million.

Due to the lead time to implement this option, some debt funding will be needed in the short term. This will be partially offset by the income generated from reinvesting some of the proceeds from the asset sales.

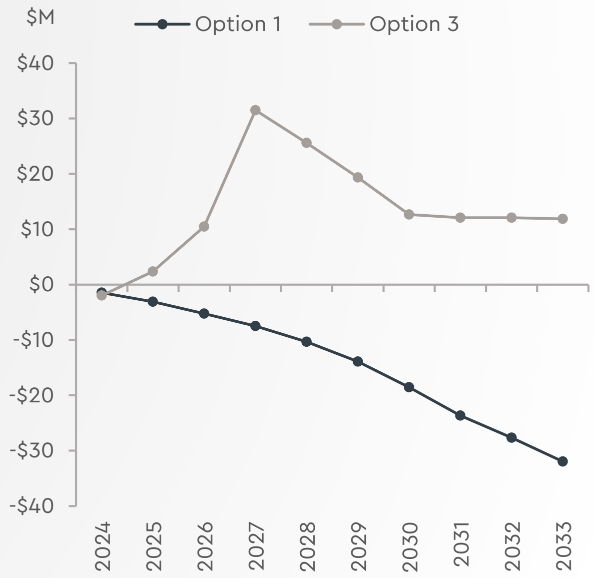
There is no negative funding gap for this option after 2025.

Annual Funding Gap



There will be some depletion in the value of the portfolio through asset sales, but some of the sale proceeds will be reinvested to improve other assets.

Cumulative Housing Reserves



Option 3. Mixed delivery model (continued)

Housing supply

The Council would continue to provide the current number of retirement tenancies, but, as with Option 2, you would no longer provide housing to your social tenants.

The annual resetting of rents would result in rent increases for tenants, but the rents would continue to be less than market rents.

The Council would be more able to adapt to future changes in the quantity and type of housing needed.

Tenants' needs

Tenants in social villages will need alternative housing and there will be some disruption to retirement tenants as the composition of their village changes. As with Option 2, the inclusion of social tenants in retirement villages would also be phased out.

This option enables enough funding to deliver the planned renewals and maintenance for the villages to be fit-for-purpose into the future. The asset requirements are built into the capital expenditure forecast.

Communities would be somewhat more cohesive in that the Council would be better able to match tenants to suitable villages and ensure a modern design of villages.

Potential suppliers

There are third-party organisations that could provide tenancy management and asset management services, but our analysis of Option 3 has not included assessing demand among these organisations for providing these services for Napier City Council.

It is assumed these service providers have the capability to provide these services, but this would need to be tested through further due-diligence processes.

The Council may need to subsidise these services if no third party decides it would be financially viable for them to provide the services

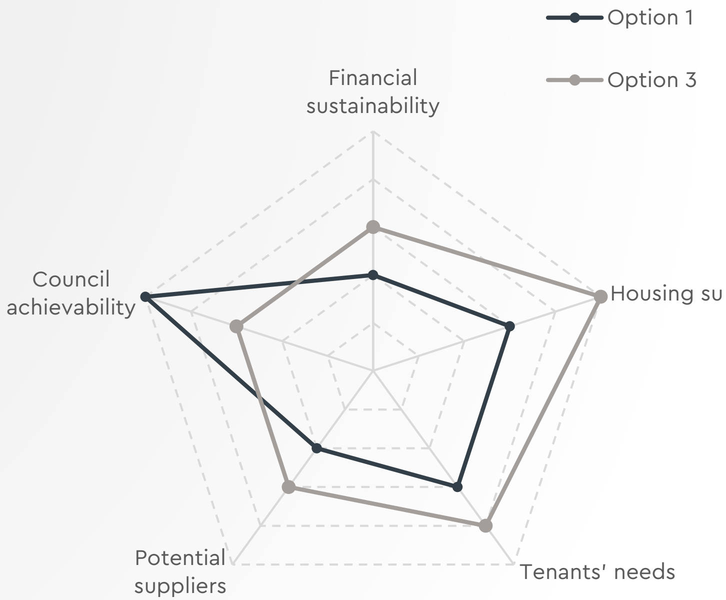
Council achievability

Through its current housing provider role the Council can directly influence housing outcomes. Option 3 also allows the Council to carry out further redevelopment and so further shape housing outcomes.

Significant additional resources would be needed to complete the sale of villages and make the associated changes in the operating model, particularly to achieve the best commercial outcomes.

The proposed changes would probably involve some regulatory requirements – for example, the re-zoning or repurposing of land.

Critical Success Factors



Option 4. Independent delivery

Summary of the option

Under this option, an entity independent of the Council would provide housing. Depending on the model adopted, the Council would maintain some or no control of the provision of housing.

Operating model

The ability for the Council to set outcomes for the provision of housing would depend on the governance model of the entity that is established.

This option assumes the entity has the objective of breaking even or making a surplus on the delivery of housing, so there would be no ongoing operating costs for the Council.

The independent entity would determine the preferred operating model for the delivery of housing. However, the Council could set some conditions as part of the transfer.

An independent entity could receive government housing subsidies that are unavailable to the Council if a CHP model is pursued (although this approach has some limitations, as described on page 13).

Under Option 4, the assets could be fully transferred or just leased to the entity.

	OPTION 1	OPTION 4
Retirement	Yes	Yes
Social	Yes	No
Tenancy management	Council	Independent
Asset management	Council	Independent
Control	Council	Independent
Deficit funding	Debt	n/a

Asset strategy

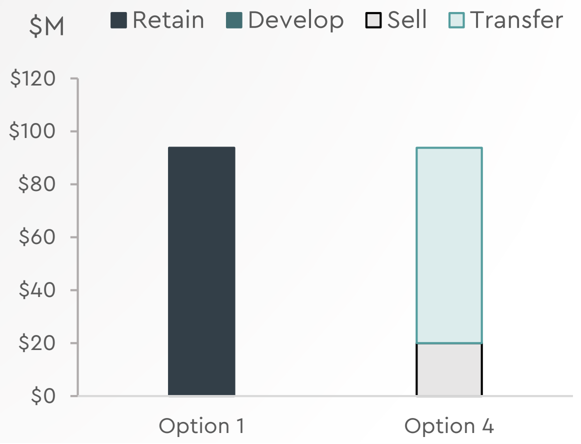
The portfolio will include the divestment of the three social villages and the transfer of the remaining assets to the independent entity.

The Council will sell the three social villages, with proceeds invested at 5% per year, providing an annuity income to the Council.

It is assumed the retirement villages will then be transferred or gifted to the independent entity for nil upfront with no requirement for a capital injection.

	OPTION 1	OPTION 4
Net present value (10-year)	-$23.5M	$17.5M
Impact on rates (2025/26)	1.4%	-0.8%
Rental income increase required to fund deficit (10-year)	50%	n/a*

Portfolio Composition



* No analysis has been undertaken as to whether an independent delivery model would require rental increases.

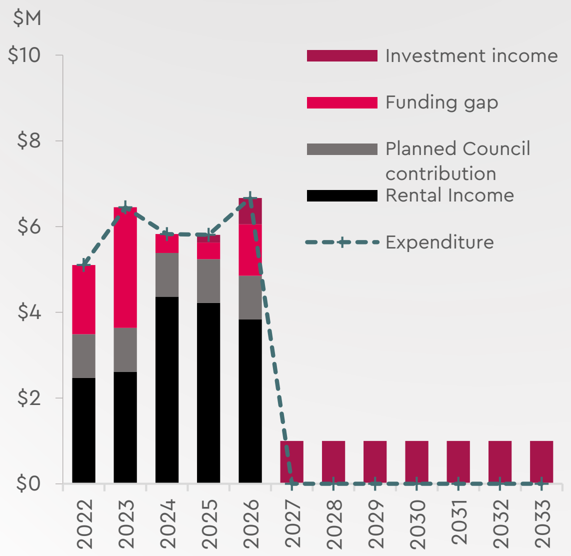
Option 4. Independent delivery (continued)

Critical success factors

Financial sustainability

Overall, this option is sustainable and provides the Council with an annuity using proceeds earned from selling the social housing portfolio. This option assumes the independent entity does not require any financial contribution and may have access to the IRRS, which could make it more financially sustainable. However, this is only if a CHP model is pursued.

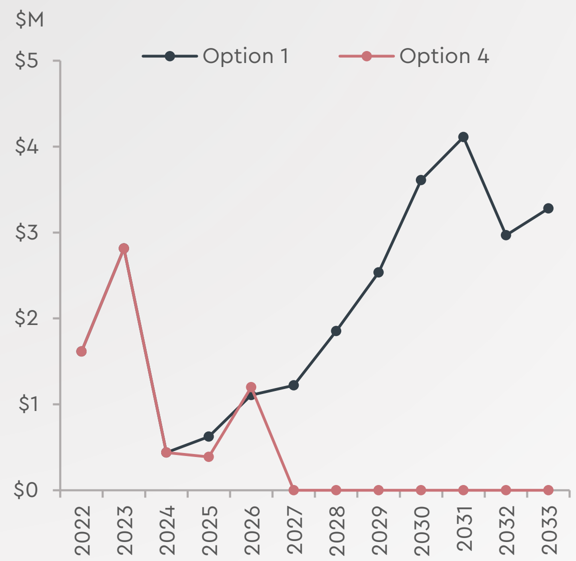
Operating Sustainability – Option 4



The delivery entity will be accountable for providing housing in a financially viable manner. Council operating costs will probably increase in the short term with the transition to the new model, and those increases will not be recovered through income.

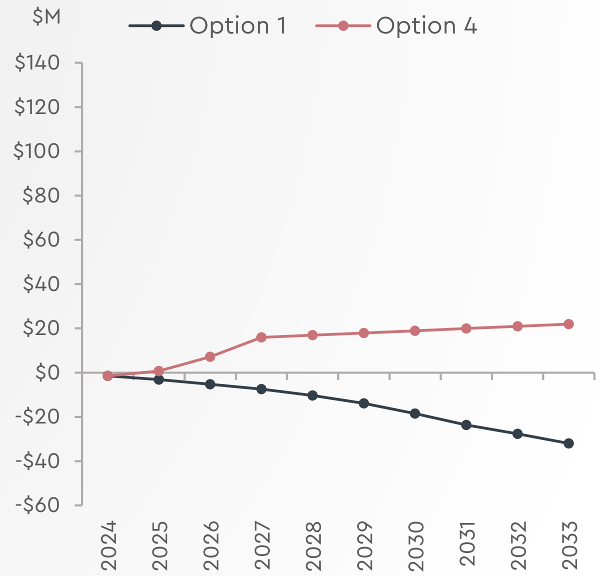
Some debt funding will be needed in the short term to cover these transition costs, but further long-term debt is not expected.

Annual Funding Gap



If further asset sales beyond the three social villages are needed in order to fund a capital injection into the new entity, this will cause a further depletion in asset value. However, those further asset sales are not expected to be necessary.

Cumulative Housing Reserves



Option 4. Independent delivery (continued)

Housing supply

The delivery entity could be required to continue to provide retirement tenancies, although it would need to make supply decisions within the confines of its terms of reference and constitution.

The rental-settings policy would be determined by the new entity within the confines of the terms of reference and constitution.

The new entity's independent character should enable it to be more responsive to changes in the housing environment.

Tenants' needs

There would be minimal disruption to current tenants in the short to medium term beyond the disruption involved with Option 2 (Retirement only) and Option 3 (Mixed delivery). If or when the independent entity makes changes to the portfolio, it is likely there will be disruption for tenants.

The independent character of the new entity (and the potential capital injection) should mean that the entity would have appropriate resources to ensure housing is more fit-for-purpose. However, this will still be constrained by available cash reserves.

The entity's independent character (and the potential capital injection) should also result in somewhat more cohesive communities, as the entity would have the resources and the agility to better match tenants to villages and to improve villages – however, this will still be constrained by available cash reserves.

Potential suppliers

Many Councils have transferred their functions as a housing provider to an independent entity. We have assumed there would be some demand for this approach for Napier. However, further due diligence would be needed.

We have also assumed that the entity would have the capability to provide these services, but this would need to be tested through due diligence.

It is possible an independent entity will receive government housing subsidies that are unavailable to Council if a community housing provider model is pursued. This would reduce the level capital injection that may be required. Other Councils have taken this approach.

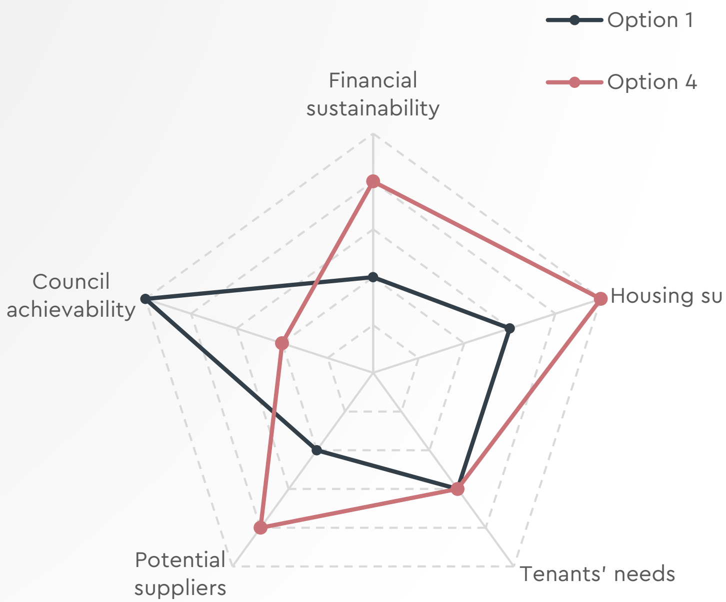
Council achievability

Given the independent delivery, Council would not continue to play a housing provider role and so this would limit its ability to influence outcomes.

The establishment of an independent entity would require significant resources in the short term, and the Council would probably need to procure these services externally.

There will be regulatory and compliance requirements for the proposed changes – for example, the legal and accounting requirements for establishing the entity.

Critical Success Factors



Option 5. No direct housing provision

Summary of the option

Under Option 5, the Council would discontinue its housing provider role. This does not mean the Council would not play any role in housing within Napier; it just means it will stop playing the housing provider role that is identified in the draft Housing Strategy.

Operating model

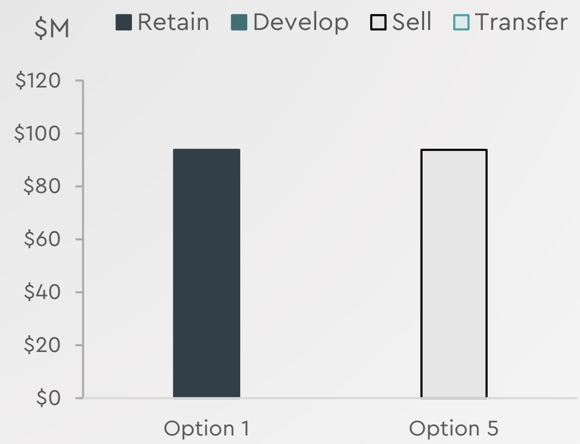
Under this option, the Council will not provide tenancy or asset management services to any tenants.

	OPTION 1	OPTION 5
Retirement	Yes	No
Social	Yes	No
Tenancy management	Council	None
Asset management	Council	None
Control	Council	None
Deficit funding	Debt	n/a

Asset strategy

The Council would divest itself of its entire portfolio by 2027, so no assets would remain with the Council. This option assumes each village is sold at its current book value and that the proceeds are invested at 5% per year, providing annuity income to the Council.

Portfolio Composition



OPTION 1	OPTION 5
Net present value (10-year)	
-$23.5M	$104.9M
Impact on rates (2025/26)	
1.4%	-3.9%
Rental income increase required to fund deficit (10-year)	
50%	n/a*

* No analysis has been undertaken as to whether other providers would require rental increases.

Option 5. No direct housing provision (continued)

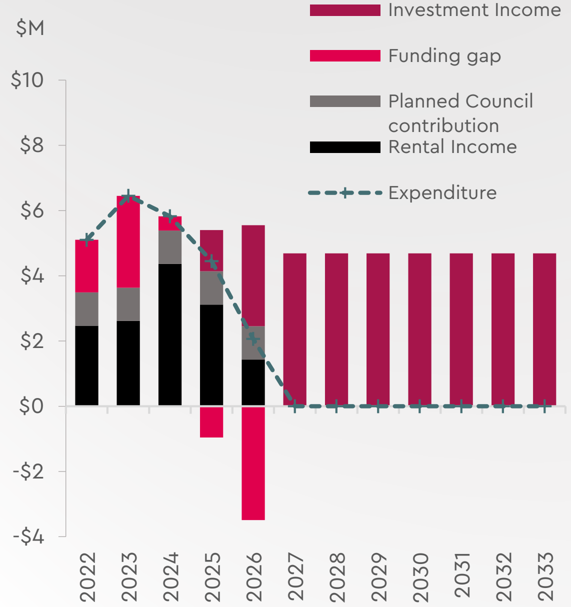
Critical success factors

Financial sustainability

This option is sustainable and provides the Council with an annuity using proceeds earned from selling the entire housing portfolio.

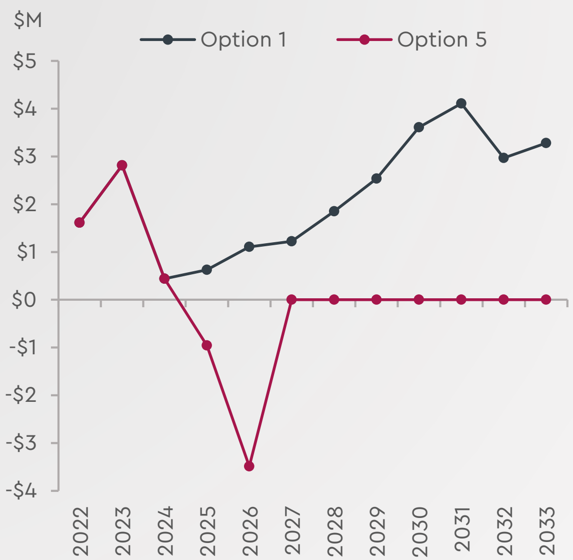
The assumptions in this option do not include any allowance for existing central Council costs that may decrease due to not needing to support the provision of housing, for example the horticulture team or IT overheads.

Operating Sustainability – Option 4



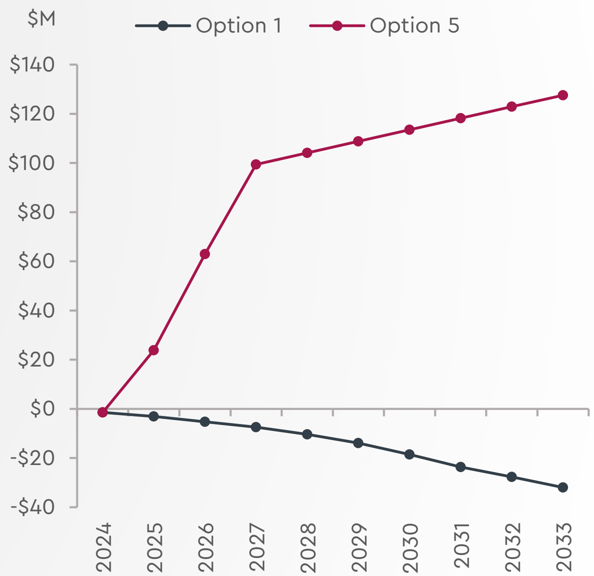
There will continue to be deficits requiring debt funding until the assets are sold.

Annual Funding Gap



The value of the housing portfolio would be completely depleted by the sale of the assets. However, after the repayment of debt and any stranded costs, the proceeds from the sale could be used for other council purposes or reinvestment.

Cumulative Housing Reserves



Option 5. No direct housing provision (continued)

Housing supply

It is very unlikely that the assets would continue to be used to provide affordable housing after they are sold. Therefore, all the measures for this success factor, including sufficient supply of non-market housing, affordability for tenants, and responsiveness to changing demand, are unlikely to be met.

Tenants' needs

As for Housing supply above, it is very unlikely that the assets would continue to provide housing in the same form after they are sold, and therefore the measures relating to fit-for-purpose housing and supporting community cohesiveness would not be met.

There will be significant disruption to current tenants, depending on who the assets are sold to. We have not analysed what rental charges may be. However, this could be negotiated as part of a commercial arrangement (though this would impact assumed proceeds from sale).

Potential suppliers

Given the shortage of land for development in Napier, and the villages' strategic locations, we have assumed there will be demand for the assets and the land. However, this would need to be tested through market soundings.

Buyers of the assets are generally experienced in these types of acquisitions, and we have assumed they would have the capability to invest in these sites.

The current economic climate could constrain buyers' access to capital to fund the purchase or development.

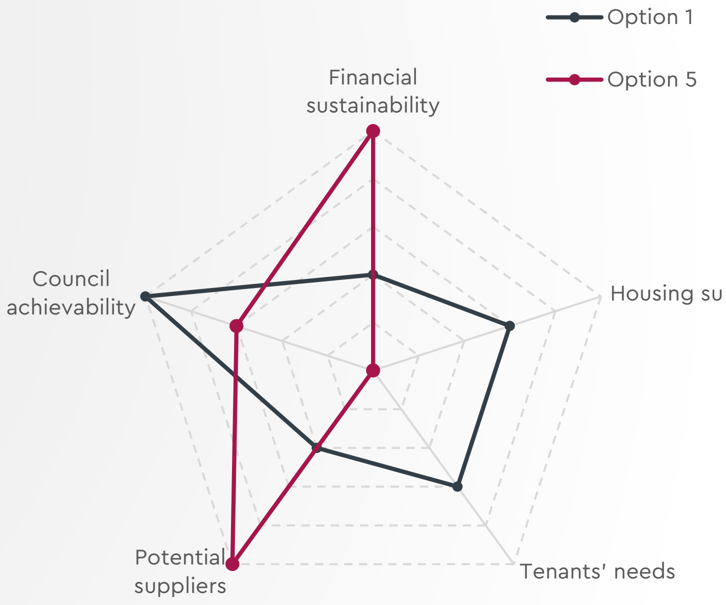
Council achievability

The Council would cease being a housing provider. This would significantly reduce its ability to influence housing outcomes.

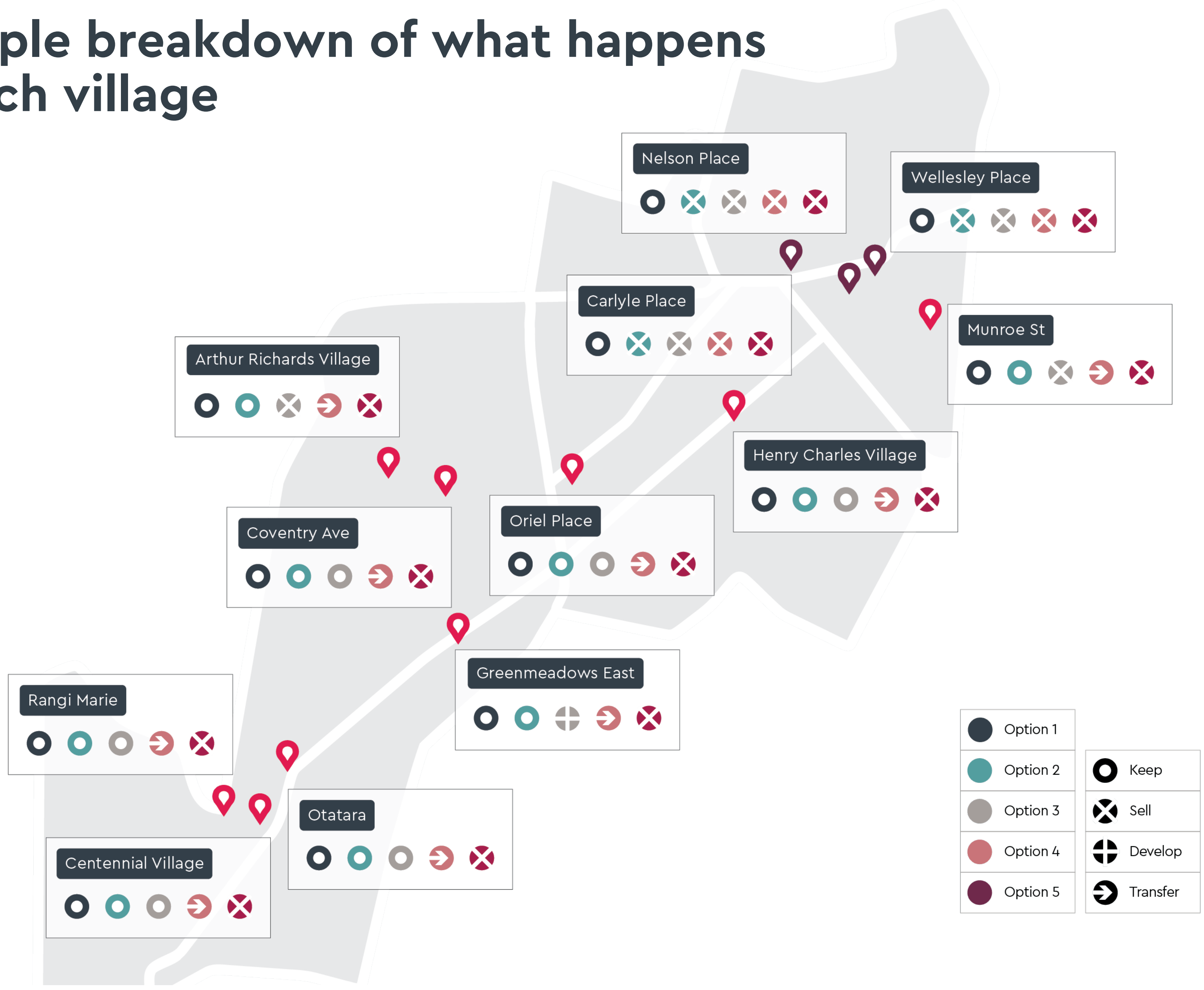
Divesting itself of its portfolio would require the Council to provide some additional resources in order to complete the sale, particularly to obtain an optimal price for the assets, and to make the associated operational changes.

We do not expect there would be material regulatory and compliance requirements for the divestment. However, the Council would need to seek advice for the two villages listed in the Napier Borough Endowments Act 1876 (in Schedule 3, added in 1999).

Critical Success Factors



Example breakdown of what happens to each village



Engagement and next steps

Approach to integrating housing into your Long-Term Plan

There are three key considerations for community engagement

Given the sensitive nature of previous work and the decisions needed, we recommend that your engagement with the community include:

- the financial implications of continuing your current approach
- your Housing Strategy and your re-focus on retirement housing, and
- four potential options the Council could progress.

The current approach is not financially sustainable

The last five years has resulted in a net contribution by the Council of **$9.4 million**. This has been partly funded through debt.

If you continued on this track, the Council would need to contribute:

- more than **$10 million** over the next five years, and
- almost **$45 million** from 2029 to 2043.

To cover these costs in the current state, rents would need to increase by 50% to break even over a 10-year period.

This is linked to the broader financial challenges the Council faces – which will be set out in the rest of the LTP. These include Cyclone Gabrielle and the challenging economic environment.

Your focus on retirement housing

The Housing Strategy signals a focus on retirement housing. Napier has an increasing number of elderly people who cannot afford retirement villages and rely on affordable rental options for their retirement. This cohort is set to grow as more and more working-age people are unable to afford to buy their own home and so must rent through the private market or rely on public housing.

Council housing remain one of the few options available in Napier to those whose income is limited to superannuation and who have no assets.

Four potential options with a preferred approach

There are four broad potential options that are not the current state:

- Retirement only
- Mixed delivery model
- Independent delivery, and
- No direct provision of housing.

These four options all require varying, but significant, effort to execute changes from the current state.

These options, presented alongside the draft Housing Strategy, demonstrate the strategic shifts the Council wants to achieve. By presenting the four options, you will be able to maintain commercial and financial flexibility, take market soundings, and engage further with the community.

As part of setting out these options, the Council would signal a preferred option. It should seek advice from Council Officers as to how to frame a relevant question for inclusion within the public engagement in your LTP process.

Next steps

Further analysis should be done alongside this engagement

We have based our analysis on desktop research, relying on the previous reviews, and the inputs provided to us, including market valuations and condition assessments. Our assumptions are set out fully on page 27.

We therefore recommend that further analysis be done for the preferred approach. Market soundings should also be taken so that you understand the demand profile for the different assets. You should also get legal advice on divestment.

Engagement with mana whenua

Given the significance of these options, we recommend that you engage extensively with mana whenua on these proposals, alongside the draft Housing Strategy.

We also note that Hastings / Munroe and Carlyle Place are listed in Schedule 3 of the Napier Borough Endowments Act 1876 (as added in 1999). Both parcels of land were transferred to Council from the Crown and were originally in Māori ownership prior to their transfer to the Crown.

As such, both sites are subject to the requirements of the Napier Borough Endowments Act 1876 (NBEA), Local Government Act 2002 (LGA), as well as the terms of the registered endowment instruments and the historical endowment agreements themselves. There may also be Public Works Act 1981 obligations.

We recommend that further legal advice is sought on these sites, as well as engagement with mana whenua to preserve iwi environmental, cultural, and heritage values in the sites. This also provides an opportunity for meaningful consultation and partnership.

Any development will also require regard for 'Sites of Significance' to Māori.

Phase 1: Engagement with community and mana whenua	Confirmation of consultation item for LTP, including the draft Housing Strategy and confirmed options for the housing portfolio.
Phase 2: Due diligence on options	Further analysis of your preferred option (or options), for example: • assessment of the development opportunities across the villages for Option 3 • market soundings, and • legal advice, including legal obligations on different land parcels.
Phase 3: Decision on preferred approach	Final decision made, and implementation plan is developed.

Appendices

Appendix 1: May 2022 Council resolution

You agreed to retain the housing portfolio

Following community consultation, in May 2022 the following resolution was made:

That Council:

a. Retains all of the existing portfolio implementing a public/private benefit approach based on 80% private and 20% public ratio.

b. Implement a sustainable cost recovery rent setting policy, and the current and anticipated costs are reviewed as part of the setting of the policy.

c. Directs council officers to investigate further property and tenancy management operating models and bring the options back to Council.

d. Instruct council officers to develop a housing strategy.

e. Continue to lobby central government for access to the income-related rent subsidy.

f. Continue to fund the deficit from loans until the rates increase has been consulted on and implemented.

g. Instruct council officers to develop a full plan outlining the next steps, including the specific consultation processes required for the option selection to proceed.

You have completed some of these, with others underway

Since the resolution, progress has been made on:

- implementing the public/private benefit approach based on 80% private and 20% public ratio (a)
- developing a draft housing strategy (d)
- continuing to fund the deficit from loans (f), and
- continuing to lobby central government for access to the Income-Related Rent Subsidy (e).

As part of this current work, you are also now considering:

- sustainable cost recovery rent setting approaches, and
- property and tenancy management operating models.

Appendix 2: Case studies of different approaches

Sale to a community housing provider

Horowhenua District Council sold their housing portfolio of 115 units in Compassion Housing (a community housing provider) in 2017 for $5.25m. The sale also include the sale of 1.1 hectares of land to enable Compassion Housing to build further housing in the future.

The portfolio was sold with the express intent of retaining the portfolio for older persons housing. If sold on the open market it may have sold for a higher price, however the council wanted to ensure security of tenure for current tenants.

Hamilton City Council took a similar approach in 2016 and sold 344 pensioner housing units to Accessible Properties. Accessible Properties made the commitment to cause as little disruption as possible for current tenants, including welcoming them to stay in their homes.

Establishment of a community housing provider

Christchurch City Council established the Ōtautahi Community Housing Trust in 2016 with the aim of moving to a financially sustainable model. The trust is a registered community housing provider and manages a portfolio of over 2,200 social housing units under a long-term lease, with the Council having a 49% interest. New tenants can access the IRRS, with around two thirds of tenants currently on grand parented rentals (historical arrangements), and one-third accessing the IRRS.

Wellington City Council is in the process of establishing a community housing provider (Te Toi Mahana) to deliver the service. It is an independent community-owned trust. Assets are leased to the trust (not transferred) via a leasehold agreement and the community housing provider will be supported with upfront capital to enable it to get underway with housing upgrades and invest in new supply.

Hutt City Council established Urban Plus in 2007, a specialist property company operating as a Council-Controlled Trading Organisation (CCTO). Urban Plus manages the Council's social housing portfolio and is involved in property development activities. As a CCTO, Urban Plus works to ensure the best financial return, which is driven through property development.

A transfer to Kāinga Ora

Nelson City Council transferred their portfolio to Kāinga Ora in February 2021. With financial sustainability becoming an issue (particularly due to increasing regulatory requirements), Kāinga Ora was seen as the option that offered the most secure tenure to retain and manage existing tenants, as well as the expertise and ability to offer wraparound services.

Many existing tenants qualified for IRRS, but for the small number of tenants who didn't meet the criteria, money was set aside to provide rent top-ups. Generally, only new tenants are eligible for IRRS, however existing eligible tenants could access it in this case.

Tauranga City Council sold seven of its nine older persons villages to Kāinga Ora in 2022 who could better redevelop and update the units. This was done with the agreement that Kāinga Ora would continue to deliver affordable housing to existing tenants. The remaining two villages were sold for private development.

Redevelopment

Palmerston North City Council Palmerston North City Council funded a new development of 50 units to transform the existing social housing stock built in the 1960s. This development is being done in phases.

About the authors

This report has been prepared for Napier City Council by Susan Burns, Cathryn Lancaster, Aaron Gabbie, and Sarah Baddeley from MartinJenkins (Martin, Jenkins & Associates Ltd).

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Key references and glossary

Key references

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Glossary

Community housing provider: Provides housing for the purpose of either community rental housing or affordable rental housing, or both, and is eligible for the IRRS.

Council housing: Properties owned by Napier City Council for the provision of housing.

Public housing: Properties owned or leased by Kāinga Ora and Community Housing Providers for use as public housing – often used interchangeably with social housing.

Retirement tenants: Tenants aged over the age of 65 that meet an asset and income threshold set by the Council.

Social tenants: Tenants aged over the age of 18 that meet an asset and income threshold set by the Council.

Supporting living tenants: Tenants that over the age of 18, receiving the Supported Living Benefit, and meet an asset and income threshold set by the Council.

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Wellington T +64 4 499 6130
Level 1, City Chambers, Cnr Johnston and Featherston Streets, Wellington 6011, PO Box 5256, Wellington 6140, New Zealand
Auckland T +64 9 915 1360
Level 16, 41 Shortland Street, Auckland 1010, New Zealand
info@martinjenkins.co.nz **martinjenkins.co.nz**

Financial Contributions Policy			
Approved by	Council		
Department	City Strategy		
Original Approval Date		**Review Approval Date**	
Next Review Deadline		**Document ID**	
Relevant Legislation	The Local Government Act 2002, Resource Management Act 1991		
NCC Documents Referenced	Not Applicable		

Contents

Overview

Purpose of the Policy

Population and business growth create the need for new subdivisions and developments, and these place increasing demands on the assets and services provided by Council. As a result, significant investment in new or upgraded assets and services is required to mitigate the environmental effects and meet the demands of growth. In this policy, this investment is termed the cost of growth.

Under Section 106 of the *Local Government Act,* Napier City Council can require development or financial contributions from developers to help fund the cost of new or expanded infrastructure and services that are required to meet the additional demand created by growth, and/or to avoid, remedy, or mitigate any adverse effects resulting from land development and subdivision.

Council intends to achieve this in the short term by using Financial Contributions under the *Resource Management Act 1991* (RMA91). This approach covers all types of development (residential and non-residential) and is a city-wide approach for development anywhere in Napier City.

Navigating this document

Part 1: Policy operation - provides information needed to understand if, when, and how financial contributions will apply to developments. It also explains peoples' rights and the steps required to properly operate the Policy. The key sections are:

- The contributions – how much will be levied.
- When financial contributions are levied and paid
- Other operational matters

Part 2: Policy Details – requirements of the policy.

Part 3: Supporting Information - Policy maps, District Plan references and definitions.

Changes to the policy

This policy retains the use of financial contributions for residential and non-residential development used in the previous policy. Minor changes are proposed to the 2021 policy to clarify the timing of payment for residential developments; the application of exemption/discounts for identified areas; and to align with the Three Year Plan.

1. Policy Operation

Council's functions under the RMA include establishing and implementing methods to achieve integrated management of the effects of the use, the development or the protection of land, and the control of subdivision. The charging of financial contributions is an important mechanism in carrying out those functions and ensuring there are positive effects on the environment that avoid, remedy, or mitigate any adverse effects resulting from land development and subdivision. Council considers the existing financial contributions the simplest and most effective means of funding growth costs as they are in place for the main development areas that are partially developed, or about to be developed.

Financial Contributions are a component of the City of Napier District Plan (Nov 2011). Copies of the City of Napier District Plan can be viewed at the Napier and Taradale Public Libraries and on Napier City Council's website www.napier.govt.nz. This is termed the operative District Plan in this policy.

1.1. Assessment criteria

Chapter 65 of the operative District Plan specifies in detail the issues, objectives, policies, and rules relating to financial contributions. The provisions of the operative District Plan on financial contributions relate to the following matters:

1. Residential Subdivision
   a. On every subdivision the financial contribution per lot must be paid to the Council for each additional lot or certificate of title created by the subdivision.
   b. Financial contributions do not apply where the subdivision is solely for the purpose of creating a title for an existing dwelling unit.
2. Residential Multi-Unit Development
   a. On every multi-unit development for residential purposes, the financial contribution must be paid to the Council for the second and each subsequent unit of the development.
3. Industrial and Commercial Land Development
   a. On every land development for industrial and/or commercial purposes, the financial contribution must be paid to the Council for:
      i. Each additional lot or certificate of title created by the subdivision.
      ii. The second and each subsequent unit of development.
   b. Financial contributions do not apply where the subdivision is solely for the purpose of creating a title for an existing and lawfully established business unit.

      For non-residential developments where a resource consent would not normally be required (complying or permitted activity), Council may require a resource consent for the purpose of levying a financial contribution - see Section 1.6.

Financial contributions are established in the following three categories:

1. Non local (off site) 2. Local (off site)	Off Site Services means local services serving a particular locality provided at the time of land development (including subdivision) e.g. extended reticulation and sewer trunk mains and/or non-local services provided at district level in response to demand from new development e.g. increased sewage treatment capacity. Costs for off site services may be shared between various developers and the Council on behalf of existing sites.
3. On site	On Site Services means services within a land development (including a subdivision) paid for wholly by the developer and vested in the Council, e.g. on site sewer reticulation.

1.2. Summary of Financial Contributions

All financial contributions are summarised in the tables below for both residential and non-residential development. These have been indexed as permitted by the District Plan. The original financial contributions as per the operative District Plan, and the inflation indexes can be found in Part 3 of this policy.

Table 1 : Infill, Residential and Rural Financial Contributions

Development Area	Non local Off Site Contributions		Local Off Site Contributions		On Site Contributions	
	1 July 2024 (inc GST)	paid per	1 July 2024 (inc GST)	paid per	1 July 2024 (inc GST)	paid per
Infill						
Urban Infill	$32,144.57	per lot/unit	$3,240.35	per lot/unit		
Multi-storey	$28,517.61	per lot/unit	$82,409.58	per Ha		
Jervoistown: Full Urban	$31,178.94	per lot/unit	$122,606.48	per Ha		
Residential						
Citrus Grove	$31,101.62	per lot/unit	$1,001.60	per lot/unit	$161.83	per lot/unit
King/Guppy	$29,733.19	per lot/unit	$276,037.65	per Ha		
			$1,030.36	per m road frontage		
Lagoon Farm	$30,871.45	per lot/unit	$1,001.60	per lot/unit		
Mission Special Character Zone	$26,106.23	per lot/unit	$1,352.25	per lot/unit		
Park Island	$31,196.92	per lot/unit	$1,001.60	per lot/unit		
Te Awa	$29,519.20	per lot/unit	$706,026.13	per Ha		
			$4,581.81	per m road frontage		
Rural						
Poraiti	$21,599.94	per lot/unit	$2,476.12	per lot/unit		

Lifestyle Chara.	$26,106.23	per lot/unit	$3,626.96	per lot/unit	
Jervoistown: Rural Infill	$25,223.31	per lot/unit	$10,593.17	per lot/unit	
			$12,360.81	per lot/unit	
			$157,054.54	per lot/unit	
All Other Rural Areas	$21,599.94	per lot/unit	$4,040.55	per lot/unit	

See Section 3.4 Definitions for the definition of lot and unit (dwelling unit).

Table 2 : Non-residential Financial Contributions

Development Type	Water Supply Contribution		Wastewater Contribution	Stormwater Contribution	Roads & Transportation Contribution
	1 July 2024 (inc GST)	1 July 2024 (inc GST)	1 July 2024 (inc GST)	1 July 2024 (inc GST)	1 July 2024 (inc GST)
Non-Residential based	**Gross floor area ($ per m2)**	**Pervious land area ($ per m2)**	**Gross floor area ($ per m2)**	**Land area ($ per m2)***	**Per every new lot/unit ^ ($)**
Office & shops	$10.00	$3.75	$6.97	$6.82	$16,663.53
Medical Clinics / Hospitals	$12.49	$3.75	$8.72	$6.82	$16,663.53
Warehouses / Factories / Network Utility Operations	$5.02	$3.75	$3.49	$6.82	$16,663.53
Unsealed Yards	$0.00	$3.75	$0.00	$1.74	$16,663.53
Non-Residential based	**Per church**	**Pervious land area ($ per m2)**	**Per church**	**Land area ($ per m2)***	**Per every new lot/unit ($)**
Churches	$5,002.45	$3.75	$3,489.12	$6.82	$16,663.53
Residential based	**Population ($ per head)**	**Pervious land area ($ per m2)**	**Population ($ per head)**	**Land area ($ per m2)***	**Per every new lot/unit ($)**
Residential Care Facilities	$375.31	$3.75	$261.50	$6.82	$16,663.53
Travellers' Accommodation	$375.31	$3.75	$261.50	$6.82	$16,663.53
Day Care Centres	$188.87	$3.75	$130.75	$6.82	$16,663.53
Educational Facilities	$188.87	$3.75	$130.75	$6.82	$16,663.53
Retirement Complexes	$372.89	$3.75	$261.50	$6.82	$16,663.53
	OR equivalent water connection (whichever is greater)		OR equivalent wastewater connection (whichever is greater)	* based on 60% sealed area max. Sealed areas greater than 60% pro rata.	^ A unit is 8 vehicle

Connection Diameter (mm)	Water Supply Contribution per connection	Wastewater Contribution per connection		movements per day as defined in Chapter 65 of the District Plan (Table 2), being the average number of vehicle movements generated by a typical household
15	$2,559.00	$1,787.00		
20	$4,556.00	$3,190.00		
25	$7,116.00	$4,982.00		
32	$11,656.00	$8,163.00		
40	$18,196.00	$12,738.00		
50	$28,431.00	$19,902.00		
80	$72,775.00	$50,944.00		
100	$113,717.00	$79,603.00		

1.3. Capital contributions

In addition to the above financial contributions, the subdivider or developer is required to meet the cost of providing all infrastructure within land being developed or subdivided where the benefits accrue directly to the land being subdivided or developed.

Where existing infrastructure and services outside the land being subdivided or developed are inadequate for the existing development, the cost of upgrading or the provision of new facilities shall be shared fairly between the subdivider or developer and the Council if there is capital works of benefit to another area.

The subdivider or developer is required to meet the proportionate cost of upgrading infrastructure, or for the provision of new infrastructure, where the development/subdivision will necessitate such upgrading or new offsite services.

However, Council will still have the authority to require works or services, or seek cash or land contributions on new developments to avoid, remedy and mitigate the environmental effects of proposed developments through resource consent conditions or in accordance with any relevant rule in the District Plan or any transitional provision under the RMA.

1.4. Financial Contributions – Reserves

There is a long history of requiring subdivision of land to provide land or money for the purpose of providing public open space as reserves. Reserves are generally required as part of the subdivisions process since they provide the open space and recreation facilities and opportunities necessary to cater for additional demand generated and to protect or enhance amenity values.

As communities grow, there is a need to provide recreation and open space to meet their needs and requirements. The guiding principle in the determination of reserves requirements relating to city growth is the preservation of the current ratio of recreational reserves per residential lot.

This ratio for Napier has been calculated at 75 m^2 per residential property and is considered both satisfactory by current users and appropriate for the future.

1.5. Land, works or assets provided in lieu of financial contributions

Where the developer provides assets that council would typically provide, in lieu of financial contributions, the amount of the works shall be off-set against the total financial contribution applicable. The mechanism of how the total contributions is calculated (per lot, per metre road frontage, per hecatre) will not be considered as part of the off-set calculation.

1.6. Timing of assessment, invoicing and payment

All financial contributions shall be levied as a condition of resource consent. The process for both residential and non-residential development is shown below.

Residential

The financial contribution shall be notified as a condition of resource consent (typically subdivision) when the consent is granted.

For subdivisions, the invoice shall be generated at the time the Section 224 Certificate is requested.

Once the payment of the financial contribution is received and all other conditions are met, the Section 224 Certificate shall be issued.

For residential developments subject to a land use consent, or established as a permitted activity, an invoice will be generated before the building consent is uplifted. The development will only be a permitted activity if the applicant has paid financial contributions. If the applicant has not paid financial contributions at the building consent stage, we can issue a certificate in terms of Section 37 of the Building Act 2004, requiring the applicant to apply for resource consent.

Non-Residential

The financial contribution for non-residential development will be assessed at the building consent stage. However, the financial contributions shall be levied as a condition of resource consent. A resource consent will be required for:

- A permitted activity - the development will only be a permitted activity if the applicant has paid financial contributions. If the applicant has not paid financial contributions at the building consent stage, we can issue a certificate in terms of Section 37 of the Building Act 2004, requiring the applicant to apply for resource consent.
- Not a permitted activity – a resource consent will be required as per standard practice for the development.

The invoice shall be generated before the building consent is uplifted.

Once the payment of the financial contribution is received and all other conditions are met, the building consent may be uplifted.

Any land use not identified as a controlled activity, a restricted discretionary activity, a discretionary activity or a prohibited activity elsewhere in this plan and that complies with all the relevant conditions is a permitted activity.

Non-Payment

On time payment is important because, until the financial contributions have been paid in full, Council may:

- withhold Section 224 Certificate being issued.
- prevent a building consent being uplifted or issued, or prevent the commencement of the building. Council may also retain the right to pursue all normal debt collection processes should payment be withheld.

1.7. Exemptions / Discounts

Council wishes to encourage residential growth and a range of dwelling typologies in certain areas in order to revitalise the city, town and local centres. Accordingly, the exemptions/discounts to financial contributions below shall apply for the following developments. Note: the extent of the exemption/discount areas referred to in Sections .7.1 – 1.7.3 below are ampeped on Council's Intramaps, available online at napier.govt.nz.

1.7.1 City Centre

A new residential unit within the Art Deco Quarter and Inner City Commercial Zone within an existing gross floor area shall be exempt 80% of the financial contribution. Any new residential unit in addition to the existing floor area will be exempt by 50%. This reflects the fact that where a conversion development occurs within the existing built city environment, there is not always an established link between residential activity and an increased demand on services like 3-waters and transportation. However, there is an increase in demand for community infrastructure and parks/reserves, and from the new floor area that did not previously exist.

1.7.2 Fringe City and Taradale Centre

Any multi-unit residential development within Fringe Commercial Zone and Taradale Suburban Commercial Zone shall be exempt 50% of the financial contribution.

1.7.3 Proximity to Local Centre

Any multi-unit residential development in close proximity to the main commercial centers in Marewa, Napier South, Onekawa, Greenmeadows, Maraenui, Taradale and Tamatea (as defined in the map in Figure 4) shall be assessed based on the number of bedrooms in each apartment/unit. This is considered a fair way to reflect the lower demand typically created by smaller apartments compared to a residential dwelling, and is intended to encourage intensification and a range of dwelling typologies close to local centres. The exemptions shall be:

- One bedroom unit 50% exemption
- Two bedroom unit 33% exemption
- Three or more bedroom unit 0% exemption

The greater of the above exemptions shall be applied, however, a single development may only be granted one exemption. The approval of an exemption should be agreed prior to resource consent being granted so the exemption is made clear in the conditions of consent.

1.7.4 Non-connection

Where a development does not connect to Council's water supply, wastewater, and/or stormwater network, the development shall be exempt from these components of the financial contributions.

1.8. Extraordinary Circumstances

Council reserves the discretion to enter into specific arrangements with a developer for the provision of particular infrastructure to meet the special needs of a development, for example where a development requires a special level of service or is of a type or scale that is not readily assessed in terms of units of demand, or is developed through a legislative consent process outside of the RMA.

1.9. Refunds and Postponements

For the purposes of this Policy, refunds and/or postponements on payment of Financial Contributions will not be applied.

1.10. Tax - GST

Financial contributions required will incur a Goods and Services Tax at the appropriate rate. All figures in the above tables in this section are as on 1st July 2021 and are shown inclusive of GST of 15%.

1.11. Future indexing

Financial contributions for subsequent years (taking into account indexation) will be shown in Council's Schedule of Fees and Charges, available from 1st July each year. These will be adjusted based on the latest Producer Price Index (EE Construction SQNEE0000).

1.12. Example calculations

The following tables provides a range of examples for calculations of subdivision and developments in Napier city.

Variable	Inputs/Calculations	Unit
Location	Mission Special Character Zone	
Development type	Subdivision	
Lots	50	lots
Non-local Off-Site Contributions	$26,106	inc GST
Local Off-Site Contributions	$1,352	inc GST
On-Site Contributions	$0	inc GST
Sub-Total ($/lot)	$27,459	per lot
TOTAL Financial Contribution	**$1,372,933**	**inc GST**

Variable	Inputs/Calculations	Unit
Location	Urban Infill - within exemption zone	
Development type	Subdivision	
Lots	4	lots
Non-local Off-Site Contributions	$32,145	inc GST

Local Off-Site Contributions	$3,240	inc GST
On-Site Contributions	$0	inc GST
Sub-Total ($/lot)	$35,385	per lot
Exemption @ 50%	$17,692	per lot
Revised Sub-Total ($/lot)	$17,692	per lot
TOTAL Financial Contribution	**$70,770**	**inc GST**

Variable	Inputs/Calculations	Unit
Location	Urban Infill	
Development type	Development - high density apartments	
Lots	1	lot
Apartments - 1 bedroom	10	units
Apartments - 2 bedroom	10	units
Non-local Off-Site Contributions	$32,145	inc GST
Local Off-Site Contributions	$3,240	inc GST
On-Site Contributions	$0	inc GST
Sub-Total ($/unit)	$35,385	per lot
Exemption @ 50% for 1 bedroom	$17,692	inc GST
Exemption @ 33% for 2 bedroom	$11,677	inc GST
Revised Sub-Total ($/unit) - 1 bedroom	$17,692	per lot
Revised Sub-Total ($/unit) - 2 bedroom	$23,708	per lot
TOTAL Financial Contribution	**$414,002**	**inc GST**

Variable	Inputs/Calculations	Unit
Location	Te Awa	
Development type	Subdivision	
Lots	30	lots
Land area	2	Ha
Road frontage	175	m
Non-local Off-Site Contributions	$29,519.53	inc GST
Local Off-Site Contributions (per Ha)	$706,026.43	inc GST
Local Off-Site Contributions (per m road frontage)	$4,582.09	inc GST
On-Site Contributions	$0.00	inc GST
Sub-total Non-local Off-Site Contributions	$885,586	inc GST
Sub-total Local Off-Site Contributions (Land aria)	$1,412,053	inc GST
Sub-total Local Off-Site Contributions (Road frontage)	$801,865	inc GST
TOTAL Financial Contribution	**$3,099,504**	**inc GST**

Variable	Inputs/Calculations	Unit
Location	Napier City	
Development type	Commercial Development - Retail shop	
Gross floor area	1,000	m2
Pervious land area	1,250	m2
Land area	2,000	m2
Lots	1	lot
Vehicle movements - traffic impact assessment	200	vpd
Water supply - Gross floor area ($/m2)	$10.00	inc GST
Water supply - Pervious land area ($/m2)	$3.75	inc GST
Wastewater - Gross Floor Area ($/m2)	$6.97	inc GST
Stormwater - Land Area ($/m2)	$6.82	inc GST
Road & Transportation - unit ($/unit)	$16,664	inc GST
Sub-total Water supply - Gross floor area	$9,997	inc GST
Sub-total Water supply - Pervious land area	$4,688	inc GST
Sub-total Wastewater - Gross Floor Area	$6,974	inc GST
Sub-total Stormwater - Land Area	$13,647	inc GST
Sub-total Road & Transportation - unit	$416,596	inc GST
TOTAL Financial Contribution	**$451,903**	**inc GST**

2. Policy Details

2.1. Requirement to have a policy

Council is required to have a policy on development contributions and financial contributions as a component of its funding and financial policies in its Long Term Plan under section 102(2)(d) of the LGA02. This Financial Contributions Policy meets that requirement.

2.2. Funding summary

Over the next 10 years, Council plans to spend nearly $143M on infrastructure partially or wholly needed to meet the increased demand for community facilities resulting from growth/development. Of this cost, 13% percent will be funded from financial contributions. A summary by asset grouping is shown below.

Table 3: NCC 2024-34 Three Year Plan Capital Programme - Growth Capital

Activity Group	Total Capital Programme 2024-34 ($000)	Growth Related Capital 2024-34 ($000)	Portion funded by FCs %	Other
City Strategy	3,165	342	11%	89%
Community and Visitor Experiences	267,172	20,403	8%	92%
Other Infrastructure	33,684	4,791	14%	86%
Property Assets	117,716	116	0%	100%
Stormwater	120,645	14,602	12%	88%
Support Units	58,312	4,525	8%	92%
Transportation	248,818	22,959	9%	91%
Wastewater	189,103	49,250	26%	74%
Water Supply	98,671	25,993	26%	74%
Totals	**1,137,286**	**142,981**	**13%**	**87%**

2.3. General purposes for which financial contributions may be used

Council has decided to fund these growth related costs from financial contributions under the *Resource Management Act 1991* for the following activities:

- Water Supply
- Wastewater Disposal
- Waste Disposal
- Sports and Reserves
- Roads and Transportation
- Recreation Facilities
- Stormwater Disposal
- Library Facilities

2.4. Considerations for funding growth costs

In forming this view, Council has considered the matters set out in section 101(3) of the LGA02 within its Revenue and Financing Policy, and within this Policy.

Council is required under Section 106(2)(c) of the LGA02 to explain within this Policy why it has decided to use financial contributions to fund capital expenditure relating to the cost of growth. This assessment is below.

Council generally outlines its community outcomes in the Long Term Plan. For the 2024-2027 period, Council has outlined strategic priorities for its Three Year Plan. The funding of capital expenditure for growth for water supply, wastewater, stormwater, road, reserves, and community infrastructure will contribute to, and align with, the strategic priorities in this three year term. The strategic priorities are listed below.

Priority	Summary
Nurturing authentic relationships with our community and partners	Council fosters meaningful relationships, demonstrating our commitment to listen to our community's needs, concerns, and aspirations. Developing strong partnerships with mana whenua and tanaga whenua ensures we uphold our obligations under Te Tiriti o Waitangi.
Financially sustainable Council	Council has an operating model and financial strategy which is affordable for rate payers and enables us to achieve our objectives.
A Great Visitor Destination	Napier is a destination aspiring to provide 'world class' facilities and attract visitors to our city. We make it easy for people to invest in our city and create experiences that attract widespread participation.
Spaces and places for all	Napier has spaces and places that everyone has access to and wants to use. We have a focus on accessibility, affordability, safety, and city vibrancy.
A resilient city – the ability to thrive and withstand impacts, knocks, and shocks	Council makes good future planning and investment decisions to prepare for a changing climate future and enables our community to build self-reliance. Our people, economy and infrastructure are resilient.

Council has also considered the funding of growth-related costs specific to the other matters required by s101 (3) of the LGA. A summary of this assessment is below.

Who Benefits / whose act creates the need	A significant portion of Council's work programme over the next 30 years is driven by development or has been scoped to ensure it provides for new developments. The extent to which growth is serviced by, and benefits from, an asset or programme as well as how much it serves and benefits existing ratepayers is determined for each asset or programme. Council believes the growth costs identified through this process should be recovered from development as this is what creates the need for the expenditure and /or benefit principally from new assets and additional network capacity. Where and to the extent that works benefit existing residents and businesses, those costs are recovered through rates. The geographical areas are defined by the maps in the District Plan and summarised in Part 1 of this policy.
Period of benefit	The assets constructed for development provide benefits and capacity for developments now and developments in the future. In many cases, the 'capacity life' of such assets spans decades. Financial contributions are used to recover the capital costs to service an entire development area, over the capacity life of assets. Developments that benefit from the assets will contribute to its cost, regardless of whether they happen now or in the future.
Funding sources & REASONING for separate funding	The cost of supporting development in Napier City is significant. Financial contributions send clear signals to the development community about the cost of growth and the capital costs of providing infrastructure to support that growth. The benefits to the community are significantly greater than the cost of policy making, calculations, collection, accounting, and distribution of funding for financial contributions.
Overall impact of liability on the community	Council has also considered the impact of the overall allocation of liability on the community. In this case, the liability for revenue falls directly with the development community. Council considers that the level of financial contributions is affordable and does not consider it likely that there will be an undue or unreasonable impact on the social, economic, and cultural wellbeing of this section of the community. Moreover, shifting development costs onto ratepayers is likely to be perceived as unfair to existing residents as it would significantly impact the rates revenue required. Existing residents do not cause the need, or benefit directly from the growth infrastructure, needed to service new developments. Overall, Council considers it fair and reasonable to use financial contributions to fund the costs of growth-related capital expenditure for community facilities, and that the social, economic, and cultural interests of Napier's communities are best advanced this way.

2.5. Implementation and review

It is anticipated that this Policy will be updated on a three-yearly basis or at shorter intervals if Council deems it necessary. Any review of the Policy will take account of the following:

- Any changes to significant assumptions underlying the Financial Contributions Policy.
- Any changes in the capital development works programme for growth.
- Any changes in the pattern and distribution of development in the District.
- Any changes that reflect new or significant modelling of the networks.
- The regular reviews of the Revenue and Financial Policies, and the Long Term Plan.
- Any other matters Council considers relevant.
- Any review of the Urban Growth Study and Essential Services Development Plans.
- Any changes in legislation.

2.6. Significant Assumptions of the Financial Contributions Policy

Council has taken an approach to ensure that the cumulative effect of development is considered with a system- wide view. This Policy considers the specific infrastructure demands created by individual developments in the
context of Council's wider community responsibilities as an infrastructure service provider.

The capital expenditure budgets and projected estimates of future asset works are based on the best available knowledge at the time of preparation. The Policy will be updated, as practical, to reflect better information as it becomes available.

Council continues to work with its neighboring and regional councils to provide for and manage the demand for both residential and non-residential growth.

The key risks that Council will continue to monitor and mitigate are as follows:

- That the costs required to service the development areas is higher than forecast resulting in a funding gap of the growth costs.
- That the growth predicted does not eventuate, resulting in a change to the assumed rate of development and impacting council's revenue.
- Development may occur in areas not considered in the operative District Plan, and therefore may not have appropriate funding mechanisms in place to recover the costs.
- Decisions on the zoning pattern in the proposed District Plan may affect the location and uptake of development.
- The potential changes to existing legislation, e.g. RMA reform, 3-Waters reform, fast tracked development areas.

To guard against the above, Council will continue to monitor the rate of growth, the timing of the delivery of assets/capacity and the funding policies in place, as required.

3. Supporting information

3.1. Inflation indexes

As permitted in the operative District Plan, the financial contributions in Part 1 of this policy have been adjusted based on the Producer Price Index (EE Construction SQNEE0000). The indexes are based on the following clauses in the operative District Plan:

- Residential (notes below Table 1 (Chapter 65) Residential and Rural Financial Contributions);

All figures in the table are as at 1 July 2010 - 30 June 2011 (based on December 2009 indices)

- Non-Residential (Chapter 65; 65.13 Indexing of Financial Contributions)

The financial contributions stated elsewhere in this Chapter are as at 1 July 2005 - 30 June 2006 (based on December 2004 PPI values) for Commercial and Industrial financial contributions.

The index and the adjustment for the residential and non-residential financial contributions are shown in the table below.

PPI Quarter	Policy start date	Index	Residential % adjustment	Non-Residential % adjustment
Dec-04	1-Jul-05	721	n/a	**100%**
Dec-05	1-Jul-06	773	n/a	107%
Dec-06	1-Jul-07	858	n/a	119%
Dec-07	1-Jul-08	902	n/a	125%
Dec-08	1-Jul-09	960	n/a	133%
Dec-09	1-Jul-10	971	100%	135%
Dec-10	1-Jul-11	1,000	103%	139%
Dec-11	1-Jul-12	1,031	106%	143%
Dec-12	1-Jul-13	1,046	108%	145%
Dec-13	1-Jul-14	1,057	109%	147%
Dec-14	1-Jul-15	1,067	110%	148%
Dec-15	1-Jul-16	1,076	111%	149%
Dec-16	1-Jul-17	1,094	113%	152%
Dec-17	1-Jul-18	1,129	116%	156%
Dec-18	1-Jul-19	1,176	121%	163%
Dec-19	1-Jul-20	1,199	123%	166%
Dec-20	1-Jul-21	1,211	125%	168%
Dec-21	1-Jul-22	1,304	134%	181%
Dec-22	1-Jul-23	1,467	151%	203%
Dec-23	1-Jul-24	1,519	156%	211%

3.2. Original and indexed financial contributions

Table 4 : Infill, Residential and Rural Financial Contributions

Development Area	Non local Off Site Contributions				Local Off Site Contributions				On Site Contributions			
	Original - District Plan (exc GST)	1-Jul-24 (exc GST)	1-Jul 2021 (inc GST)	Units	Original - District Plan (exc GST)	1-Jul-24 (exc GST)	1-Jul-24 2021 (inc GST)	Units	Original - District Plan (exc GST)	1-Jul-24 (exc GST)	1-Jul-24 2021 (inc GST)	Units
Infill												
Urban Infill	$22,422	$27,952	$32,145	per lot/unit	$2,260	$2,817	$3,240	per lot/unit	$0	$0	$0	
Multi-storey	$19,893	$24,798	$28,517	per lot/unit	$57,485	$71,660	$82,410	per Ha	$0	$0	$0	
Jervoistown: Full Urban	$21,749	$27,112	$31,179	per lot/unit	$85,524	$106,615	$122,606	per Ha	$0	$0	$0	
Residential												
Citrus Grove	$21,695	$27,045	$31,101	per lot/unit	$699	$871	$1,002	per lot/unit	$113	$140	$162	per lot/unit
King/Guppy	$20,740	$25,854	$29,733	per lot/unit	$192,550	$240,033	$276,038	per Ha	$0	$0	$0	
					$719	$896	$1,030	per m road frontage	0	0	0	
Lagoon Farm	$21,534	$26,845	$30,872	per lot/unit	$699	$871	$1,002	per lot/unit	$0	$0	$0	
Mission Special Character Zone	$18,210	$22,701	$26,106	per lot/unit	$943	$1,175	$1,352	per lot/unit	$0	$0	$0	
Park Island	$21,761	$27,128	$31,197	per lot/unit	$699	$871	$1,002	per lot/unit	$0	$0	$0	
Te Awa	$20,591	$25,669	$29,520	per lot/unit	$492,490	$613,936	$706,026	per Ha	$0	$0	$0	
					$3,196	$3,984	$4,582	per m road frontage				

Rural											
Poraiti	$15,067	$18,782	$21,600	per lot/unit	$1,727	$2,154	$2,476	per lot/unit	$0	$0	$0
Lifestyle Chara.	$18,210	$22,701	$26,106	per lot/unit	$2,530	$3,153	$3,628	per lot/unit	$0	$0	$0
Jervoistown: Rural Infill	$17,595	$21,933	$25,223	per lot/unit	$7,389	$9,212	$10,593	per lot/unit	$0	$0	$0
					$8,622	$10,748	$12,360	per lot/unit			
					$109,554	$136,570	$157,054	per lot/unit			
All Other Rural Areas	$15,067	$18,782	$21,600	per lot/unit	$2,818	$3,513	$4,040	per lot/unit	$0	$0	$0

Table 5 : Non-residential financial contributions

	Original - District Plan (exc GST)	1/07/2024 (exc GST)	1/07/2024 2021 (inc GST)	Original - District Plan (exc GST)	1/07/2024 (exc GST)	1-Jul 2024 (inc GST)	Original - District Plan (exc GST)	1/07/2024 (exc GST)	1-Jul 2024 (inc GST)	Original - District Plan (exc GST)	1/07/2024 (exc GST)	1-Jul 2021 (inc GST)	Original - District Plan (exc GST)	1/07/2024 (exc GST)	1 July 2024 (inc GST)
Non-Residential based	**Gross floor area ($ per m2)**			**Pervious land area ($ per m2)**			**Gross floor area ($ per m2)**			**Land area ($ per m2)**			**Per every new lot/unit ($)**		
Office & shops	$5.18	$8.69	$10.00	$1.94	$3.26	$3.75	$3.61	$6.06	$6.97	$3.54	$5.93	$6.82	$8,632.34	$14,490.02	$16,663.53
Medical Clinics/Hospitals	$6.47	$10.86	$12.49	$1.94	$3.26	$3.75	$4.52	$7.58	$8.72	$3.54	$5.93	$6.82	$8,632.34	$14,490.02	$16,663.53
Warehouses/Factories/Network Utility Operations	$2.60	$4.35	$5.02	$1.94	$3.26	$3.75	$1.81	$3.04	$3.49	$3.54	$5.93	$6.82	$8,632.34	$14,490.02	$16,663.53
Unsealed Yards	$0.00	$0.00	$0.00	$1.94	$3.26	$3.75	$0.00	$0.00	$0.00	$0.90	$1.52	$1.74	$8,632.34	$14,490.02	$16,663.53
Non-Residential based	**Per church**			**Pervious land area ($ per m2)**			**Per church**			**Land area ($ per m2)**			**Per every new lot/unit ($)**		
Churches	$2,591.46	$4,349.96	$5,002.45	$1.94	$3.26	$3.75	$1,807.50	$3,034.02	$3,489.12	$3.54	$5.93	$6.82	$8,632.34	$14,490.02	$16,663.53

Residential based	Population ($ per head)			Pervious land area ($ per m2)			Population ($ per head)			Land area ($ per m2)			Per every new lot/unit ($)		
Residential Care Facilities	$194.42	$326.35	$375.31	$1.94	$3.26	$3.75	$135.47	$227.40	$261.50	$3.54	$5.93	$6.82	$8,632.34	$14,490.02	$16,663.53
Travellers' Accommodation	$194.42	$326.35	$375.31	$1.94	$3.26	$3.75	$135.47	$227.40	$261.50	$3.54	$5.93	$6.82	$8,632.34	$14,490.02	$16,663.53
Day Care Centres	$97.84	$164.23	$188.87	$1.94	$3.26	$3.75	$67.73	$113.69	$130.75	$3.54	$5.93	$6.82	$8,632.34	$14,490.02	$16,663.53
Educational Facilities	$97.84	$164.23	$188.87	$1.94	$3.26	$3.75	$67.73	$113.69	$130.75	$3.54	$5.93	$6.82	$8,632.34	$14,490.02	$16,663.53
Retirement Complexes	$193.17	$324.25	$372.89	$1.94	$3.26	$3.75	$135.47	$227.40	$261.50	$3.54	$5.93	$6.82	$8,632.34	$14,490.02	$16,663.53
	OR equivalent water connection (whichever is greater)						OR equivalent wastewater connection (whichever is greater)								
Connection Diameter (mm)	**Water Supply Contribution per connection**						**Wastewater Contribution per connection**								
15	$1,296	$2,175	$2,501				$904	$1,518	$1,746						
20	$2,307	$3,872	$4,453				$1,616	$2,712	$3,118						
25	$3,602	$6,047	$6,954				$2,522	$4,235	$4,869						
40	$9,213	$15,465	$17,785				$6,450	$10,826	$12,451						
50	$14,396	$24,165	$27,790				$10,077	$16,916	$19,453						
80	$36,849	$61,854	$71,131				$25,794	$43,297	$49,792						
100	$57,579	$96,650	$111,148				$40,306	$67,656	$77,804						

3.3. Maps

Note: Maps are also available on Council’s GIS available online at napier.govt.nz

Figure 1 : District Plan Map of development areas

CITY OF NAPIER DISTRICT PLAN *Appendix 31 – Financial Contribution Areas*

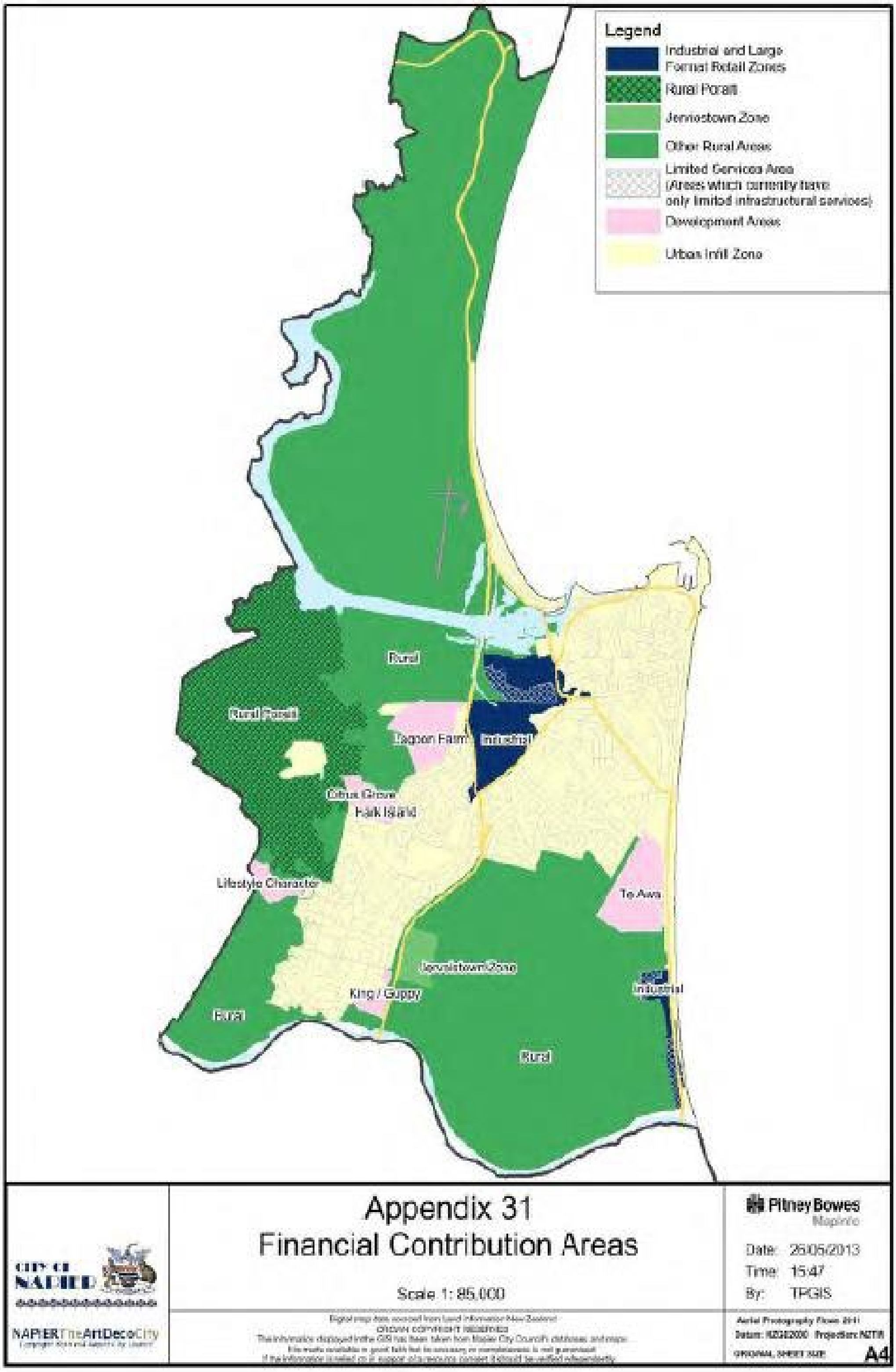


Figure 2 : Financial contributions zones

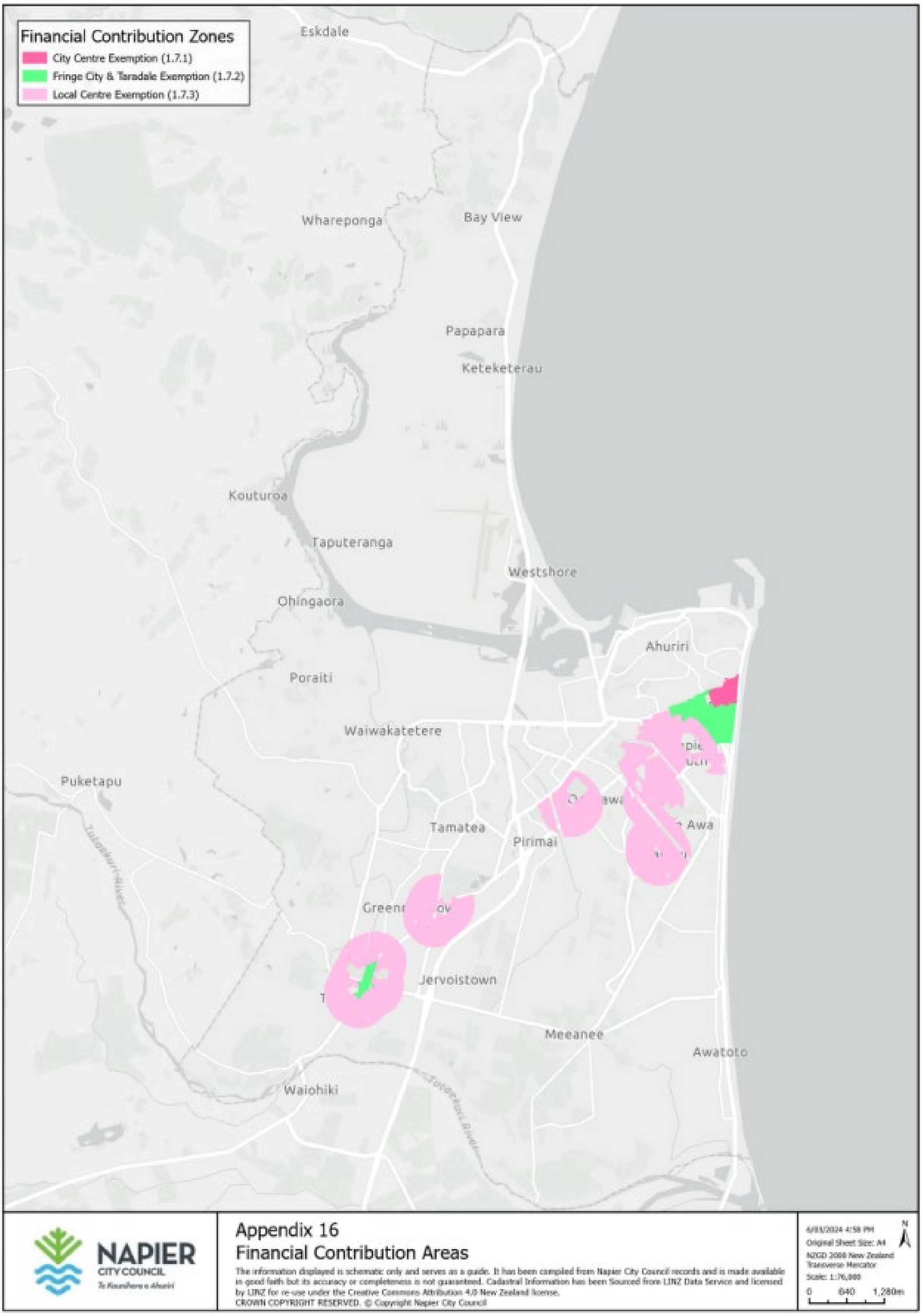


Figure 3 : Taradale Centre Exemption area applicable to Taradale Town Centre zone and Southern Fringe

Figure 4 : Financial contribution where exemptions as per Section 1.7 of this policy apply

The exemption applies to main commercial centers in Marewa, Napier South, Onekawa, Greenmeadows, Maraenui, Taradale and Tamatea as per map below.

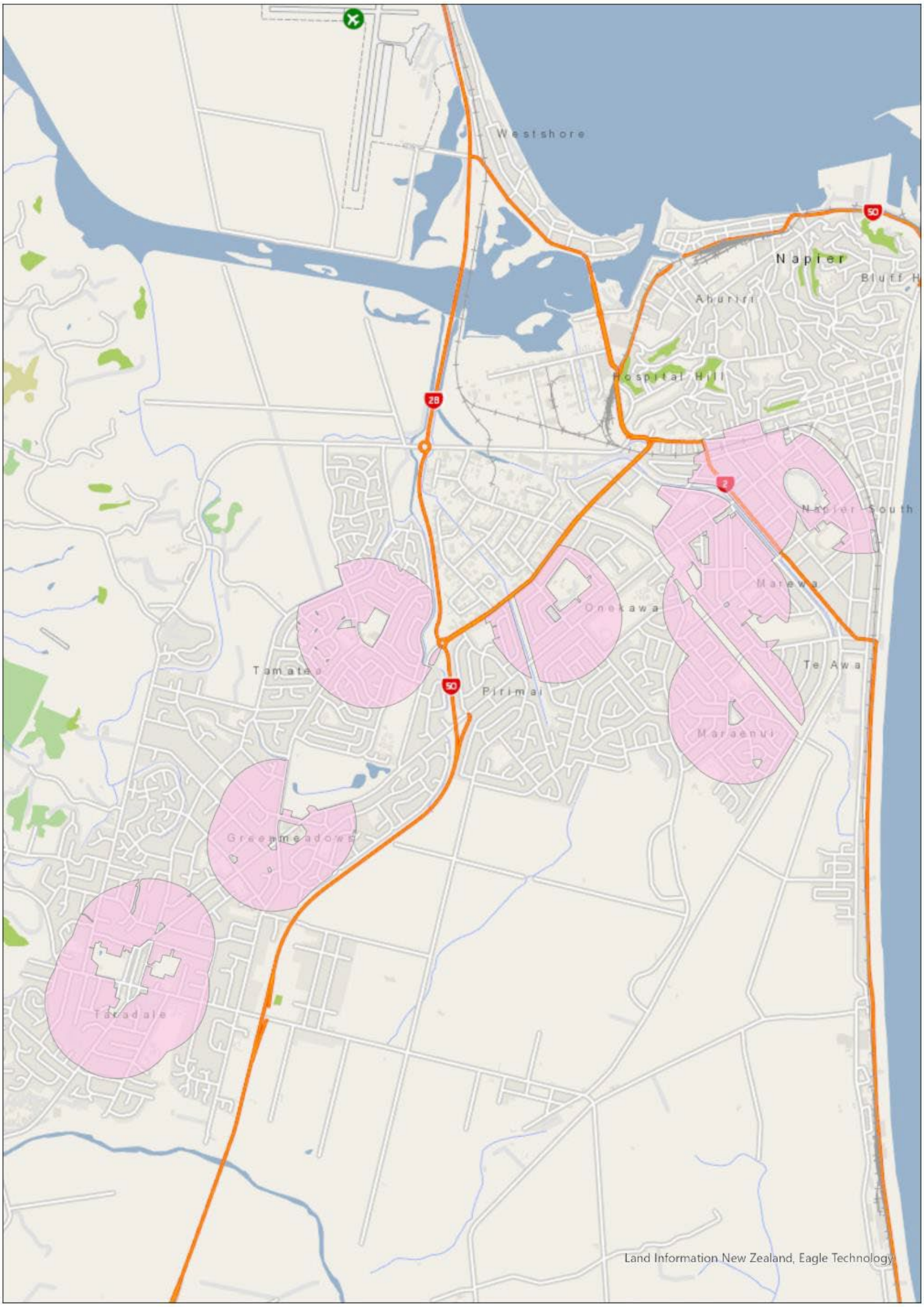


Figure 5 : Mission Special Character Zone Structure Plan

CITY OF NAPIER DISTRICT PLAN *Appendix 26B-1*

Appendix 26B – 1: Mission Special Character Zone Structure Plan - Overall Map

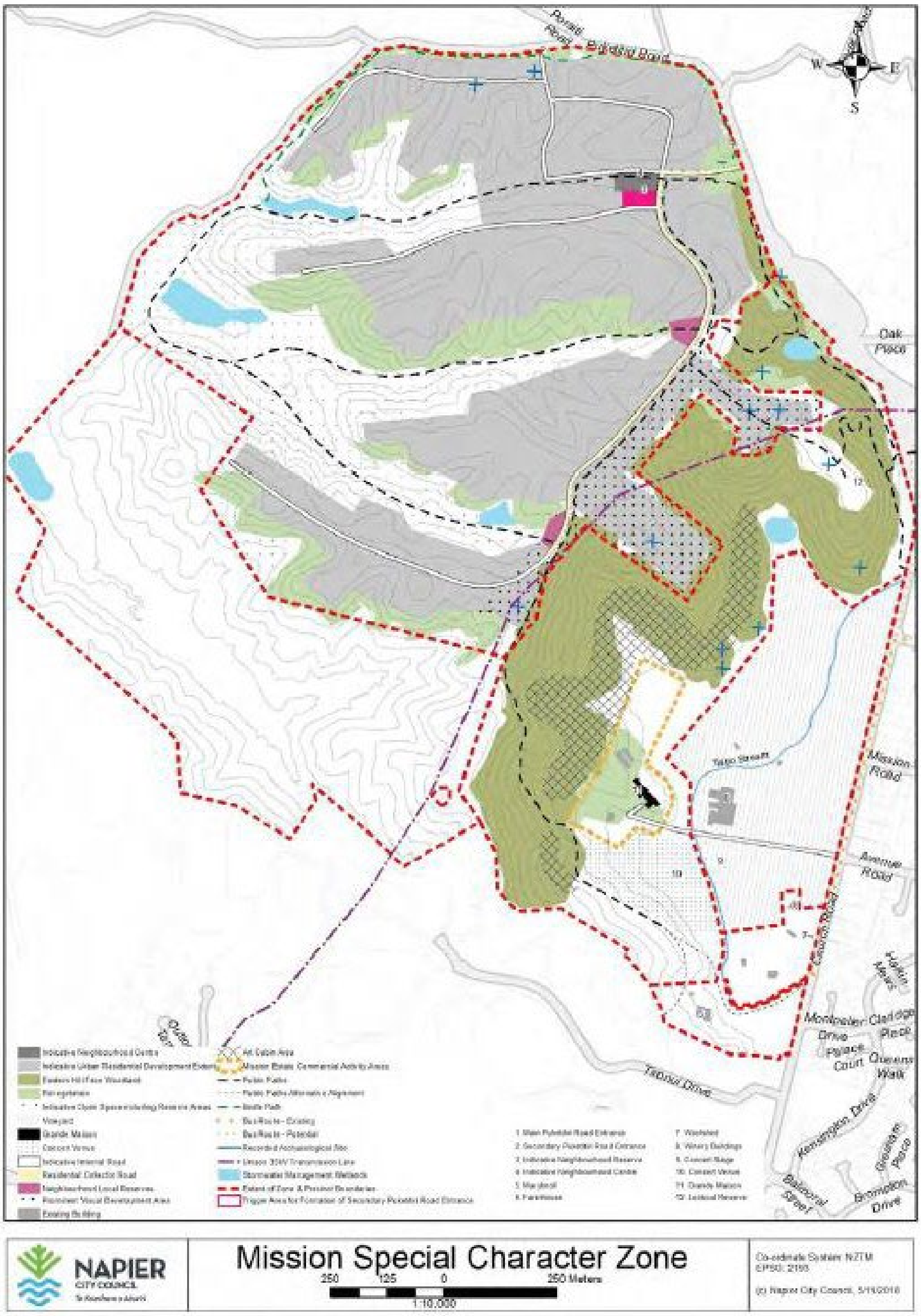


Figure 6 : Lagoon Farm, Citrus Grove and Park Island

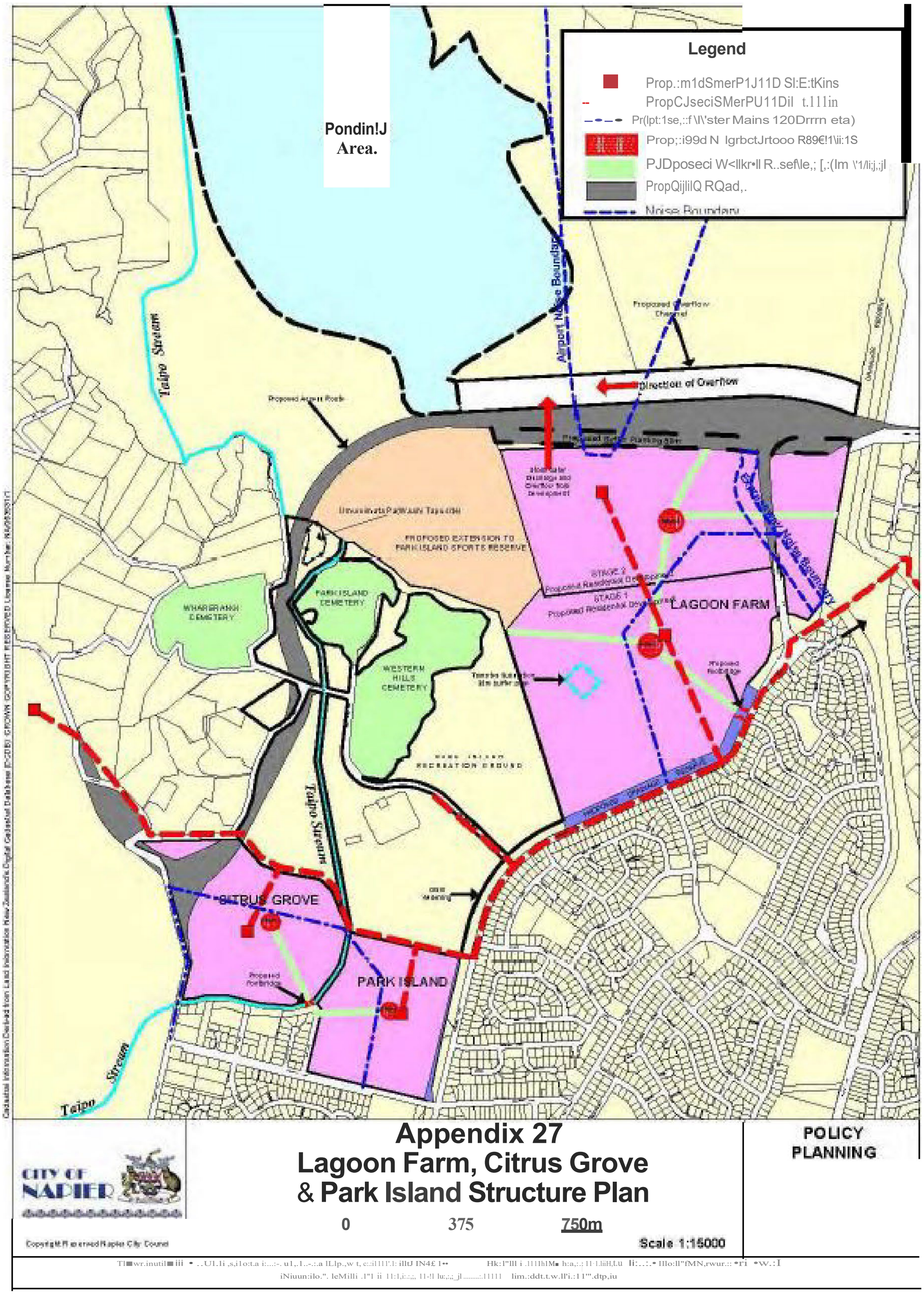


Figure 7 : Jervistown Zone Structure Plan

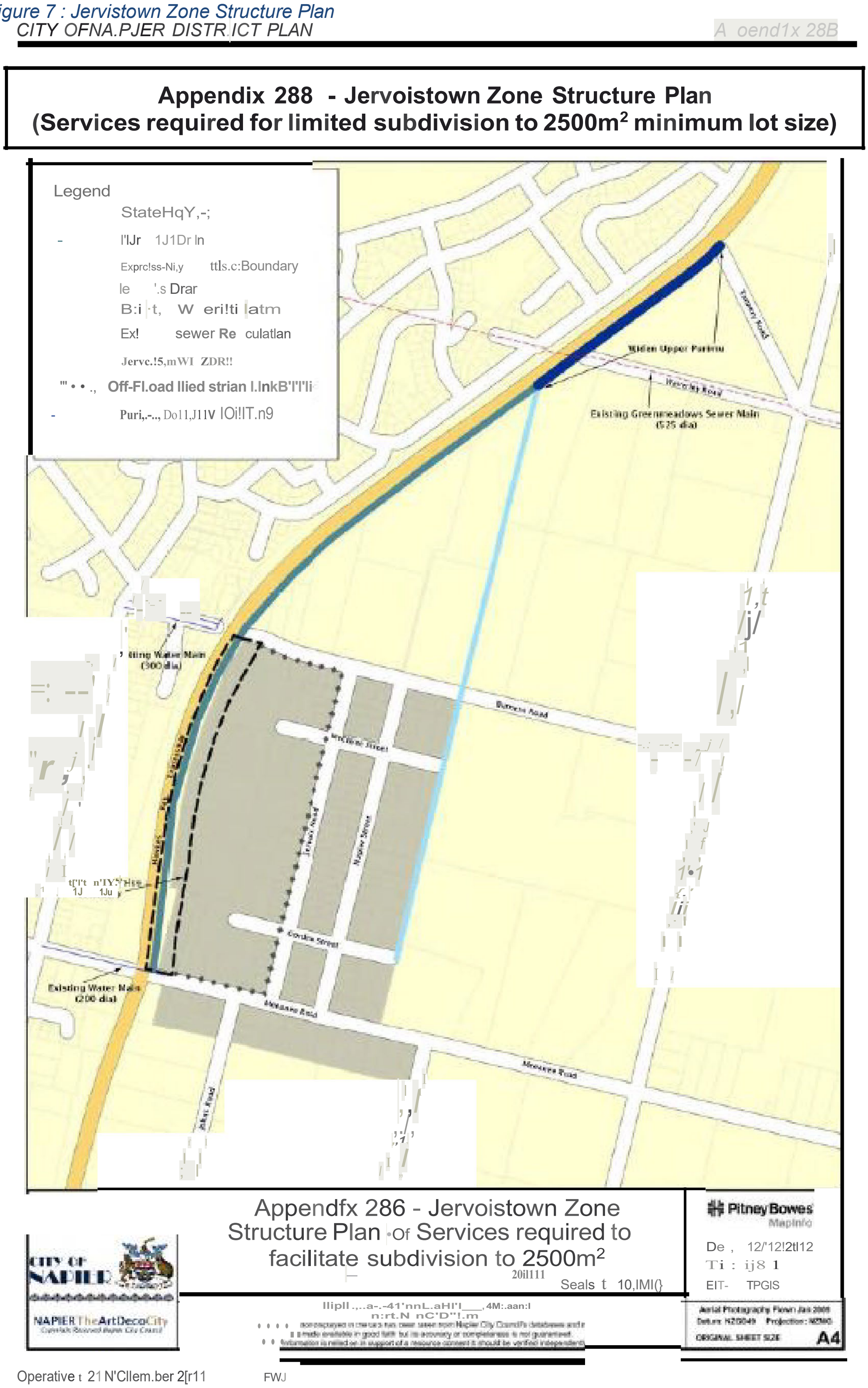
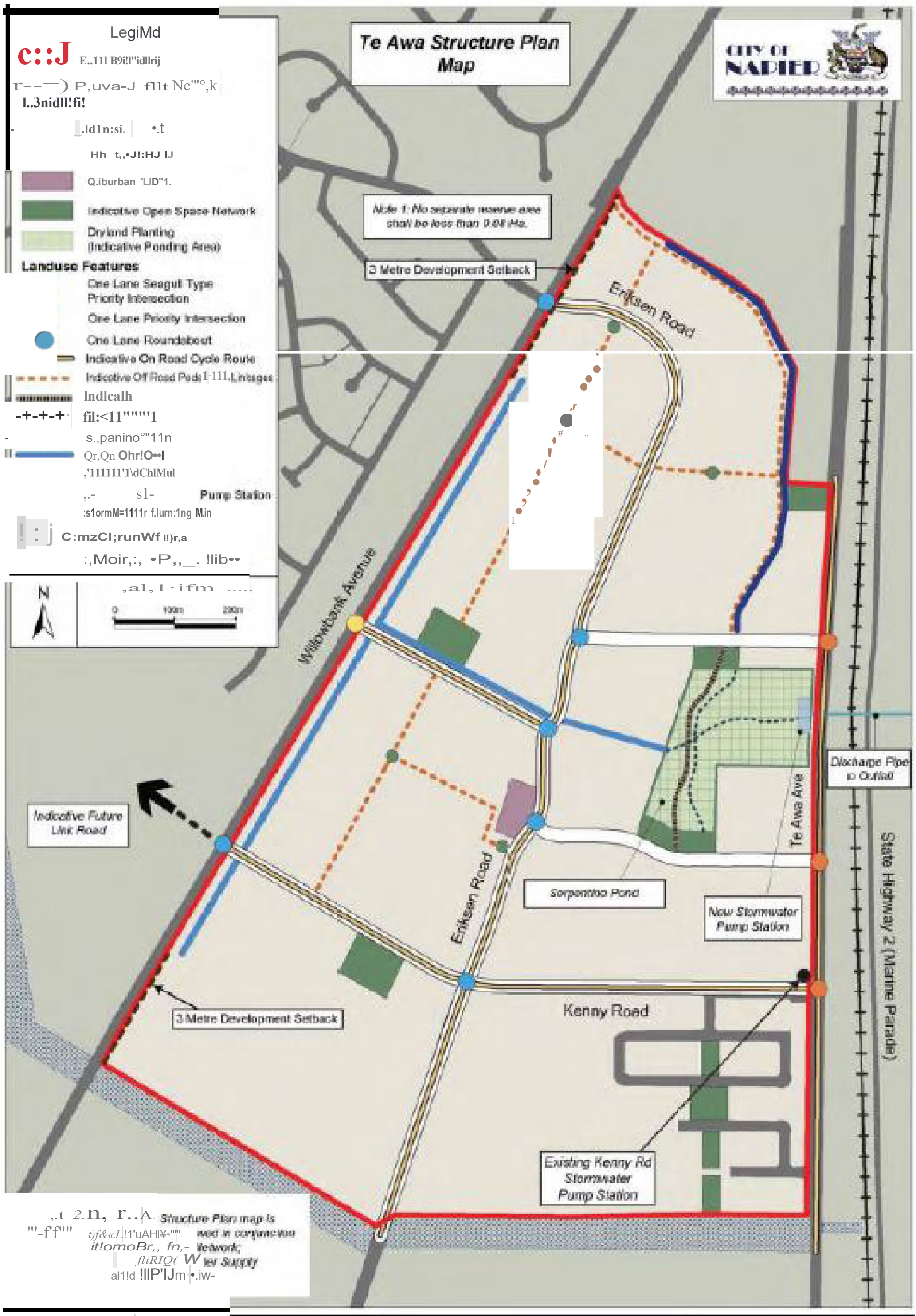


Figure 8 : Te Awa

CJTY OF NAPIER DISTRICT PLAN ADoendix 29B

Append.ix 29B Te Awa Structure Plan M.ap



(Last Amended 9 June 2012)

3.4. Definitions

Allotment/lot has the same meaning as set out in Section 218 of the ACT.

Bedroom: a room of minimum $6m^2$ in area, which could be used for sleeping in, usually containing a bed.

Commercial Activity means the USE of LAND and BUILDINGS for the display, offering, provision, sale or hire of goods, equipment or service and includes retailing, TRAVELLERS' ACCOMMODATION, DAY CARE CENTRE and off-licence premises and wholesale liquor outlets, but does not include EDUCATION FACILITIES or any BUSINESS OF PROSTITUTION**.**

Council means the Napier City Council or any committee or elected member of Council or any officer authorised to exercise the functions, duties or powers of the Council.

Dwelling Unit means a BUILDING or part of a BUILDING designed for residential purposes and occupied or intended to be occupied exclusively as the home or residence of not more than one HOUSEHOLD and includes an apartment, a flat including kaumatua flats and a RESIDENTIAL CARE FACILITY, but does not include a SUPPLEMENTARY UNIT. Second kitchen facilities in conjunction with service facilities constitutes a second dwelling unit.

Financial Contribution means a contribution as set out in section 108(9) of the ACT.

Greenfield Development means an area zoned for the purpose of allowing intensive 'Land Development'. Existing Greenfield sites are identified in Appendix 31 of this Plan as 'Development Areas'. For all new Greenfield areas, Council will consider:

i) the need for a Structure Plan that indicates the services to be provided by the developer, and

ii) the financial contributions that will be required to avoid, remedy or mitigate any environmental effects associated with land development

New Greenfield areas will be introduced to the Plan by way of a variation or Plan Change or at the time of a Plan review.

Gross Building Area means the sum of the area of all BUILDINGS on a SITE as viewed vertically from above and includes all eaves and overhangs.

Gross Floor Area means the sum of the area of all floors of all BUILDINGS on a SITE measured from the outside walls on every floor and includes enclosed conservatories and enclosed decks but does not include open and covered decks.

Industrial Activity means the USE of LAND and/or BUILDINGS for the primary purpose of manufacturing, assembling, testing, fabricating, processing, packing or associated storage of goods and the servicing and repair of goods and vehicles and includes SERVICE STATIONS and TRANSPORT DEPOTS, and STORAGE OF TYRES.

Infill Development means the further subdivision and/or development of an existing site, but excluding the development areas identified in Appendix 31. (For the purposes of this Plan all sites are deemed to be existing, except those specifically identified as Greenfield or development areas).

Infrastructure means those built STRUCTURES necessary for operating and supplying NETWORK UTILITY OPERATIONS and services to the community including, but not limited to, RADIOCOMMUNICATIONS, TELECOMMUNICATIONS, natural or manufactured fuel, electricity, water, drainage, sewerage, ROADS, railway lines and airports.

Land Development and Development means any land use:

- Involving SUBDIVISION; (including all associated network utility operations required to service the subdivision); or

- Involving MULTI-UNIT DEVELOPMENT; (including all associated network utility operations required to service the multi unit development); or
- Requiring EARTHWORKS design pursuant to Chapter 52A; or
- Requiring an extension to one or more of the COUNCIL'S existing NETWORK UTILITY OPERATIONS.

LGA means the Local Government Act 2002.

Multi-Unit Residential Development in respect means any BUILDING or group or groups of BUILDINGS on the same SITE which contains, whether attached or detached, two or more HOUSEHOLDS and subject to the exceptions hereinafter listed includes all apartment buildings and flats, but shall not include any of the following:

(a) TRAVELLERS' ACCOMMODATION.

(b) staff accommodation at HEALTH CARE CENTRES or EDUCATION FACILITIES.

RMA or the Act, means the Resource Management Act 1991 and its amendments

Resource Consent has the same meaning as set out in Section 2 of the ACT.

Residential Activity means the USE of LAND and BUILDINGS (including ACCESSORY BUILDINGS such as garages, carports and storage sheds) by a HOUSEHOLD (whether any person is subject to care, supervision or not), and includes RESIDENTIAL CARE FACILITIES but does not include HOME OCCUPATIONS, or TRAVELLERS' ACCOMMODATION.

Rural Environment means any area of LAND identified in this PLAN as being included in the Main Rural, Rural Residential, Rural Commercial, Rural Conservation, Rural Settlement Jervoistown or Lifestyle Character zones.

Supplementary Unit means a single bedroomed BUILDING located on the same SITE as a DWELLING UNIT, used or intended to be used solely for residential purposes and occupied or intended to be occupied as a home or residence.

NAPIER CITY COUNCIL
Te Kaunihera o Ahuriri

Financial Contributions Policy			
Approved by	Council		
Department	City Strategy		
Original Approval Date	~~29 June 2021~~2024	**Review Approval Date**	
Next Review Deadline	~~30 June 2022~~2024	**Document ID**	~~1301563~~
Relevant Legislation	The Local Government Act 2002, Resource Management Act 1991		
NCC Documents Referenced	Not Applicable		

Contents

Overview

Purpose of the Policy

Population and business growth create the need for new subdivisions and developments, and these place increasing demands on the assets and services provided by Council. As a result, significant investment in new or upgraded assets and services is required to mitigate the environmental effects and meet the demands of growth. In this policy, this investment is termed the cost of growth.

Under Section 106 of the *Local Government Act,* Napier City Council can require development or financial contributions from developers to help fund the cost of new or expanded infrastructure and services that are required to meet the additional demand created by growth, and/or to avoid, remedy, or mitigate any adverse effects resulting from land development and subdivision.

Council intends to achieve this in the short term by using Financial Contributions under the *Resource Management Act 1991* (RMA91). This approach covers all types of development (residential and non-residential) and is a city-wide approach for development anywhere in Napier City.

Navigating this document

Part 1: Policy operation - provides information needed to understand if, when, and how financial contributions will apply to developments. It also explains peoples' rights and the steps required to properly operate the Policy. The key sections are:

- The contributions – how much will be levied.
- When financial contributions are levied and paid
- Other operational matters

Part 2: Policy Details – requirements of the policy.

Part 3: Supporting Information - Policy maps, District Plan references and definitions.

Changes to the policy

This policy retains the use of financial contributions for residential and non-residential development used in the previous policy. ~~The main change is that non-residential developments will now also be levied a financial~~

~~contribution. This is consistent with Council's current operational practice; however, it is a change from the previous policy regarding the use of development contributions for non-residential development.~~Minor changes are proposed to the 2021 policy to clarify the timing of payment for residential developments; the application of exemption/discounts for identified areas; and to align with the Three Year Plan.

1. Policy Operation

Council's functions under the RMA include establishing and implementing methods to achieve integrated management of the effects of the use, the development or the protection of land, and the control of subdivision. The charging of financial contributions is an important mechanism in carrying out those functions and ensuring there are positive effects on the environment that avoid, remedy, or mitigate any adverse effects resulting from land development and subdivision. Council considers the existing financial contributions the simplest and most effective means of funding growth costs as they are in place for the main development areas that are partially developed, or about to be developed.

Financial Contributions are a component of the City of Napier District Plan (Nov 2011). Copies of the City of Napier District Plan can be viewed at the Napier and Taradale Public Libraries and on Napier City Council's website www.napier.govt.nz. This is termed the operative District Plan in~~s~~ this policy.

1.1. Assessment criteria

Chapter 65 of the operative District Plan specifies in detail the issues, objectives, policies, and rules relating to financial contributions. The provisions of the operative District Plan on financial contributions relate to the following matters:

1. Residential Subdivision
    a. On every subdivision the financial contribution per lot must be paid to the Council for each additional lot or certificate of title created by the subdivision.
    b. Financial contributions do not apply where the subdivision is solely for the purpose of creating a title for an existing dwelling unit.
2. Residential Multi-Unit Development
    a. On every multi-unit development for residential purposes, the financial contribution must be paid to the Council for the second and each subsequent unit of the development.
3. Industrial and Commercial Land Development
    a. On every land development for industrial and/or commercial purposes, the financial contribution must be paid to the Council for:
        i. Each additional lot or certificate of title created by the subdivision.
        ii. The second and each subsequent unit of development.
    b. Financial contributions do not apply where the subdivision is solely for the purpose of creating a title for an existing and lawfully established business unit.

    For non-residential developments where a resource consent would not normally be required (complying or permitted activity), Council may require a resource consent for the purpose of levying a financial contribution - see Section 1.6.

Financial contributions are established in the following three categories:

1. Non local (off site) 2. Local (off site)	Off Site Services means local services serving a particular locality provided at the time of land development (including subdivision) e.g. extended reticulation and sewer trunk mains and/or non-local services provided at district level in response to demand from new development e.g. increased sewage treatment capacity. Costs for off site services may be shared between various developers and the Council on behalf of existing sites.
3. On site	On Site Services means services within a land development (including a subdivision) paid for wholly by the developer and vested in the Council, e.g. on site sewer reticulation.

1.2. Summary of Financial Contributions

All financial contributions are summarised in the tables below for both residential and non-residential development. These have been indexed as permitted by the District Plan. The original financial contributions as per the operative District Plan, and the inflation indexes can be found in Part 3 of this policy.

Table 1 : Infill, Residential and Rural Financial Contributions

Development Area	Non local Off Site Contributions		Local Off Site Contributions		On Site Contributions	
	1 July 2021 (inc GST)	paid per	1 July 2021 (inc GST)	paid per	1 July 2021 (inc GST)	paid per
Infill						
Urban Infill	$32,144.57	per lot/unit	$3,240.35	per lot/unit		
Multi-storey	$28,517.61	per lot/unit	$82,409.58	per Ha		
Jervoistown: Full Urban	$31,178.94	per lot/unit	$122,606.48	per Ha		
Residential						
Citrus Grove	$31,101.62	per lot/unit	$1,001.60	per lot/unit	$161.83	per lot/unit
King/Guppy	$29,733.19	per lot/unit	$276,037.65	per Ha		
			$1,030.36	per m road frontage		
Lagoon Farm	$30,871.45	per lot/unit	$1,001.60	per lot/unit		
Mission Special Character Zone	$26,106.23	per lot/unit	$1,352.25	per lot/unit		
Park Island	$31,196.92	per lot/unit	$1,001.60	per lot/unit		
Te Awa	$29,519.20	per lot/unit	$706,026.13	per Ha		
			$4,581.81	per m road frontage		
Rural						

Poraiti	$21,599.94	per lot/unit	$2,476.12	per lot/unit	
Lifestyle Chara.	$26,106.23	per lot/unit	$3,626.96	per lot/unit	
Jervoistown: Rural Infill	$25,223.31	per lot/unit	$10,593.17	per lot/unit	
			$12,360.81	per lot/unit	
			$157,054.54	per lot/unit	
All Other Rural Areas	$21,599.94	per lot/unit	$4,040.55	per lot/unit	

~~Development Area~~	~~Non local Off Site Contributions~~		~~Local Off Site Contributions~~		~~On Site Contributions~~	
	~~1 July 2021 (inc GST)~~	~~paid per~~	~~1 July 2021 (inc GST)~~	~~paid per~~	~~1 July 2021 (inc GST)~~	~~paid per~~
~~Infill~~						
~~Urban Infill~~	~~$25,626.78~~	~~per lot/unit~~	~~$2,583.32~~	~~per lot/unit~~		
~~Multi-storey~~	~~$22,735.24~~	~~per lot/unit~~	~~$65,699.80~~	~~per Ha~~		
~~Jervoistown: Full Urban~~	~~$24,856.94~~	~~per lot/unit~~	~~$97,746.18~~	~~per Ha~~		
~~Residential~~						
~~Citrus Grove~~	~~$24,795.30~~	~~per lot/unit~~	~~$798.51~~	~~per lot/unit~~	~~$129.02~~	~~per lot/unit~~
~~King/Guppy~~	~~$23,704.34~~	~~per lot/unit~~	~~$220,066.88~~ ~~$821.44~~	~~per Ha~~ ~~per m road frontage~~		
~~Lagoon Farm~~	~~$24,611.80~~	~~per lot/unit~~	~~$798.51~~	~~per lot/unit~~		
~~Mission Special Character Zone~~	~~$20,812.80~~	~~per lot/unit~~	~~$1,078.06~~	~~per lot/unit~~		
~~Park Island~~	~~$24,871.28~~	~~per lot/unit~~	~~$798.51~~	~~per lot/unit~~		
~~Te Awa~~	~~$23,533.74~~	~~per lot/unit~~	~~$562,868.76~~ ~~$3,652.78~~	~~per Ha~~ ~~per m road frontage~~		
~~Rural~~						
~~Poraiti~~	~~$17,220.23~~	~~per lot/unit~~	~~$1,974.05~~	~~per lot/unit~~		
~~Lifestyle Chara.~~	~~$20,812.80~~	~~per lot/unit~~	~~$2,891.54~~	~~per lot/unit~~		
~~Jervoistown: Rural Infill~~	~~$20,108.91~~	~~per lot/unit~~	~~$8,445.25~~ ~~$9,854.47~~ ~~$125,209.38~~	~~per lot/unit~~ ~~per lot/unit~~ ~~per lot/unit~~		
~~All Other Rural Areas~~	~~$17,220.23~~	~~per lot/unit~~	~~$3,221.27~~	~~per lot/unit~~		

See Section 3.4 Definitions for the definition of lot and unit (dwelling unit).

Table 2 : Non-residential Financial Contributions

Development Type	Water Supply Contribution		Wastewater Contribution	Stormwater Contribution	Roads & Transportation Contribution
-	1 July 2024 (inc GST)	1 July 2024 (inc GST)	1 July 2024 (inc GST)	1 July 2024 (inc GST)	1 July 2024 (inc GST)
Non-Residential based	**Gross floor area ($ per m2)**	**Pervious land area ($ per m2)**	**Gross floor area ($ per m2)**	**Land area ($ per m2)***	**Per every new lot/unit ^ ($)**
Office & shops	$10.00	$3.75	$6.97	$6.82	$16,663.53
Medical Clinics / Hospitals	$12.49	$3.75	$8.72	$6.82	$16,663.53
Warehouses / Factories / Network Utility Operations	$5.02	$3.75	$3.49	$6.82	$16,663.53
Unsealed Yards	$0.00	$3.75	$0.00	$1.74	$16,663.53
Non-Residential based	**Per church**	**Pervious land area ($ per m2)**	**Per church**	**Land area ($ per m2)***	**Per every new lot/unit ($)**
Churches	$5,002.45	$3.75	$3,489.12	$6.82	$16,663.53
Residential based	**Population ($ per head)**	**Pervious land area ($ per m2)**	**Population ($ per head)**	**Land area ($ per m2)***	**Per every new lot/unit ($)**
Residential Care Facilities	$375.31	$3.75	$261.50	$6.82	$16,663.53
Travellers' Accommodation	$375.31	$3.75	$261.50	$6.82	$16,663.53
Day Care Centres	$188.87	$3.75	$130.75	$6.82	$16,663.53
Educational Facilities	$188.87	$3.75	$130.75	$6.82	$16,663.53
Retirement Complexes	$372.89	$3.75	$261.50	$6.82	$16,663.53
-	OR equivalent water connection (whichever is greater)		OR equivalent wastewater connection (whichever is greater)	* based on 60% sealed area max. Sealed areas greater than 60% pro rata.	^ A unit is 8 vehicle

Connection Diameter (mm)	Water Supply Contribution per connection	Wastewater Contribution per connection		
15	$2,559.00	$1,787.00		movements per day as defined in Chapter 65 of the District Plan (Table 2), being the average number of vehicle movements generated by a typical household
20	$4,556.00	$3,190.00		
25	$7,116.00	$4,982.00		
32	$11,656.00	$8163.00		
40	$18,196.00	$12,738.00		
50	$28,431.00	$19,902.00		
80	$72,775.00	$50,944.00		
100	$113,717.00	$79,603.00		

~~Development Type~~	~~Water Supply Contribution~~		~~Wastewater Contribution~~	~~Stormwater Contribution~~	~~Roads & Transportation Contribution~~
	~~1 July 2021 (inc GST)~~	~~1 July 2021 (inc GST)~~	~~1 July 2021 (inc GST)~~	~~1 July 2021 (inc GST)~~	~~1 July 2021 (inc GST)~~
~~**Non-Residential based**~~	~~**Gross floor area ($ per m²)**~~	~~**Pervious land area ($ per m²)**~~	~~**Gross floor area ($ per m²)**~~	~~**Land area ($ per m²)***~~	~~**Per every new lot/unit ^ ($)**~~
~~Office & shops~~	~~$7.97~~	~~$2.99~~	~~$5.56~~	~~$5.44~~	~~$13,284.75~~
~~Medical Clinics / Hospitals~~	~~$9.96~~	~~$2.99~~	~~$6.95~~	~~$5.44~~	~~$13,284.75~~
~~Warehouses / Factories / Network Utility Operations~~	~~$4.00~~	~~$2.99~~	~~$2.78~~	~~$5.44~~	~~$13,284.75~~
~~Unsealed Yards~~	~~$0.00~~	~~$2.99~~	~~$0.00~~	~~$1.39~~	~~$13,284.75~~
~~**Non-Residential based**~~	~~**Per church**~~	~~**Pervious land area ($ per m²)**~~	~~**Per church**~~	~~**Land area ($ per m²)***~~	~~**Per every new lot/unit ($)**~~
~~Churches~~	~~$3,988.13~~	~~$2.99~~	~~$2,781.65~~	~~$5.44~~	~~$13,284.75~~
~~**Residential based**~~	~~**Population ($ per head)**~~	~~**Pervious land area ($ per m²)**~~	~~**Population ($ per head)**~~	~~**Land area ($ per m²)***~~	~~**Per every new lot/unit ($)**~~
~~Residential Care Facilities~~	~~$299.21~~	~~$2.99~~	~~$208.48~~	~~$5.44~~	~~$13,284.75~~
~~Travellers' Accommodation~~	~~$299.21~~	~~$2.99~~	~~$208.48~~	~~$5.44~~	~~$13,284.75~~
~~Day Care Centres~~	~~$150.57~~	~~$2.99~~	~~$104.24~~	~~$5.44~~	~~$13,284.75~~
~~Educational Facilities~~	~~$150.57~~	~~$2.99~~	~~$104.24~~	~~$5.44~~	~~$13,284.75~~
~~Retirement Complexes~~	~~$297.28~~	~~$2.99~~	~~$208.48~~	~~$5.44~~	~~$13,284.75~~
	~~OR equivalent water connection (whichever is greater)~~		~~OR equivalent wastewater connection (whichever is greater)~~	~~* based on 60% sealed area max. Sealed areas greater than 60% pro rata.~~	~~^ A unit is 8 vehicle movements per day as defined in Chapter 65 of the District Plan (Table 2), being the average number of vehicle movements generated by a typical household~~
~~**Connection Diameter (mm)**~~	~~**Water Supply Contribution per connection**~~		~~**Wastewater Contribution per connection**~~		
~~15~~	~~$1,994.06~~		~~$1,391.79~~		
~~20~~	~~$3,549.93~~		~~$2,486.31~~		
~~25~~	~~$5,544.00~~		~~$3,881.96~~		
~~40~~	~~$14,178.50~~		~~$9,925.92~~		
~~50~~	~~$22,154.76~~		~~$15,508.52~~		
~~80~~	~~$56,708.23~~		~~$39,695.95~~		

~~100~~	~~$88,611.31~~	~~$62,028.30~~		

1.3. Capital contributions

In addition to the above financial contributions, the subdivider or developer is required to meet the cost of providing all infrastructure within land being developed or subdivided where the benefits accrue directly to the land being subdivided or developed.

Where existing infrastructure and services outside the land being subdivided or developed are inadequate for the existing development, the cost of upgrading or the provision of new facilities shall be shared fairly between the subdivider or developer and the Council if there is capital works of benefit to another area.

The subdivider or developer is required to meet the proportionate cost of upgrading infrastructure, or for the provision of new infrastructure, where the development/subdivision will necessitate such upgrading or new offsite services.

However, Council will still have the authority to require works or services, or seek cash or land contributions on new developments to avoid, remedy and mitigate the environmental effects of proposed developments through resource consent conditions or in accordance with any relevant rule in the District Plan or any transitional provision under the RMA.

1.4. Financial Contributions – Reserves

There is a long history of requiring subdivision of land to provide land or money for the purpose of providing public open space as reserves. Reserves are generally required as part of the subdivisions process since they provide the open space and recreation facilities and opportunities necessary to cater for additional demand generated and to protect or enhance amenity values.

As communities grow, there is a need to provide recreation and open space to meet their needs and requirements. The guiding principle in the determination of reserves requirements relating to city growth is the preservation of the current ratio of recreational reserves per residential lot.

This ratio for Napier has been calculated at 75 m^2 per residential property and is considered both satisfactory by current users and appropriate for the future.

1.5. Land, works or assets provided in lieu of financial contributions

Where the developer provides assets that council would typically provide, in lieu of financial contributions, the amount of the works shall be off-set against the total financial contribution applicable. The mechanism of how the total contributions is calculated (per lot, per metre road frontage, per hecatre) will not be considered as part of the off-set calculation.

1.6. Timing of assessment, invoicing and payment

All financial contributions shall be levied as a condition of resource consent. The process for both residential and non-residential development is shown below.

Residential

The financial contribution shall be notified as a condition of resource consent (typically subdivision) when the consent is granted.

~~The~~ For subdivisions, the invoice shall be generated at the time the Section 224 Certificate is requested.

Once the payment of the financial contribution is received and all other conditions are met, the Section 224 Certificate shall be issued.

For residential developments subject to a land use consent, or established as a permitted activity, an invoice will be generated before the building consent is uplifted. The development will only be a permitted activity if the applicant has paid financial contributions. If the applicant has not paid financial contributions at the building consent stage, we can issue a certificate in terms of Section 37 of the Building Act 2004, requiring the applicant to apply for resource consent.

Non-Residential

The financial contribution for non-residential development will be assessed at the building consent stage. However, the financial contributions shall be levied as a condition of resource consent. A resource consent will be required for:

- A permitted activity - the development will only be a permitted activity if the applicant has paid financial contributions. If the applicant has not paid financial contributions at the building consent stage, we can issue a certificate in terms of Section 37 of the Building Act 2004, requiring the applicant to apply for resource consent.
- Not a permitted activity – a resource consent will be required as per standard practice for the development.

The invoice shall be generated before the building consent is uplifted.

Once the payment of the financial contribution is received and all other conditions are met, the building consent may be uplifted.

Any land use not identified as a controlled activity, a restricted discretionary activity, a discretionary activity or a prohibited activity elsewhere in this plan and that complies with all the relevant conditions is a permitted activity.

Non-Payment

On time payment is important because, until the financial contributions have been paid in full, Council may:

- withhold Section 224 Certificate being issued.
- prevent a building consent being uplifted or issued, or prevent the commencement of the building.

Council may also retain the right to pursue all normal debt collection processes should payment be withheld.

1.7. Exemptions / Discounts

Council wishes to encourage residential growth and a range of dwelling typologies in certain areas in order to revitalise the city, town and local centres. Accordingly, the exemptions/discounts to financial contributions below shall apply for the following developments. Note: the extent of the exemption/discount areas referred to in Sections .7.1 – 1.7.3 below are ~~a~~ma~~a~~p~~e~~ped on Council's Intramaps, available online at napier.govt.nz.~~:~~

-

1.7.1 City Centre

~~Council wishes to encourage residential growth in certain areas in order to revitalise the city centres. Accordingly, the exemptions to financial contributions below shall apply for the following developments:~~

A new residential unit within the Art Deco Quarter and Inner City Commercial Zone within an existing gross floor area shall be exempt 80% of the financial contribution. Any new residential unit in addition to the existing floor area will be exempt by 50%. This reflects the fact that where a conversion development occurs within the existing built city environment, there is not always an established link between residential activity and an increased demand on services like 3-waters and transportation. However, there is an increase in demand for community infrastructure and parks/reserves, and from the new floor area that did not previously exist.

1.7.2 Fringe City and Taradale Centre

Any multi-unit residential development within Fringe Commercial Zone and Taradale Suburban Commercial Zone shall be exempt 50% of the financial contribution.

1.7.3 Proximity to Local Centre

Any multi-unit residential development ~~within~~ in close proximity to the main commercial centers in Marewa, Napier South, Onekawa, Greenmeadows, Maraenui, Taradale and Tamatea (as defined in the ~~per~~ map in Figure 4) shall be assessed based on the number of bedrooms in each apartment/unit. This is considered a fair way to reflect the lower demand typically created by smaller apartments compared to a residential dwelling, and is intended to encourage intensification and a range of dwelling typologies close to local centres. The exemptions shall be:

- One bedroom unit 50% exemption
- Two bedroom unit 33% exemption
- Three or more bedroom unit 0% exemption

The greater of the above exemptions shall be applied, however, a single development may only be granted one exemption. The approval of an exemption should be agreed prior to resource consent being granted so the exemption is made clear in the conditions of consent.

1.7.4 Non-connection

Where a development does not connect to Council's water supply, wastewater, and/or stormwater network, the development shall be exempt from these components of the financial contributions.

1.8. Extraordinary Circumstances

Council reserves the discretion to enter into specific arrangements with a developer for the provision of particular infrastructure to meet the special needs of a development, for example where a development requires a special level of service or is of a type or scale that is not readily assessed in terms of units of demand, or is developed through a legislative consent process outside of the RMA.

1.9. Refunds and Postponements

For the purposes of this Policy, refunds and/or postponements on payment of Financial Contributions will not be applied.

1.10. Tax - GST

Financial contributions required will incur a Goods and Services Tax at the appropriate rate. All figures in the above tables in this section are as on 1st July 2021 and are shown inclusive of GST of 15%.

1.11. Future indexing

Financial contributions for subsequent years (taking into account indexation) will be shown in Council's Schedule of Fees and Charges, available from 1st July each year. These will be adjusted based on the latest Producer Price Index (EE Construction SQNEE0000).

1.12. Example calculations

The following tables provides a range of examples for calculations of subdivision and developments in Napier city.

Variable	Inputs/Calculations	Unit
Location	Mission Special Character Zone	
Development type	Subdivision	-
Lots	50	lots
Non-local Off-Site Contributions	$26,106	inc GST
Local Off-Site Contributions	$1,352	inc GST
On-Site Contributions	$0	inc GST
Sub-Total ($/lot)	$27,459	per lot
TOTAL Financial Contribution	**$1,372,933**	**inc GST**

Variable	Inputs/Calculations	Unit
Location	Urban Infill - within exemption zone	
Development type	Subdivision	-
Lots	4	lots
Non-local Off-Site Contributions	$32,145	inc GST
Local Off-Site Contributions	$3,240	inc GST
On-Site Contributions	$0	inc GST
Sub-Total ($/lot)	$35,385	per lot
Exemption @ 50%	$17,692	per lot
Revised Sub-Total ($/lot)	$17,692	per lot
TOTAL Financial Contribution	**$70,770**	**inc GST**

Variable	Inputs/Calculations	Unit
Location	Urban Infill	-
Development type	Development - high density apartments	
Lots	1	lot
Apartments - 1 bedroom	10	units
Apartments - 2 bedroom	10	units
Non-local Off-Site Contributions	$32,145	inc GST
Local Off-Site Contributions	$3,240	inc GST
On-Site Contributions	$0	inc GST
Sub-Total ($/unit)	$35,385	per lot

Exemption @ 50% for 1 bedroom	$17,692	inc GST
Exemption @ 33% for 2 bedroom	$11,677	inc GST
Revised Sub-Total ($/unit) - 1 bedroom	$17,692	per lot
Revised Sub-Total ($/unit) - 2 bedroom	$23,708	per lot
TOTAL Financial Contribution	**$414,002**	**inc GST**

Variable	Inputs/Calculations	Unit
Location	Te Awa	
Development type	Subdivision	
Lots	30	lots
Land area	2	Ha
Road frontage	175	m
Non-local Off-Site Contributions	$29,519.53	inc GST
Local Off-Site Contributions (per Ha)	$706,026.43	inc GST
Local Off-Site Contributions (per m road frontage)	$4,582.09	inc GST
On-Site Contributions	$0.00	inc GST
Sub-total Non-local Off-Site Contributions	$885,586	inc GST
Sub-total Local Off-Site Contributions (Land aria)	$1,412,053	inc GST
Sub-total Local Off-Site Contributions (Road frontage)	$801,865	inc GST
TOTAL Financial Contribution	**$3,099,504**	**inc GST**

Variable	Inputs/Calculations	Unit
Location	Napier City	
Development type	Commercial Development - Retail shop	
Gross floor area	1,000	m2
Pervious land area	1,250	m2
Land area	2,000	m2
Lots	1	lot
Vehicle movements - traffic impact assessment	200	vpd
Water supply - Gross floor area ($/m2)	$10.00	inc GST
Water supply - Pervious land area ($/m2)	$3.75	inc GST
Wastewater - Gross Floor Area ($/m2)	$6.97	inc GST
Stormwater - Land Area ($/m2)	$6.82	inc GST

Road & Transportation - unit ($/unit)	$16,664	inc GST
Sub-total Water supply - Gross floor area	$9,997	inc GST
Sub-total Water supply - Pervious land area	$4,688	inc GST
Sub-total Wastewater - Gross Floor Area	$6,974	inc GST
Sub-total Stormwater - Land Area	$13,647	inc GST
Sub-total Road & Transportation - unit	$416,596	inc GST
TOTAL Financial Contribution	**$451,903**	**inc GST**

~~Variable~~	~~Inputs/Calculations~~	~~Unit~~
~~Location~~	~~Mission Special Character Zone~~	
~~Development type~~	~~Subdivision~~	
~~Lots~~	~~50~~	~~lots~~
~~Non-local Off-Site Contributions~~	~~$20,813~~	~~inc GST~~
~~Local Off-Site Contributions~~	~~$1,078~~	~~inc GST~~
~~On-Site Contributions~~	~~$0~~	~~inc GST~~
~~Sub-Total ($/lot)~~	~~$21,891~~	~~per lot~~
~~TOTAL Financial Contribution~~	**~~$1,094,543~~**	**~~inc GST~~**

~~Variable~~	~~Inputs/Calculations~~	~~Unit~~
~~Location~~	~~Urban Infill - within exemption zone~~	
~~Development type~~	~~Subdivision~~	
~~Lots~~	~~4~~	~~lots~~
~~Non-local Off-Site Contributions~~	~~$25,627~~	~~inc GST~~
~~Local Off-Site Contributions~~	~~$2,583~~	~~inc GST~~
~~On-Site Contributions~~	~~$0~~	~~inc GST~~
~~Sub-Total ($/lot)~~	~~$28,210~~	~~per lot~~
~~Exemption @ 50%~~	~~$14,105~~	~~per lot~~
~~Revised Sub-Total ($/lot)~~	~~$14,105~~	~~per lot~~
~~TOTAL Financial Contribution~~	**~~$56,420~~**	**~~inc GST~~**

~~Variable~~	~~Inputs/Calculations~~	~~Unit~~
~~Location~~	~~Urban Infill~~	
~~Development type~~	~~Development - high density apartments~~	
~~Lots~~	~~1~~	~~lot~~
~~Apartments - 1 bedroom~~	~~10~~	~~units~~
~~Apartments - 2 bedroom~~	~~10~~	~~units~~
~~Non-local Off-Site Contributions~~	~~$25,627~~	~~inc GST~~
~~Local Off-Site Contributions~~	~~$2,583~~	~~inc GST~~
~~On-Site Contributions~~	~~$0~~	~~inc GST~~
~~Sub-Total ($/unit)~~	~~$28,210~~	~~per lot~~
~~Exemption @ 50% for 1 bedroom~~	~~$14,105~~	~~inc GST~~
~~Exemption @ 33% for 2 bedroom~~	~~$9,309~~	~~inc GST~~
~~Revised Sub-Total ($/unit) - 1 bedroom~~	~~$14,105~~	~~per lot~~
~~Revised Sub-Total ($/unit) - 2 bedroom~~	~~$18,901~~	~~per lot~~
~~TOTAL Financial Contribution~~	**~~$330,058~~**	**~~inc GST~~**

~~Variable~~	~~Inputs/Calculations~~	~~Unit~~
~~Location~~	~~Te Awa~~	
~~Development type~~	~~Subdivision~~	
~~Lots~~	~~30~~	~~lots~~
~~Land area~~	~~2~~	~~Ha~~
~~Road frontage~~	~~175~~	~~m~~
~~Non-local Off-Site Contributions~~	~~$23,534~~	~~inc GST~~
~~Local Off-Site Contributions (per Ha)~~	~~$562,869~~	~~inc GST~~
~~Local Off-Site Contributions (per m road frontage)~~	~~$3,653~~	~~inc GST~~
~~On-Site Contributions~~	~~$0~~	~~inc GST~~
~~Sub-total Non-local Off-Site Contributions~~	~~$706,012~~	~~inc GST~~
~~Sub-total Local Off-Site Contributions (per Ha)~~	~~$1,125,738~~	~~inc GST~~
~~Sub-total Local Off-Site Contributions (per m road frontage)~~	~~$639,236~~	~~inc GST~~
~~TOTAL Financial Contribution~~	**~~$2,470,986~~**	**~~inc GST~~**

~~Variable~~	~~Inputs/Calculations~~	~~Unit~~
~~Location~~	~~Napier City~~	
~~Development type~~	~~Commercial Development - Retail shop~~	
~~Gross floor area~~	~~1,000~~	~~m^2~~
~~Pervious land area~~	~~1,250~~	~~m^2~~
~~Land area~~	~~2,000~~	~~m^2~~
~~Lots~~	~~1~~	~~lot~~
~~Vehicle movements - traffic impact assessment~~	~~200~~	~~vpd~~
~~Water supply - Gross floor area ($/m2)~~	~~$7.97~~	~~inc GST~~
~~Water supply - Pervious land area ($/m2)~~	~~$2.99~~	~~inc GST~~
~~Wastewater - Gross Floor Area ($/m2)~~	~~$5.56~~	~~inc GST~~
~~Stormwater - Land Area ($/m2)~~	~~$5.44~~	~~inc GST~~
~~Road & Transportation - unit ($/unit)~~	~~$13,285~~	~~inc GST~~
~~Sub-total Water supply - Gross floor area~~	~~$7,972~~	~~inc GST~~
~~Sub-total Water supply - Pervious land area~~	~~$3,740~~	~~inc GST~~
~~Sub-total Wastewater - Gross Floor Area~~	~~$5,559~~	~~inc GST~~
~~Sub-total Stormwater - Land Area~~	~~$10,887~~	~~inc GST~~
~~Sub-total Road & Transportation - unit~~	~~$332,119~~	~~inc GST~~
~~TOTAL Financial Contribution~~	**~~$373,563~~**	**~~inc GST~~**

2. Policy Details

2.1. Requirement to have a policy

Council is required to have a policy on development contributions and financial contributions as a component of its funding and financial policies in its Long Term Plan under section 102(2)(d) of the LGA02. This Financial Contributions Policy meets that requirement.

2.2. Funding summary

Over the next 10 years, Council plans to spend nearly~~over~~ $143~~04~~M on infrastructure partially or wholly needed to meet the increased demand for community facilities resulting from growth/development. Of this cost, 13% percent will be funded from financial contributions. A summary by asset grouping is shown below.

Table 3 : ~~NCC 2021 Long Term Capital Expenditure – growth related costs and funding~~

Table 3: NCC 2024-34 Three Year Plan Capital Programme - Growth Capital

Activity Group	Total Capital Programme 2024-34 ($000)	Growth Related Capital 2024-34 ($000)	Portion funded by FCs %	Other
City Strategy	3,165	342	11%	89%
Community and Visitor Experiences	267,172	20,403	8%	92%
Other Infrastructure	33,684	4,791	14%	86%
Property Assets	117,716	116	0%	100%
Stormwater	120,645	14,602	12%	88%
Support Units	58,312	4,525	8%	92%
Transportation	248,818	22,959	9%	91%
Wastewater	189,103	49,250	26%	74%
Water Supply	98,671	25,993	26%	74%
Totals	**1,137,286**	**142,981**	**13%**	**87%**

~~Asset Grouping~~	~~Total Capital Expenditure – 2021 LTP ($000s)~~	~~Growth related capital costs ($000s)~~	~~Portion funded from FCs~~	~~Portion funded from other sources~~
~~City strategy~~	~~8,134~~	~~0~~	~~0%~~	~~100%~~
~~Community and Visitor Experience~~	~~160,709~~	~~4,255~~	~~3%~~	~~97%~~
~~Other Infrastructure~~	~~18,535~~	~~0~~	~~0%~~	~~100%~~
~~Property Assets~~	~~46,576~~	~~0~~	~~0%~~	~~100%~~
~~Stormwater~~	~~115,873~~	~~32,747~~	~~28%~~	~~72%~~
~~Support Units~~	~~62,560~~	~~0~~	~~0%~~	~~100%~~
~~Transportation~~	~~104,365~~	~~6,160~~	~~6%~~	~~94%~~
~~Wastewater~~	~~154,759~~	~~33,375~~	~~22%~~	~~78%~~
~~Water Supply~~	~~133,816~~	~~28,029~~	~~21%~~	~~79%~~
~~TOTAL~~	**~~805,327~~**	**~~104,566~~**	**~~13%~~**	**~~87%~~**

2.3. General purposes for which financial contributions may be used

Council has decided to fund these growth related costs from financial contributions under the *Resource Management Act 1991* for the following activities:

- Water Supply
- Wastewater Disposal
- Waste Disposal
- Sports and Reserves
- Roads and Transportation
- Recreation Facilities
- Stormwater Disposal
- Library Facilities

2.4. Considerations for funding growth costs

In forming this view, Council has considered the matters set out in section 101(3) of the LGA02 within its Revenue and Financing Policy, and within this Policy.

Council is required under Section 106(2)(c) of the LGA02 to explain within this Policy why it has decided to use financial contributions to fund capital expenditure relating to the cost of growth. This assessment is below.

Council generally outlines its community outcomes in the Long Term Plan. For the 2024-2027 period, Council has outlined strategic priorities for its Three Year Plan. The ~~community outcomes that Council will contribute to, among other things, is the~~ funding of capital expenditure for growth for water supply, wastewater, stormwater, road, reserves, and community infrastructure will contribute to, and align with, the strategic priorities in this three year term. The ~~community outcomes and goals~~strategic priorities are listed below.

~~Outcome~~Priority	~~Napier City Goal~~Summary
~~A vibrant city for everyone~~Nurturing authentic relationships with our community and partners	~~Napier is a vibrant city through excellent strategy and planning.~~ ~~Social cohesion is achieved for all ages and ethnicities.~~ ~~Innovative services are provided using technology whilst protecting the environment.~~ ~~Technology connects Napier to the rest of New Zealand and the world.~~ ~~Napier is an appealing tourist destination.~~ ~~Business-friendly economic development is encouraged.~~Council fosters meaningful relationships, demonstrating our commitment to listen to our community's needs, concerns, and aspirations. Developing strong partnerships with mana whenua and tanaga whenua ensures we uphold our obligations under Te Tiriti o Waitangi.
~~Excellence in infrastructure and public services for now and the future~~Financially sustainable Council	~~Facilities and infrastructure will support community and visitor needs, focusing on excellent service and accessibility.~~ ~~Napier's transportation system is safe and affordable.~~ ~~All transport choices are catered for: cars, cycles, pedestrians, and disabled users.~~Council has an operating model and financial strategy which is affordable for rate payers and enables us to achieve our objectives.
A ~~sustainable city~~Great Visitor Destination	~~Our natural resources are renewed and enhanced. We act as steward for our environment for future generations.~~ ~~Napier values its character and history Napier is an affordable city to live in.~~Napier is a destination aspiring to provide 'world class' facilities and attract visitors to our city. We make it easy for people to invest in our city and create experiences that attract widespread participation.
~~Council works with and for the community~~Spaces and places for all	~~Council guides the city with effective leadership.~~ ~~Council encourages community consultation and collaboration to assist in shaping the future direction of the city.~~Napier has spaces and places that everyone has access to and wants to use. We have a focus on accessibility, affordability, safety, and city vibrancy.
~~A safe and healthy city that supports community well-being~~A resilient city – the ability to thrive and withstand impacts, knocks, and shocks	~~Services and facilities support social and recreational opportunities Community safety is supported and improved.~~ ~~Social services are supported.~~Council makes good future planning and investment decisions to prepare for a changing climate future and enables our community to build self-reliance. Our people, economy and infrastructure are resilient.

Council has also considered the funding of growth-related costs specific to the other matters required by s101 (3) of the LGA. A summary of this assessment is below.

Who Benefits / whose act creates the need	A significant portion of Council's work programme over the next 30 years is driven by development or has been scoped to ensure it provides for new developments. The extent to which growth is serviced by, and benefits from, an asset or programme as well as how much it serves and benefits existing ratepayers is determined for each asset or programme. Council believes the growth costs identified through this process should be recovered from development as this is what creates the need for the expenditure and /or benefit principally from new assets and additional network capacity. Where and to the extent that works benefit existing residents and businesses, those costs are recovered through rates. The geographical areas are defined by the maps in the District Plan and summarised in Part 1 of this policy.
Period of benefit	The assets constructed for development provide benefits and capacity for developments now and developments in the future. In many cases, the 'capacity life' of such assets spans decades. Financial contributions are used to recover the capital costs to service an entire development area, over the capacity life of assets. Developments that benefit from the assets will contribute to its cost, regardless of whether they happen now or in the future.
Funding sources & REASONING for separate funding	The cost of supporting development in Napier City is significant. Financial contributions send clear signals to the development community about the cost of growth and the capital costs of providing infrastructure to support that growth. The benefits to the community are significantly greater than the cost of policy making, calculations, collection, accounting, and distribution of funding for financial contributions.
Overall impact of liability on the community	Council has also considered the impact of the overall allocation of liability on the community. In this case, the liability for revenue falls directly with the development community. Council considers that the level of financial contributions is affordable and does not consider it likely that there will be an undue or unreasonable impact on the social, economic, and cultural wellbeing of this section of the community. Moreover, shifting development costs onto ratepayers is likely to be perceived as unfair to existing residents as it would significantly impact the rates revenue required. Existing residents do not cause the need, or benefit directly from the growth infrastructure, needed to service new developments. Overall, Council considers it fair and reasonable to use financial contributions to fund the costs of growth-related capital expenditure for community facilities, and that the social, economic, and cultural interests of Napier's communities are best advanced this way.

2.5. Implementation and review

It is anticipated that this Policy will be updated on a three-yearly basis or at shorter intervals if Council deems it necessary. Any review of the Policy will take account of the following:

- Any changes to significant assumptions underlying the Financial Contributions Policy.
- Any changes in the capital development works programme for growth.
- Any changes in the pattern and distribution of development in the District.
- Any changes that reflect new or significant modelling of the networks.
- The regular reviews of the Revenue and Financial Policies, and the Long Term Plan.
- Any other matters Council considers relevant.
- Any review of the Urban Growth Study and Essential Services Development Plans.
- Any changes in legislation.

2.6. Significant Assumptions of the Financial Contributions Policy

Council has taken an approach to ensure that the cumulative effect of development is considered with a system-wide view. This Policy considers the specific infrastructure demands created by individual developments in the context of Council's wider community responsibilities as an infrastructure service provider.

The capital expenditure budgets and projected estimates of future asset works are based on the best available knowledge at the time of preparation. The Policy will be updated, as practical, to reflect better information as it becomes available.

Council continues to work with its neighboring and regional councils to provide for and manage the demand for both residential and non-residential growth.

The key risks that Council will continue to monitor and mitigate are as follows:

- That the costs required to service the development areas is higher than forecast resulting in a funding gap of the growth costs.
- That the growth predicted does not eventuate, resulting in a change to the assumed rate of development and impacting council's revenue.
- Development may occur in areas not considered in the operative District Plan, and therefore may not have appropriate funding mechanisms in place to recover the costs.
- Decisions on the zoning pattern in the proposed District Plan may affect the location and uptake of development.
- The potential changes to existing legislation, e.g. RMA reform, 3-Waters reform, fast tracked development areas.

To guard against the above, Council will continue to monitor the rate of growth, the timing of the delivery of assets/capacity and the funding policies in place, as required.

3. Supporting information

3.1. Inflation indexes

As permitted in the operative District Plan, the financial contributions in Part 1 of this policy have been adjusted based on the Producer Price Index (EE Construction SQNEE0000). The indexes are based on the following clauses in the operative District Plan:

- Residential (notes below Table 1 (Chapter 65) Residential and Rural Financial Contributions);

  All figures in the table are as at 1 July 2010 - 30 June 2011 (based on December 2009 indices)

- Non-Residential (Chapter 65; 65.13 Indexing of Financial Contributions)

  The financial contributions stated elsewhere in this Chapter are as at 1 July 2005 - 30 June 2006 (based on December 2004 PPI values) for Commercial and Industrial financial contributions.

The index and the adjustment for the residential and non-residential financial contributions are shown in the table below.

PPI Quarter	Policy start date	Index	Residential % adjustment	Non-Residential % adjustment
Dec-04	1-Jul-05	721	n/a	**100%**
Dec-05	1-Jul-06	773	n/a	107%
Dec-06	1-Jul-07	858	n/a	119%
Dec-07	1-Jul-08	902	n/a	125%
Dec-08	1-Jul-09	960	n/a	133%
Dec-09	1-Jul-10	971	100%	135%
Dec-10	1-Jul-11	1,000	103%	139%
Dec-11	1-Jul-12	1,031	106%	143%
Dec-12	1-Jul-13	1,046	108%	145%
Dec-13	1-Jul-14	1,057	109%	147%
Dec-14	1-Jul-15	1,067	110%	148%
Dec-15	1-Jul-16	1,076	111%	149%
Dec-16	1-Jul-17	1,094	113%	152%
Dec-17	1-Jul-18	1,129	116%	156%
Dec-18	1-Jul-19	1,176	121%	163%
Dec-19	1-Jul-20	1,199	123%	166%
Dec-20	1-Jul-21	1,211	125%	168%
Dec-21	1-Jul-22	1,304	134%	181%
Dec-22	1-Jul-23	1,467	151%	203%
Dec-23	1-Jul-24	1,519	156%	211%

~~PPI Quarter~~	~~Policy start date~~	~~Index~~	~~Residential % adjustment~~	~~Non-Residential % adjustment~~
~~**Dec-04**~~	~~1-Jul-05~~	~~721~~	~~n/a~~	~~**100%**~~
~~Dec-05~~	~~1-Jul-06~~	~~773~~	~~n/a~~	~~107%~~
~~Dec-06~~	~~1-Jul-07~~	~~858~~	~~n/a~~	~~119%~~
~~Dec-07~~	~~1-Jul-08~~	~~902~~	~~n/a~~	~~125%~~
~~Dec-08~~	~~1-Jul-09~~	~~960~~	~~n/a~~	~~133%~~
~~**Dec-09**~~	~~1-Jul-10~~	~~971~~	~~**100%**~~	~~135%~~
~~Dec-10~~	~~1-Jul-11~~	~~1,000~~	~~103%~~	~~139%~~
~~Dec-11~~	~~1-Jul-12~~	~~1,031~~	~~106%~~	~~143%~~
~~Dec-12~~	~~1-Jul-13~~	~~1,046~~	~~108%~~	~~145%~~

~~Dec-13~~	~~1-Jul-14~~	~~1,057~~	~~109%~~	~~147%~~
~~Dec-14~~	~~1-Jul-15~~	~~1,067~~	~~110%~~	~~148%~~
~~Dec-15~~	~~1-Jul-16~~	~~1,076~~	~~111%~~	~~149%~~
~~Dec-16~~	~~1-Jul-17~~	~~1,094~~	~~113%~~	~~152%~~
~~Dec-17~~	~~1-Jul-18~~	~~1,129~~	~~116%~~	~~156%~~
~~Dec-18~~	~~1-Jul-19~~	~~1,176~~	~~121%~~	~~163%~~
~~Dec-19~~	~~1-Jul-20~~	~~1,199~~	~~123%~~	~~166%~~
~~Dec-20~~	**~~1-Jul-21~~**	~~1,211~~	~~125%~~	~~168%~~

3.2. Original and indexed financial contributions

Table 4 : Infill, Residential and Rural Financial Contributions

Development Area	Non local Off Site Contributions				Local Off Site Contributions				On Site Contributions			
	Original - District Plan (exc GST)	1-Jul-24 (exc GST)	1-Jul 2021 (inc GST)	Units	Original - District Plan (exc GST)	1-Jul-24 (exc GST)	1-Jul-24 2021 (inc GST)	Units	Original - District Plan (exc GST)	1-Jul-24 (exc GST)	1-Jul-24 2021 (inc GST)	Units
Infill												
Urban Infill	$22,422	$27,952	$32,145	per lot/unit	$2,260	$2,817	$3,240	per lot/unit	$0	$0	$0	
Multi-storey	$19,893	$24,798	$28,517	per lot/unit	$57,485	$71,660	$82,410	per Ha	$0	$0	$0	
Jervoistown: Full Urban	$21,749	$27,112	$31,179	per lot/unit	$85,524	$106,615	$122,606	per Ha	$0	$0	$0	
Residential												
Citrus Grove	$21,695	$27,045	$31,101	per lot/unit	$699	$871	$1,002	per lot/unit	$113	$140	$162	per lot/unit
King/Guppy	$20,740	$25,854	$29,733	per lot/unit	$192,550	$240,033	$276,038	per Ha	$0	$0	$0	
					$719	$896	$1,030	per m road frontage	0	0	0	
Lagoon Farm	$21,534	$26,845	$30,872	per lot/unit	$699	$871	$1,002	per lot/unit	$0	$0	$0	
Mission Special Character Zone	$18,210	$22,701	$26,106	per lot/unit	$943	$1,175	$1,352	per lot/unit	$0	$0	$0	
Park Island	$21,761	$27,128	$31,197	per lot/unit	$699	$871	$1,002	per lot/unit	$0	$0	$0	
Te Awa	$20,591	$25,669	$29,520	per lot/unit	$492,490	$613,936	$706,026	per Ha	$0	$0	$0	
					$3,196	$3,984	$4,582	per m road frontage				
Rural												
Poraiti	$15,067	$18,782	$21,600	per lot/unit	$1,727	$2,154	$2,476	per lot/unit	$0	$0	$0	
Lifestyle Chara	$18,210	$22,701	$26,106	per lot/unit	$2,530	$3,153	$3,628	per	$0	$0	$0	

Jervoistown: Rural Infill	$17,595	$21,933	$25,223	per lot/unit	$7,389	$9,212	$10,593	per lot/unit	$0	$0	$0
					$8,622	$10,748	$12,360	per lot/unit			
					$109,554	$136,570	$157,054	per lot/unit			
All Other Rural Areas	$15,067	$18,782	$21,600	per lot/unit	$2,818	$3,513	$4,040	per lot/unit	$0	$0	$0

~~Development Area~~	~~Non local Off Site Contributions~~				~~Local Off Site Contributions~~				~~On Site Contributions~~			
	~~Original - District Plan (exc GST)~~	~~1/07/2021 (exc GST)~~	~~1 July 2021 (inc GST)~~	~~Units~~	~~Original - District Plan (exc GST)~~	~~1/07/2021 (exc GST)~~	~~1 July 2021 (inc GST)~~	~~Units~~	~~Original - District Plan (exc GST)~~	~~1/07/2021 (exc GST)~~	~~1 July 2021 (inc GST)~~	~~Units~~
~~**Infill**~~												
~~Urban Infill~~	~~$17,876~~	~~$22,284~~	~~$25,627~~	~~per lot/unit~~	~~$1,802~~	~~$2,246~~	~~$2,583~~	~~per lot/unit~~	~~$0~~	~~$0~~	~~$0~~	
~~Multi-storey~~	~~$15,859~~	~~$19,770~~	~~$22,735~~	~~per lot/unit~~	~~$45,829~~	~~$57,130~~	~~$65,700~~	~~per Ha~~	~~$0~~	~~$0~~	~~$0~~	
~~Jervoistown: Full Urban~~	~~$17,339~~	~~$21,615~~	~~$24,857~~	~~per lot/unit~~	~~$68,183~~	~~$84,997~~	~~$97,746~~	~~per Ha~~	~~$0~~	~~$0~~	~~$0~~	
~~**Residential**~~												
~~Citrus Grove~~	~~$17,296~~	~~$21,561~~	~~$24,795~~	~~per lot/unit~~	~~$557~~	~~$694~~	~~$799~~	~~per lot/unit~~	~~$90~~	~~$112~~	~~$129~~	~~per lot/unit~~
~~King/Guppy~~	~~$16,535~~	~~$20,612~~	~~$23,704~~	~~per lot/unit~~	~~$153,508~~	~~$191,363~~	~~$220,067~~	~~per Ha~~	~~$0~~	~~$0~~	~~$0~~	
					~~$573~~	~~$714~~	~~$821~~	~~per m road frontage~~				
~~Lagoon Farm~~	~~$17,168~~	~~$21,402~~	~~$24,612~~	~~per lot/unit~~	~~$557~~	~~$694~~	~~$799~~	~~per lot/unit~~	~~$0~~	~~$0~~	~~$0~~	
~~Mission Special Character Zone~~	~~$14,518~~	~~$18,098~~	~~$20,813~~	~~per lot/unit~~	~~$752~~	~~$937~~	~~$1,078~~	~~per lot/unit~~	~~$0~~	~~$0~~	~~$0~~	
~~Park Island~~	~~$17,349~~	~~$21,627~~	~~$24,871~~	~~per lot/unit~~	~~$557~~	~~$694~~	~~$799~~	~~per lot/unit~~	~~$0~~	~~$0~~	~~$0~~	
~~Te Awa~~	~~$16,416~~	~~$20,464~~	~~$23,534~~	~~per lot/unit~~	~~$392,630~~	~~$489,451~~	~~$562,869~~	~~per Ha~~	~~$0~~	~~$0~~	~~$0~~	
					~~$2,548~~	~~$3,176~~	~~$3,653~~	~~per m road frontage~~				
~~**Rural**~~												
~~Poraiti~~	~~$12,012~~	~~$14,974~~	~~$17,220~~	~~per lot/unit~~	~~$1,377~~	~~$1,717~~	~~$1,974~~	~~per lot/unit~~	~~$0~~	~~$0~~	~~$0~~	
~~Lifestyle Chara.~~	~~$14,518~~	~~$18,098~~	~~$20,813~~	~~per lot/unit~~	~~$2,017~~	~~$2,514~~	~~$2,892~~	~~per lot/unit~~	~~$0~~	~~$0~~	~~$0~~	
~~Jervoistown: Rural Infill~~	~~$14,027~~	~~$17,486~~	~~$20,109~~	~~per lot/unit~~	~~$5,891~~	~~$7,344~~	~~$8,445~~	~~per lot/unit~~	~~$0~~	~~$0~~	~~$0~~	
					~~$6,874~~	~~$8,569~~	~~$9,854~~	~~per lot/unit~~				
					~~$87,340~~	~~$108,878~~	~~$125,209~~	~~per lot/unit~~				
~~All Other Rural Areas~~	~~$12,012~~	~~$14,974~~	~~$17,220~~	~~per lot/unit~~	~~$2,247~~	~~$2,801~~	~~$3,221~~	~~per lot/unit~~	~~$0~~	~~$0~~	~~$0~~	

Table 5 : Non-residential financial contributions

	Original - District Plan (exc GST)	1/07/2024 (exc GST)	1/07/2024 2021 (inc GST)	Original - District Plan (exc GST)	1/07/2024 (exc GST)	1-Jul 2024 (inc GST)	Original - District Plan (exc GST)	1/07/2024 (exc GST)	1-Jul 2024 (inc GST)	Original - District Plan (exc GST)	1/07/2024 (exc GST)	1-Jul 2021 (inc GST)	Original - District Plan (exc GST)	1/07/2024 (exc GST)	1 July 2024 (inc GST)
Non-Residential based	**Gross floor area ($ per m2)**			**Pervious land area ($ per m2)**			**Gross floor area ($ per m2)**			**Land area ($ per m2)**			**Per every new lot/unit ($)**		
Office & shops	$5.18	$8.69	$10.00	$1.94	$3.26	$3.75	$3.61	$6.06	$6.97	$3.54	$5.93	$6.82	$8,632.34	$14,490.02	$16,663.53
Medical Clinics/Hospitals	$6.47	$10.86	$12.49	$1.94	$3.26	$3.75	$4.52	$7.58	$8.72	$3.54	$5.93	$6.82	$8,632.34	$14,490.02	$16,663.53
Warehouses/Factories/Network Utility Operations	$2.60	$4.35	$5.02	$1.94	$3.26	$3.75	$1.81	$3.04	$3.49	$3.54	$5.93	$6.82	$8,632.34	$14,490.02	$16,663.53
Unsealed Yards	$0.00	$0.00	$0.00	$1.94	$3.26	$3.75	$0.00	$0.00	$0.00	$0.90	$1.52	$1.74	$8,632.34	$14,490.02	$16,663.53
Non-Residential based	**Per church**			**Pervious land area ($ per m2)**			**Per church**			**Land area ($ per m2)**			**Per every new lot/unit ($)**		
Churches	$2,591.46	$4,349.96	$5,002.45	$1.94	$3.26	$3.75	$1,807.50	$3,034.02	$3,489.12	$3.54	$5.93	$6.82	$8,632.34	$14,490.02	$16,663.53
Residential based	**Population ($ per head)**			**Pervious land area ($ per m2)**			**Population ($ per head)**			**Land area ($ per m2)**			**Per every new lot/unit ($)**		
Residential Care Facilities	$194.42	$326.35	$375.31	$1.94	$3.26	$3.75	$135.47	$227.40	$261.50	$3.54	$5.93	$6.82	$8,632.34	$14,490.02	$16,663.53
Travellers' Accommodation	$194.42	$326.35	$375.31	$1.94	$3.26	$3.75	$135.47	$227.40	$261.50	$3.54	$5.93	$6.82	$8,632.34	$14,490.02	$16,663.53
Day Care Centres	$97.84	$164.23	$188.87	$1.94	$3.26	$3.75	$67.73	$113.69	$130.75	$3.54	$5.93	$6.82	$8,632.34	$14,490.02	$16,663.53
Educational Facilities	$97.84	$164.23	$188.87	$1.94	$3.26	$3.75	$67.73	$113.69	$130.75	$3.54	$5.93	$6.82	$8,632.34	$14,490.02	$16,663.53
Retirement Complexes	$193.17	$324.25	$372.89	$1.94	$3.26	$3.75	$135.47	$227.40	$261.50	$3.54	$5.93	$6.82	$8,632.34	$14,490.02	$16,663.53
	OR equivalent water connection (whichever is greater)						OR equivalent wastewater connection (whichever is greater)								
Connection Diameter (mm)	**Water Supply Contribution per connection**						**Wastewater Contribution per connection**								
15	$1,296	$2,175	$2,501				$904	$1,518	$1,746						
20	$2,307	$3,873	$4,453				$1,616	$2,712	$3,118						

25	$3,602	$6,047	$6,954	$2,522	$4,235	$4,869
40	$9,213	$15,465	$17,785	$6,450	$10,826	$12,451
50	$14,396	$24,165	$27,790	$10,077	$16,916	$19,453
80	$36,849	$61,854	$71,131	$25,794	$43,297	$49,792
100	$57,579	$96,650	$111,148	$40,306	$67,656	$77,804

	~~Water Supply Contribution~~						~~Wastewater Contribution~~			~~Stormwater Contribution~~			~~Roads & Transportation Contribution~~		
	~~Original District Plan (exc GST)~~	~~1/07/2021 (exc GST)~~	~~1 July 2021 (inc GST)~~	~~Original District Plan (exc GST)~~	~~1/07/2021 (exc GST)~~	~~1 July 2021 (inc GST)~~	~~Original District Plan (exc GST)~~	~~1/07/2021 (exc GST)~~	~~1 July 2021 (inc GST)~~	~~Original District Plan (exc GST)~~	~~1/07/2021 (exc GST)~~	~~1 July 2021 (inc GST)~~	~~Original District Plan (exc GST)~~	~~1/07/2021 (exc GST)~~	~~1 July 202 (inc GST)~~
~~Non-Residential based~~	~~Gross floor area ($ per m²)~~			~~Pervious land area ($ per m²)~~			~~Gross floor area ($ per m²)~~			~~Land area ($ per m²)~~			~~Per every new lot/unit ($)~~		
~~Office & shops~~	~~$4.13~~	~~$6.93~~	~~$7.97~~	~~$1.55~~	~~$2.60~~	~~$2.99~~	~~$2.88~~	~~$4.83~~	~~$5.56~~	~~$2.82~~	~~$4.73~~	~~$5.44~~	~~$6,882.00~~	~~$11,551.95~~	~~$13,284.7~~
~~Medical Clinics/Hospitals~~	~~$5.16~~	~~$8.66~~	~~$9.96~~	~~$1.55~~	~~$2.60~~	~~$2.99~~	~~$3.60~~	~~$6.04~~	~~$6.95~~	~~$2.82~~	~~$4.73~~	~~$5.44~~	~~$6,882.00~~	~~$11,551.95~~	~~$13,284.7~~
~~Warehouses/Factories/Network Utility Operations~~	~~$2.07~~	~~$3.47~~	~~$4.00~~	~~$1.55~~	~~$2.60~~	~~$2.99~~	~~$1.44~~	~~$2.42~~	~~$2.78~~	~~$2.82~~	~~$4.73~~	~~$5.44~~	~~$6,882.00~~	~~$11,551.95~~	~~$13,284.7~~
~~Unsealed Yards~~	~~$0.00~~	~~$0.00~~	~~$0.00~~	~~$1.55~~	~~$2.60~~	~~$2.99~~	~~$0.00~~	~~$0.00~~	~~$0.00~~	~~$0.72~~	~~$1.21~~	~~$1.39~~	~~$6,882.00~~	~~$11,551.95~~	~~$13,284.7~~
~~Non-Residential based~~	~~Per church~~			~~Pervious land area ($ per m²)~~			~~Per church~~			~~Land area ($ per m²)~~			~~Per every new lot/unit ($)~~		
~~Churches~~	~~$2,066.00~~	~~$3,467.94~~	~~$3,988.13~~	~~$1.55~~	~~$2.60~~	~~$2.99~~	~~$1,441.00~~	~~$2,418.83~~	~~$2,781.65~~	~~$2.82~~	~~$4.73~~	~~$5.44~~	~~$6,882.00~~	~~$11,551.95~~	~~$13,284.7~~
~~Residential based~~	~~Population ($ per head)~~			~~Pervious land area ($ per m²)~~			~~Population ($ per head)~~			~~Land area ($ per m²)~~			~~Per every new lot/unit ($)~~		
~~Residential Care Facilities~~	~~$155.00~~	~~$260.18~~	~~$299.21~~	~~$1.55~~	~~$2.60~~	~~$2.99~~	~~$108.00~~	~~$181.29~~	~~$208.48~~	~~$2.82~~	~~$4.73~~	~~$5.44~~	~~$6,882.00~~	~~$11,551.95~~	~~$13,284.7~~
~~Travellers' Accommodation~~	~~$155.00~~	~~$260.18~~	~~$299.21~~	~~$1.55~~	~~$2.60~~	~~$2.99~~	~~$108.00~~	~~$181.29~~	~~$208.48~~	~~$2.82~~	~~$4.73~~	~~$5.44~~	~~$6,882.00~~	~~$11,551.95~~	~~$13,284.7~~
~~Day Care Centres~~	~~$78.00~~	~~$130.93~~	~~$150.57~~	~~$1.55~~	~~$2.60~~	~~$2.99~~	~~$54.00~~	~~$90.64~~	~~$104.24~~	~~$2.82~~	~~$4.73~~	~~$5.44~~	~~$6,882.00~~	~~$11,551.95~~	~~$13,284.7~~
~~Educational Facilities~~	~~$78.00~~	~~$130.93~~	~~$150.57~~	~~$1.55~~	~~$2.60~~	~~$2.99~~	~~$54.00~~	~~$90.64~~	~~$104.24~~	~~$2.82~~	~~$4.73~~	~~$5.44~~	~~$6,882.00~~	~~$11,551.95~~	~~$13,284.7~~
~~Retirement Complexes~~	~~$154.00~~	~~$258.50~~	~~$297.28~~	~~$1.55~~	~~$2.60~~	~~$2.99~~	~~$108.00~~	~~$181.29~~	~~$208.48~~	~~$2.82~~	~~$4.73~~	~~$5.44~~	~~$6,882.00~~	~~$11,551.95~~	~~$13,284.7~~
	~~OR equivalent water connection (whichever is greater)~~						~~OR equivalent wastewater connection (whichever is greater)~~								
~~Connection Diameter (mm)~~	~~Water Supply Contribution per connection~~						~~Wastewater Contribution per connection~~								
~~15~~	~~$1,033~~	~~$1,734~~	~~$1,994~~				~~$721~~	~~$1,210~~	~~$1,392~~						
~~20~~	~~$1,839~~	~~$3,087~~	~~$3,550~~				~~$1,288~~	~~$2,162~~	~~$2,486~~						
~~25~~	~~$2,872~~	~~$4,821~~	~~$5,544~~				~~$2,011~~	~~$3,376~~	~~$3,882~~						
~~40~~	~~$7,345~~	~~$12,329~~	~~$14,179~~				~~$5,142~~	~~$8,631~~	~~$9,926~~						
~~50~~	~~$11,477~~	~~$19,265~~	~~$22,155~~				~~$8,034~~	~~$13,486~~	~~$15,509~~						
~~80~~	~~$29,377~~	~~$49,312~~	~~$56,708~~				~~$20,564~~	~~$34,518~~	~~$39,696~~						
~~100~~	~~$45,904~~	~~$77,053~~	~~$88,611~~				~~$32,133~~	~~$53,938~~	~~$62,028~~						

3.3. Maps

Note: Maps are also available on Council's GIS available online at napier.govt.nz

Figure 1 : District Plan Map of development areas

CITY OF NAPIER DISTRICT PLAN *Appendix 31 – Financial Contribution Areas*

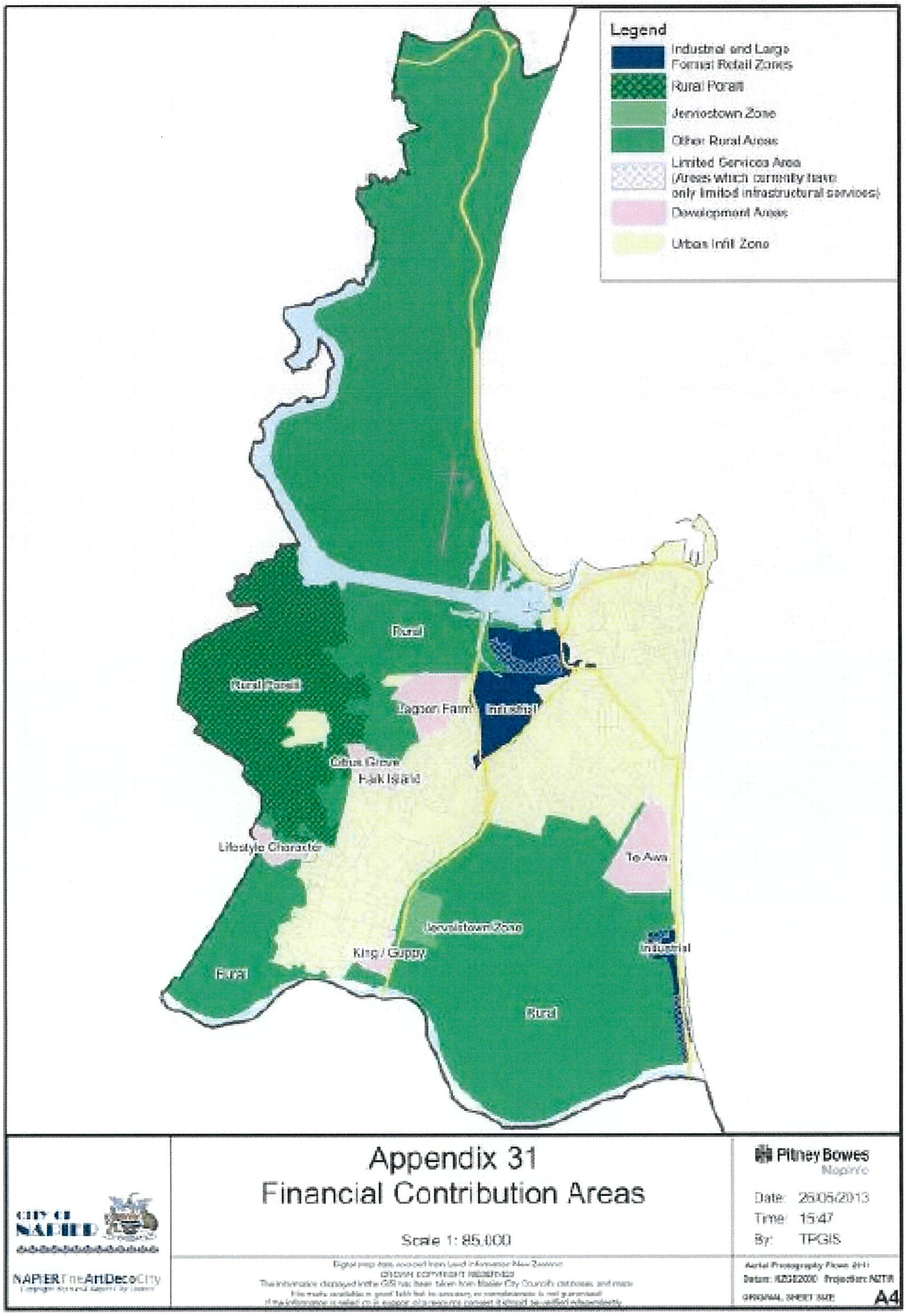
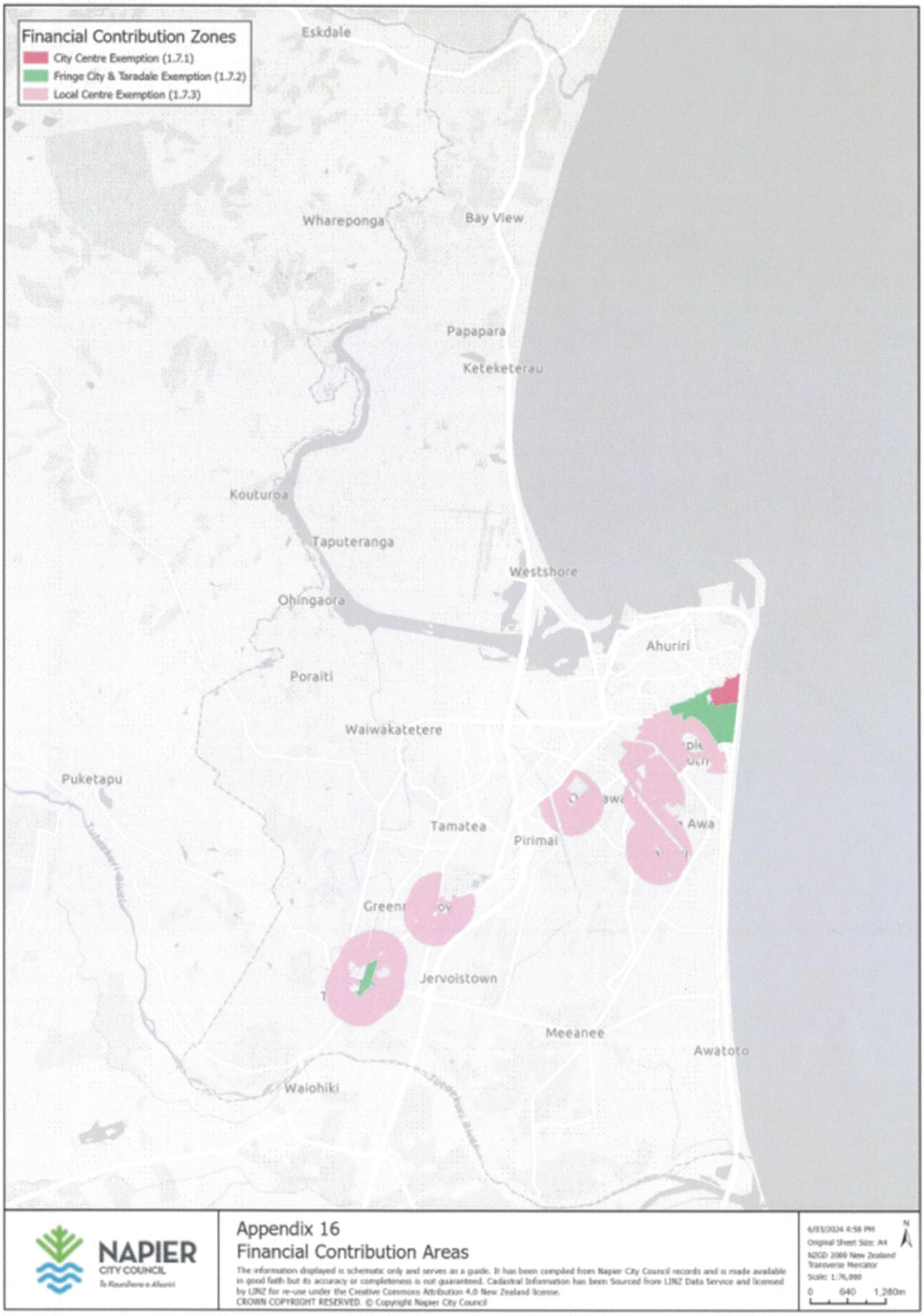


Figure 2 : ~~CBD and CBD Fringe applicable to Art Deco Quarter, Inner City Commercial and Fringe Commercial zones~~Financial Contributions zones



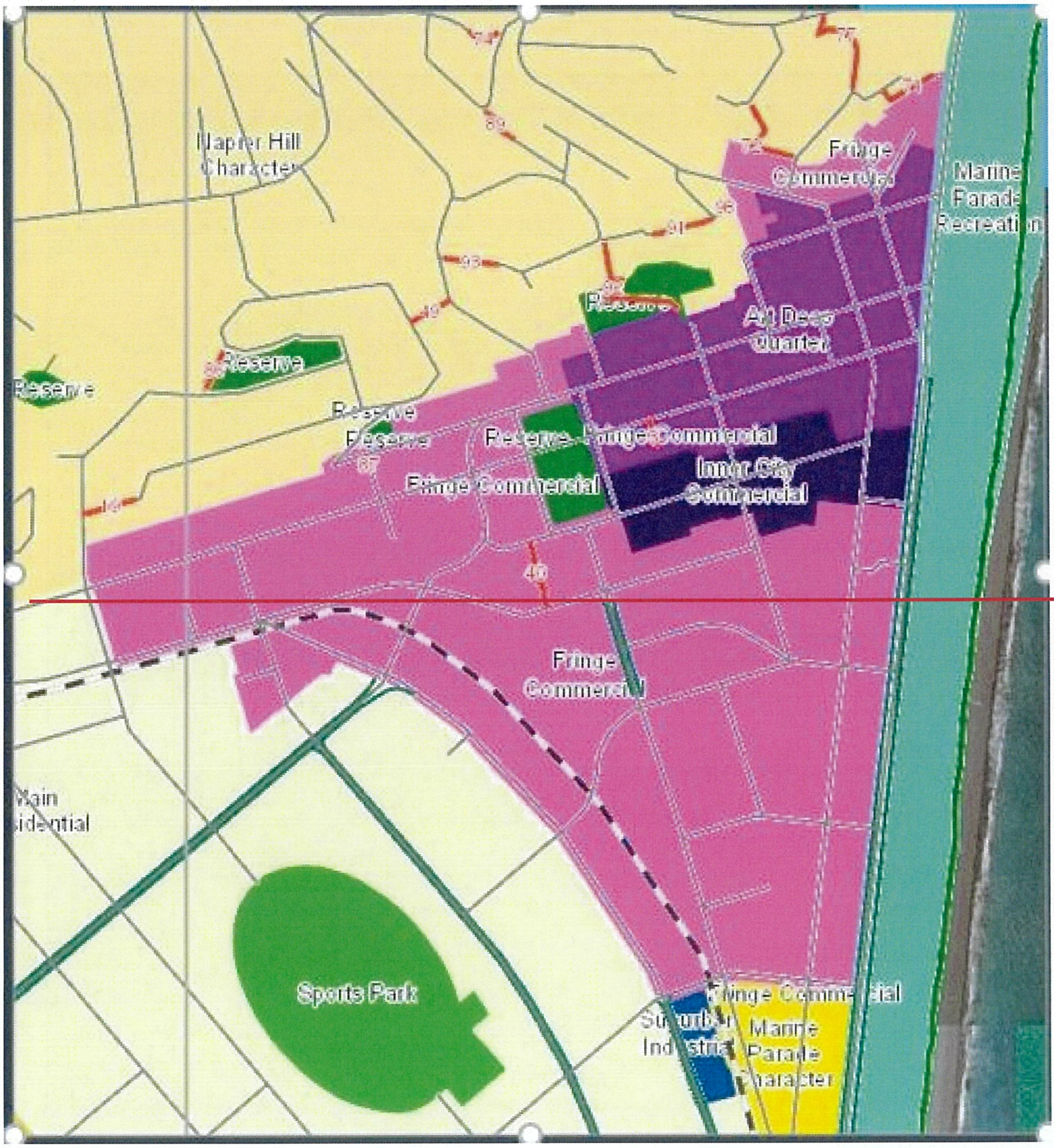

Napier Hill
Character
Fringe
Commercial
Marine
Parade
Recreation
Reserve
Art Deco
Quarter
Reserve
Reserve
Reserve
Reserve
Reserve
Fringe Commercial
Inner City
Commercial
Fringe Commercial
Fringe
Commercial
Main
Residential
Sports Park
Fringe Commercial
Suburban
Industrial
Marine
Parade
Character

Figure 3 : Taradale Centre Exemption area applicable to Taradale Town Centre zone and Southern Fringe

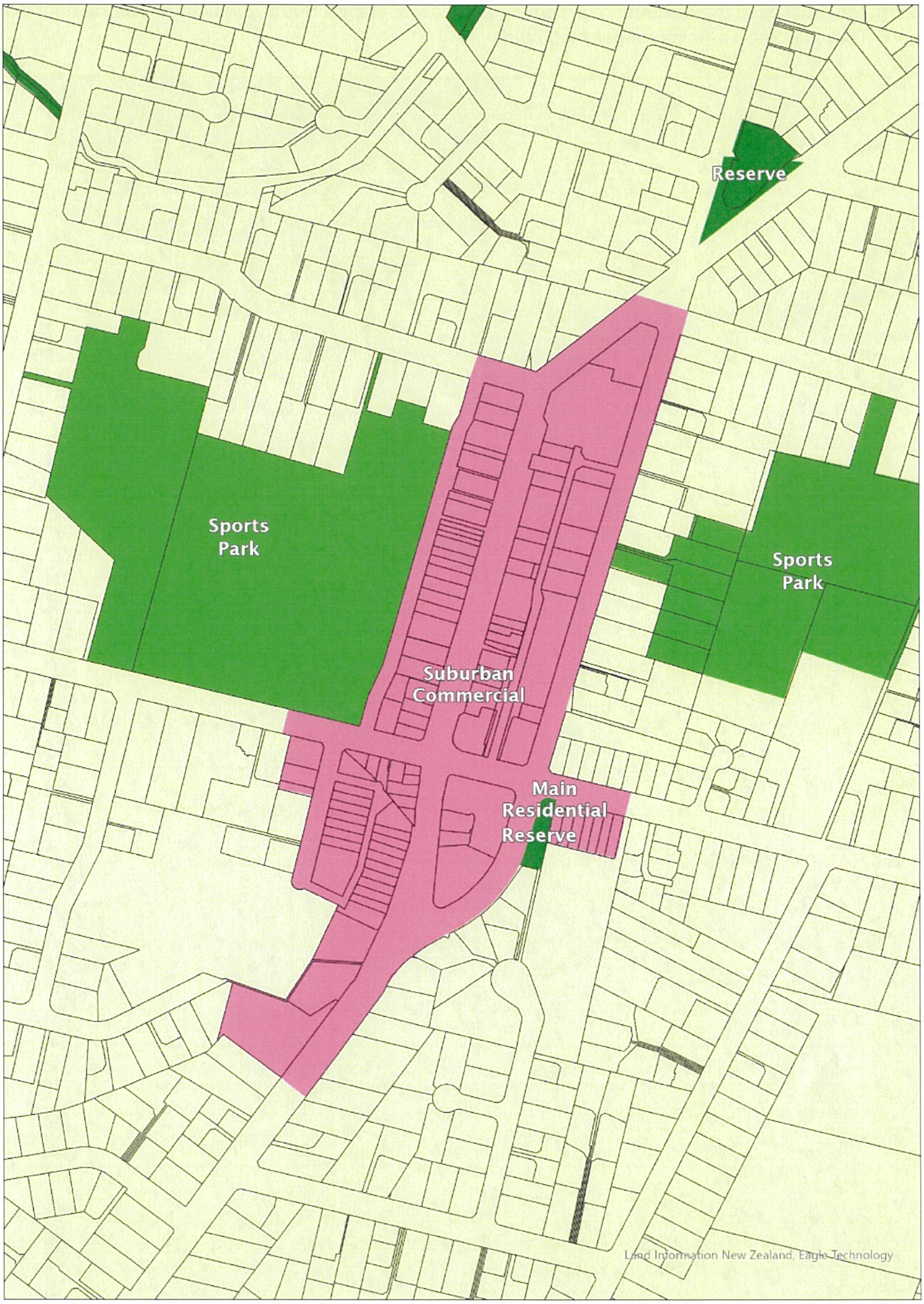


Figure 4 : Financial contribution where exemptions as per Section 1.7 of this policy apply

The exemption applies to main commercial centers in Marewa, Napier South, Onekawa, Greenmeadows, Maraenui, Taradale and Tamatea as per map below.

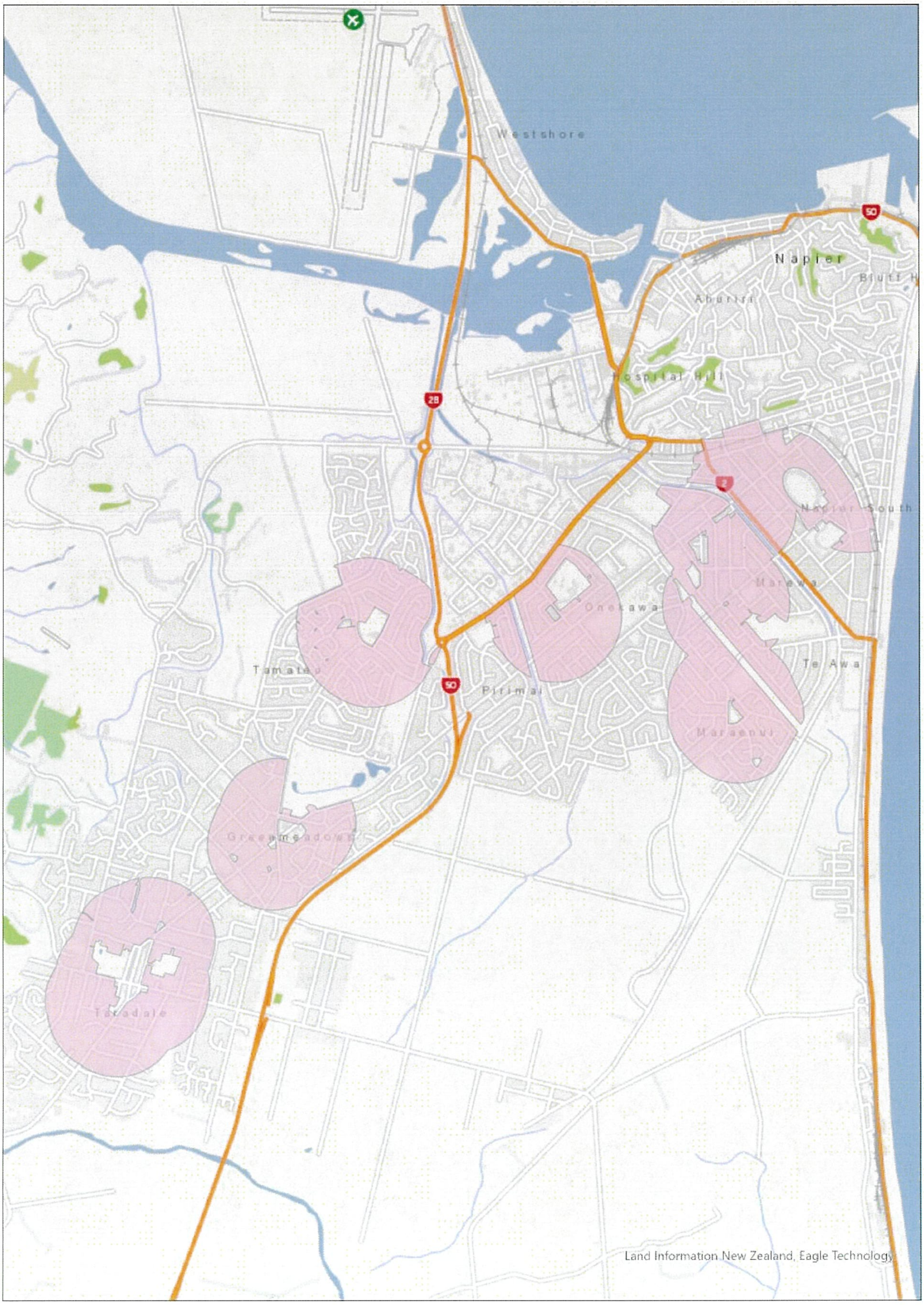


Figure 5 : Mission Special Character Zone Structure Plan

CITY OF NAPIER DISTRICT PLAN *Appendix 26B-1*

Appendix 26B – 1: Mission Special Character Zone Structure Plan - Overall Map

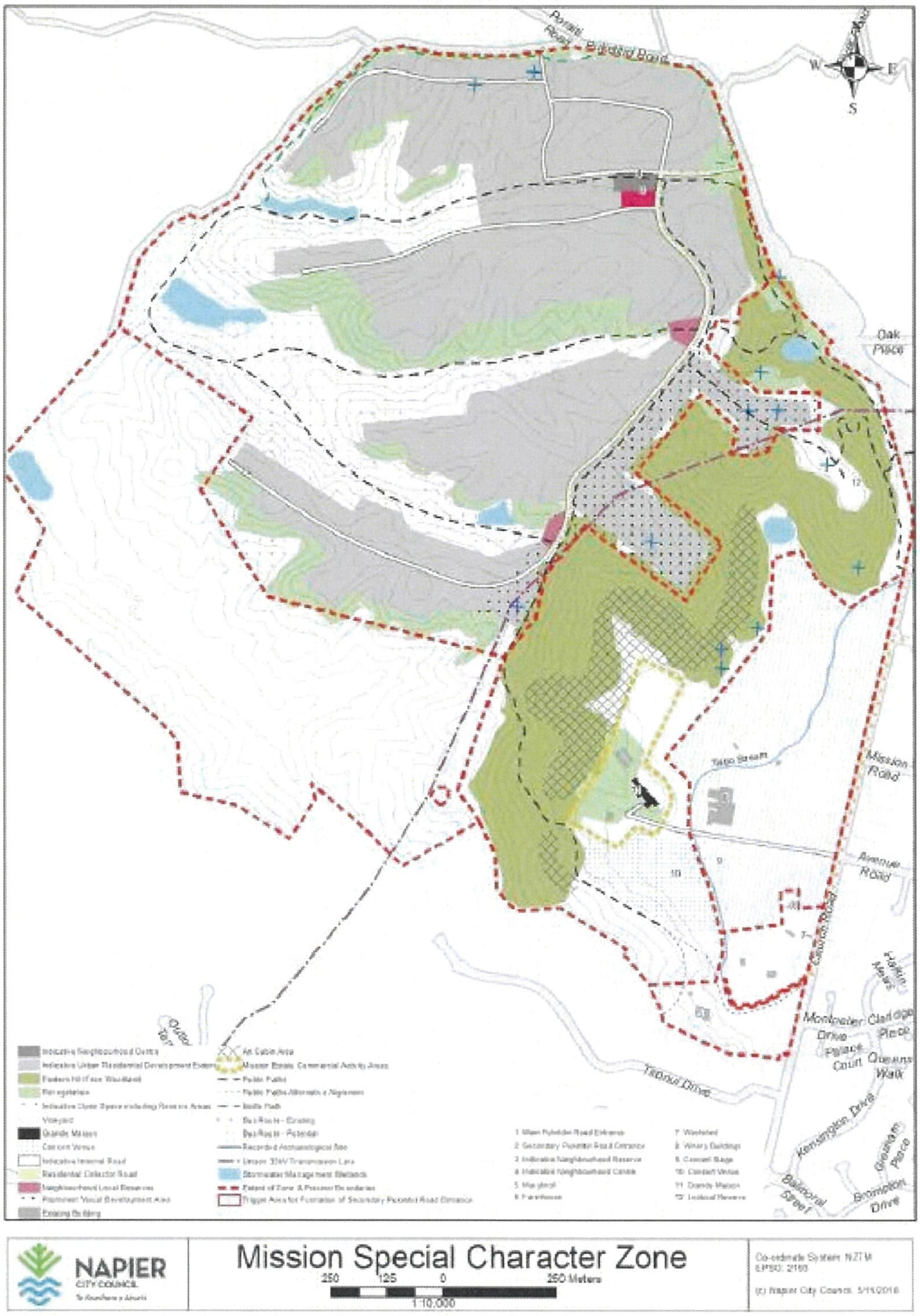


Figure 6 : Lagoon Farm, Citrus Grove and Park Island

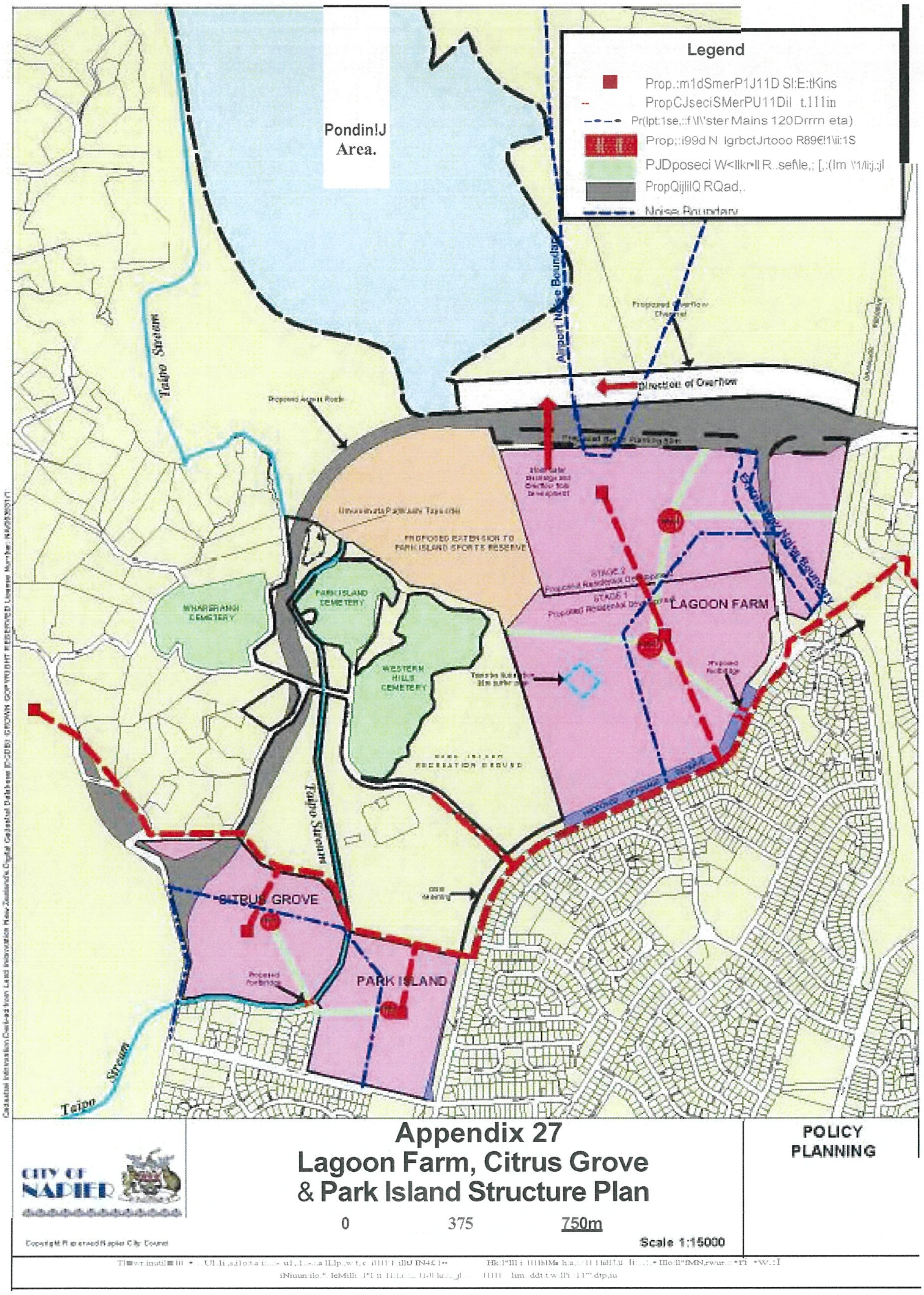


Figure 7 : Jervistown Zone Structure Plan

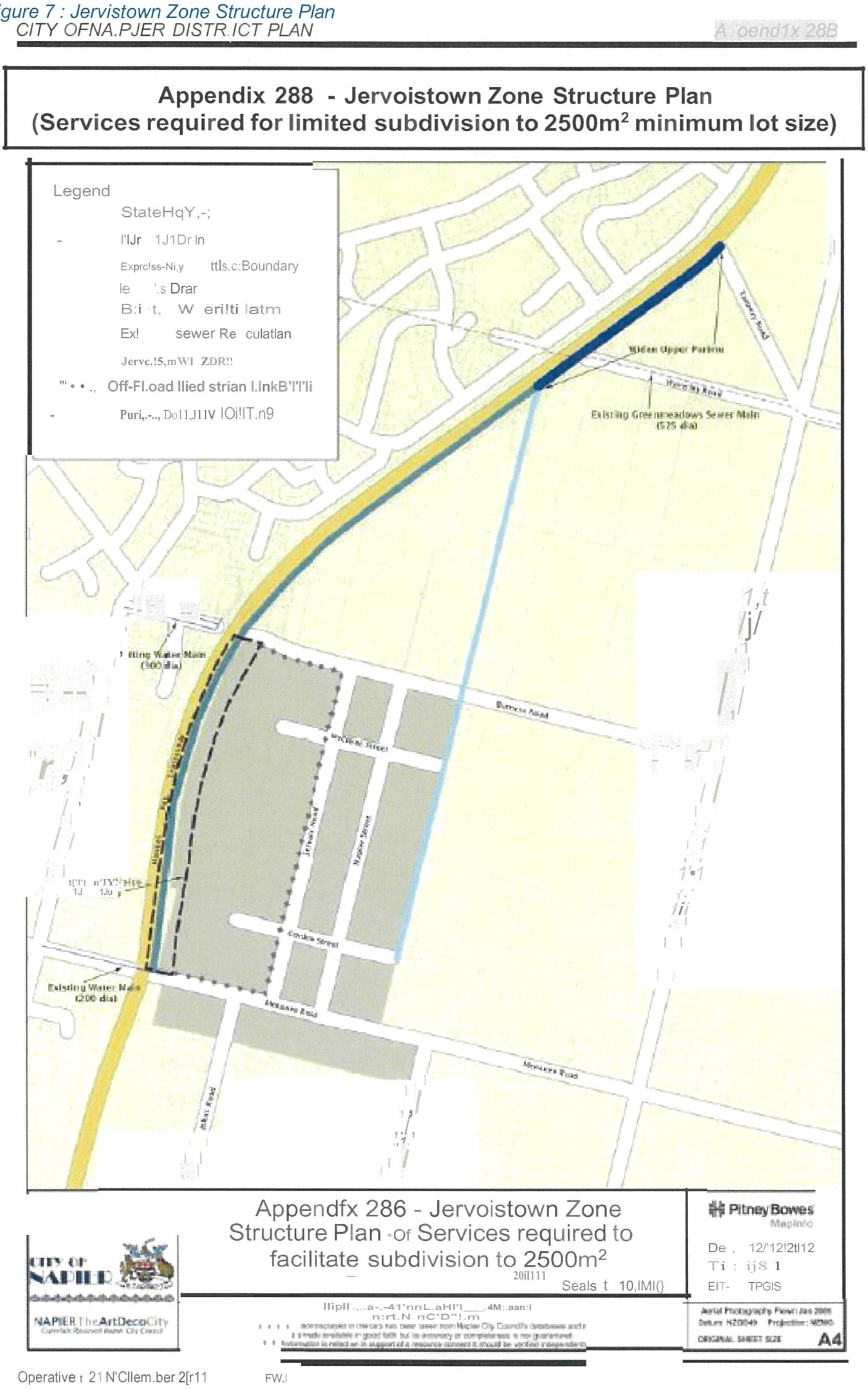
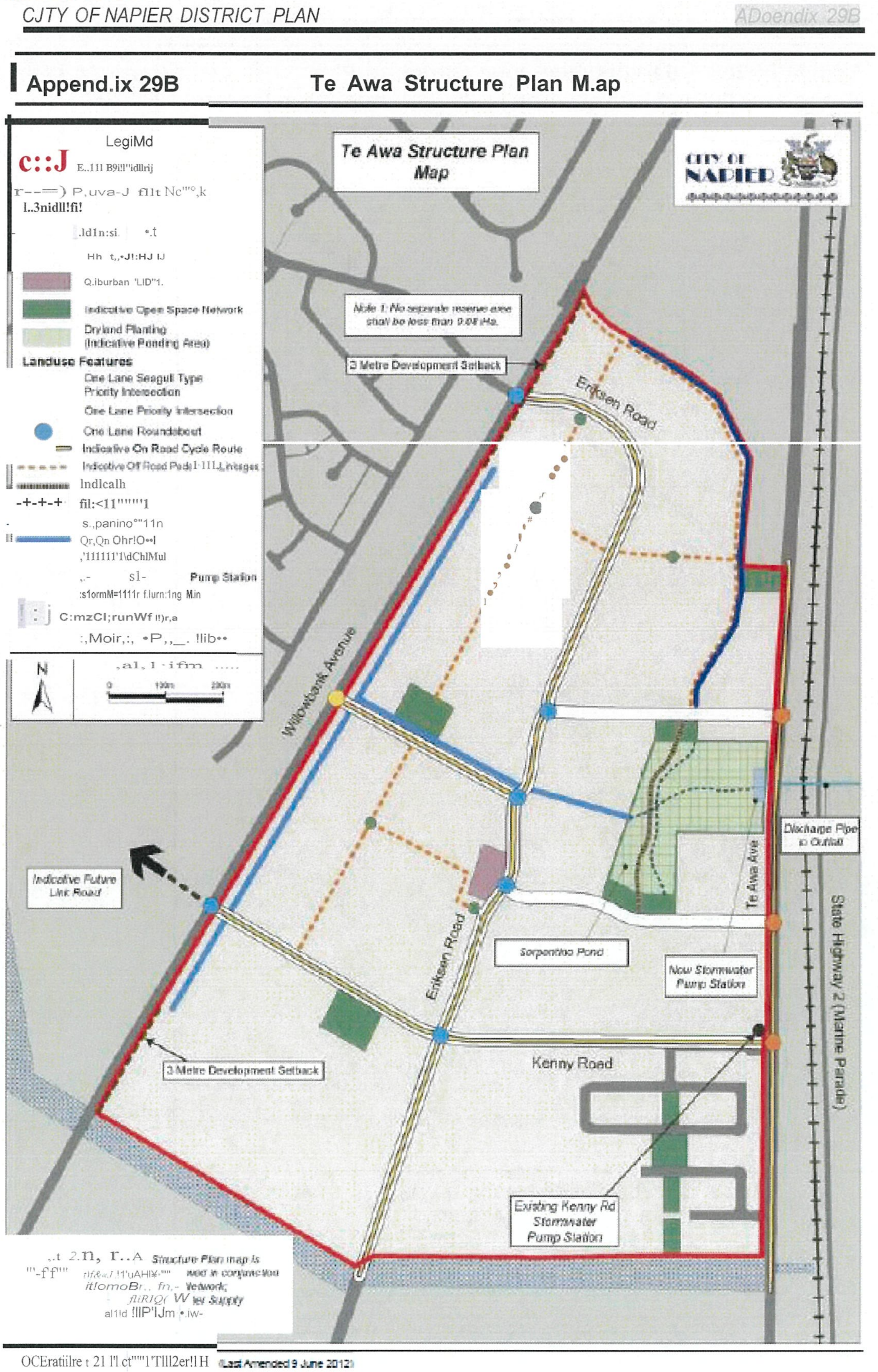


Figure 8 : Te Awa



3.4. Definitions

Allotment/lot has the same meaning as set out in Section 218 of the ACT.

Bedroom: a room of minimum 6m^2 in area, which could be used for sleeping in, usually containing a bed.

Commercial Activity means the USE of LAND and BUILDINGS for the display, offering, provision, sale or hire of goods, equipment or service and includes retailing, TRAVELLERS' ACCOMMODATION, DAY CARE CENTRE and off-licence premises and wholesale liquor outlets, but does not include EDUCATION FACILITIES or any BUSINESS OF PROSTITUTION.

Council means the Napier City Council or any committee or elected member of Council or any officer authorised to exercise the functions, duties or powers of the Council.

Dwelling Unit means a BUILDING or part of a BUILDING designed for residential purposes and occupied or intended to be occupied exclusively as the home or residence of not more than one HOUSEHOLD and includes an apartment, a flat including kaumatua flats and a RESIDENTIAL CARE FACILITY, but does not include a SUPPLEMENTARY UNIT. Second kitchen facilities in conjunction with service facilities constitutes a second dwelling unit.

Financial Contribution means a contribution as set out in section 108(9) of the ACT.

Greenfield Development means an area zoned for the purpose of allowing intensive 'Land Development'. Existing Greenfield sites are identified in Appendix 31 of this Plan as 'Development Areas'. For all new Greenfield areas, Council will consider:

i) the need for a Structure Plan that indicates the services to be provided by the developer, and

ii) the financial contributions that will be required to avoid, remedy or mitigate any environmental effects associated with land development

New Greenfield areas will be introduced to the Plan by way of a variation or Plan Change or at the time of a Plan review.

Gross Building Area means the sum of the area of all BUILDINGS on a SITE as viewed vertically from above and includes all eaves and overhangs.

Gross Floor Area means the sum of the area of all floors of all BUILDINGS on a SITE measured from the outside walls on every floor and includes enclosed conservatories and enclosed decks but does not include open and covered decks.

Industrial Activity means the USE of LAND and/or BUILDINGS for the primary purpose of manufacturing, assembling, testing, fabricating, processing, packing or associated storage of goods and the servicing and repair of goods and vehicles and includes SERVICE STATIONS and TRANSPORT DEPOTS, and STORAGE OF TYRES.

Infill Development means the further subdivision and/or development of an existing site, but excluding the development areas identified in Appendix 31. (For the purposes of this Plan all sites are deemed to be existing, except those specifically identified as Greenfield or development areas).

Infrastructure means those built STRUCTURES necessary for operating and supplying NETWORK UTILITY OPERATIONS and services to the community including, but not limited to, RADIOCOMMUNICATIONS, TELECOMMUNICATIONS, natural or manufactured fuel, electricity, water, drainage, sewerage, ROADS, railway lines and airports.

Land Development and Development means any land use:

- Involving SUBDIVISION; (including all associated network utility operations required to service the subdivision); or
- Involving MULTI-UNIT DEVELOPMENT; (including all associated network utility operations required to service the multi unit development); or
- Requiring EARTHWORKS design pursuant to Chapter 52A; or

- Requiring an extension to one or more of the COUNCIL'S existing NETWORK UTILITY OPERATIONS.

LGA means the Local Government Act 2002.

Multi-Unit Residential Development in respect means any BUILDING or group or groups of BUILDINGS on the same SITE which contains, whether attached or detached, two or more HOUSEHOLDS and subject to the exceptions hereinafter listed includes all apartment buildings and flats, but shall not include any of the following:

(a) TRAVELLERS' ACCOMMODATION.

(b) staff accommodation at HEALTH CARE CENTRES or EDUCATION FACILITIES.

RMA or the Act, means the Resource Management Act 1991 and its amendments

Resource Consent has the same meaning as set out in Section 2 of the ACT.

Residential Activity means the USE of LAND and BUILDINGS (including ACCESSORY BUILDINGS such as garages, carports and storage sheds) by a HOUSEHOLD (whether any person is subject to care, supervision or not), and includes RESIDENTIAL CARE FACILITIES but does not include HOME OCCUPATIONS, or TRAVELLERS' ACCOMMODATION.

Rural Environment means any area of LAND identified in this PLAN as being included in the Main Rural, Rural Residential, Rural Commercial, Rural Conservation, Rural Settlement Jervoistown or Lifestyle Character zones.

Supplementary Unit means a single bedroomed BUILDING located on the same SITE as a DWELLING UNIT, used or intended to be used solely for residential purposes and occupied or intended to be occupied as a home or residence.

Revenue and Financing Policy

Approved by	Council		
Department	Finance		
Original Approval Date	29 June 2018	**Review Approval Date**	14 September 2023
Next Review Deadline	14 September 2026	**Document ID**	TBA
Relevant Legislation	Local Government Act 2002		
NCC Documents Referenced	N/A		

Purpose

The Revenue and Financing policy is adopted under Sections 102(1) & 103(1) of the Local Government Act 2002 and must contain Napier City Council's general policies on the funding of operating and capital expenditure and show how the local authority has, in relation to the sources of funding identified in the policy, complied with Section 101(3) which has two parts.

Policy Background

Napier City Council (Council) has reviewed the proposed sources of funding for operating and capital expenditure and has reviewed the funding for each activity to determine the funding policy for each. In accordance with the Local Government Act 2002 (LGA) Council has considered each activity with regard to the following:

- Community outcomes to which an activity contributes; and
- the distribution of the benefits between the community as a whole, identifiable parts of the community and individuals; and
- the period in or over which those benefits are expected to occur; and
- the extent to which actions or inactions of individuals or groups contribute to the activity; and
- costs and benefits of funding the activity distinctly from other activities.

Council has considered each activity to determine what it considers an appropriate funding source for both operating and capital expenditure (refer to the schedule in the appendix).

Then it has considered the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural wellbeing of the community. It considered the following in determining the final funding source:

- The nature of Napier City as a whole including as a visitor and tourist destination; and
- the different costs of providing services and facilities and the associated benefits that the commercial (including accommodation providers) and industrial properties receive from those services; and
- the impact of rates on residential properties, and in particular on the affordability of rates for low, average and fixed income households; and
- the complexity of the rating system and the desirability of improving administrative simplicity; and

- The appropriate use of the General Rate.

Council has concluded that the General Rate and storm water targeted rate on commercial and industrial should have an appropriate differential recognising the issues considered above.

Council has also considered the impact of fees and charges. Council uses the market rate (where permissible) as the upper limit used for determining fees or charges. Where Council believes the imposition of fees or charges at a rate above the market rate will reduce usage of the activity or facility and lead to the imposition of a greater cost on ratepayers it will modify the amount chargeable to the market rate. In selecting the market rate, the Council has made a judgement that the community values the existence of the facility and would rather fund it from rates than for the facility to close.

Following consideration of the above the Council is proposing the use of the following funding tools

Council's policies on funding operating expenses and capital expenditure

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.

The General Rate has a significant component of public good or activities when the community benefits as a whole, and as the General Rate is a general taxing mechanism shifting the "differential factor" for each sector's share of the city's overall land value is the principal means that the Council has used to of achieving the desired overall rates impact on the wider community. It cannot achieve precise equity or allocation of costs to each type of property.

In determining differentials for General Rates, the intensity of development (i.e. building and surfaces) is considered a significant factor. With reference to observed property size and as the most common differential, Residential/Other was set as the base property type. Other differentials are set in reference against Residential/Other.

General Rates are assessed through a combination of a Uniform Annual General Charge (UAGC) and a rate in the dollar based on land value.

Council has set the following land value differential categories:

- Residential/Other
- Commercial & Industrial
- Rural Residential
- Rural

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.

Differential rating category definitions

Residential/Other properties

Any property that is not defined as Commercial & Industrial, Rural Residential or Rural.

Commercial and 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 and other support 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, cafes 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.

Targeted Rates for specific areas and/or activities

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).

Lump sum contributions

Council does not normally use any lump sum contributions.

Fees and charges:

Fees and charges are used to fund both operating and capital expenditure.

They are applied where there is a benefit to an individual from the delivery of goods and or services and this can be charged in a cost-efficient manner. If it is possible to efficiently impose a charge, then the Council does so, on the basis of either recovering the full cost of the service, the marginal cost added by users, or at a level that the market will pay. Fees & charges includes retail sales, ticketing, & corporate sponsorship

The following specific types of revenue are included in fees and charges:

- Licence Fees

Licence fees are charged where applicable and may be set by Council or by regulation.

- Enforcement Fees including fines and infringement fees

Enforcement fees are charged where applicable. Their purpose is to promote compliance rather than to raise revenue; consequently, revenue collected may be insufficient to meet the full costs of the enforcement activity. The level of enforcement fee may also be restricted by statute or the courts. Use of enforcement fee revenue collected may also be directed to a specific purpose by statute.

- Rental and Lease Income

Rental and lease income are attributed to the activity with primary responsibility for the asset generating the rental or lease income. This revenue generally offsets costs of maintaining the asset and costs generally within the activity area receiving the revenue. However, in the case of leasehold land subject to the Hawke's Bay Endowment Land Empowering Act 2002, ground rental revenue is credited to a special fund within equity being the HB Endowment Income Account. In accordance with the Act this income is used to fund the net cost of the Napier Inner Harbour and certain foreshore reserves and other permitted activities. The land subject to the Act was vested in Council in 1989 from the Hawke's Bay Harbour Board at the same time that Council assumed liability for the Napier Inner Harbour and former Harbour Board foreshore reserves.

- Waste Levy Income

This is the Council share of waste levy fees collected by the Ministry for the Environment. Income is received from the Waste Levy Fund and must be applied to waste minimisation activities.

Interest and dividends from investments

Interest and dividends from investments are used to fund operating and capital expenditure.

Council receives interest from its investments. Interest generated from defined funds held or collected, where Council has determined that interest will be added, are credited to the fund at year end and applied to the purposes of the fund. Any remaining interest income is used to reduce the requirement for General Rates.

Council also receives a minor amount of dividend revenue from time to time. Where applicable, this is applied to offset the cost of the activity related to the dividend income. Where dividend income relates to Council operations in general, this is applied to the same purposes as general rates.

Borrowing

Borrowing is primarily used as a tool to smooth cash requirements for capital acquisitions and replacements, and can be used to smooth cash requirements for large one-off operating expenditure. In certain circumstances, in accordance with Council's financial strategy, borrowing may be used to fund operating expenditure.

Proceeds from Asset Sales

Proceeds from asset sales are used to fund operating and capital expenditure.

Council's preference is that proceeds from asset sales are used to fund capital projects, repay debt to external parties or repay internal debt, thus replenishing reserves. The main planned asset sales programme of Council is the ongoing freeholding of HB Endowment Land Residential Leases and the sale of land associated with the development and sale of sections in the Parklands residential subdivision. Council also intends to review assets for potential sale to reduce debt or replace with higher yielding investments.

Development and Financial Contributions

Proceeds from development and financial contributions are used to fund operating and capital expenditure. They are primarily to fund capital expenditure associated with growth however some operating costs such as finance costs may be funded from this source.

The existing Development Contribution policy has had limited application and as the Council has an operative Financial Contributions policy under the Resource Management Act 1991, it was decided that this was currently the preferred method of recovery of the costs relating to development. The Financial Contributions Policy will be updated as part of the review of the District Plan.

Grants, subsidies and donations

Revenue from these sources is actively sought to offset both operating and capital costs.

Petrol Tax

This is the local government share of the petrol tax levied by central government. It is used to contribute to the costs of road maintenance.

Other funding sources

Council continues to actively explore all possible sources of funding to assist with the funding of both operating and capital expenditure. Any other funds derived will be used to either fund capital expenditure or to reduce the amount Council collects from rates.

Council policies in relation to various funding sources to fund operating and capital expenditure (section 103 Local Government Act 2002)

The table sets out for each activity funding sources that are to be used for both operating and capital expenditure. The rationale is explained in schedule in the appendix**.**

Activity	Funding sources	
	Operational[1]	**Capital**
Animal control	Primary source • Fees & charges (including infringement fees) 50% to 60% Other sources • General Rates 40% to 50%	• Accumulated surpluses • General Rates • Fees & charges • Loans • Reserves
Bay Skate	Primary source • General Rates 60% - 70% Other sources • Fees and charges (including Leases, retail sales, & sponsorship)	• Accumulated surpluses • General Rates • Fees & charges • Loans • Reserves
Building consents	Primary source • Fees and charges 80% Other sources • General Rates • Targeted Rates • Reserves • Loans	Nil
Cemeteries	Primary source	• Accumulated surpluses

[1] The stated percentages indicate the target set by Council. The actual percentages will vary from year to year as explained in the footnote at the bottom of the table in the appendix. Also subsidies, grants and donations can be considered as a possible source of funding for all activities as Council will actively seek other sources of external funding where available for both operating and capital expenditure.

<table>
<tr><th rowspan="2">Activity</th><th colspan="2">Funding sources</th></tr>
<tr><th>Operational[1]</th><th>Capital</th></tr>
<tr><td>This includes the contribution that NCC makes towards HB Crematorium in Hastings</td><td>• General Rates 70% to 80%

Other sources
• User fees & charges</td><td>• General Rates
• Fees & charges
• Loans
• Reserves</td></tr>
<tr><td>City development</td><td>Primary source
• General Rates 100%

Other sources
• Reserves
• Loans
• Fees and charges (where appropriate)</td><td>No significant capital expenditure but minor capital expenditure is funded from General Rates, Reserves and Loans</td></tr>
<tr><td>Community facilities</td><td>Primary source
• General Rates 80% – 90%

Other sources
• Fees & charges, including lease income, one off grants, naming rights</td><td>• Accumulated surpluses
• General Rates
• Fees & charges,
• Loans
• Reserves
• Grants & donations</td></tr>
<tr><td>Community strategies</td><td>Primary source
• General Rates 100%

Other sources
• Fees & charges, including bequest and external funding
• Reserves</td><td>• Accumulated surpluses
• General Rates
• Fees & charges
• Loans
• Reserves</td></tr>
<tr><td>Democracy & Governance</td><td>Primary source
• General Rates,100%

Other sources
• Fees & charges, including for LGOIMAs
• Reserves</td><td>Nil</td></tr>
<tr><td>Events and marketing</td><td>Primary source
• General Rates 90% – 95%

Other sources
• Grants
• Fees & charges, including ticketing, corporate sponsorship, vendors</td><td>Accumulated surpluses
• Loans</td></tr>
<tr><td>Housing</td><td>Primary source
• Fees & charges 100% (rentals)
• Other sources
• General Rates
• Loans</td><td>• Accumulated surpluses
• Fees & charges (rentals)
• Loans
• Grants
• Reserves
• General Rates</td></tr>
<tr><td>Inner harbour</td><td>Primary source
• Fees and charges 100%

Other sources
• Reserves, surplus revenue from inner harbour land holding
• General Rates</td><td>• Accumulated surpluses
• Fees and charges
• General Rates
• Reserves
• Loans
• Financial and/or Development Contributions.</td></tr>
<tr><td>Kennedy Park Resort</td><td>Primary source
• Fees and charges 100%

Other sources
• Loans</td><td>• Accumulated surpluses
• Fees and charges
• Loans
• Reserves</td></tr>
<tr><td>Lagoon farm</td><td>Primary source</td><td>• Accumulated surpluses</td></tr>
</table>

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Activity	Funding sources	
	Operational[1]	Capital
	• Fees and charges 90% - 100% Other sources • Reserves	• Fees and charges • Reserves • Loans
Libraries	Primary source • General Rates 90% - 95% - Other sources • Fees & charges (fines) • Grants & bequests	• Accumulated surpluses • Fees & charges, fines • General Rates • Grants & bequests • Loans • Reserves • Financial and/or Development Contributions
McLean Park	Primary source • Fees and charges, 100% tickets, sponsorship, corporate box revenue, naming rights • General Rates	• Accumulated surpluses • Fees and charges • General and targeted rates • Ticket sales • Loans • Reserves, • Grants & bequests • Sponsorship, & corporate box revenue, naming rights
MTG Hawkes Bay	Primary source • General Rates 65% - 75% Other sources • Fees and charges • Contribution from other local authorities • Bequests • Grants, donations & retail sales	• Accumulated surpluses • General Rates • Fees and charges • Contribution from other local authorities • Bequests • Grants • Donations • Loans • Reserves • Sponsorship, & naming rights
Napier Aquatic Centre	Primary source • General Rates 65% - 75% Other sources Fees & charges	• Accumulated surpluses • General Rates • Fees & charges • Loans • Reserves
Napier i-SITE	Primary source • Fees and charges 35% to 45% Other sources General Rates 55% to 65%	• Accumulated surpluses • General Rates • Fees and charges • Targeted rates • Loans • Reserves
Napier Municipal Theatre	Primary source • General Rates 35% - 40% Other sources • Fees and charges • Bequests • Grants, donations & sponsorship	• Accumulated surpluses • General Rates • Fees and charges • Bequests • Grants, donations & sponsorship • Loans • Reserves • Naming rights
Napier Conferences and Events	Primary source • Fees and charges 90% to 95% Other sources • General Rates • Loans	• Accumulated surpluses • Fees and charges • General Rates • Targeted rates • Loans • Reserves
National Aquarium of NZ	Primary source • Fees and charges 65% - 70%	• Accumulated surpluses • Fees and charges • General Rates

Activity	Funding sources	
	Operational[1]	Capital
	Other sources • Grants • Sponsorships, bequests & philanthropic General Rates	• Targeted rates • Grants • Sponsorships, bequests & philanthropic • Sponsorship • Loans • Reserves • Naming rights
Ocean Spa (Marine Parade Pools)	Primary source • Fees & charges 100% Other sources • None	• Accumulated surpluses • General Rates • Fees & charges • Loans • Reserves • Financial and/or Development Contributions
Par2 Mini golf	Primary source • Fees and charges 100% • Retail sales	• Accumulated surpluses • Fees and charges • Reserves • Loans
Parking	Primary source • Fees and charges 80% to 90% Other sources • Targeted rates • Reserves	• Accumulated surpluses • Targeted rates • General Rates • Loans • Reserves • Financial and/or Development Contributions
Parklands residential development	Primary source • Fees and charges 100% Other sources • Reserves	• Loans • Reserves
Property holdings	Primary source • Fees and charges 100% Other sources • Fees and charges (lease income) • Reserves	• Accumulated surpluses • Fees and charges (lease income) • Loans • Reserves
Property rights purchase	Primary source • General Rates 0% - 100 Other sources • Government funding • Reserves • Loans	Primary source • General Rates 0% - 100 Other sources • Government funding • Reserves • Loans
Public toilets	Primary source • General Rates 95% - 100 Other sources • Fees and charges • Reserves	• Loans • Reserves • General Rates
Regulatory solutions	Primary source • General Rates 55% - 65% Other sources • Fees and charges, • Reserves	• Accumulated surpluses • Loans • Reserves
Reserves	Primary source • General Rates 85% - 90% Other sources	• Accumulated surpluses • General Rates • Fees and charges • Targeted rates • Loans

Activity	Funding sources	
	Operational[1]	Capital
	• Fees and charges (rentals and leases)	• Bequests • Reserves • Financial and/or Development Contributions • Grants and subsidies • Naming rights & sponsorship
Resource consents	Primary source • 60% of the activity's costs are recovered from General Rates • Resource consents fees and charges are set to recover 100% of costs for services provided Other sources • Reserves	Nil
Sportsgrounds	Primary source • General Rates 90% - 95% Other sources • Fees and charges (rentals and leases)	• Accumulated surpluses • General Rates • Fees and charges • Targeted Rates • Naming rights • Sponsorship • Loans • Bequests • Reserves • Financial and/or Development Contributions
Stormwater	Primary source • Targeted Rates 95% - 100% Other sources • General Rates • Reserves • Fees and charges (connection fees)	• Accumulated surpluses • General and Targeted Rates • Fees and charges • Financial and/or Development Contributions • Loans • Reserves
Transportation	Primary source • NZTA subsidy 50% – 60% (for subsidised work programme only), 15.3% for CBD sweeping, 85% for LED replacement programme Other sources • General Rates • Fees and charges • Petrol tax	• Accumulated surpluses from Targeted Rates, General Rate, fees and charges • Petrol tax • NZTA subsidy 50% – 60% (for subsidised work programme only), 15.3% for CBD sweeping, 85% for LED replacement programme • Financial and/or Development Contributions • Loans • Reserves • Grants and donations (e.g. cycle ways)
Waste minimisation	Primary source 80% - 90% • Fees and charges • Targeted Rates • Waste minimisation levy Other sources • General Rates • Reserves	• Accumulated surpluses • Fees and charges • General and Targeted Rates • Waste minimisation levy • Reserves • Loans • Financial Contributions
Wastewater	Primary source 100% • Targeted Differential Rates • Fees and charges (including trade waste bylaw charges)	• Accumulated surpluses • Targeted Differential Rates • General Rates • Fees and charges

<table>
<tr><th rowspan="2">Activity</th><th colspan="2">Funding sources</th></tr>
<tr><th>Operational[1]</th><th>Capital</th></tr>
<tr><td></td><td></td><td>Loans
Reserves
Development and/or Financial Contributions</td></tr>
<tr><td>Water supply</td><td>Primary source 100%
Targeted Differential Rates
Water rates
Fees and charges (not including water by meter rate)</td><td>Accumulated surpluses
Targeted Differential Rates
Water rates
General Rates
Fees and charges
Loans
Reserves
Financial and/or Development Contributions</td></tr>
</table>

The schedule in the appendix records how the Council has applied the five considerations in the table below that it must consider when undertaking its funding needs analysis.

Local Government Act 2002 section	Areas of consideration	Description of the matter Council might consider
s.101(3)(a)(i)	Community outcome	The Council determined which of its community outcomes each activity primarily contributes to. There may not be strong link between community outcomes and funding requirements for an activity
s.101(3)(a)(ii)	Who benefits?	What the distribution of benefits is between the whole community, identifiable parts of the community and individuals. Often referred to as the public/private good split.
s.101(3)(a)(iii)	Period of benefit	For most operational expenses, the benefit is received in the year the expense is incurred. Some operational expenses (provisions) may have a benefit over multiple years and so the Council may choose to fund the activity over that period. Expenditure which results in an asset either being replaced (renewals) or new assets provide benefit over multiple years.
s.101(3)(a)(iv)	Whose acts create a need	Council used the principle that those who cause additional cost either by action or inaction are considered in this section. These may be different groups from those who have been identified within the “who benefits” consideration above. Often referred to as the exacerbator pays principle
s.101(3)(a)(v)	Separate funding	Council considered the costs and benefits of funding an activity separately, including in relation to transparency and accountability. It also considered matters such as the financial scale of the activity, administrative cost, and legal requirements.

Policy Review

The review timeframe of this policy will be no longer than every three years.

Appendix A

Schedule of Activity Funding Needs Analysis Section 101(3)(a) LGA

Activity	**Community outcome**	**Who benefits?**	**Period of benefit**	**Whose acts create a need**	**Separate funding**	**Rationale**	**To be recovered from Public Good tools[2]**	**Funding sources**	
								Operational	**Capital**
Animal control	A safe and healthy city that supports community well-being	Community as a whole Animal owners	Intergenerational	All animal owners create the need however irresponsible owners create a greater cost. Legislative (Dog Control Act)	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities. The private benefit is predominantly funded from annual dog licence fees.	Animal control is primarily a health & safety service for the community & therefore benefits everyone. There are costs that the Council can directly attribute to individual owners.	40% - 50%	• General rates • Fees & charges (including infringement fees)	• Accumulated surpluses from General rates, fees & charges, • Loans • Reserves
Bay Skate	A vibrant innovative city for everyone	Direct users, local businesses, parents, tourists and visitors Community as a whole as the facility provides a safe location	Intergenerational	Nil	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately	Everyone has the ability to use the facility and Council can identify the users	60% - 70%	• General rates • Fees and charges (including Leases, retail sales, & sponsorship)	• Accumulated surpluses from General rates, fees & charges, • Loans • Reserves

[2] The percentages stated are the indicative target set by Council. The actual percentage may vary from year to year based on activity levels. As an example, an activity that says 100% public good may receive some revenue from fees and charges where charging is warranted to ensure the community are not inadvertently required to pay for something that only provides a benefit to an identifiable individual. Another example where the actual percentage may vary is when Council is able to obtain external grants or subsidies for a specific programme of work.

Activity	Community outcome	Who benefits?	Period of benefit	Whose acts create a need	Separate funding	Rationale	To be recovered from Public Good tools[2]	Funding sources	
								Operational	Capital
		for users to undertake their sport			from other activities				
Building consents	A safe and healthy city that supports community well-being	The property owner and inhabitant. There is a wider benefit from buildings being built to code	Intergenerational because of the life of the structures for which consents are issued.	People constructing non consented buildings, construction industry parties not complying with the Building Act	Council funds the cost of inspecting and maintaining a database on swimming pools through a target rate to properties that have a swimming pool. No reason identified to fund the net cost of this activity (after the swimming pool targeted rate and other non-rate revenue sources) separately from other activities Most activity costs are funded by fees from applicants.	This benefits the property owner and inhabitant. There is a wider benefit from buildings being built to code.	20%	• Fees and charges • General rates • Targeted rates • Reserves • Loans	Nil

Activity	Community outcome	Who benefits?	Period of benefit	Whose acts create a need	Separate funding	Rationale	To be recovered from Public Good tools[2]	Funding sources	
								Operational	Capital
Cemeteries This includes the contribution that NCC makes towards HB Crematorium in Hastings	Excellence in infrastructure and public services for now and in the future	the community as a whole, any identifiable part of the community, and individuals	Intergenerational – history & physical infrastructure	No significant exacerbators	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	Wider public benefit for open space & recognition & place of remembrance. Private benefit – place where people can be interred, cost of the plot & interment	75%	• General rates • User fees & charges	• Accumulated surpluses from General rates, fees & charges, • Loans • Reserves
City development	A vibrant innovative city for everyone	The community as a whole benefit from this activity except where there is a private plan change that has specific benefits to the applicant	The outcomes of this activity result in ongoing benefits and some of these benefits can last a significant period of time	Applicants for private plan changes	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities .	City Development is an ongoing activity to help citizens and elected officials design and deliver the Vision for Napier City. This predominantly results in benefits for the whole community. Debt or loan funding can be used where there is large non-recurring expenditure	100%	• General rates • Reserves • Loans • Fees and charges (where appropriate)	No significant capital expenditure but minor capital expenditure is funded from general rates and reserves.
Community facilities	A safe & healthy city that supports	The community as a whole	Intergenerational because of the	Users of the facilities who put greater	No reason identified to	Community as a whole benefit from having	85%	• General rates • Fees & charges,	• Accumulated surpluses from

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Activity	Community outcome	Who benefits?	Period of benefit	Whose acts create a need	Separate funding	Rationale	To be recovered from Public Good tools[2]	Funding sources	
								Operational	Capital
	community well-being	including users of the facilities	life of the facilities	demands on the facilities	fund the net cost of this activity (after non rate revenue sources) separately from other activities	these facilities available but there is the ability to identify & charge users.		including lease income, one off grants, naming rights	General rates, fees & charges, • Loans • Reserves • Grants & donations
Community strategies	Council works with & for the community	The community as a whole	The outcomes of this activity result in ongoing benefits	Antisocial behaviour by individuals and groups Legislation	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	This is a core Council activity which changes the response to the needs of the community for which everyone benefits	100%	• General rates • Fees & charges, Including bequest and external funding • Reserves	• Accumulated surpluses from General rates, fees & charges • Loans • Reserves
Democracy & Governance	Council works with and for the community	The community as a whole	Short term	LGOIMA requests (vexatious & legitimate)	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	All residents and rate payers have equal opportunity to benefit All have the ability to contribute to this activity therefore no differential, general rates	100%	• General rates, • Fees & charges, Including for LGOIMAs • Reserves	Nil
Events and marketing	A vibrant innovative	The community as a whole receives social,	Short term	No significant exacerbators	No reason identified to fund the net	Events are a key part of the Napier City's	95%	• General rates • Grants	Nil

Activity	Community outcome	Who benefits?	Period of benefit	Whose acts create a need	Separate funding	Rationale	To be recovered from Public Good tools[2]	Funding sources: Operational	Funding sources: Capital
	city for everyone	cultural and economic benefit Participants and/or users			cost of this activity (after non rate revenue sources) separately from other activities	social, economic and cultural fabric, therefore the benefits that are received are both general and specific.		• Fees & charges, including ticketing, corporate sponsorship, vendors	
Housing	A safe and healthy city that supports community well-being	Users of the facilities and the wider community	Intergenerational	Inability of other entities to provide adequate social housing to meet local demand	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	Responding to an identified need in our community. The users of the facilities are the primary beneficiaries of this activity.	0%	• Fees & charges (rentals) • General rates • Loans	• Accumulated surpluses from Fees & charges (rentals) • Loans • Government grants • Reserves • General rates
Inner harbour	A vibrant innovative city for everyone	The users of the facilities and the wider community in terms of the amenity value.	Intergenerational	Individual undertaking Illegal activities	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	The users of the facilities receive a significant benefit but the wider community receives benefit through the amenity value.	0%	• Fees and charges • General rates • Reserves, surplus revenue from inner harbour land holding	• Accumulated surpluses from Fees and charges, general rates, reserves, • Loans • Financial and\or Development contributions.
Kennedy Park Resort	A vibrant innovative city for everyone	Direct users and ratepayers by the surplus generated.	Intergenerational	None identified	No reason identified to fund the net cost of this	Provides a range of affordable visitor amenities	0%	• Fees and charges • Loans	• Accumulated surpluses from Fees and charges,

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Activity	Community outcome	Who benefits?	Period of benefit	Whose acts create a need	Separate funding	Rationale	To be recovered from Public Good tools[2]	Funding sources: Operational	Funding sources: Capital
		Local retail, hospitality			activity (after non rate revenue sources) separately from other activities	that generates a surplus for Council to use as it sees fit.			• Loans, • Reserves
Lagoon farm	A sustainable city	The community as a whole (has the ability to subsidise rates).	Intergenerational	Nil	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	This activity currently breaks even and does not require any significant additional funding.	0% - 10%	• Fees and charges • Reserves	• Accumulated surpluses from Fees and charges • Reserves, • Loans
Libraries	A safe & healthy city that supports community well-being	The community as a whole however it is possible to identify users	Both long and short term benefits.	Researchers, people who demand excessive staff time for professional and commercial purposes	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	Everyone has the ability to use the library and we can identify certain users for specific services	90% - 95%	• Fees & charges (fines) • General rates • Grants & bequests	• Accumulated surpluses from Fees & charges, fines • General rates • Grants & bequests • Loans • Reserves • Financial and\or Development contributions
McLean Park	A vibrant innovative	The regional community as a whole	Intergenerational	None identified	No reason identified to fund the net	The region benefits by having this	0%	• Fees and charges, tickets,	• Accumulated surpluses from fees and

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Activity	Community outcome	Who benefits?	Period of benefit	Whose acts create a need	Separate funding	Rationale	To be recovered from Public Good tools[2]	Funding sources: Operational	Funding sources: Capital
	city for everyone	Users, spectators, events, national, regional and local organisations, businesses			cost of this activity (after non rate revenue sources) separately from other activities	facility and those who attend or participate in events		sponsorship, corporate box revenue, naming rights	charges, general and targeted rates, tickets, • Loans • Reserves, • Grants & bequests • Sponsorship & corporate box revenue, naming rights
MTG Hawkes Bay	A vibrant innovative city for everyone	The whole region, users and visitors	Intergenerational	None identified	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	The provision of this activity enhances the social and cultural fabric and preserves our heritage and celebrates artistic innovation for future generations. Therefore, the whole region benefits	65% - 75%	• General rates • Fees and charges • Contribution from other local authorities • Bequests • Ministry of Education, grants, donations & retail sales	• Accumulated surpluses from General rates, fees and charges • Contribution from other local authorities • Bequests • Ministry of Education grants • Donations, • Loans, • Reserves • Sponsorship & naming rights
Napier Aquatic Centre	A safe & healthy city that supports community well-being	The community as a whole including users of the facility	Intergenerational	None identified	No reason identified to fund the net cost of this activity (after non rate	Everyone has the ability to use the facility and Council can identify the users	65% - 75%	• Fees & charges • General rates	• Loans, • Accumulated surpluses from general rates, fees & charges • Reserves

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Activity	Community outcome	Who benefits?	Period of benefit	Whose acts create a need	Separate funding	Rationale	To be recovered from Public Good tools[2]	Funding sources: Operational	Funding sources: Capital
					revenue sources) separately from other activities				
Napier i-SITE	A vibrant innovative city for everyone	Visitors, regional tour operators and accommodation providers, hospitality, local businesses	Short term expenditure with ongoing benefits Building – intergenerational equity	Cruise ships passengers and operators	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	Visitors, regional tour operators and accommodation providers, hospitality, local businesses therefore creating economic benefit for the city	55% - 65%	• General rates • Fees and charges	• Accumulated surpluses from General rates • Fees and charges • Targeted rates • Loans • Reserves
Napier Municipal Theatre	A vibrant innovative city for everyone	The community as a whole including users of the facility	Intergenerational	None identified	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	The provision of this activity enhances the social and cultural fabric and celebrates artistic innovation for future generations. Therefore, the whole City benefits	60% - 65%	• General rates • Fees and charges • Bequests • Grants, donations & sponsorship	• Accumulated surpluses from general rates • Fees and charges • Bequests • Grants, donations & sponsorship • Loans, • Reserves • Naming rights
Napier War Memorial Conference Centre	A vibrant innovative city for everyone	The immediate users. Local businesses receive a benefit from out of town users.	Intergenerational - 20-30 years	None identified	No reason identified to fund the net cost of this activity (after non rate	The Napier War Memorial Conference Centre is suitable for a wide range of	5% - 10%	• Fees and charges • General rates	• Accumulated surpluses from Fees and charges • General rates • Targeted rates

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Activity	Community outcome	Who benefits?	Period of benefit	Whose acts create a need	Separate funding	Rationale	To be recovered from Public Good tools[2]	Funding sources	
								Operational	Capital
		Locals benefit from general hireage of the facility.			revenue sources) separately from other activities Building = War Memorial Centre Activity = Conference Centre	events and attracts local, national and international conferences and events and provides a facility for the community which generates economic wellbeing.			• Loans • Reserves
National Aquarium of NZ	A vibrant innovative city for everyone	Local, domestic and international visitors Businesses and local economy Historical and heritage, customary practices – especially Maori and Pacifica	Intergenerational	Polluters, sanctuary requirements	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	It attracts locals and visitors to the city which provides enhances economic activity	20% - 25%	• Fees and charges • Grants • Sponsorships, bequests & philanthropic • General rates	• Accumulated surpluses from Fees and charges • General rates • Targeted rates • Grants • Loans • Reserves • Naming rights
Ocean Spa (Marine Parade Pools)	A safe & healthy city that supports community well-being	The community as a whole including users of the facility	Intergenerational	None identified	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately	Everyone has the ability to use the facility and Council can identify the users	0%	• Fees & charges • General rates	• Accumulated surpluses from general rates • Fees & charges • Loans • Reserves • Financial and\or

Activity	Community outcome	Who benefits?	Period of benefit	Whose acts create a need	Separate funding	Rationale	To be recovered from Public Good tools[2]	Funding sources	
								Operational	Capital
					from other activities				Development contributions
Par2 mini golf	A vibrant innovative city for everyone	Users, visitors and families	Intergenerational	None identified	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	It attracts locals and visitors and is a fun family friendly activity for all ages from which the Council fully recovers its cost	0%	• Fees and charges, retail sales	• Accumulated surpluses from Fees and charges • Reserves • Loans
Parking	A vibrant innovative city for everyone	Retailers, visitors and the community as a whole and those with a parking exemption	There are assets within this activity that have an intergenerational life	Vehicle drivers, non-compliant vehicle operators and property owners within parking exemption areas.	Council separately charges CBD and outer commercial properties a targeted rate for the provision of additional offstreet parking. Apart for these targeted rates no further reason has been identified to fund this activity separately	Parking ensures that safe parking facilities are available to the residents and visitors to Napier City to enable optimal vehicle circulation	0%	• Fees and charges • Targeted rates • Reserves	• Accumulated surpluses from Fees and charges • Targeted rates • General rates • Loans • Reserves • Financial and\or Development contributions

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Activity	Community outcome	Who benefits?	Period of benefit	Whose acts create a need	Separate funding	Rationale	To be recovered from Public Good tools[2]	Funding sources	
								Operational	Capital
					from other activities				
Parklands residential development	A sustainable city	The community as a whole	Intergenerational	Nil	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	This activity currently provides significant income that subsidises rates	0%	• Fees and charges • Reserves	• Accumulated surpluses from Fees and charges • Loans • Reserves
Property holdings	A sustainable city	The community as a whole (has the ability to subsidise rates).	Intergenerational	Non-compliant lease holders	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	This activity generates cash surpluses which enables the subsidy of rates	0%	• Fees and charges (lease income) • Reserves • Loans	• Accumulated surpluses from Fees and charges (lease income) • Loans • Reserves
Property rights purchase	A safe & healthy city that supports community well-being	The community as a whole and people living within identified areas of risk	The outcomes of this activity result in ongoing benefits	Residents who live within identified areas of risk	No reason identified to fund the net cost of this activity (after non rate revenue sources separately from other activities)	Community as a whole benefit from this activity due to the reduced risk of loss of life, reduced loss of residential property and emergency	100%	• Government funding • General rates • Reserves • Loans	• Government funding • General rates • Reserves • Loans

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Activity	Community outcome	Who benefits?	Period of benefit	Whose acts create a need	Separate funding	Rationale	To be recovered from Public Good tools[2]	Funding sources	
								Operational	Capital
						response requirement			
Public toilets	Excellence in infrastructure and public services for now and in the future	The community and visitors	Intergenerational (up to 20 years)	Visitors have created an additional cost. Vandalism Cruise ships Freedom campers Major inner-city events	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	Providing public amenities however, there is a requirement to provide these facilities for areas that have high visitor numbers	95% - 100%	• Fees and charges • General rates • Reserves	• Loans, • Reserves • General Rates
Regulatory solutions	A safe and healthy city that supports community well-being.	The users of the services and the community, however the effective provision of this activity results in public health and the avoidance of nuisance	Limited to the period of the operation.	Non-compliant businesses and individuals	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	The effective provision of this activity results in public health and the avoidance of nuisance	55% - 65%	• Fees and charges, • General rates • Reserves	Nil
Reserves	A safe and healthy city that supports community well-being	Occupiers, leases and hirers of the reserves Contributes to the City's green space, biodiversity and environmental outcomes	Intergenerational - ongoing with assets having a life of greater than 10 years	Vandalism, events, theft, freedom campers	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	Everyone benefits but the occupiers receive a higher benefit and therefore a range of funding sources are used.	85% - 90%	• General rates • Fees and charges (rentals and leases)	• Accumulated surpluses from General rates, fees and charges • Targeted rates, • Loans, • Bequests, • Reserves

Activity	Community outcome	Who benefits?	Period of benefit	Whose acts create a need	Separate funding	Rationale	To be recovered from Public Good tools[2]	Funding sources: Operational	Funding sources: Capital
		Everyone benefits but the occupiers receive a higher benefit							• Financial and\or Development Contributions, • Grants and subsidies • Naming rights & sponsorship
Resource consents	A sustainable city	The relevant community (through the consent process), free planning advice, public counter, responding to complaints, compliant & safe buildings in the community. Notified and non-notified consents have different levels of benefit	Intergenerational due to the nature of the activities for which the consents are issued.	Resource consent holders who do not comply with the resource consent conditions. Unconsented activities. Vexatious and frivolous objectors	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	The relevant community (through the consent process), notified and non-notified consents have different levels of benefit.	60% of the activity's costs are recovered from general rates Resource consents fees and charges are set to recover 100% of costs for services provided	• Fees and charges • General rates • Reserves	Nil
Sportsgrounds	Safe and healthy city that supports community well-being	People who actively participate in the sportsground Direct participants and indirect participants (spectators)	Intergenerational - ongoing with assets having a life of greater than 10 years	Sports people, park users, vandalism, parents, events	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately	Everyone benefits but the active participants and local businesses have a higher benefit and therefore a range of	90% - 95%	• General rates • Fees and charges (rentals and leases)	• Accumulated surpluses from General rates, fees and charges targeted rates • Naming rights • Sponsorship

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Activity	**Community outcome**	**Who benefits?**	**Period of benefit**	**Whose acts create a need**	**Separate funding**	**Rationale**	**To be recovered from Public Good tools[2]**	**Funding sources**	
								Operational	**Capital**
		Contributes to the City's green space Everyone benefits but the active participants and local businesses have a higher benefit			from other activities	funding sources are used			• Loans, • Bequests • Reserves • Financial and\or Development Contributions
Stormwater	A vibrant innovative city for everyone Excellence in infrastructure and public services for now and in the future	The community as a whole There can be identifiable parts of the community that receive higher levels of service	Intergenerational (up to 100 years)	Commercial density creates additional cost and need for the activity	Funding this activity separately through a targeted rate provides greater transparency so ratepayers understand the cost of stormwater services	The whole community benefits from the provision of storm water, however some properties based on location receive a different level of service	95% - 100%	• General rates • Targeted rates • Reserves • Fees and charges (connection fees)	• Accumulated surpluses from general and targeted rates, fees and charges • Financial and\or Development contributions • Loans • Reserves
Transportation	Excellence in infrastructure and public services for now and in the future	Users both public and private. There is a range of between 60% to 80% for private good.	Intergenerational	Heavy vehicles, irresponsible road users, high density properties creating high traffic impacts	Currently not practical and no benefit in funding this activity separately	The transportation activity provides economic, private and community benefit and is essential for the safe functionality and connectivity of the City.	40% - 60%	• NZTA subsidy • General rates • Fees and charges • Petrol tax	• Accumulated surpluses from targeted rates, general rate, fees and charges • Petrol tax • NZTA subsidy • Financial and\or

Activity	Community outcome	Who benefits?	Period of benefit	Whose acts create a need	Separate funding	Rationale	To be recovered from Public Good tools[2]	Funding sources	
								Operational	**Capital**
									Development contributions • Loans • Reserves • Grants and donations (e.g. cycle ways)
Waste minimisation	A sustainable city	The individual and the community as a whole	Intergenerational	Illegal dumping creates an additional cost for Council, inappropriate disposal of hazardous waste	Separate Targeted rates are charged to fund the cost of kerbside refuse collections and the kerbside recycling service. This makes the cost of these services transparent to ratepayers. No reason has been identified to fund the net cost of the remainder this activity that relates to litter bins, illegal dumping &	Effective and efficient systems for the collection and disposal of refuse and collection of recyclable materials benefit both the individual (enabling disposal) and the community by reducing the adverse environmental impacts.	20%	• Fees and charges • Targeted rates • General rates • Waste minimisation levy • Reserves	• Accumulated surpluses from Fees and charges, targeted rates, general rates, • Waste minimisation levy, • Reserves, • Loans • Financial contributions

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Activity	Community outcome	Who benefits?	Period of benefit	Whose acts create a need	Separate funding	Rationale	To be recovered from Public Good tools[2]	Funding sources: Operational	Funding sources: Capital
					hazardous waste disposal (after non rate revenue sources) separately from other activities				
Wastewater	Excellence in infrastructure and public services for now and in the future	Private benefit for people to dispose of their waste. Public benefit for the community to have an appropriate environmental solution	Intergenerational (up to 100 years)	Industries with high waste volumes and loadings, unconsented activity, low volume high impact waste	Funding this activity separately through a targeted rate provides greater transparency so ratepayers understand the cost of wastewater services.	Provides human and environmental benefits to both the community and the wider region	0%	• Targeted differential rates • Fees and charges (including trade waste bylaw charges)	• Accumulated surpluses from Targeted differential rates, General rates, fees and charges • Loans • Reserves • Development and\or Financial contributions
Water supply	A safe and healthy city that supports community well-being	The users of the water supply are the primary beneficiaries however there is a wider benefit of having a potable water supply (90	Intergenerational	Central Government legislation, illegal connections, high use users	Funding this activity separately through a targeted rate provides greater transparency so ratepayers understand the cost of	The provision of potable water supply is of benefit to individuals and the wider community	0%	• Targeted differential rates • Water rates • Fees and charges (not including water by meter rate)	• Accumulated surpluses from Targeted differential rates, water rates, general rates, fees and charge • Loans, • Reserves,

Activity	Community outcome	Who benefits?	Period of benefit	Whose acts create a need	Separate funding	Rationale	To be recovered from Public Good tools[2]	Funding sources	
								Operational	Capital
		private/10 public)			water supply services.				• Financial and\or Development contributions

PUBLIC POLICY

Significance and Engagement Policy			
Adopted By			
Department	Community Services		
Original Adoption Date	20 December 2017	**Review Adoption Date**	
Next Review Deadline		**Document ID**	88316
Relevant Legislation	Local Government Act 2002 (**LGA 2002**)		

Purpose

The purpose of this policy is to provide clarity on when and how the community may be engaged in decision-making processes by the Napier City Council. It has been prepared to assist the Council and the community with identifying the degree of significance attached to particular issues, proposals, assets, decisions, and activities, and then identify the various ways in which the Council might engage with the community to obtain views and feedback.

Rationale

Community engagement allows the community to participate in, and inform, the Council's decision-making processes. Providing opportunities for engagement, where required, can assist with improving confidence in Council decision-making processes, and decisions. In general, engagement, whether it is a statutory requirement or not, helps the Council understand varied points of view. This in turn enables the Council to make better decisions and deliver better services for Napier, by reflecting the aspirations of mana whenua, residents, ratepayers, community groups and businesses.

Overview of Council decision-making and the role of this Policy

Under the Local Government Act 2002, the Council is charged with enabling democratic decision-making by and on behalf of communities. The Council makes a wide range of decisions, and other than when it is required to consult, has to determine whether to engage and, if so, how, with its community (or groups or individuals within the community).

The Council makes these determinations based on a range of factors, including the significance of the matter being considered. This policy is for the purpose of guiding the Council's approach to determining significance, and the way in which engagement or consultation will or may occur.

The Council, and its community boards, must ensure that all decision-making requirements, including those relating to consultation and engagement, are properly complied with when making decisions.

Structure

There are three key parts of this policy:

- **Significance (p2 to p3)** – this section outlines what significance is, and how the assessment of significance is undertaken and documented.
- **Engagement (p3 to p6)** – this section discusses when and how Council will engage with communities, and when it will not.
- **Strategic assets (p8 to p9)** – Schedules 1 and 2 identify the Council's strategic assets. The significance section explains why it matters that something is a strategic asset.

Significance

General Approach

The Council needs to assess the degree of significance of matters and proposed decisions as part of its decision-making. Where a decision is of higher significance the more rigorous the Council needs to be in complying with its legal obligations. This means that an assessment of significance is generally one of the first actions the Council will take in the decision-making process.

Significance means the degree of importance of the matter, issue, proposal or decision, in terms of 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.

Factors for Significance

Significance is assessed on a case-by-case basis. However, the assessment can be assisted and guided by relevant factors, including:

- the impact or consequences for affected residents or ratepayers and/or groups of residents or ratepayers
- financial impact on Council's overall resources and rating levels, including the cost of the decision (both capital and operating expenditure)
- impact on levels of service
- the involvement of a strategic asset
- consistency with current Council policy, strategy, outcomes or priorities
- the level of community interest in a matter or proposed decision
- the extent to which the decision can be reversed

Guidelines to help assess significance based on the above factors, and whether something would be regarded as of low or high significance, are outlined in Schedule 3. The significance of a matter may sit somewhere along the continuum between low to high significance. Ultimately, in assessing the significance of a decision, Council will need to have regard to all relevant circumstances, factors and interests.

How does Council document significance?

Where a matter, issue or proposed decision is being reported to the Council, or a committee or community board, the outcome of the significance assessment should be documented within the report. If members do not agree with the significance assessment, minutes should record this (along with reasoning), but this is not mandatory.

Where decisions are made by officers under delegated authority, without any report to Council, a committee or community board, documentation of the significance assessment is at officers' discretion. Officers are not obliged to record their significance assessments, but it is good practice to keep some form of written record of the significance assessment (especially where the decision is toward the higher end of the significance continuum).

Strategic assets

Our strategic assets or groups of assets include 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 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 Council's Long Term Plan and consulted on in accordance with section 93E of the LGA 2002.

The approach to an engagement or consultation on other decisions regarding strategic assets will be determined in light of the level of significance of the relevant proposal (see section on significance above).

Engagement

Community engagement is a process involving all or some of the community and is focussed on decision-making or problem solving. Council is likely to engage when a matter, issue, proposal or decision is of higher significance. It will also consult when required by legislation, such as consultation using the special consultative procedure (outlined below), or in a manner that gives effect to the principles in section 82 (see section 82A LGA 2002).

The Council will not engage on every decision or matter. To do so would be inefficient and costly.

Engagement is to be proportionate to the matter being considered and will be conducted in accordance with our principles above, and those in section 82 of the LGA 2002. An engagement process may be for a single matter or could be part of a combined consultation, where that is appropriate.

The Engagement Spectrum, based on the International Association of Public Participation (IAP2), assists the Council to determine the approach we might take to engaging with the community on a case-by-case basis (noting that the inform part of the IAP2 spectrum does not involve an engagement process prior to a decision being made). The consult option brings in a wider range of engagement types than just statutory consultation under the LGA 2002.

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 for engagement on matters of higher significance will be outlined in an engagement plan.

Principles

We apply the following principles in our approach to engagement and consultation:

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
- encourage those interested in a matter to present their views to the Council
- 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 communities preferences for engagement with the Council
- ensure that information prepared by Council for consultation and engagement is understandable
- consider a range of ways people can express their views
- provide opportunities for Māori to contribute to our decision-making processes in a meaningful way, through engagement and/or partnership approaches

The Council's Iwi Engagement Policy is a separate policy which is aligned with this policy. It provides clarity on how Te Waka Rangapū will nurture meaningful strong partnerships and support the Council and Mana Whenua in identifying the degrees of significance to particular issues, proposals, assets, decisions and activities.

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 obtained and represented as part of the Council's decision-making processes.

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.

Our Iwi Engagement Policy provides further detail on how the Council approaches engagement with mana whenua.

Special Consultative Procedure

A Special Consultative Procedure (SCP) is required to be undertaken for some plans and processes, including:

- the Council's long-term plan (and any amendments to it); and
- bylaws of significant public interest or significant impact on the public – including changes or revocation.

If other legislation requires that the Council consult using the SCP, or another consultation process, those requirements apply regardless of this policy. For example, the Resource Management Act 1991 or the Reserves Act 1977, which require specific forms of consultation. The Council may also choose to use the SCP for other matters, even if it is not required.

When the SCP is used, the Council will:

- prepare and adopt a statement of proposal in accordance with Part 6 of the LGA 2002, and in some cases a summary of the statement of proposal (section 83AA)
    - the statement of proposal (other than for long term plan consultation) 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, or a statement that the bylaw is to be revoked
        - 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 people how they can present their views
    - state how long the proposal is open for submissions (not less than 1 month from the date the statement is issued)
- make the summary of the statement of proposal and/or the statement of proposal widely available as the basis for consultation
- 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

Consulting using the SCP does not prevent the Council from requesting advice or comment from a Council officer or any other person before making a decision.

When Council may not engage

There may be situations when engagement is impractical or unnecessary due to the nature of the process, or proposed decision. This can be 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, or the loss of a substantial opportunity to achieve the Council's strategic objectives
- the matter is of low significance or not significant (for example, many business-as-usual matters, such as a decision to purchase officer supplies or approve a submission to Parliament or a Government agency)
- there are confidentiality issues, such as decisions involving third party commercially sensitive information, which may prevent meaningful community engagement
- the Council is already aware of the views and preferences of the community in relation to the decision to be made

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 assist decision-making. Formal consultation processes are a type of engagement.

Long Term Plan

Council's 10 year plan. The plan is reviewed every three years , but can be amended following consultation at any time between the three year period.

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 –

a) the current and future social, economic, environmental, or cultural well-being of the district or region:

b) any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter:

c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.

Significant

In relation to any issue, proposal, decision, or other matter, means that the issue, proposal, decision, or other matter has 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 –

(a) any asset or group of assets listed in accordance with section 76AA(3) by the local authority; and [that is, listed in this policy]

(b) 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

(c) any equity securities held by the local authority in –

  i. a port company within the meaning of the Port Companies Act 1988:

  ii. an airport company within the meaning of the Airport Authorities Act 1966

Community Housing

The land or buildings owned by the Council and required to maintain its capacity to provide affordable housing as part of its social policy.

Schedule 2: Strategic Assets

Refer to section on Strategic Assets (p4 and p9)

Assets Council owns that are strategic assets under Section 5 of the Local Government Act 2002:

- Shareholding (equity securities) in Hawke's Bay Airport Ltd
- Council Housing
  - Arthur Richards Village
  - Carlyle Village
  - Centennial Village
  - Coventry Village
  - Greenmeadows East Village
  - Henry Charles Village
  - Munroe Village
  - Nelson Village
  - Oriel Village
  - Otatara Village
  - Rangimarie Village
  - Wellesley Village

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
- Recreational spaces (parks, sportsgrounds, and reserves)
- Cemeteries
- Swimming pool facilities
- Literary collections held by the Libraries (as a whole)

**While Council owns a number of assets managed as a group that it considers to be strategic, not all trading decisions made regarding these assets are regarded as signficiant, nor do they affect the asset's strategic nature. For example, the roading network is strategic, but small parcels of land that make it up may not be, and the purchase or sale of such parcels of land are unlikely to amount to a significant decision.*

Strategic Assets:

- Refuse transfer station
- Share of Omarunui Landfill

- Lagoon Farm
- 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)

Schedule 3: Guidance and factors that will be considered when determining significance

***Note: this is not intended to be an exclusive list**

Factor	**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, or relatively small impact on particular group	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 (capital and operating)	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 or 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 or minor inconsistency	Moderate or large inconsistency (Note: A decision that is inconsistent with a policy or strategy, including this policy, can be made if the requirements of section 80 LGA 2002 are complied with.)
Community interest	General agreement	Large divisionsin 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

**Note: triggers section 97 of LGA 2002 so Special Consultative Procedure is required*

PUBLIC POLICY

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 ▪ Annual Plan Consultation - Significant and material changes from the Long Term plan for any given year (on the year that it falls – ▪ Bylaw –including changes	▪ Policy development ▪ Long Term Plan development (prior to formal consultation) ▪ 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 (The issues above and these tools are examples and do not limit the Council's discretion to use a different form of engagement, or not carry out an engagement process at all)	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

PUBLIC POLICY

Policy Review

This policy will be assessed for review every three years or earlier should there be a requirement to do so.

PUBLIC POLICY

Significance and Engagement Policy			
Adopted By			
Department	Community Services		
Original Adoption Date	20 December 2017	**Review Adoption Date**	
Next Review Deadline		**Document ID**	88316
Relevant Legislation	Local Government Act 2002 (**LGA 2002**)		

Purpose

The purpose of this policy is to provide~~s~~ clarity on when and how ~~and when~~ the community ~~can expect to~~ may be engaged in decision-making processes by the Napier City Council.~~'s decision-making processes,~~ It has been prepared to ~~and lets~~ assist the Council and the community with identifying~~y~~ the degree of significance attached to particular issues, proposals, assets, decisions and activities, and then identify the various ways in which the Council might engage with the community to obtain views and feedback.

Rationale

Community engagement ~~is important to enable~~ allows the community to participate in, and inform, ~~and have confidence in~~ the Council's decision-making processes. Providing opportunities for engagement, where required, can assist with improving confidence in Council decision-making processes, and decisions. In general, engagement, whether it is a statutory requirement or not, ~~and to~~ helps the Council understand varied points of view. This in turn enables the Council to make better decisions and deliver better services for Napier, by reflecting the aspirations of mana whenua, residents, ratepayers, community groups and businesses.

~~At times, engagement and consultation is a requirement of legislation.~~

Overview of Council decision-making and the role of this Policy

Under the Local Government Act 2002, the Council is charged with enabling democratic decision-making by and on behalf of communities. The Council makes a wide range of decisions, and other than when it is required to consult, has to determine whether to engage and, if so, how, with its community (or groups or individuals within the community).

The Council makes these determinations based on a range of factors, including the significance of the matter being considered. This policy is for the purpose of guiding the Council's approach to determining significance, and the way in which engagement or consultation will or may occur.

The Council, and its community boards, must ensure that all decision-making requirements, including those relating to consultation and engagement, are properly complied with when making decisions.

Structure

There are three key parts of this policy:

- **Significance** – this section outlines what significance is, and how the assessment of significance is undertaken [and documented].
- **Engagement** – this section discusses when and how Council will engage with communities, and when it will not.
- **Strategic assets** – Schedules 1 and 2 identify the Council's strategic assets. The significance section explains why it matters that something is a strategic asset.

~~Principles~~

~~We align apply 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~~
- ~~encourage those interested in a matter to present their views to the Council~~
- ~~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 that information prepared by Council for consultation and engagement 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 decision-making processes in a meaningful way, through engagement and/or partnership approaches~~

~~The Council's Iwi Engagement Policy is a separate policy which is aligned with this policy. It provides clarity on how Te Waka Rangapū will nurture meaningful strong partnerships and support the Council and Mana Whenua in identifying the degrees of significance to particular issues, proposals, assets, decisions and activities.~~

~~Policy Statement~~

~~On every issue requiring a decision, Council will consider the degree of significance and the appropriate engagement approach.~~

Significance

General Approach

~~An assessment of~~The Council needs to assess the degree of significance of matters and proposed decisions ~~als and decisions, and the appropriate level of engagement, will be considered in the early stages of a proposal before~~ as part of its decision-making ~~occurs~~. Where a decision is of higher significance the more rigorous the Council needs to be in complying with its legal obligations. This means that an assessment of significance is generally one of the first actions the Council will take in the decision-making process.

Significance means the degree of importance of the matter, issue, proposal or decision, in terms of ~~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.

Factors for Significance

Significance is assessed on a case-by-case basis. However, the assessment can be assisted and guided by relevant factors, including:

- ~~the level of community interest~~
- the impact or consequences for affected ~~individuals~~ residents or ratepayers and/or groups of residents or ratepayers ~~in the city or region~~
- financial impact on Council's overall resources and rating levels, including the cost of the decision (both capital and operating expenditure)
- impact on levels of service
- the involvement of a strategic asset
- consistency with current Council policy, strategy, outcomes or priorities
- the level of community interest in a matter or proposed decision
- ~~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

Guidelines to help assess significance based on the above factors, and whether something would be regarded as of low or high significance, are outlined in Schedule 3. The significance of a matter may sit somewhere along the continuum between low to high significance. Ultimately, in assessing the significance of a decision, Council will need to have regard to all relevant circumstances, factors and interests.

How does Council document significance?

Where a matter, issue or proposed decision is being reported to the Council, or a committee or community board, the outcome of the significance assessment should be documented within the report. If members do not agree with the significance assessment, minutes should record this (along with reasoning), but this is not mandatory.

Where decisions are made by officers under delegated authority, without any report to Council, a committee or community board, documentation of the significance assessment is at officers' discretion. Officers are not obliged to record their significance assessments, but it is good practice to keep some form of written record of the significance assessment (especially where the decision is toward the higher end of the significance continuum).

Strategic assets

Our strategic assets or groups of assets ~~are~~ include 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 Council's Long Term Plan and consulted on in accordance with section 93E of the LGA 2002.

The approach to an e~~E~~ngagement or consultation on other decisions regarding strategic assets will be determined ~~by~~ in light of the level of significance of ~~any~~ the relevant 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~~ is likely to engage when a matter, issue, proposal or decision is of higher significance. It will also consult~~t or~~ when required by legislation, such as ~~requires that consultation is undertaken~~ consultation using the special consultative procedure (outlined below), or in a manner that gives effect to the principles in section 82 (see section 82A LGA 2002).

The Council will not engage on every decision or matter. To do so would be inefficient and costly.

Engagement ~~will~~ is to be proportionate to the matter being considered and will be conducted in accordance with our principles above, and those in s~~S~~ection~~s~~ 82 ~~and 82A~~ of the LGA 2002~~.~~. An engagement process may be for a single matter or could be part of a combined consultation, where that is appropriate. ~~Even if not required to by legislation, we may decide to use a Special Consultative Procedure (outlined below).~~

~~Council uses~~T~~ t~~he Engagement Spectrum, based on the International Association of Public Participation (IAP2), ~~to~~ assists the Council to ~~assess~~ determine the approach we might take to engaging~~e~~ with the community on a case~~-~~by~~-~~case basis (noting that the inform part of the IAP2 spectrum does not involve an engagement process prior to a decision being made). The consult option brings in a wider range of engagement types than just statutory consultation under the LGA 2002.

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 for engagement on ~~any given~~ matters of higher significance 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~~.

Principles

We apply the following principles in our approach to engagement and consultation:

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
- encourage those interested in a matter to present their views to the Council
- 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 communities preferences for engagement with the Council
- ensure that information prepared by Council for consultation and engagement is understandable
- consider a range of ways people can express their views
- provide opportunities for Māori to contribute to our decision-making processes in a meaningful way, through engagement and/or partnership approaches

The Council’s Iwi Engagement Policy is a separate policy which is aligned with this policy. It provides clarity on how Te Waka Rangapū will nurture meaningful strong partnerships and support the Council and Mana Whenua in identifying the degrees of significance to particular issues, proposals, assets, decisions and activities.

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~~ obtained and represented as part of ~~in~~ the Council’s decision-making processes.

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.

Our Iwi Engagement Policy provides further detail on how the Council approaches engagement with mana whenua.

~~Engagement with Māori will recognise Councils Treaty of Waitangi responsibilities and meet any specific provisions of other legislation or regulations..~~

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:

- the Council's long-term plan (and any amendments to it); and
- bylaws of significant public interest or significant impact on the public – including changes or revocation.

If other legislation ~~instructs~~ requires that the Council consult using the~~e of SCP to consult then the~~ SCP, or another consultation process, those requirements apply ~~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~~ F~~, f~~or example, the Resource Management Act 1991 or the Reserves Act 1977, which require specific forms of consultation. The Council may also choose to use the SCP for other matters, even if it is not required.

When the SCP is used, ~~we~~ the Council will:

- prepare and adopt a statement of proposal in accordance with Part 6 of the LGA 2002, and in some cases a summary of the statement of proposal (section 83AA)
    - the statement of proposal (other than for long term plan consultation) 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, or a statement that the bylaw is to be revoked
        - 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 (not less than 1 month from the date the statement is issued)
- make the summary of the statement of proposal and/or the statement of proposal widely available as the basis for consultation

- 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

Consulting using the SCP does not prevent the Council ~~may~~from requesting advice or comment from a Council officer or any other person before making a decision.

When Council may not engage

There may be situations when engagement is impractical or unnecessary due to the nature of the process, or proposed decision. This can be 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, or the loss of a substantial opportunity to achieve the Council's strategic objectives
- the matter is of low significance or not significant (for example, many ~~and/or is regarded as'~~ business as usual matters, such as a decision to purchase officer supplies or approve a submission to Parliament or a Government agency)
- there are confidentiality issues, such as decisions involving third party commercially sensitive information, which may prevent meaningful community engagement
- the Council ~~considers that~~is already aware of the views and preferences of the community ~~are already known~~in relation to the decision to be made

~~There may be situations when standalone engagement on a matter is impractical or unnecessary such as when the timing of the decision means the matter would be better dealt with through a Long Term Plan process.~~

~~[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. Formal consultation processes are a type of engagement.

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~~, but can be amended following consultation at any time between the three year period~~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 –

a) the current and future social, economic, environmental, or cultural well-being of the district or region:

b) any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter:

c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.

Significant

In relation to any issue, proposal, decision, or other matter, means that the issue, proposal, decision, or other matter has a high degree of significance.~~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 –

(a) any asset or group of assets listed in accordance with section 76AA(3) by the local authority; and [that is, listed in this policy]

(b) 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

(c) any equity securities held by the local authority in –

i. a port company within the meaning of the Port Companies Act 1988:

ii. an airport company within the meaning of the Airport Authorities Act 1966

Community Housing

The land or buildings owned by the Council and required to maintain its capacity to provide affordable housing as part of its social policy.

Schedule 2: Strategic Assets

Refer to section on Strategic Assets (p4~~3~~ and ~~p6~~p9)

Assets Council owns that are strategic assets under Section 5 of the Local Government Act 2002:

- ~~Equity securities~~Shareholding (equity securities) in ~~the~~ Hawke's Bay Airport Ltd
- ~~Community Housing (as a whole)~~Council Housing
    - Arthur Richards Village
    - Carlyle Village
    - Centennial Village
    - Coventry Village
    - Greenmeadows East Village
    - Henry Charles Village
    - Munroe Village
    - Nelson Village
    - Oriel Village
    - Otatara Village
    - Rangimarie Village
    - Wellesley Village

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
- Recreational spaces (parks, sportsgrounds, and reserves)
- Cemeteries
- ~~Commercial property investments~~
- Swimming pool facilities
- Literary collections held by the Libraries (as a whole)

**While Council owns a number of assets managed as a group that it considers to be strategic, not all trading decisions made regarding these assets are regarded as signficiant, nor do they affect the asset's strategic nature. For example, the roading network is strategic, but small parcels of land that make it up may not be, and the purchase or sale of such parcels of land are unlikely to amount to a significant decision.*

Strategic Assets:

- Refuse transfer station
- Share of Omarunui Landfill
- Lagoon Farm
- 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)

Schedule 3: Guidance and factors that will be considered when ~~for~~ determining significance

***Note: this is not intended to be an exclusive list**

Factor	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, or relatively small impact on particular group	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 (capital and operating)	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 or 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 or minor inconsistency	Moderate or l~~L~~arge inconsistency (Note: A decision that is inconsistent with a policy or strategy, including this policy, can be made if the requirements of section 80 LGA 2002 are complied with.)
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

*Note: triggers section 97 of LGA 2002 so Special Consultative Procedure is required

PUBLIC POLICY

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 ▪ Annual Plan Consultation - Significant and material changes from the Long Term plan for any given year (on the year that it falls – ▪ Bylaw –including changes	▪ Policy development ▪ Long Term Plan development (prior to formal consultation) ▪ 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 (The issues above and these tools are examples and do not limit the Council's discretion to use a different form of engagement, or not carry out an engagement process at all)						
	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

PUBLIC POLICY

Policy Review

This policy will be assessed for review every three years or earlier should there be a requirement to do so.

Document History

Version	Reviewer	Change Detail	Date
2 DRAFT	[To be populated]		

DRAFT COMBINED FINANCIAL AND INFRASTRUCTURE STRATEGY

Draft version to support the Three-Year Plan 2024-27 Consultation Document

March 2024

NAPIER CITY COUNCIL
Te Kaunihera o Ahuriri

Contents

Executive summary

This combined Financial and Infrastructure Strategy (F&IS) has been prepared to satisfy the requirements of the Local Government Act 2002 and the Severe Weather Emergency Recovery (Local Government Act 2002—Long-term Plan) Order 2023. The purpose of this joint strategy is to set out the key infrastructural and financial considerations and challenges that need to be overcome to meet Napier City Council's short and long-term strategic objectives.

Why have an Infrastructure and Financial Strategy?

We manage an infrastructure portfolio with a value of around $2.24 billion[1] and spend around $130M annually[2] to keep our city running and deliver the levels of service our community expects. Given that scale, and the nature of the 'lifeline' networks and systems we manage, like the water we drink, it's important to have a clear strategic approach to what we invest in, when, and how we're funding it. We can't afford to get these decisions wrong. Our strategy outlines a responsible approach to maintaining, renewing, and enhancing our assets while balancing financial sustainability.

Where are we now?

We're operating in an environment with lots of external pressures and risks, especially in the wake of the challenges posed by recent events like Cyclone Gabrielle.

While developing this strategy, we've had to be honest with ourselves about the state of the infrastructure networks we manage. A significant proportion of our asset portfolio is ageing, which is common after development "booms" in the 1950s and 1970s. It gets to a point where lots of assets come to the end of their useful lives after 50 to 80 years – a concrete pipe, for example, is only engineered to last for a finite period. We also haven't invested the way we needed to in maintenance and proactive replacement. While that saved our ratepayers money in the short term, it means we're starting to see assets failing and requiring costly emergency fixes and increased renewal programmes.

At the same time, we're grappling with financial constraints. We can't invest in fixing and renewing everything at once. That wouldn't be affordable for current ratepayers and fails to recognise that renewed/replaced assets will continue to service the community for the next few generations. We're also affected by inflation and cost increases like any household is – it's costing us more and more to maintain our 'levels of service'.[3]

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[1] Property, plant and equipment value as at 30 June 2023.
[2] Based on actual operating expenditure in 2022/23, excluding depreciation.
[3] 'Levels of service' define what the community can expect to see delivered by council for the rates they pay. A simple example is collecting kerbside recycling once a week in urban areas. That strikes the right balance between ensuring public health and avoiding nuisance, while not costing more than the community is prepared to pay for.

Where are we going?

To navigate these kinds of competing influences, we've set priorities for our Three-Year Plan 2024. We recognise what a significant role investment in our infrastructure portfolio plays in achieving these aims, but also need to balance what our community can afford in the here and now. Here are our current priorities, which you can read more about earlier in our Three-Year Plan document:

- **Financially sustainable council**: Council has an operating model and financial strategy which is affordable for rate payers and enables us to achieve our objectives.
- **A great visitor destination:** Napier is a destination aspiring to provide 'world class' facilities and attract visitors to our city. We make it easy for people to invest in our city and create experiences that attract widespread participation.
- **Spaces and places for all:** Napier has spaces and places that everyone has access to and wants to use. We have a focus on accessibility, affordability, safety, and city vibrancy.
- **A resilient city – the ability to thrive and withstand impacts, knocks and shocks:** Council makes good future planning and investment decisions to prepare for a changing climate future and enables our community to build self-reliance. Our people, economy and infrastructure are resilient.
- **Nurturing authentic relationships with our community and partners**: Council fosters meaningful relationships, demonstrating our commitment to listen to our community's needs, concerns, and aspirations. Developing strong partnerships with mana whenua and tangata whenua ensures we uphold our obligations under Te Tiriti o Waitangi.

Our current state is one of transition and opportunity. By focusing on these priorities, we aim to build a foundation that addresses today's needs and paves the way for a sustainable, resilient, and vibrant future for our city and its residents.

Purpose

This combined Financial and Infrastructure Strategy (F&IS) is designed to steer Napier's infrastructure development, investment and approach to financial management over the next 10 years. This adjustment from the usual 30-year planning horizon is a direct response to the impacts of Cyclone Gabrielle, emphasising the need for focused and agile planning.

Forming part of our Three-Year Plan, this F&IS ensures that our investments and asset management decisions directly support Council's strategic objectives.[4] We've chosen to bring together what we've previously treated as two separate strategies to acknowledge the interconnected nature of infrastructure management and our financial reality.

This strategy will next be reviewed in 2027 and is designed to address big challenges at a scale far longer than the three-year political term. Because we are facing significant uncertainty around the future of water service delivery, and given we've had limited capacity to focus on preparing this plan as we diverted attention into our cyclone response, we've really focused on years 1-3 when it comes to our finances and infrastructure planning. This strategy does set out detail about years 4-10 to give our community a sense of where we're going but this will very likely need to be refined. Our 2027 review gives us this opportunity.

We're operating in a post-COVID19 and post-Cyclone Gabrielle context. Just like whānau across Napier, our finances are stretched and now we're facing unanticipated costs of reinstating broken infrastructure like the Redclyffe Bridge. This strategy aims to strike the right balance between what our community needs and wants, our obligations as a good 'asset manager', and what we can afford.

Requirements for this strategy

Financial Aspect

Per the Severe Weather Emergency Recovery (Local Government Act 2002 – Long-Term Plan) Order 2023, the financial component of this strategy must:

- include a statement of the levels of service that Council intends to provide over the next ten years.
- Include a statement of Council's quantified limits on rates increases and borrowing.
- Include an assessment of Council's ability to provide and maintain existing levels of service and meet additional demands for services within rates and borrowing limits.
- Specify Council's policy on giving securities for our borrowing, and
- Specify what we're trying to achieve in holding and managing any investments/equity securities.

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[4] Our strategic objectives are set out on page XXXX of our Three Year Plan. In summary, they are:

- Financially sustainable council
- A great visitor destination
- Spaces and places for all
- A resilient city – the ability to thrive and withstanding impacts, knocks and shocks
- Nurturing authentic relationships with our community and partners

Infrastructure Component

The infrastructure component of this strategy complies with clause 16 of the Severe Weather Emergency Recovery (Local Government Act 2002 – Long-term Plan) Order 2023. The post-cyclone amendments to this planning period mean that Council is required to outline the following things in respect to infrastructure:

1. Significant infrastructure issues faced by Council.
2. The principal options for managing those issues and the implications of those options.
3. A description of the major capital projects that Council is proposing or implementing, including any to facilitate recovery from Cyclone Gabrielle, and
4. The likely funding options for those major capital projects and the implications of those options for rates and debt.

Where are we now: financial and infrastructure 'health'

We're operating in an environmental with lots of external pressures and risks, especially in the wake of recent events like Cyclone Gabrielle and COVID-19.

Our current financial position

We're facing some significant financial constraints in the coming years. We can't invest in fixing and renewing everything at once, nor do we have the means to progress all the new projects and initiatives that we'd like to. That wouldn't be affordable for current ratepayers and fails to recognise that renewed/replaced assets will continue to service the community for the next few generations. We're also affected by inflation and cost increases like any household is – it's costing us more and more to maintain our 'levels of service'.[5]

We're starting off this TYP in a relatively strong financial position. We have a very low level of external debt in comparison to other councils across the country ($10M at 30 June 2023). But that needs to change and were anticipating finishing the 10 year period covered by this F&IS facing quite a different reality. We've developed a capital plan that priorities what needs to happen and cuts the excess or 'nice to haves' wherever possible. Even then, our capital programme is projected to cost us $1.1 billion over 10 years. It's just not feasible to fund that quantum of work through rates increases alone; our community couldn't afford it and it wouldn't spread the cost of long-lasting assets over all the generations who will benefit from them. Instead, we're planning on borrowing to cover the cost and managing that debt as strategically as possible. We're anticipating ending the 10-year period between 2024 and 2034 with just over half a billion dollars' worth of debt.

The state of our infrastructure and networks

Infrastructure is the system that supports our daily lives, encompassing everything from the roads we travel on to the parks where we relax. Here's how it impacts our community across various categories:

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[5] 'Levels of service' define what the community can expect to see delivered by Council for the rates they pay. A simple example is collecting kerbside recycling once a week in urban areas. That strikes the right balance between ensuring public health and avoiding nuisance, while not costing more than the community is prepared to pay for.

- **Transportation**: This includes the roads, bridges, and footpaths that connect us to work, school, and leisure activities. It's about safe, efficient travel for everyone in our community.
- **Water Supply**: Ensuring every home and business has access to clean, safe drinking water to keep us and our community healthy.
- **Wastewater**: This system safely removes and treats water after we've used it in our homes and businesses, protecting our health and preventing environmental contamination.
- **Stormwater**: Managing rainwater and runoff to minimise flooding risks to properties and maintain the quality of our waterways.
- **Parks, Reserves, and Sportsgrounds**: These spaces are where we play, exercise, and relax. They're essential for our physical and mental well-being, offering green spaces and recreational areas.
- **Buildings and Facilities**: This includes libraries, museums, pools, cemeteries, and community centres - places where we learn, gather, and access community services.
- **Solid Waste**: Effective waste management systems keep our city clean, our homes and businesses healthy, and reduces the impact on our environment as far as possible.

While developing this strategy, we've had to be honest with ourselves about the state of the infrastructure networks we manage. A significant proportion of our asset portfolio is ageing, which is common after development "booms" in the 1950s and 1970s. It gets to a point where lots of assets come to the end of their useful lives after 50 to 80 years – a concrete pipe, for example, is only engineered to last for a finite period. We also haven't invested the way we needed to into maintenance and proactive replacement. While that saved our ratepayers money in the short term, it means we're starting to see assets failing (requiring costly emergency fixes), and/or instances where our community is not receiving the level of service we set out to provide.

One of our biggest challenges, which will be expanded upon in this strategy, is that we have gaps in our knowledge about our assets. That includes the condition of our underground assets, like sewer pipes which deteriorate over time, and above ground assets like the buildings and homes we own, which can face issues over time that aren't necessarily obvious without specialist testing. This data is essential for ensuring that we can intervene and plan maintenance or replacements before assets fail or network condition becomes too poor to manage. Improving this data is going to take significant effort and investment over the next 10 years.

Where are we headed and how are we going to get there?

We've got to be strategic in the way we unlock financing and invest that funding very deliberately in our assets. It's a case of prioritising based on risk, criticality and greatest benefit to the community. Over the next 3 years, we're planning for a $354 million infrastructure investment. Key areas of focus and financial allocation include:

- **Risk Assessment and Resilience Building:** Directing Capex[6] towards strengthening our infrastructure.
- **Community Engagement and Transparency:** Maintaining open communication and involving the community in our plans.
- **Innovative Solutions and Technology:** Investing in technology for efficient management and sustainability.
- **Continuous Monitoring and Adaptation:** Allocating Opex[7] for the upkeep and evolution of our infrastructure.
- **Strategic Financial Planning:** Balancing Capex for development and Opex for maintenance, ensuring sustainable financial management.

Key Assumptions

A full suite of planning assumptions has been included earlier in our Three-Year Plan. This F&IS has been prepared in alignment with those assumptions. Those which are particularly relevant to our infrastructure and financial planning are highlighted briefly as follows:

- **Demographic Changes**: We're seeing a growing ageing population alongside urban development. Our infrastructure strategy needs to support these shifts with accessible and adaptable public facilities and services.
- **Technological Progress:** We're embracing smart technology as we can afford to. It means we can work more efficiently and achieve better outcomes for our community.
- **Economic Turbulence**: We're planning for an inflated economy where it costs more to deliver our projects and we're paying more to borrow. Conversely, it's an opportunity to make the most of relatively high interest rates on investments. We're also keeping affordability for households front of mind.
- **Environmental Sustainability**: We need to be planning for a future with more frequent extreme weather events, rising sea levels, a rising water table and hotter climates.
- **Legislative Readiness**: We're anticipating reforms in water services, resource management, and local government and preparing to adapt our plans to meet new regulations and standards.

Our Challenges

This F&IS is required to cover the significant infrastructure issues we're facing over the next 10 years. Each of the 10 challenges we've identified are addressed in turn below.

Affordability, fairness and intergenerational equity

The challenge

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[6] Capex includes expenditure on creating new assets, increasing the life or capacity of existing assets, or replacing them.
[7] Opex covers day-to-day maintenance and operations across all infrastructure services, like painting a building or cleaning a pipe. This ensures that our current infrastructure remains in good condition while we progressively work on enhancements and new developments.

Our financial landscape centres on balancing the need for affordable rates and managing limited resources versus the need to take good care of the assets like the roads and reservoirs that we rely on every day.

We're facing a significant programme of work to modernise our ageing infrastructure, enhance our resilience against natural disasters, and futureproof our assets (both in terms of how our community expects them to perform, and what environments they will be exposed to). At the same time, our community expects to see continual improvement of services because of annual increases to rates.

All these demands do not come cheaply, and we recognise that the cost of this can't and shouldn't rest solely with our current ratepayers. We need to spread the cost of major asset upgrades across the generations who will benefit from them. We also have opportunities to make our money work for us through the likes of strategic investments and new ways of working with external investors.

The previous government's 'Three Waters Reform' programme (later known as the 'Water Services Reform') would have seen ownership and responsibility for our urban drinking water, wastewater and stormwater network transferred to a new regional entity, co-owned by participating councils and co-governed by councils and mana whenua. This would have transferred responsibility for required asset upgrades over to a new body which, in theory, could unlock new funding opportunities and economies of scale. Conversely, it would have meant Council's asset portfolio was reduced, which may have impacted our borrowing headroom. This policy has now been overturned, and the incoming coalition government has made its intention clear that waters assets and responsibility for service delivery is to remain with councils until/if they voluntarily shift to a new model. Practically, that means we're now having to budget for work that we weren't anticipating being responsible for after 2025, which creates more demands on our limited resources.

Our options

- **Significant rates increases** to catch up on deferred work and futureproof our assets, which compound cost of living pressures on our community.
- **Significant borrowing** to invest what we need to into our networks and facilities, which we ultimately have to pay back with interest and means less agility to draw down borrowing for emergencies/large future projects until we catch up.
- **Striking the right balance** between rates funding and loan funding, working within borrowing limits and managing loan funding carefully.
- **Revisiting/recalibrating levels of service** which might result in a lower service than our community is accustomed to.
- **Divestment of assets**, which can free up funding as an 'one time' solution but is by nature difficult to reverse.

Our response

This Three Year Plan proposes a significant rates increase in year one (23.7%) and steady increases over the following nine years. This has not been an easy decision to make as we know it comes at a time when households' finances are under pressure. Ultimately we've decided this is necessary to ensure we have the budget to continue delivering high quality core services. Our strategy focusses on minimising shortfalls in the near term while creating flexibility and headroom for years four to ten. It will allow us to build up a buffer in our infrastructure asset renewals reserves, which we've historically underfunded to keep rates low. Those reserves offer us a dedicated pool of funds available when assets reach the end of their useful life or require significant maintenance. By setting aside money in advance, we can proactively address the renewal needs of their infrastructure without relying solely on ad-hoc budget allocations or facing financial strain when unexpected issues arise.

In addition, we're planning to borrow to make sure we can deliver projects in a timely way. This shares the cost by spreading the load across current and future ratepayers, so it's not too heavy on anyone right now but everyone can enjoy the benefits down the line. We have specialist staff in Council who make informed decisions about loan terms and repayment structures to mitigate the costs of borrowing as far as possible.

We are also acutely aware of the need to ensure we're operating efficiently and sustainably. That includes regularly revisiting our levels of service to ensure what we're providing and prioritising is in line with what the community expects and is willing to pay for. A simple example to illustrate this is our approach to kerbside rubbish collection. Currently, we offer urban rubbish collection once a week, which aims to strike the right balance between convenience and public and environmental health, and the cost of visiting around 6,000 homes each week and emptying their bins. We could come daily, but that cost would be reflected in rates bills. We could come monthly and save on operating costs, but rubbish would accumulate on properties and start causing issues. We need to review levels of service across the business over the next few years to ensure we're spending the right amount of energy and resources on the right things.

As part of our consultation on this plan and strategy, we're proposing to divest the three housing villages we currently use to provide social housing. This is just a proposal at this stage, and Council won't make a decision on this until May 2024. Divestment of a portion of our portfolio would reduce our operational outgoings for the housing portfolio and lessen the pressure on our capital budgets for maintenance and upkeep. We have not determined what we would do with any proceeds from sales of these villages.

We are also proposing a shift in approach for some of our business and tourism portfolio such as Napier Conferences & Events and Ocean Spa to commercial models. That means that after two to three years these facilities would generate all the revenue needed to cover the cost of running them, and not receive any 'top ups' from rates funding. If that is not achievable, we'll have to consider our next steps to keep the cost of our day-to-day business in check.

Aging assets

The challenge

Like many other parts of New Zealand, Napier finds itself in a challenging phase of its infrastructure asset lifecycle, with many of its assets over 50% through their useful life and some beyond their intended useful lives. The performance of an infrastructure asset becomes much less predictable as it ages and requires more frequent maintenance and replacement.

We plan our maintenance and improvements according to the best information we have about our assets, but we recognise there are gaps in what we know. Those data gaps are a liability if we can't plan to maintain or replace assets before they fail.

Our transport assets are generally well maintained and in reasonable condition but there is a risk that without continued steady investment we fall behind and our network deteriorates relatively quickly.

For water assets and our buildings however, the picture is not so clear. Take our underground network of sewer pipes as an example; we have never done a comprehensive condition assessment of all these pipes to see how they are performing and ageing. Generally, the more recently they were installed, the better data we have about what they are made of, exactly where they are, and how long they are expected to last. But for older pipes, the data in our asset management system is often just a best estimate, or defaults to a standard installation date if the actual date is unknown. That means when we forecast what we need to replace over the next 30 years, the data is telling us a story we can't fully trust. Until we carry out physical inspections, which is no mean feat for 394km of wastewater mains, we're going to continue to have to overcome this asset intelligence deficit.

Our options

- **Do nothing**, acknowledging we'll continue to run into the same challenges around planning and proactive maintenance.
- **Schedule and plan for condition assessments as resourcing and budget allows**, focussing on critical assets first, acknowledging despite our best efforts, data gaps may persist in certain areas for some time.
- **Full-scale focus** on condition assessment and data capture, acknowledging that without significant new funding and/or resourcing, other projects would need to be deprioritised in the meantime.

Our response

We're building in condition assessment programmes into our business planning, balancing the need for better information with the reality of still needing to maintain the day-to-day operation of networks and react to unanticipated failures.

For example – we're currently in the planning stages to implement a CCTV inspection programme of our underground sewer and stormwater pipes. This would be a multi-year programme of work targeting the highest risk assets first (based on what we already know).

For buildings, we currently carry out a three-yearly cycle of visual assessments on facilities like the National Aquarium, public toilets and community halls. While these inspections tell us some of the story, ideally we would conduct more thorough assessments that involved sampling, moisture testing, inspecting air conditioning systems and the like. We're currently planning to implement a programme of detailed condition assessments for mechanical services in all the buildings we maintain responsibility for. This is part of building up incremental improvements to our understanding of the assets we manage.

Ability to borrow

The challenge

We're needing to rely on external borrowing throughout the period of the TYP, which is a departure from our recent history of being debt-free. We have some significant projects coming up and a backlog of maintenance and renewals to catch up on that we won't be able to achieve without external funding.

We do have limits on how much we can borrow. As part of the Local Government Funding Agency (LGFA) we can access competitive financing especially tailored to the local government sector. But the LGFA puts limits on how much each council can borrow to ensure it's being used sustainably – for us this is currently 175% of our revenue. We've also set our own debt limit to match this 175% ratio. Technically we could breach this LGFA covenant and our own quantified limit, but our cost of borrowing would increase significantly if we were to do that.

We need to make sure we're borrowing to cover the work we need to deliver, but not borrowing so much that we get too close to our 175% limit and start to jeopardise our ability to withstand unanticipated shocks in the future.

Our options

- **Borrow what we need** without worrying too much about the 175% debt caps, but risking a higher cost of borrowing if we breach the cap and less flexibility if we encounter unforeseen challenges like we did with Cyclone Gabrielle.
- **Carefully manage our borrowing** to stay within the 175% debt caps and protect some borrowing "headroom" for the future, acknowledging that there will be projects and programmes we need to defer or abandon to find the right balance.
- **Explore strategic opportunities** to maximise our borrowing headroom, such as becoming an LGFA 'rated' council (explained in more detail below) noting that this might come with more compliance obligations and can work against us if we don't manage it well.

Our response

We've developed our capital programme and budgets to stay within the 175% limit (currently forecast to peak at 152% in 2031/32). That has involved delaying/deferring projects to be considered at a later date (Te Pihinga community centre, for example). As we progress through the 10 years covered by this strategy and develop a better understanding of the cost of our major projects sitting in later years, we will likely need to revisit our phasing to keep within this limit.

We're also approaching our borrowing prudently. Becoming a member of the LGFA in 2020 gives us access to the best possible interest rates on lending and involves the receipt of 'borrower notes' (debt securities that can be converted to equity under specific circumstances) which can work for us in the long term.

In addition, we're planning to explore options around taking on a credit rating. Council is currently unrated given our history of low external debt. If we become rated with S&P Global or Fitch Ratings, we can unlock more competitive borrowing rates through the LGFA and our debt limit could increase to 280% of our revenue. That gives us more headroom to borrow.

Exactly when we take on a credit rating is key. To maintain a rating, our financials need to be externally audited each year at a cost of around $100,000. Once we reach around $100M of external borrowing, the interest savings we would unlock by having a credit rating start to outweigh that audit cost. We're anticipating hitting that $100M debt threshold around year three of this plan and will keep a close eye on our debt levels to make sure we can make this shift at the optimal time, if that's the preferred way forward. In the meantime, we will start application preparations. There are some risks involved. Once we are rated, there is always the risk that our rating is downgraded. That effects the interest rates we can access and comes with a reputational risk for Council. These will be fully explored and considered when we come closer to a formal decision whether to become a 'rated council'.

Cyclone recovery

The challenge

In the aftermath of Cyclone Gabrielle, we're facing unanticipated costs and challenges to reinstate lost infrastructure and adapt some of our critical assets to safeguard against failure in similar events in the future.

We jointly own both the Redclyffe Bridge and Brookfields Bridge with Hastings District Council, both of which were destroyed by the force of the swollen Tutaekuri River on February 14 2023. The Redclyffe Bridge has been temporarily reinstated for light vehicles only, but we still need a permanent solution to provide another vital connection between Napier City and the wider Hawke's Bay region. Brookfields Bridge remains damaged and impassable.

Our sole Waste Water Treatment Plant (WWTP), situated in Awatoto, was inundated by floodwater on 14 February 2023. The water damage to electrical componentry on the ground floor of the facility rendered the plant inoperable for two months, during which the city's wastewater bypassed the plant entirely and was discharged, untreated, into Hawke Bay.

Partial treatment began again in April 2023 and full restoration of service took five months after the cyclone. We now have the chance to invest in improvements to our WWTP, like lifting critical components up to a higher floor level, to ensure a failure like this wouldn't happen again under similar conditions in the future.

Our options

- **Do nothing** and 'save' the money. We could leave the two bridges out of commission and take the chance that similar flooding either won't occur in Awatoto in the future, or that it wouldn't have the same effect on our WWTP.
- **Like for like replacement** - our infrastructure landscape is restored to how it looked pre-Cyclone, but might come with an opportunity cost if we missed the chance to build back better.
- **Targeted improvements to the WWTP** – using the lessons we learned from Cyclone Gabrielle to focus on smaller scale reconfiguration of the plant that protect from outages in future flooding events, noting that it will have a direct cost to the community as it's not covered by our insurance.
- **Take the time for due diligence before making decisions** for significant investment. While this delays immediate action, it means we spend once and spend right.

Our response

Pursuing a combination of taking time for due diligence and implementing some targeted improvements now presents a balanced approach to enhancing resilience. This dual strategy allows us to address immediate vulnerabilities while making sure that when the time comes to invest millions of dollars on the Redclyffe Bridge, we're confident that we've settled on a modern and future-focussed solution. Because the Bridge is jointly owned with Hastings District Council, we also need to make sure any replacement meets the needs of both communities. We're still considering options for the Brookfields Bridge. We've set aside funding for Brookfields in year 11 of our budgets (which is just outside the scope of this strategy), but we'll have opportunities to revisit that timing once we've got a better understanding of our options.

We're already working on improvements to the WWTP to mitigate immediate risks and enhance safety, both for the people operating the plant, and for our marine environment. We've set aside $4.3M of funding over 10 years for this initiative.

Preparing for climate change and natural hazards

The challenge

In Hawke's Bay, we're facing the test of time and nature. Our changing climate is predicted to bring more frequent and intense storms to our region. The recent cyclone was a wake-up call, showing us the need for resilient infrastructure that can continue to operate in harsh and unexpected conditions. With our coastline and low-lying areas vulnerable to erosion and inundation, we must rethink and reshape our infrastructure for the future and consider how much we're willing to pay to engineer ourselves out of climate risks. Hawke's Bay is also one of the most seismically active regions in Aotearoa.

We know we need to strengthen existing structures and ensure new developments can withstand the tests of weather, time and natural disasters. Sustainable land use and comprehensive water management are also key, helping to prevent problems before they arise. We need to take opportunities to enhance our emergency preparedness during 'normal' periods to ensure the community can stay safe if the worst happens. By proactively tackling these risks, Napier can ensure a sustainable and resilient future for its residents and businesses.

Our options

- **Do nothing** and avoid the outlay but risk higher future expenses and vulnerability to natural disasters.
- **Engage the community and form partnerships**. This involves upfront costs but would create strong relationships that can unlock shared opportunities and funding for resilience.
- **Plan resilience strategically** includes low-cost monitoring for immediate improvements and significant investments in infrastructure to cut future costs and reduce damage from events. By incrementally improving community safety and environmental sustainability, we aim to minimise resistance and emphasise the importance of gradual changes and active community participation.

Our response

Facing financial limits, we're choosing a focused path of incremental improvements and strategic planning to boost resilience. Our plan prioritises strategic, cost-effective actions that can make a big difference now, without overwhelming our budget.

We're proposing a dedicated 'Resilience Rate' from 2024/25 onwards, the revenue from which will be ringfenced for activity related to emergency preparedness. This includes both operational initiatives like Civil Defence planning and physical works like network capacity upgrades.

We'll start with smart, discrete projects like upgrading drainage in critical areas to mitigate future damage risks. This method allows us to address immediate concerns effectively while planning for broader improvements as funds allow.

Increased demand from growth

The challenge

Starting from a community of 67,900 in 2023, we're on a path to grow by a little over 8.5% to reach a population of 73,740 by 2034. Most of our new residents will move into existing homes (infill), while some will build new (greenfield).

As Napier grows, so too does the demand for water to drink, roads to travel on, and places to play and gather. We'll have to think smart – not just build more, but build better, ensuring everyone can live comfortably without traffic congestion or poor performing local drainage networks.

Our neighbours in Hastings are also growing, and together, we're creating a Future Development Strategy that ensures our infrastructure – the physical support that holds our community together – keeps pace with where and when we're growing.

Our options

- **Plan for minimal growth**: Acknowledging limited expansion may save money initially but could lead to future congestion, dissatisfaction and opportunity cost.
- **Plan for medium growth**: Provides space for our community to grow but risks uneven development and underserved areas.
- **Plan for high growth**: Investing heavily upfront ensures comprehensive infrastructure to support future needs and satisfaction but comes with a cost to council as we boost capacity in our networks.

Our response

We're legislatively required to provide for housing development, so 'do nothing' is not an option here. The National Policy Statement – Urban Development also requires us to develop a Future Development Strategy.

Our options will be appropriately explored through the Future Development Strategy process and enabled by our District Plan. The Future Development Strategy will show where we should target growth, set out the infrastructure needed to support and service that growth and highlight development constraints like flood or coastal inundation risk.

We've chosen to base the development of our Future Development Strategy on a medium-high growth projection; carefully weighing the need for expansion against mindful investment. This is a balanced response to the projection, ensuring we develop our city thoughtfully to meet increasing demand without overwhelming our resources or compromising our existing levels of service.

Recognising that most new residents will settle in existing neighbourhoods, we're focused on targeted intensification with sequential upgrades of water and roading network. This not only helps to cover the demand, but also supports the capacity, increases reliability and network performance for existing residents.

Aging population

The challenge

The latest census shows an evolving demographic trend: by 2048, nearly a third of our residents will be seniors. By the numbers, that means that over the next 24 years the proportion of our community 65 years or over will rise from 22.9% (2024) to 28% (2048).

This demographic shift brings an increasing necessity for accessible infrastructure in public spaces, transportation, and buildings. It also means a growing segment of our community will become more vulnerable, requiring additional care and support. There will be a higher dependency on critical lifeline networks such as water and telecommunications. There's a financial element too – it means that a larger portion of our ratepayer base will be on fixed incomes and less able to absorb marked increases to their rates bills.

Our options

- **Investment in accessibility improvements to our infrastructure as opportunities arise** acknowledging that transformational accessibility improvements to our networks will take time.
- **Full scale accessibility integration for our infrastructure**. All new projects are designed with full accessibility from the outset and we undertake comprehensive retrofitting of existing infrastructure.
- **Settle a model for retirement housing provision that is financially sustainable over time** noting that this may mean we have to narrow the scope of what we provide.

Our response

The ageing population trend is well understood and integrated within standard Council planning processes. For example, when renewing our transport corridors, we already factor in accessibility improvements at crossings. We also continue work to realise our Positive Ageing Strategy and Disability Strategy, directed by our Positive Ageing Strategy Advisory Group and the Napier Disability Advisory Group.

We're also using this TYP as an opportunity to consider how our housing villages can continued to be provided for older people in a way that is financially sustainable. Council's housing portfolio continues to be one of the few options available in Napier to those whose income is limited to superannuation and who have no assets they can leverage to afford retirement villages. With a growing elderly population, we recognise this housing is filling a critical gap in the market but want to make sure the way this activity is managed and funded ensures these homes are available long into the future.

Increasing environmental and regulatory standards

The challenge

The standards we need to meet in our day-to-day work are steadily increasing to protect the health of our community and our environment. For example, more stringent drinking water standards came into effect in 2022. We also know we need to meet incoming national standards for kerbside recycling and introduce a household food scraps collection service.

We are also navigating a complex landscape of reforms and proposals that could fundamentally change what we're responsible for:

- The Three Waters Reforms are now being replaced by the new government's Local Waters Done Well policy, which requires councils develop and present a financially sustainable model for water services delivery into the future.
- The recommendations from the Future of Local Government review are still sitting with central government awaiting response.
  The new government has announced a three-step reform process to the Resource Management Act 1991 to balance urban development with environmental preservation.

Our options

- **Deliberate deferral of compliance** with a plan for compliance that is financially prudent, acknowledging that opens us up to the risk of regulatory scrutiny and enforcement.
- **Targeted improvements** to prioritise meeting legislative requirements over and above any level of service considerations – essentially a 'middle ground' of ensuring compliance in the most critical areas.
- **Full commitment of investment to meet new standards** and maintain/improve level of service, knowing this comes at a large cost to our community.

Our response

Given our financial constraints, sometimes we're needing to deliberately take a slower pathway to achieving compliance, and other times we're targeting compliance in areas that create the highest risk.

Our approach to the new drinking water standards is a good example of this. We're currently non-compliant, but we've shared an improvement plan with Taumata Arowai which will see us achieve compliance in 2028. This relies on a series of investments, like sinking new bores and commissioning new treatment plants that we just couldn't achieve or afford in time.
The public health risk levels of Napier's water supply have not changed for the worse due to this non-compliant status. We are currently running seven operational bores and have two bore sites where appropriate bacterial and protozoa treatment is installed (A2 and A3). All other bore sites have been upgraded with online drinking water quality instruments and alarmed. Due to this, the risk we faced when we were compliant prior to the introduction of the new legislation is now effectively lower, even though we are currently non-compliant under

the new legislation. It is also important to note that the new legislation introduced did not affect our microbiological compliance in the distribution network as we have had no transgressions to date and all monitoring results comply with requirements.

In terms of national reform, we are planning ahead as far as practicable to ensure that Napier is well placed to navigate changes on the horizon. Finding the right balance between being prepared versus getting too far ahead of central government policy decisions is key to ensuring we're using our resources wisely.

Outdated systems and processes

The challenge

Our current challenge lies in modernising our internal systems and processes. While they work, they aren't as connected or efficient as we expect them to be in today's fast-paced, digital world. We have an opportunity to embrace new technologies that can transform how we gather and use information, leading to smarter, more informed decisions for our city.

Our goal is to streamline these systems, creating a cohesive framework that enables seamless data flow and analysis. This step forward will not only improve how we operate but will also enhance the services we provide to our community.

Our options

- **Do nothing** acknowledging this will continue to hinder our productivity.
- **Prioritise upgrades** of most valuable and utilised softwares.
- **Full scale investment** in modernized digital infrastructure.

Our response

We've developed a Digital Business Strategy which prioritises updating key business applications and tools in line with the funding program set out in our TYP. Outcomes are centered on using contemporary systems and data integration, to enhance customer engagement, reporting, and business process improvements across the organisation. This strategic direction underpins our efforts across various workstreams, ensuring a cohesive approach to technology and data management.

Council has recently invested in upgrading the system we use for project and risk management, which will give us better oversight of all our initiatives and interdependences. This upgrade is a critical step in aligning our operational practices with the strategic goals outlined in the Digital Business Strategy.

To elevate our asset intelligence, we've updated our software for managing assets by introducing user-friendly web apps that work across different devices as our teams are out in the community. These apps help us keep data input consistent and instantly update our main data storage. We have plans for regular upgrades and ongoing improvements to this system based on feedback.

We're also implementing live dashboards and reports for real-time data analysis. To make sure comprehensive understanding and responsible usage, we're providing training sessions for key staff. This training is integral to both our asset intelligence and the broader objectives of the Digital Business Strategy, facilitating a culture of continuous learning and adaptation.

This approach makes our operations smoother and supports informed decision-making and accountability, reflecting our dedication to manage assets efficiently. Our coordinated efforts across these high-priority areas, supported by a number of teams, demonstrate a commitment to integrating advanced technology solutions with strategic asset management and business operations.

Limited capacity to deliver

The challenge

We've set ourselves an ambitious capital plan for the last few years that we've fallen short of delivering in full. There are a few factors constraining our ability to deliver.

It's not as simple as "contracting out"; coordinating with external consultants requires careful oversight from our team, stretching our resources. In addition, finding and keeping the right professionals in our workforce is increasingly difficult due to competition in the industry.

With increasingly complex projects, we're still finding the investment 'sweet spot' at the early stages of a project. It's crucial to have enough information for informed decision-making without spending extensively on scoping projects that may never have political or community support.

Many of our projects benefit from the valuable input of diverse stakeholders, including local iwi. This collaborative approach is necessary to ensure outcomes work for all corners of our community, but it naturally extends the timeline from conception of a project to implementation. During this time, we must regularly reassess the project's relevance against its original goals.

Our vulnerability to supply chain disruptions is also worth noting, and was highlighted for us during COVID-19 and in the aftermath of Cyclone Gabrielle.

Our options

- **Status Quo:** Keeping things as they are won't cost more now, but it could lead to higher expenses and problems meeting future needs.
- **Project prioritisation:** By focusing on important projects first, we save money now but there is an opportunity cost involved for work we don't progress. This safeguards our ability to deliver on our levels of service, but some ratepayers might be disappointed if their expected projects are delayed.
- **Strategic procurement** to ensure Council initiatives are appealing to external experts within a national context of significant infrastructure investment. That can take time upfront, but ultimately results in better outcomes for Napier.

- **Self-imposed limits on the quantum of forecast capital spend** to focus on deliverability and reduce the volume of unspent budget carry-forward. This does mean we aren't setting out to do everything we and our community would like to do, but we've prioritised based on risk, criticality, and maximum community benefit.

Our response

We are 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, 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 forecast spend realistic. Projects have been moved around to make the plan as achievable as possible.

This next TYP period is still an ambitious program of work to deliver, and there could be resourcing and supply chain constraints both internally and externally that hinder completion of the program. Working on some of the solutions above should help to minimise the risks of under-delivery.

Financial Forecast and Funding Approach

Our proposed approach to managing our finances as part of this combined strategy represents a step-change from our fiscal management style in recent years. We're shifting away from an emphasis on low rates increases, recognising that's come at a cost to the condition and performance of our infrastructure. Instead, we're proposing the necessary rates increases combined with strategic borrowing to ensure that we can balance our budget between 2025/26 and 2033/34. A balanced budget is achieved when our revenue meet our budgeted operating expenses.

Our spending is split between operating expenditure and capital expenditure. Operating expenditure, or 'OPEX', covers the day-to-day costs of running council, such as salaries, utility bills, routine maintenance of council assets, and expenses related to Council services like waste collection or community programmes. Capital expenditure, or 'CAPEX', is the money we spend on long-term assets that will provide benefits over an extended period, like buildings, machines, pipes and pumps.

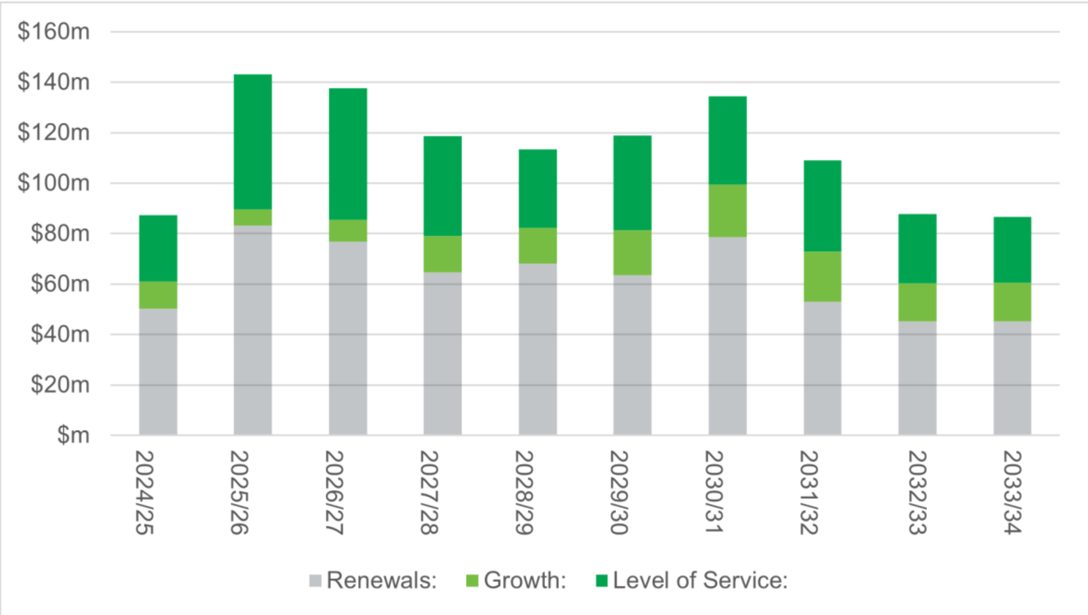
Generally, we cover our operating expenses with a mixture of rates revenue, fees and charges (where the user pays to access a specific service or facility like the transfer station or dog registration) and sometimes our savings/reserves. Rarely, we might need to borrow to cover OPEX, but this is in exceptional circumstances like emergency responses.

The way we fund our capital works depends on the type of work. Generally, for the period covered by this strategy:

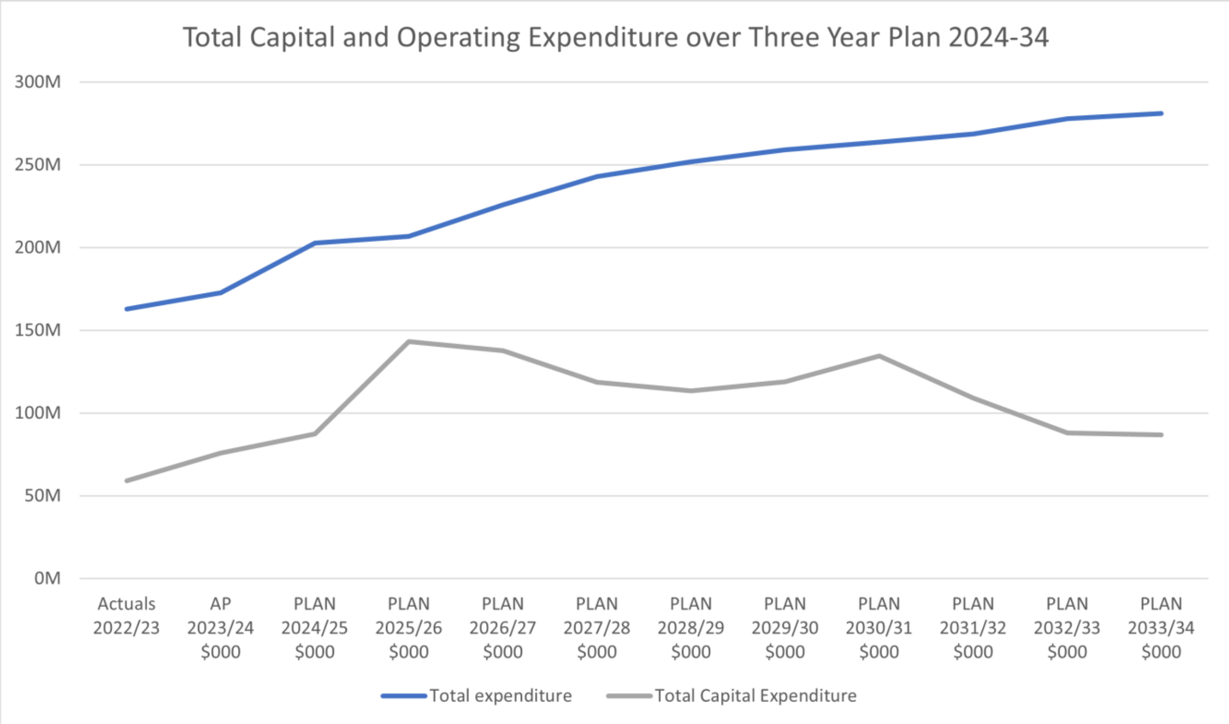
- **Renewals projects** (replacing like for like) will be funded through our Infrastructure Asset Renewals Reserves; dedicated funds set aside to cover the costs of renewing or replacing infrastructure assets. We're proposing to collect slightly more in rates between 2027 and 2034 than we're projected to spend. This is to build up these reserves and reflect our commitment to maintaining our assets in a planned and financially prudent manner.

- **Projects to improve Levels of Service** will be funded through borrowing, reserves, or through external sources like Waka Kotahi subsidies or central government's "Better Off Funding".
- **Growth projects** to increase capacity to meet demand from new developments, will be funded through financial contributions, which we collect directly from developers.

Sometimes projects are driven by all three elements outlined above, which is when we allocate funding from multiple different sources. The graph below outlines our total capital plan for each of the next ten years, and shows the proportion split between types of capital project:



Here's how our projected operating and capital spend looks over the next 10 years, compared to our actual spend in 2022/23.



Levels of service that Council intends to provide over the next ten years

There is no intention to significantly change significant levels of service within the term of this Three Year Plan, as this will require increased operational and capital expenditure. The proposed strategy is focussed on maintaining existing levels of service.

A brief summary of our main asset groups and the level of service they provide is included below. More information on these levels of service can be found in the Activity Group Statement section of this TYP beginning on page XXXX.

Table – Level of Service

Category	Level of Service Description
Transportation network	We provide roads that are safe and comfortable to drive on. Our roading network, including roads, bridges, footpaths and cycleways, is well maintained.
Water Supply	We provide clean and safe drinking water to households and businesses. Our water supply is managed sustainably to reduce adverse impacts on the environment. Our residents are satisfied with our provision of drinking water.

Wastewater	We mitigate the risk of raw wastewater overflows into habitable areas to safeguard public health. We treat wastewater to meet national standards before discharge into the environment Our residents are satisfied with our response times and provision of sewerage services.
Stormwater	We provide a reliable stormwater system that protects homes and businesses from flooding. Our stormwater is collected and discharged in a manner that protects public and environmental health. Residents are satisfied with our stormwater services.
Buildings	Council maintains and renews all Council buildings to ensure buildings remain safe.
Solid Waste	We offer regular waste collection services, recycling programs, and waste disposal facilities to manage and reduce household and commercial waste. We encourage waste minimisation.
Parks and reserves	We provide green spaces, playgrounds, sportsgrounds and recreational facilities for community use and enjoyment, promoting health, wellbeing, and biodiversity.

There are some minor levels of service changes worth noting that have been built into TYP budgets:

- The Te Aka development will see us deliver our current levels of service but from a new, purpose-built facility.
- Council took over in-house management of Ocean Spa in February 2023, with the intention have more control over the delivery of existing levels of service.
- Council's proposal to form a Council Controlled Trading Organisation over the scope of this TYP to maximise returns from our investment portfolio. There will be a cost to create and run the CCTO, but this would be significantly outweighed by the additional income the CCTO would generate for the city.
- The design and construction of a new a purpose-built waka pontoon adjacent to Nelson Quay.

Council's ability to provide and maintain existing levels of service and meet additional demands for services within rates and borrowing limits

We are forecast to deliver our proposed levels of service within our rate and debts caps, which are discussed in turn below.

Council's quantified limits on rates increases: 'rates cap'

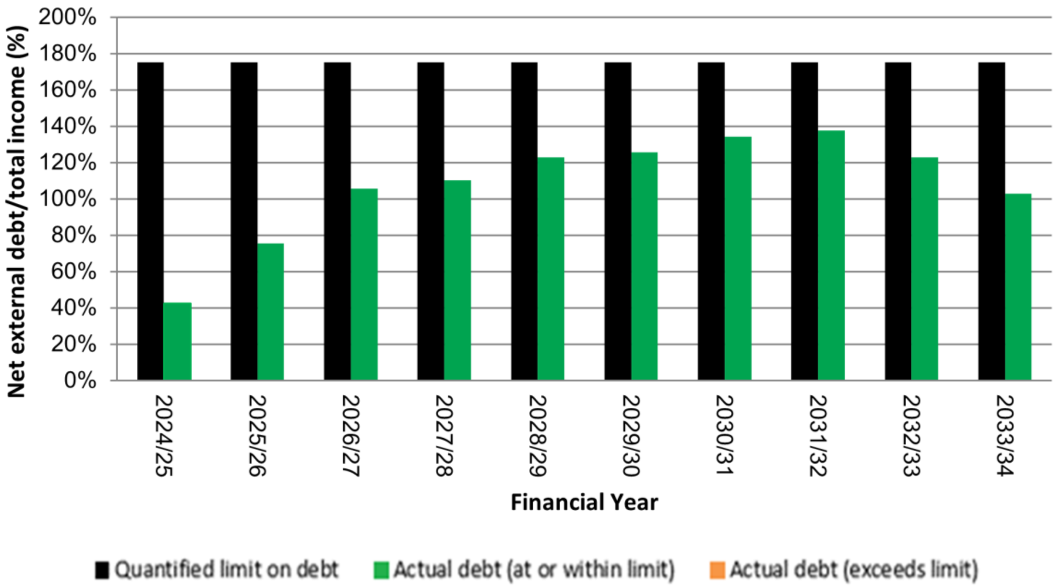
Council has set itself the following quantified limits on rate increases over the 10-year period. Total rates will increase by no more than the forecast increase to rates for each year, plus the Local Government Cost Index (LGCI) on operating expenditure (a way to calculate inflation) plus a consistent allowance of 0.3% per annum for growth in the rating base. The graph and table below demonstrate the *limit/cap* for each year, and the corresponding *forecast rates increase per year* (which is sometimes sitting just below the upper limit).

	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31	LTP 2031/32	LTP 2032/33	LTP 2033/34
Calculating the quantified limit on rates:										
Increase to rates (to reflect acceptable increase to current ratepayers before inflation)	23.7%	7.4%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%
Plus: LGCI on Operating Expenditure (to reflect inflation impact on Council)	-	3.1%	1.8%	1.8%	1.8%	1.8%	1.8%	1.7%	1.7%	1.7%
Equals: Limit on rates to existing rate payers	**23.7%**	**10.5%**	**8.1%**	**8.1%**	**8.1%**	**8.1%**	**8.1%**	**8.0%**	**8.0%**	**8.0%**
Plus: Growth (to reflect new properties who will contribute to the rates total)	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Equals: Quantified limit on rates ("rates cap")	**24.0%**	**10.8%**	**8.4%**	**8.4%**	**8.4%**	**8.4%**	**8.4%**	**8.3%**	**8.3%**	**8.3%**
Budgeted rates increase to existing rate payers	**23.7%**	**10.5%**	**8.0%**	**8.0%**	**8.0%**	**8.0%**	**8.0%**	**8.0%**	**8.0%**	**8.0%**
Plus: Growth	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Budgeted rates increases	**24.0%**	**10.8%**	**8.3%**	**8.3%**	**8.3%**	**8.3%**	**8.3%**	**8.3%**	**8.3%**	**8.3%**

Council's quantified limits on borrowing; 'debt cap'

Because of the increase in proposed capital expenditure over the course of our 2024 TYP we are predicting a significant increase in our overall debt. We closed the 2022/23 financial year with $10M of debt and are currently forecast to close the 2033/34 financial year with $504M of external debt.

We are required to set a quantified limit on borrowing (which we call a "debt cap"). For the 2024-2034 period, we have set this as 175% of our annual revenue, in line with our covenants with the Local Government Funding Agency (LGFA). The following graph shows our anticipated debt over the next 10 years compared to this 175% cap:



This ‘debt cap’ may change if we choose to take on a credit rating during the period of this plan. If we become rated with S&P Global or Fitch Ratings, we can unlock more competitive borrowing rates through the LGFA and our debt limit could increase to 280% of our revenue. That gives us more headroom to borrow. This is something we would only consider when our external borrowing exceeds $100M, as up until that point the cost of maintaining a credit rating would outweigh any benefits we would unlock. We’re forecasting that we would have incurred that level of debt by around 2027.

Council’s quantified limits on interest

As stated in our financial prudence benchmarks, we have set the following debt servicing benchmark:

Planned borrowing costs equal to or less than 10% of our planned revenue.

Council’s policy on giving securities for our borrowing

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.

What we’re trying to achieve in holding and managing any investments/equity securities

Napier City holds financial 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 rates 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 portfolio's 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 bank bill rate.
- 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. After several years of no dividends following the fallout from COVID-19, Hawke's Bay Airport Limited's Statement of Intent indicates Council can expect a recommencement of dividends starting with $338,000 in 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 Councils 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.

2024 signals a change in approach for some of our public facing facilities in terms of expectations around commercial viability. Napier Conferences & Events, Ocean Spa, Kennedy Park Resort and Par2 Mini Golf are expected to shift from being partially supported by rates funding to being fully self-funding by 1 July 2027. This means that we expect that operating costs for each of these facilities, including corporate overheads passed on from Council's support units, will be entirely covered by their incoming revenue.

Major Projects

The legislative requirements for this strategy require us to describe the major capital projects that we're either proposing or implementing, including any to facilitate recovery from Cyclone Gabrielle. We've set these out below, presented by Activity Group to mirror our TYP. Each of these projects is also accompanied by an explanation of the funding options and the implications of those options on rates and debt.

We've defined 'major projects' as those involving significant investment and/or attracting high interest from our community. Some of these projects forecast for delivery between 2027/28 and 2033/34 may require more funding once we've worked through initial stages like scoping and design. We've included them now to give an idea of the scale and timing, however the full investment required may be reviewed (likely increased) when we come to prepare our 2027-37 Long-Term Plan.

For more information about each of our Activity Groups, including rationale for delivery, assets, levels of service and future capital programming, see the section of this TYP starting on page XXXX.

Transportation Activity Group

Transportation initiatives are focused on recovery from recent severe weather events and proactive upgrades within our system.

Significant capital is being channelled into the Redclyffe Bridge replacement, roading renewals, the revitalisation of the CBD along Emerson Street, and local traffic management schemes. The actual network, while generally delivering a high service level, will benefit greatly from these targeted changes, designed to improve overall network efficiency and user experience.

Project	Overview	Budget and timing	Funding sources	Driver/ Strategic Priority
Replacement of Redclyffe Bridge	A temporary staging bridge has been installed to replace the mid-section of the bridge that was washed away. A feasibility study is being conducted to assess options for reinstatement, which takes into account how a replacement bridge should be best designed and aligned.	Large project ($5M+ between 24/25 and 27/28) - jointly funded with HDC. The Government is contributing $64 million towards the permanent replacement of the Redclyffe	71% Waka Kotahi 15% reserves 14% rates/loans	Resilient city

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		Bridge in the long term.		
Roading renewals	Renewals to carriageways, footpaths, traffic services, drainage, bridges and structures	Large project ($5M+) over 10 years	51% Waka Kotahi 49% reserves	A financially sustainable Council Resilient City
CBD/Emerson St revitalization	Design and construction process to refresh the streetscape of Emerson St, to be delivered in four stages.	Large project ($5M+ between 23/24 and 27/28)	100% rates/loans	Spaces & Places for all Great Visitor Destination
Local Area Traffic Management Projects	Traffic safety works within suburban areas to manage speed and enable greater mode choice.	Large project ($5M+) over 10 years	51% Waka Kotahi 49% rates/loans	Spaces & places for all

Water Supply Activity Group

Key projects in the Water Supply activity are focused on improving the resilience of supply and quality of our reticulated water that will lead us towards being compliant under the 2022 Drinking Water Quality Assurance Rules.

Key improvements around resilience lie in creating greater storage volumes and replacing ageing assets – both storage and reticulation. New water treatment facilities and rising mains will be key to achieving compliance.

Project	Overview	Budget and timing	Current funding	Driver/ Strategic Priority
Mataruahou (Napier Hill) Reservoir	Design and construction of a new reservoir on Mataruahou to replace the ageing reservoir on Enfield Road	Large project ($5M+ between 23/24 and 28/29)	100% reserves funded	Resilient city
Water treatment improvements	Improved water treatment to meet the 2022 Drinking Water Standards, including new treatment plants, reservoir improvements and enhanced monitoring	Large project ($5M+) over 10 years	88% rates/loans 12% reserves	Resilient city
New Mission reservoir	Design and construction of a new reservoir to meet capacity requirements triggered by growth in Mission Hills	Large project ($5M+ between 23/24 and 31/32)	100% reserves (development contributions)	Resilient city

Pipe renewals	Renewals of ageing drinking water reticulation	Large project ($5M+) over 10 years	100% reserves	Resilient city
Water meter installation	Installation of water meters in to support leak detection and enable enhanced system monitoring	Medium project ($2M-$5M between 29/30 and 33/34)	100% rates/loans	Resilient city
Water borefield and treatment plant 1 (Awatoto)	Development of a cluster of bores in Awatoto, a treatment plant (likely to be UV and chlorine)) and dedicated pipes taking the water up to reservoirs from which the network can then be fed by gravity.	Large project ($5M+between 23/24 and 28/29)	44% reserves 56% rates	Resilient city
Water borefield and treatment plant 2 (Taradale)	Development of a cluster of bores in Taradale, a treatment plant (likely to be UV and chlorine)) and dedicated pipes taking the water up to reservoirs from which the network can then be fed by gravity	Large project ($5M+ between 23/24 and 27/28)	16% reserves 84% rates	Resilient city

Wastewater Activity Group

Our strategic focus within the Wastewater Activity Group is to strengthen resilience and ensure sustainable wastewater management in compliance with modern health and environmental standards.

We're channeling significant investment into the modernisation of our Waste Water Treatment Plant (WWTP), both in terms of renewals and repairs, and to explore treatment solutions in line with community and environmental expectations.

Project	Overview	Budget and timing	Funding	Driver/ Strategic Priority
WWTP outfall replacement	Replacing the marine outfall that carries treated wastewater from our Awatoto treatment plant 2.5km out to sea	Large project ($5M+ between 23/24 and 30/31)	80% rates/loans 20% reserves	Resilient city
WWTP resilience	Cyclone Gabrielle response - raising electrical componentry to safeguard WWTP	Medium project ($2M-$5M between 24/25 and 29/30)	20% reserves 80% rates/loans	Resilient city

	operation in any future inundation events			
WWTP storage	Construction of storage ponds next to the WWTP to provide emergency storage in the case of plant failure (so it doesn't need to be bypassed untreated) and to prepare for decommissioning and replacing the marine outfall pipe.	Large project ($5M+ between 23/24 and 26/27)	100% rates/loans	Resilient city
Treatment upgrade at WWTP	Enhancing our secondary treatment by installing a third biological trickling filter	Medium project ($2M-$5M between 29/30 and 32/33)	10% reserves 80% rates/loans	Resilient city
Pipe renewals and relining	Renewals of ageing wastewater reticulation	Large project ($5M+) over 10 years	100% reserves funding	Resilient city

Stormwater Activity Group

The focus for the Stormwater Activity Group is increasing resilience and system capacity, and improving the quality of the stormwater we discharge into our marine environment.

Project	Overview	Budget and timing	Current funding	Driver/ Strategic Priority
Lagoon farm diversion and storage	Stormwater retention and treatment to reduce urban flooding risk and enhance water quality outcomes for Te Whanganui-a- Orotu	Large project ($5M+ between 23/24 and 28/29)	100% rates/loans	Resilient city
Bayview stormwater culvert upgrades	Improving capacity in open drains	Medium project ($2M-$5M between 27/28 and 30/31)	50% reserves 50% rates/loans	Resilient city
Maraenui stormwater trunks project	Alleviating flood risk to unlock land for development in Maraenui and meet current levels of service	Medium project ($2M-$5M between 23/24 and 27/28)	90% rates/loans 10% Infrastructure Acceleration Fund	Resilient city

Flood alleviation projects	Improving stormwater capacity in urban culverts and storm trunks	Large project ($5M+ between 30/31 and 33/34)	50% reserves 50% rates/loans	Resilient city
Whitmore Park flood alleviation	Upgrade existing and install new assets to reduce the widespread flooding risk in Marewa during significant rain events.	Large project ($5M+ between 31/32 and 33/34)	53% reserves 47% rates/loans	Resilient city

Community and Visitor Experiences Activity Group

In the period covered by this strategy, capital investment for the Community and Visitor Experience Group has been set aside to cover options for the Napier Aquatic Centre going forward. Options around location, size, shape and timing of any redevelopment will not be considered for at least another five years.

There are some significant investments tagged against some of our parks and reserves, including the new Ahuriri Regional Park (in partnership with Hawke's Bay Regional Council), McLean Park, and the potential for redevelopment of Onekawa Park, pending decisions about the future of Napier Aquatic Centre.

Project	Overview	Budget and timing	Funding	Driver/ Strategic Priority
Napier Aquatic Centre	Budget for potential development a new aquatic centre in five to ten years' time. Details on the plans, location, timing and how the facility's construction will be funded will not be considered for at least five years.	Large project ($5M+ between 29/30 and 31/32)	10% reserves 90% rates/loans	Spaces & places for all
Retirement housing renewals	Renewals of our housing units, some of which are 60 years old, to ensure that the homes are safe and fit for purpose	Large project ($5M+ between 24/25 and 30/31)	100% rates/loans	Spaces & places for all
Ahuriri Regional Park	Development of a regional park located on Lagoon Farm, closely associated with the Lagoon Farm	Large project ($5M+ between 28/29 and 30/31) Jointly funded with HBRC	100% rates/loans	Spaces & places for all Resilient city

	stormwater diversion and storage project			
Onekawa Park	Funding set aside for redevelopment, partially dependent on decision about future Aquatic Centre location. Netball courts and carparking at end of life and need investment regardless of decisions around the pool location.	Small project ($0.5M-$2M in 27/28)	100% rates/loans	Spaces & places for all
McLean Park returf	Budget set aside for a returf of this premium sportsground based on a predicted 10 year asset lifecycle	Large project ($5M+ in 28/29)	100% rates/loans	Spaces & places for all Great visitor destination

Other Infrastructure Activity Group

The Omarunui Landfill, which is jointly owned with Hastings District Council, needs to be gradually developed to provide more capacity for waste disposal.

We're also anticipating the introduction of mandatory kerbside food scraps collection and intend to use the learnings from our rollout of wheelie bins in 2021 to inform this piece of work.

We have funding set aside to extend capacity in our cemeteries, pending the outcome of an upcoming review of current capacity.

Project	Overview	Budget and timing	Current funding	Driver/ Strategic Priority
Omarunui Landfill Development	Napier City Council's contribution to the development of Omarunui Landfill Valleys B, C and D	Large project ($5M+) over 10 years Jointly funded with HDC	100% reserves	Resilient city
Food scraps kerbside collection	Rollout of a mandatory kerbside food scraps collection	Small project ($0.5M-$2M in 26/27) Funding may be supplemented by	100% reserves	Resilient city

		the Ministry for the Environment		
Extending cemetery capacity	Purchase of additional land for cemetery capacity between 27/28 and 30/31 and cemetery establishment. The need for this is contingent on the findings of a capacity review planned for 2024/25.	Medium project ($2M-$5M) over 10 years	100% rates/loans	Spaces & places for all

Property Assets Activity Group

In the coming years, our community will benefit from investments in projects such as the Te Aka build. This new library, customer centre and governance hub will create energy in what is now a quiet part of the city and help stimulate economic activity and encourage growth in this area. We're also exploring options for the Library Tower on Station Street, to potentially offer the opportunity to bring our Council staff back together in the same building for the first time since 2017.

The Waka Hub is a redevelopment project aimed at enhancing the community and visitor experience in the waterfront and Inner Harbour precinct. The Meeanee Quay pier is scheduled for an upgrade to maintain safety and ensure a welcoming and safe environment for recreation and business.

Project	Overview	Budget and timing	Funding	Driver/ Strategic Priority
Te Aka design and build	A new library, customer services centre and meeting space for our councillors and the community.	Large project ($5M+ between 23/24 and 26/27)	100% rates/loans	Spaces & places for all
Accommodation tower	Strengthening the Library Tower building on Station Street and redeveloping it for use as a single, centralized office for council staff	Large project ($5M+ between 24/25 and 25/26)	100% rates/loans	Financially sustainable Council
Waka Hub development	A purpose-built pontoon for Te Matau-a-Maui waka hourua, with space for an additional visiting vessel	Medium project ($2M-$5M in 23/24 and 24/25)	Infrastructure Acceleration Fund	Great visitor destination
Meeanee Quay pier	Replacement of aged jetties with safer and	Medium project ($2-$5M	100% rates/loans	Spaces & places for all

replacement + facilities upgrade	more robust floating pontoons to enable continued level of service for berthholders and visiting vessels.	between 24/25 and 25/26)		Resilient city

SCHEDULE OF FEES AND CHARGES 2024/25

NAPIER CITY COUNCIL
Te Kaunihera o Ahuriri

ANIMAL CONTROL

All fees and charges are inclusive of GST (except as noted *).

	2023-24	Proposed 2024-25	incl GST
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.			
Registration Fees			
Full fee (paid by 1 August)	$129.00	$129.00	Yes
Full Fee (paid after 1 August)	$191.00	$191.00	Yes
Responsible Dog Owner fee (paid by 1 August)	$86.00	$86.00	Yes
Responsible Dog Owner fee (paid after 1 August)	$129.00	$129.00	Yes
Responsible Dog Owner application fee	$30.00	$30.00	Yes
Working Dog (paid by 1 August)	$56.00	$56.00	Yes
Working Dog (paid after 1 August)	$84.00	$84.00	Yes
Working Dog (Public Good) e.g. Guide Dog	No charge	No charge	Yes
Dangerous Dogs (paid by 1 August)	$192.00	$192.00	Yes
Dangerous Dog (paid after 1 August)	$284.00	$284.00	Yes
Impounding Charges			
First impounding registered dog	$98.00	$98.00	Yes
Second impounding registered dog	$116.00	$116.00	Yes
Third and subsequent impounding registered dog	$174.00	$174.00	Yes
Recovery of Costs			
Call out rate to open Shelter outside of hours	$206.00	$206.00	Yes
Animal Control Officer Hourly rate (including enforcement activity)	$128.00	$128.00	Yes
Daily care of dog	$12.00	$12.00	Yes
Permit Fee (3 or more dogs or breeding kennels) Annual Fee	$59.00	$59.00	Yes
Sale of Dog (including microchip implantation)	$329.00	$329.00	Yes
Replacement Registration Tag	$6.00	$6.00	Yes
Surrender of Dog to Animal Control	$59.00	$59.00	Yes
Surrender of Dog to Animal Control with community services card	$12.00	$12.00	Yes
Seizure of dog	$100.00	$100.00	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)	$47.00	$47.00	Yes
Microchipping of dog and registration on National Dog Database*	$37.00	$37.00	No
Microchipping of dog and registration on National Dog Database with community services card	$7.50	$7.50	Yes

ARTHUR RICHARDS HALL

All fees and charges are inclusive of GST (except as noted *).

	2023-24	Proposed 2024-25	incl GST
Meeting Room			
Group 1 - Profit-Making Organisations and Family Gatherings			
Hourly charge	$26.80	$28.30	Yes
Morning or Afternoon	$75.00	$79.20	Yes
Evening	$111.00	$117.00	Yes
Whole Day	$157.00	$166.00	Yes
Group 2 - Community, Hobby & Sports Groups			
Hourly charge	$22.50	$23.80	Yes
Morning or Afternoon	$61.10	$64.50	Yes
Evening	$83.60	$88.30	Yes
Whole Day	$111.00	$117.00	Yes

BAY SKATE

All fees and charges are inclusive of GST (except as noted *).

	2023-24	Proposed 2024-25	incl GST
Bay Skate			
Admission			
Bay Skate members and affiliated club members	$4.00	$4.00	Yes
Non-members	$7.00	$7.00	Yes
Senior Citizens / Community Services Card holders	$6.00	$6.00	Yes
Child (3 or under)	No Charge	No Charge	Yes
Spectators	No Charge	No Charge	Yes
Membership			
Bay Skate annual membership	$30.00	$32.00	Yes
Equipment Hire			
Scooter	$10.00	$10.00	Yes
Inline Skates	$10.00	$10.00	Yes
Skateboard	$10.00	$10.00	Yes
Roller skates	$10.00	$10.00	Yes
Aggressive skate	$10.00	$10.00	Yes
Beach path hire (per hour)	$10.00	$10.00	Yes
Protective equipment	Free with equipment hire	Free with equipment hire	Yes
Helmet	Free with equipment hire	Free with equipment hire	Yes
Venue Hire			
Rink Only			
Rink only - Affiliated Club (per hour)	$32.00	$34.00	Yes
Events (Grandstand and Rink Use)			
Community Group (per hour)	$65.00	$70.00	Yes
Corporate (per hour)	$270.00	$290.00	Yes

BUILDING

All fees and charges are inclusive of GST (except as noted *).

	2023-24	Proposed 2024-25	incl GST
Building Consents			
Building Fees			
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.			
Project Information Memorandum (stand-alone only)	$325.00	$350.00	Yes
Compliance Schedule	$350.00	$400.00	Yes
Building Administration Fees			
Online Lodgement Fee	$144.00	$161.00	Yes
Building Accreditation Fee	$20.00	$20.00	Yes
Building Warrant of Fitness Fee			
Administration and Audit Fee	$150.00	$150.00	Yes
Hourly Rates			
Building Consents Officer	$187.00	$216.00	Yes
Building Administrator	$100.00	$108.00	Yes
Inspection Fee			
Inspection Fee	$187.00	$216.00	Yes
Liquor Licence Fee			
Certificate of Compliance Fee	$100.00	$100.00	Yes
Fees Payable for Specific Works (Set by Legislation)			
Building Research Levy per $1,000 value above $20,000*	$1.00	$1.00	No
Building Levy per $1,000 value $20,444 and above	$1.75	$1.75	Yes
Roading Fees in Association with Building Consents			
Application Processing Fee	Replaced	Replaced	Yes
Vehicle Crossing Inspection (covers 3 site visits. Any additional site visits are covered by the additional inspection fee)	$300.00	$317.00	Yes
Inspection for Road Damage	$120.00	$127.00	Yes
Inspection for Vehicle Crossing	Replaced	Replaced	Yes
Site Inspections (for inspections in addition to the minimum set with the application)	$120.00	$127.00	Yes
Sundry Inspections			
Per Hour (minimum fee one hour)	$187.00	$216.00	Yes
Building Statistics			
Full Report	$25.00	$25.00	Yes
Single Report	$15.00	$15.00	Yes
Additional Sections	$6.00	$6.00	Yes
Miscellaneous Charges			
Property File Fee			
Property File Management Fee (charged per consent)	$90.00	$95.00	Yes
Certificate of Title	$25.00	$25.00	Yes

CEMETERIES

All fees and charges are inclusive of GST (except as noted *).

	2023-24	Proposed 2024-25	incl GST
Cemeteries			
Interments - Burials			
Adults	$828.00	$874.00	Yes
Child (Over 29 days and under 14 years)	$316.00	$334.00	Yes
Stillborn child (within Neo-Natal area and up to 28 days after birth)	No Charge	No Charge	Yes
Stillborn child (not within Neo-Natal area and up to 28 days after birth)	$113.00	$119.00	Yes
Disinterments and Reburials			
Same Plot	$3,237.25	$3,950.00	Yes
Different Plot	$3,237.25	$3,950.00	Yes
Extra Depth			
Extra Depth (to allow for three burials)	$145.00	$195.00	Yes
Burial of Deceased Formerly Resident Outside City Boundary			
Burial of Deceased Formerly Resident Outside City Boundary	$700.00	$739.00	Yes
Sale of Burial Plots			
Includes Perpetual Maintenance			
Children under 14 years area (Western Hills and Park Island)	$1,015.00	$1,072.00	Yes
Wharerangi	$2,475.00	$2,614.00	Yes
Western Hills	$2,475.00	$2,614.00	Yes
Eskdale	$2,475.00	$2,614.00	Yes
Sale of Ash Plots			
Includes Perpetual Maintenance			
Wharerangi Inground Plaque	$475.00	$700.00	Yes
Wharerangi Middle Ridge Ash Beam	$475.00	$700.00	Yes
Western Hills Rose Garden Beds 1-14	$350.00	$370.00	Yes
Western Hills Rose Garden Beds 15 and onwards	$525.00	$700.00	Yes
Western Hills Upright Ash Interment Area	$975.00	$1,155.00	Yes
Interment - Ashes - Includes Registration			
Interment of Ashes	$185.00	$195.00	Yes
Scattering of Ashes	$160.00	$169.00	Yes
Disinterment of Ashes			
Disinterment of Ashes	$200.00	$211.00	Yes
Registration of Memorial only			
Registration of Memorial only	$115.00	$121.00	Yes
Book of Remembrance			
Record of name in Book of Remembrance	$80.00	$85.00	Yes
Monument Permit			
Permit to erect a monument	$65.00	$70.00	Yes
Change of Plot Ownership			
Transfer or relinquishment of ash or burial plot	$83.00	$90.00	Yes

CEMETERIES CONTINUED

All fees and charges are inclusive of GST (except as noted *).

	2023-24	Proposed 2024-25	incl GST
Additional Fee			
In exceptional circumstances arrangements can be made for a burial outside normal working hours and is at Councils discretion. Normal hours are 8.00am to 4.00pm Monday to Friday and 8.00am to 12noon Saturday (Note: Additioanl fee for morning Saturday burials) . For Saturday after 12noon 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. The Cemetry is closed to burials on Sunday and Public Holidays.			
Cost Per After Hours Call (for Saturday, Sunday and Public Holidays between 10am and 5pm)	$78.00	$82.40	Yes
Saturday Morning Burials - Additional Fee	$330.00	$348.00	
Out-of-hours additional fee - Minimum charge	$845.00	$892.00	Yes
Sale of Niches			
Wharerangi	$190.00	$201.00	Yes
Eskdale	$115.00	$121.00	Yes
Services Fee			
Dressing of grave and use of equipment	$150.00	$250.00	Yes

CHAPMAN PAVILION

All fees and charges are inclusive of GST (except as noted *).

	2023-24	Proposed 2024-25	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 *	$431.00	$488.00	No
Weekday Morning or Afternoon	$146.00	$166.00	Yes
Weekday Evening	$189.00	$214.00	Yes
Weekday Full day	$372.00	$421.00	Yes
Weekends Morning or Afternoon	$189.00	$214.00	Yes
Weekends Evening	$372.00	$421.00	Yes
Weekends Full day	$626.00	$709.00	Yes
Chapman Pavilion Corporate Lounge 2			
Performance Bond *	$431.00	$488.00	No
Weekday Morning or Afternoon	$129.00	$146.00	Yes
Weekday Evening	$168.00	$190.00	Yes
Weekday Full Day	$324.00	$366.00	Yes
Weekends Morning or Afternoon	$168.00	$190.00	Yes
Weekends Evening	$334.00	$378.00	Yes
Weekends Full Day	$572.00	$647.00	Yes
Chapman Pavilion Both Lounges			
Performance Bond *	$648.00	$734.00	No
Weekday Morning or Afternoon	$243.00	$275.00	Yes
Weekday Evening	$302.00	$342.00	Yes
Weekday Full Day	$594.00	$673.00	Yes
Weekends Morning or Afternoon	$302.00	$342.00	Yes
Weekends Evening	$648.00	$734.00	Yes
Weekends Full Day	$1,052.00	$1,191.00	Yes
Napier City Council Wardens			
Senior Floor Attendant (per hour)	$64.80	$73.40	Yes

CORPORATE SERVICES

All fees and charges are inclusive of GST (except as noted *).

	2023-24	Proposed 2024-25	incl GST
Administrative, Property & Sundry			
Standing Order			
SANZ Sections 15.9, 15.12 & 15.14 (per page)	N/A	N/A	Yes
Spare copies of open agendas and relevant documents (per A4 page), minutes	No Charge	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	$80.30	Yes
Photocopying per page (per A4 sized page after the first 20 pages)	$0.20	$0.20	Yes
Valuation & Rating Information			
Rating Information Database - property valuation and rating information supplied in hard copy			
Charge per page (under 5 pages free)	$0.40	$0.40	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 after 1st July 2009 - Annual Fee	$49.80	$49.80	Yes
Lease			
Preparation Fee	$926.00	$978.00	Yes
Licence to Occupy			
Preparation Fee (Standard)	$232.00	$245.00	Yes
Preparation Fee (Complex) (eg. where more than one class of land or set of regulations is involved)	$313.00	$331.00	Yes
Lessor's Consent			
Grant of Lessor's Consent Fee	$86.80	$91.70	Yes

ENVIRONMENTAL SOLUTIONS

All fees and charges are inclusive of GST (except as noted *).

	2023-24	Proposed 2024-25	incl GST
Trade Waste Charges			
Laboratory charges - Trade & Industrial sites - Type 1 *	Cost + 10%	Cost + 10%	Yes
Laboratory charges - Trade & Industrial sites - Type 2 *	Cost + 10%	Cost + 10%	Yes
Laboratory charges - Trade & Industrial sites - Type 3 *	Cost + 10%	Cost + 10%	Yes
Laboratory charges - Trade & Industrial sites - Type 4	Cost + 10%	Cost + 10%	Yes
Trade Waste Registration application fee	$236.00	$236.00	Yes
Controlled or Conditional applicant site assessment	$126.00	$133.00	Yes
Hourly charge - Environmental Administrator	$375.00	$150.00	yes
Hourly charge - Environmental Compliance Officer	$155.00	$190.00	Yes
Labour charges (per hour)			
Manager Environmental Solutions	$182.00	$220.00	Yes
Environmental Lead	$172.00	$200.00	Yes
Environmental Projects Lead	$172.00	$200.00	Yes
Environmental Management Officer	$155.00	$190.00	Yes
Environmental Compliance Officer	$155.00	$190.00	Yes
Environmental Officer	$155.00	$190.00	Yes
Environmental Administrator	$126.00	$150.00	Yes
Environmental Intern	$129.00	$150.00	Yes
Waste Minimisation & Recycling			
Waste Minimisation Lead	$172.00	$200.00	Yes
Waste Minimisation & Sustainability Officer	$155.00	$190.00	Yes
Receptacles			
Recycling crates (each)	$16.10	$16.00	Yes
Wheelie Bin (each)	$91.10	$90.00	Yes
Pollution response			
Laboratory charges	at cost + 10%	at cost + 10%	Yes
Equipment and consumables	at cost + 10%	at cost + 10%	Yes
Contractor charges	at cost + 10%	at cost + 10%	Yes
Plus hourly labour charges rates (as above)	Standard Labour Charges	Standard Labour Charges	Yes
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 premises not specified in Type 1, 2, 3 categories			

FARADAY CENTRE

All fees and charges are inclusive of GST (except as noted *).

	2023-24	Proposed 2024-25	incl GST
Admission			
Adults	$10.00	$12.00	Yes
Children (under 15 years)	$5.00	$5.50	Yes
Senior Citizens (65 +) and Community Services Card holders single admission	$9.00	$10.00	Yes
Family Pass (2 Adults, 2 Children)	$27.50	$30.00	Yes
Annual Pass	$145.00	$145.00	Yes
Group rate Adults	$9.00	$10.00	Yes
Group rate Children	$4.50	$5.00	Yes
Meeting Room			
Hourly rate	$46.50	$50.00	Yes
Morning or Afternoon	$115.00	$125.00	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 *).

	2023-24	Proposed 2024-25	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 *	$461.00	$487.00	No
Weekday Morning or Afternoon	$343.00	$362.00	Yes
Weekday Evening	$418.00	$441.00	Yes
Weekday Full day	$992.00	$1,048.00	Yes
Weekends Morning or Afternoon	$423.00	$447.00	Yes
Weekends Evening	$509.00	$538.00	Yes
Weekends Full day	$1,244.00	$1,314.00	Yes
Event Day	$1,244.00	$1,314.00	Yes
Graeme Lowe Stand Lounge 2			
Performance Bond *	$461.00	$487.00	No
Weekday Morning or Afternoon	$370.00	$391.00	Yes
Weekday Evening	$477.00	$504.00	Yes
Weekday Full day	$1,104.00	$1,166.00	Yes
Weekends Morning or Afternoon	$472.00	$498.00	Yes
Weekends Evening	$557.00	$588.00	Yes
Weekends Full day	$1,394.00	$1,472.00	Yes
Additional Facilities			
Graeme Lowe Stand Kitchen			
Performance Bond *	$230.00	$243.00	No
Morning or Afternoon	$101.80	$108.00	Yes
Evening	$198.00	$209.00	Yes
Full Day	$327.00	$345.00	Yes
Event Day	$327.00	$345.00	Yes
Napier City Council Wardens			
Senior Floor Attendant (per hour)	$69.70	$73.60	Yes

GREENMEADOWS EAST COMMUNITY HALL

All fees and charges are inclusive of GST (except as noted *).

	2023-24	Proposed 2024-25	incl GST
Main Hall & Kitchen			
Group 1 - Profit-Making Organisations and Family Gatherings			
Hourly charge	$47.20	$49.80	Yes
Morning or Afternoon	$130.00	$137.00	Yes
Evening	$197.00	$208.00	Yes
Whole Day	$288.00	$304.00	Yes
Group 2 - Community, Hobby & Sports Groups			
Hourly charge	$32.20	$34.00	Yes
Morning or Afternoon	$95.40	$100.70	Yes
Evening	$143.00	$151.00	Yes
Whole Day	$192.00	$203.00	Yes
Meeting Room			
Group 1 - Profit-Making Organisations and Family Gatherings			
Hourly charge	$21.40	$22.60	Yes
Morning or Afternoon	$59.00	$62.30	Yes
Evening	$84.70	$89.40	Yes
Whole Day	$121.00	$128.00	Yes
Group 2 - Community, Hobby & Sports Groups			
Hourly charge	$18.20	$19.20	Yes
Morning or Afternoon	$47.20	$49.80	Yes
Evening	$63.20	$66.70	Yes
Whole Day	$83.60	$88.30	Yes

INNER HARBOUR

All fees and charges are inclusive of GST (except as noted *).

	2023-24	Proposed 2024-25	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)	$451.00	$496.00	Yes
Recreational (per metre per annum)	$394.00	$433.00	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)	$451.00	$496.00	Yes
Recreational (per metre per annum)	$394.00	$433.00	Yes
West Quay and Discharge Wharf			
Commercial (per metre per annum)	$441.00	$507.00	Yes
Recreational (per metre per annum)	$379.00	$436.00	Yes
West Quay Extension (per metre per annum)	$478.00	$550.00	Yes
Temporary Berthage & Other Charges			
Visiting Vessels			
Commercial (per day)	$118.00	$136.00	Yes
Recreational (per day)	$33.00	$36.30	Yes
Rebates & Penalties			
Rebate for Payment of Annual Fees within Specified Time			
Commercial (per metre)	$26.00	$28.60	Yes
Recreational (per metre)	$23.00	$25.30	Yes
Penalty for Occupying Discharge Berth Outside Normal Discharge Time			
Per day or part thereof	$665.00	$732.00	Yes
Penalty for Non-Payment of Annual Fees by Due Date	10%	10%	Yes
Nelson Quay Boat Ramp			
Annual Fee			
Hawke's Bay Sports Fishing Club Members	$129.00	$190.00	Yes
Public who are not members of the Hawke's Bay Sports Fishing Club	$177.00	$230.00	Yes
Casual Users Fee			
Casual entry fee is $15.00 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 $24 per boat launch which is as per the Council approved Fees and Charges Schedule.			
Casual Fee per boat launch	$24.00	$30.00	Yes

KENNEDY PARK

All fees and charges are inclusive of GST (except as noted *).

	2023-24	Proposed 2024-25	incl GST
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 3-14 years. Infants under one year free.			
Park Motels/Villas (Rack Rate)			
Standard Rate single/double	$154.00 - $417.00	$165.00-$448.00	Yes
Extra Adult	$30.00 - $30.00	$33.00-$33.00	Yes
Extra Child	$27.00 - $27.00	$30.00-$30.00	Yes
Holiday Units (Rack Rate)			
Standard Rate single/double	$130.00 - $357.00	$140.00-$383.00	Yes
Extra Adult	$30.00 - $30.00	$33.00-$33.00	Yes
Extra Child	$27.00 - $27.00	$30.00-$30.00	Yes
En-Suite Units (Rack Rate)			
Standard Rate single/double	$111.00 - $298.00	$119.00-$320.00	Yes
Extra Adult	$30.00 - $30.00	$33.00-$33.00	Yes
Extra Child	$27.00 - $27.00	$30.00-$30.00	Yes
Cabins (Rack Rate) (Guests use communal bathroom facilities)			
Standard Rate single/double	$96.00 - $213.00	$103.00-$228.00	Yes
Extra Adult	$30.00 - $30.00	$33.00-$33.00	Yes
Extra Child	$27.00 - $27.00	$30.00-$30.00	Yes
Powered Sites / Non Powered Sites (Rack Rate)			
Standard Rate single/double Powered	$61.00 - $131.00	$66.00-$141.00	Yes
Standard Rate single/double Unpowered	$49.00 - $94.00	$53.00-$101.00	Yes
Extra Adult	$25.00 - $25.00	$28.00-$28.00	Yes
Extra Child	$25.00 - $25.00	$28.00-$28.00	Yes
Hireage Charges			
Portacot (per day)	$10.00	$10.60	Yes
High Chair (per day)	$10.00	$10.60	Yes
Portable Barbeque (per two hours)	$30.00	$31.70	Yes
Power Adaptor (per day)	$8.00	$8.40	Yes
Chiller Key (per day)	$4.00	$4.20	Yes
Pedal Car (per hour)	$12.00	$12.70	Yes
DVD Player (per day)	$15.00	$15.80	Yes
DVD Movie (per day)	$6.00	$6.30	Yes
Bicycle	Price on Application	Price on Application	Yes
Conference Venue/Facility Hire			
Conference Venue/Facility Hire	Price on Application	Price on Application	Yes

LIBRARY SERVICES

All fees and charges are inclusive of GST (except as noted *).

	2023-24	Proposed 2024-25	incl GST
Library Services Charges			
Rentals			
Book Rental	No Charge	No Charge	Yes
DVD Rental - new title, per item 7 days	$4.80	$0.00	Yes
DVD Rental per item, including Children's, 7 days	$2.70	$0.00	Yes
DVD Rental - series, 14 days	$7.00	$0.00	Yes
Interloan Charges			
Interloan reciprocal library	$0.00	$0.00	Yes
Postage Fee	$7.00	$7.40	Yes
Interloan (non reciprocal library admin fee)	$15.00	$15.80	Yes
Membership Cards			
Replacement of Membership Cards	$6.40	$6.80	Yes
Research Services			
Per hour with first 15 minutes free	$56.00	$0.00	Yes
Photocopying & Printing			
Per A4 sheet Black & White	$0.40	$0.40	Yes
Per A3 sheet Black & White	$0.60	$0.60	Yes
Per A4 sheet Colour	$1.10	$1.20	Yes
Per A3 sheet Colour	$3.20	$3.40	Yes
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	Individual Purchase Price	Yes
Books			
Books standard replacement cost	$45.00	$47.50	Yes
DVD & Audiobooks			
Per Disk standard replacement cost	$25.00	$26.40	Yes
Childrens Puzzles			
Children's Puzzles	$25.00	$26.40	Yes

ENVIRONMENTAL HEALTH AND ALCOHOL LICENCING FEES

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.

	2023-24	Proposed 2024-25	incl GST
Licence Fees			
Food Premises / Food Control Plans Fees under the Food Act 2014			
New Template Food Control Plan Registration	$270.00	$285.00	Yes
Renewal of Template Food Control Plan Registration	$118.00	$125.00	Yes
Amendment of Food Control Plan Registration (per hour)	$212.00	$225.00	Yes
New National Programme Registration	$270.00	$285.00	Yes
Renewal of National Programme Registration	$118.00	$125.00	Yes
Amendment of National Programme Registration (per hour)	$212.00	$225.00	Yes
Verification of Food Control Plan based on template or MPI	$530.00	$560.00	Yes
Verification of Food Control Plan based on templated or MPI - less complex setup (i.e. mobile shops, home kitchen), to be detmined on registration	$345.00	$365.00	
Postponement of Verification of Food Control Plan	$85.00	$90.00	Yes
Verification follow up (per hour)	$185.00	$195.00	Yes
Compliance and Monitoring	$185.00	$195.00	Yes
Hairdressers			
Hairdressers	$218.00	$230.00	Yes
Skin Piercing Premises			
Skin Piercing Premises	$230.00	$245.00	Yes
Offensive Trades			
Tanneries	$389.00	$415.00	Yes
Refuse Collection	$220.00	$235.00	Yes
All Other Trades	$277.00	$293.00	Yes
Funeral Directors			
Funeral Directors	$300.00	$320.00	Yes
Camping Grounds			
Camping Grounds	$390.00	$415.00	Yes
Hawkers			
Hawkers	$120.00	$130.00	Yes
Mobile Shop			
Mobile Shop	$215.00	$230.00	Yes
Noise Control			
Stereo Seizure	$295.00	$315.00	Yes
Amusement Devices			
Fees are set by the Amusement Device Regulations 1978			
One device, first 7 days (or part thereof)	$11.50	$12.10	Yes
Each additional device, first 7 days (or part thereof)	$2.30	$2.40	Yes
Each device each further 7 days (or part thereof)	$1.30	$1.40	Yes
Miscellaneous Charges			
Miscellaneous Permits	$120.00	$130.00	Yes
Advice over and above 1hr - per hour	$185.00	$195.00	Yes
Hourly Rates			
Environmental Health Officer	$185.00	$195.00	Yes
Compliance Officer	$185.00	$195.00	Yes
Liquor Licence Inspector	$185.00	$195.00	Yes
Regulatory Administrator	$100.00	$110.00	Yes

ENVIRONMENTAL HEALTH AND ALCOHOL LICENCING FEES CONTINUED

All fees and charges are inclusive of GST (except as noted *).

	2023-24	Proposed 2024-25	incl GST
Street Tables and Chairs			
Street Tables and Chairs (maximum two tables, chairs & not exceeding total area of 3m²)	No charge	No charge	Yes
Street Tables and Chairs (permitted area up to 10m2)	$275.00	$300.00	Yes
Street Tables and Chairs (permitted area 10.1m2 - 20m²)	$400.00	$425.00	Yes
Street Tables and Chairs (permitted area greater than 20m2)	$600.00	$635.00	Yes
Street Tables and Chairs Amendment Fee	$185.00	$185.00	Yes
Inner City Temporary Commercial Promotion Activity			
Licence to Occupy	$60.00	$63.40	Yes
Litter Control			
Infringement fee (maximum)	$400.00	$400.00	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	$368.00	Yes
Low risk application	$609.50	$609.50	Yes
Medium risk application	$816.50	$816.50	Yes
High risk application	$1,023.50	$1,023.50	Yes
Very high risk application	$1,207.50	$1,207.50	Yes
Annual Fees			
Very low risk premises	$161.00	$161.00	Yes
Low risk premises	$391.00	$391.00	Yes
Medium risk premises	$632.50	$632.50	Yes
High risk premises	$1,035.00	$1,035.00	Yes
Very high risk premises	$1,437.50	$1,437.50	Yes
Special Licence Applications			
1 to 2 small size events	$63.25	$63.25	Yes
3 to 12 small, 1 to 3 medium size events	$207.00	$207.00	Yes
All other special licenses / large events	$575.00	$575.00	Yes
Other Applications			
Managers Certificate Applications	$316.25	$316.25	Yes
Temporary Authority	$296.70	$296.70	Yes
Temporary Licence	$296.70	$296.70	Yes
Appeal to ARLA	$517.50	$517.50	Yes
Permanent Club Charter annual fee	$632.50	$632.50	Yes
Extract of Register	$57.50	$57.50	Yes

OCEAN SPA

All fees and charges are inclusive of GST (except as noted *).

	2023-24	Proposed 2024-25	incl GST
Ocean Spa			
Cash Admission			
Adults 15+	$11.50	$20.00	Yes
Children 2-14 years	$8.50	$12.00	Yes
Toddler (under 2)	$3.00	$4.00	Yes
SuperGold Card and Community Services Card holders	$8.00	$14.00	Yes
Student (NZ ID required)	$10.50	N/A	Yes
Spectator	$3.00	$4.00	Yes
Family (2+2)	$35.00	$58.00	Yes
Concession Cards			
Child (10-Swim Cards)	$76.50	$108.00	Yes
Child (30-Swim Cards)	$229.50	$336.00	Yes
Adult (10-Swim Cards)	$103.50	$180.00	Yes
Adult (30-Swim Cards)	$310.50	$560.00	Yes
OFF PEAK MEMBERSHIP			
3 months paid in full	N/A	$380.00	Yes
6 months paid in full	N/A	$690.00	Yes
12 months paid in full	N/A	$1,200.00	Yes
PREMIUM MEMBERSHIP - FULL ACCESS & BENEFITS			
6 month contract - paid weekly	$32.00	$32.00	Yes
12 month contract - paid weekly	$29.00	$29.00	Yes
3 months paid in full	$420.00	$420.00	Yes
6 months paid in full	$810.00	$810.00	Yes
12 months paid in full	$1,400.00	$1,400.00	Yes

MUSEUM THEATRE GALLERY (MTG)

All fees and charges are inclusive of GST (except as noted *).

	2023-24	Proposed 2024-25	incl GST
Museum, Theatre, Gallery			
Admission			
General Admission	No Charge	No Charge	Yes
Guided Tours (per person)	Price on Application	Price on Application	Yes
Theatre			
Film Admission			
Adults	Film Specific	Film Specific	Yes
Student (15 years plus with Student ID)	Film Specific	Film Specific	Yes
Senior Citizens (65 +) and Community Services Card holders, and Friends of the Museum	Film Specific	Film Specific	Yes
Children (under 15 years)	Film Specific	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.			
Theatre (including Dressing Rooms and Foyer) - Commercial			
Cleaning fee (one off charge)	$119.00	$126.00	Yes
Daytime full day rate	$899.00	$949.00	Yes
Evening (5.30pm - 11pm)	$755.00	$797.00	Yes
Setup / Pack Out / Rehearsal per hour (including staff costs)	$108.00	$114.00	Yes
Theatre (including Dressing Rooms and Foyer) - Community			
Cleaning fee (one off charge)	$108.00	$114.00	Yes
Daytime full day rate			
Evening (5.30pm - 11pm)	$464.00	$490.00	Yes
Setup / Pack Out / Rehearsal per hour (including staff costs)	$97.00	$102.40	Yes
Theatre - Gala Film Screening			
300 tiered seating. Available for fund raising gala screenings.			
Special Film Screening	Price on Application	Price on Application	Yes
MTG Main Foyer			
Subject to availability.			
Standard fee (up to 4 hours, thereafter $150.00/hour)) - commercial rate	$700.00	$739.00	Yes
Standard fee (up to 4 hours, thereafter $90.00/hour)) - community rate	$399.00	$421.00	Yes
Century Theatre Foyer			
Subject to availability.			
Standard fee (up to 4 hours, thereafter $125.00/hour) - commercial rate	$572.00	$604.00	Yes
Standard fee (up to 4 hours, thereafter $75.00/hour) - community rate	$346.00	$365.00	Yes
Education Meeting Room			
35 seating theatre style.			
Daytime subject to availability.			
Evening (5.30pm - 11pm) - Commercial	$400.00	$422.00	Yes

MUSEUM THEATRE GALLERY (MTG) CONTINUED

All fees and charges are inclusive of GST (except as noted *).

	2023-24	Proposed 2024-25	incl GST
Evening (5.30pm - 11pm) - Community	$240.00	$253.00	Yes
Equipment Hire			
Pianos			
Community and student rates available on request.			
Concert Piano - (Steinway) Per concert	$340.00	$359.00	Yes
Piano - (Bechstein) Per concert	$92.00	$97.20	Yes
Piano - (Bechstein) Per lunchtime concert	$37.00	$39.10	Yes
Piano Tuning (per tuning)	$203.00	$214.00	Yes
Education			
Programmes			
Per Student - Primary	$2.50	$2.60	Yes
Per Student - Secondary	$4.50	$4.80	Yes
Per Student - Tertiary	Price on Application	Price on Application	Yes
Accompanying Adult / Teacher	No Charge	No Charge	Yes
Self Guided - School Groups	No Charge	No Charge	Yes
School Holiday Programmes	Price on Application	Price on Application	Yes
Special Programmes & Pre-Schools	Price on Application	Price on Application	Yes
Archive			
Image Delivery			
Postage	Price on Application	Price on Application	Yes
Photography			
Photography per hour (where NO suitable image is available)	$70.00	$73.90	Yes
Photography - Per scanned image	$24.50	$25.90	Yes
Photography - Disk	$6.50	$6.90	Yes
Photography - Reproduction fee per image	$38.00	$40.10	Yes
Reproduction			
Personal, non commercial & websites	No Charge	No Charge	Yes
Published, commercial interior image	$40.00	$42.20	Yes
Merchandise, book cover and advertising	$240.00	$253.00	Yes
Research			
Research - Hourly rate	$70.00	$73.90	Yes
Photocopying			
Photocopying - Standard (per page)	$1.40	$1.50	Yes
Photocopying - Manuscript (per page)	Price on Application	Price on Application	Yes

NAPIER AQUATIC CENTRE

All fees and charges are inclusive of GST (except as noted *).

	2023-24	Proposed 2024-25	incl GST
Napier Aquatic Centre			
Cash Admission			
Adults single admission	$6.00	$6.30	Yes
Children (5 years and over) single admission	$4.30	$4.60	Yes
Children (under 5 years, accompanied by adult in water) single admission	No Charge	No Charge	Yes
Community Services Card holders single admission	$4.30	$4.60	Yes
Senior Citizens / Gold Card	$1.00	$1.50	Yes
General Spectators	$0.00	$2.00	Yes
Club Member	$2.00	$2.10	Yes
Waterslide (unlimited rides) - additional to entry fee per person	$5.50	$5.80	Yes
Outdoor area - Splash Pad, Basketball, Volleyball (per person)		$2.00	yes
Concession Cards			
Child (10-Swim Cards)	$39.00	$41.50	Yes
Child (20-Swim Cards)	$72.30	$76.50	Yes
Child (50-Swim Cards)	$187.50	$198.00	Yes
Adult (10-Swim Cards)	$50.50	$54.00	Yes
Adult (20-Swim Cards)	$100.50	$105.00	Yes
Adult (50-Swim Cards)	$248.50	$262.00	Yes
Community Card Holder (10-Swim Cards)	$39.00	$41.50	Yes
Community Card Holder (20-Swim Cards)	$72.30	$76.50	Yes
Community Card Holder (50-Swim Cards)	$187.00	$197.50	Yes
Club Member (10-Swim Cards)	$15.00	$15.80	Yes
Club Member (20-Swim Cards)	$30.00	$32.00	Yes
Club Member (50-Swim Cards)	$75.00	$79.50	Yes
Aqua Aerobics (10-Swim Cards)	$58.00	$61.50	Yes
Aqua Aerobics (20-Swim Cards)	$116.00	$122.50	Yes
Aqua Aerobics (50-Swim Cards)	$289.00	$305.00	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 Club Member entry fee per pupil)	$10.30	$10.90	Yes
Slide Special	$3.20	$3.50	Yes
Old Pool	$74.50	$79.50	Yes
Old Pool - Inflatable hire (inclusive of entry fee)		$185.00	
Ivan Wilson 25-metre Pool	$87.40	$93.00	Yes
Old Learners Pool	$40.60	$43.00	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)	$10.30	$10.90	Yes
Old Pool	$79.00	$84.00	Yes
Ivan Wilson 25-metre Pool	$93.00	$98.50	Yes
Casual Hires : Per Hour			
Entry fee is exclusive for hire of the following facility			
Old Pool	$100.00	$108.00	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			
Tiny Tots		$7.00	
Aquafitness			
Per Session	$5.90	$7.00	Yes

NAPIER CONFERENCE AND EVENTS

All fees and charges are inclusive of GST (except as noted *).

	2023-24	Proposed 2024-25	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)	$946.00	$999.00	Yes
Afternoon (12.30pm - 5.00pm)	$946.00	$999.00	Yes
Full day rate (8.00am - 5.00pm)	$1,575.00	$1,663.00	Yes
Evening (5.00pm - Midnight)	$1,223.00	$1,300.00	Yes
Group 2 - Community Organisations			
Morning (8.00am - 12.30pm)	$473.00	$521.00	Yes
Afternoon (12.30pm - 5.00pm)	$473.00	$521.00	Yes
Evening (5.00pm - Midnight)	$612.00	$674.00	Yes
Group 3 - Weddings			
Evening (12.30pm - Midnight) ^	$1,394.00	Remove dedicated rate	Yes
^ Fee includes Gallery and Small Exhibition Hall			
Small Exhibition Hall			
Group 1 - Corporate Organisations			
Morning (8.00am - 12.30pm)	$620.00	$670.00	Yes
Afternoon (12.30pm - 5.00pm)	$620.00	$670.00	Yes
Full day rate (8.00am - 5.00pm)	$1,033.00	$1,091.00	Yes
Evening (5.00pm - Midnight)	$804.00	$849.00	Yes
Group 2 - Community Organisations			
Morning (8.00am - 12.30pm)	$310.00	$341.00	Yes
Afternoon (12.30pm - 5.00pm)	$310.00	$341.00	Yes
Evening (5.00pm - Midnight)	$402.00	$443.00	Yes
Group 3 - Weddings			
Evening (12.30pm - Midnight) ^	$900.00	Remove dedicated rate	Yes
^ Fee includes Gallery			
Gallery			
Group 1 - Corporate Organisations			
Morning (8.00am - 12.30pm)	$405.00	$428.00	Yes
Afternoon (12.30pm - 5.00pm)	$405.00	$428.00	Yes
Full day rate (8.00am - 5.00pm)	$675.00	$713.00	Yes
Evening (5.00pm - Midnight)	$525.00	$554.00	Yes
Group 2 - Community Organisations			
Morning (8.00am - 12.30pm)	$203.00	$224.00	Yes
Afternoon (12.30pm - 5.00pm)	$203.00	$224.00	Yes
Evening (5.00pm - Midnight)	$263.00	$290.00	Yes
Group 3 - Weddings			
Evening (5.00pm - Midnight)	Removed	Remove dedicated rate	Yes
Breakout Room One			
Group 1 - Corporate Organisations			
Morning (8.00am - 12.30pm)	$328.00	$355.00	Yes
Afternoon (12.30pm - 5.00pm)	$328.00	$355.00	Yes
Full day rate (8.00am - 5.00pm)	$548.00	$605.00	Yes
Evening (5.00pm - Midnight)	$425.00	$456.00	Yes

NAPIER CONFERENCE AND EVENTS CONTINUED

All fees and charges are inclusive of GST (except as noted *).

	2023-24	Proposed 2024-25	incl GST
Group 2 - Community Organisations			
Morning (8.00am - 12.30pm)	$164.00	$181.00	Yes
Afternoon (12.30pm - 5.00pm)	$164.00	$181.00	Yes
Evening (5.00pm - Midnight)	$212.00	$234.00	Yes
Breakout Room Two			
Group 1 - Corporate Organisations			
Morning (8.00am - 12.30pm)	$468.00	$505.00	Yes
Afternoon (12.30pm - 5.00pm)	$468.00	$505.00	Yes
Full day rate (8.00am - 5.00pm)	$779.00	$850.00	Yes
Evening (5.00pm - Midnight)	$604.00	$655.00	Yes
Group 2 - Community Organisations			
Morning (8.00am - 12.30pm)	$234.00	$258.00	Yes
Afternoon (12.30pm - 5.00pm)	$234.00	$258.00	Yes
Evening (5.00pm - Midnight)	$302.00	$333.00	Yes
Boardroom			
All Users			
Morning (8.00am - 12.30pm)	$235.00	$255.00	Yes
Afternoon (12.30pm - 5.00pm)	$235.00	$255.00	Yes
Full day rate (8.00am - 5.00pm)	$391.00	$435.00	Yes
Evening (5.00pm - Midnight)	$301.00	$325.00	Yes
Large Exhibition Hall			
Group 1 - Corporate Organisations			
Morning (8.00am - 12.30pm)	$676.00	$735.00	Yes
Afternoon (12.30pm - 5.00pm)	$676.00	$735.00	Yes
Full day rate (8.00am - 5.00pm)	$1,128.00	$1,210.00	Yes
Evening (5.00pm - Midnight)	$877.00	$950.00	Yes
Group 2 - Community Organisations			
Morning (8.00am - 12.30pm)	$338.00	$372.00	Yes
Afternoon (12.30pm - 5.00pm)	$338.00	$372.00	Yes
Evening (5.00pm - Midnight)	$438.00	$482.00	Yes

NAPIER I-SITE VISITOR CENTRE

All fees and charges are inclusive of GST (except as noted *).

	2023-24	Proposed 2024-25	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	$138.00	$146.00	Yes
1 Pocket Display	$460.00	$486.00	Yes
Poster (A1) (Includes one pocket)	Rate Available on Request	Rate Available on Request	Yes
Other Advertising Features	Rate Available on Request	Rate Available on Request	Yes
Cruise - Stand & Advertising Options	Rate Available on Request	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	$20.00	$21.10	Yes
Communication and Search Fee - special event	$20.00	$21.10	Yes

NAPIER MUNICIPAL THEATRE

All fees and charges are inclusive of GST (except as noted *).

	2023-24	Proposed 2024-25	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) or 10% of the gross ticket sales - whatever is the greater	$3,559.00	$3,850.00	Yes
Setup/pack-out	$836.00	$910.00	Yes
Rehearsal	$1,359.00	$1,475.00	Yes
Deposit required *	$1,250.00	$1,355.00	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) or 10% of the gross ticket sales - whatever is the greater	$2,116.00	$2,170.00	Yes
Setup/pack-out	$483.00	$495.00	Yes
Rehearsal	$836.00	$855.00	Yes
Deposit required *	$800.00	$820.00	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)	$1,359.00	$1,390.00	Yes
Setup/pack-out	$483.00	$495.00	Yes
Deposit required *	$450.00	$460.00	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	$170.00	$180.00	Yes
Napier Building Society Mezzanine			
Napier Building Society Mezzanine - only with other areas	$78.40	$82.00	Yes
Westpac Bank Function Room			
Westpac Bank Function Room	$78.40	$82.00	Yes
Rotary Room			
Rotary Room	$52.20	$55.00	Yes
Pianos			
Community and student rates are available on request			

NAPIER MUNICIPAL THEATRE CONTINUED

All fees and charges are inclusive of GST (except as noted *).

	2023-24	Proposed 2024-25	incl GST
Municipal Theatre Steinway			
Concert Hire (per performance)	$392.00	$414.00	Yes
Lunchtime concerts in foyer (per performance)	$111.00	$117.00	Yes
Non-performance hires in foyer (per hour)	$45.70	$48.30	Yes
Piano Tuning (per tuning)	Price On Application	Price On Application	Yes
Municipal Theatre Yamaha Upright or Challen Grand			
Piano hire (per performance)	$111.00	$117.00	Yes
Piano hire (non-performance)	$45.70	$48.30	Yes
Piano Tuning (per tuning)	Price On Application	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 *).

	2023-24	Proposed 2024-25	incl GST
Admissions			
General Admissions			
Adults	$27.00	$28.50	Yes
Adults - Hawke's Bay locals	$25.50	$26.90	Yes
Child (from 3 up to 14 years)	$14.00	$14.80	Yes
Child (from 3 up to 14 years) - Hawke's Bay locals	$12.50	$13.20	Yes
Children (under 3 years)		$0.00	Yes
Student	$25.00	$26.40	Yes
Student - Hawke's Bay locals	$23.50	$24.80	Yes
Family (2 adults & up to 2 children)	$75.00	$79.20	Yes
Family (2 adults & up to 2 children) - Hawke's Bay locals	$70.00	$73.90	Yes
Senior Citizens (65 +) and Community Services Card holders	$20.00	$21.10	Yes
Senior Citizens (65 +) and Community Services Card holders - Hawke's Bay locals	$19.00	$20.10	Yes
Extra Child	$9.00	$9.50	Yes
Extra Child - Hawke's Bay locals	$8.00	$8.40	Yes
Close Encounters			
Little Penguin Close Encounter (per person) (maximum of 4)	$145.00	$153.00	Yes
Terrapin Close Encounter - Adult	$60.00	$63.40	Yes
Terrapin Close Encounter - Child	$40.00	$42.20	Yes
Tails & scales guided feeding tour - Adult	$60.00	$63.40	Yes
Tails & scales guided feeding tour - Child	$40.00	$42.20	Yes
Native icons guided tour - Adult	$60.00	$63.40	Yes
Native icons guided tour - Child	$40.00	$42.20	Yes
Friends of the Aquarium Membership			
Adult	$75.00	$79.20	Yes
Adult - Hawke's Bay locals	$72.50	$76.60	Yes
One Adult/One Child	$110.00	$116.00	Yes
One Adult/One Child - Hawke's Bay locals	$105.00	$111.00	Yes
Family (2 adults and up to 2 children)	$175.00	$185.00	Yes
- Hawke's Bay locals	$170.00	$180.00	Yes
Extra Child	N/A	N/A	Yes
Family (2 adults and 3 children)	$205.00	$216.00	Yes
Family (2 adults and 3 children) - Hawke's Bay locals	$200.00	$211.00	Yes
Family (2 adults and 4 children)	$235.00	$248.00	Yes
Family (2 adults and 4 children) - Hawke's Bay locals	$230.00	$243.00	Yes
Family (2 adults and 5 children)	$265.00	$280.00	Yes
Family (2 adults and 5 children) - Hawke's Bay locals	$260.00	$275.00	Yes
School Parties			
Pre-school and Special Schools	$4.50	$4.80	Yes
Primary	$5.50	$5.80	Yes
Secondary	$7.50	$7.90	Yes
Tertiary	$13.00	$13.70	Yes
Extra Adult	$13.00	$13.70	Yes
Group Discount (10 or more people)			
Adult	$24.00	$25.30	Yes
Child (from 3 up to 14 years)	$12.00	$12.70	Yes

NATIONAL AQUARIUM OF NEW ZEALAND CONTINUED

All fees and charges are inclusive of GST (except as noted *).

	2023-24	Proposed 2024-25	incl GST
Birthday Parties			
Conditions apply, and are available on request			
Accessibility			
Accompanying Caregivers			
Accessibility	$15.00	$15.80	Yes
Holiday Programme			
Per Person - Short Program			
Per Person - Full Program	$60.00	$63.40	Yes
Extended pickup time fee	$10.00	$10.60	Yes
Technical Staff			
Per Hour - Conditions apply, and are available on request			
Functions			
Aquarium Exhibition Hall			
Catering, entertainment and other equipment or services are additional charges - prices on application			
Charge Per Hour (Daytime 7.00-9.00am only)	$250.00	$264.00	Yes
Evening (5.00pm-12.00am)			
Corporate Rate	$1,100.00	$1,162.00	Yes
Charity Rate	$850.00	$898.00	Yes
East Coast LAB			
Charge Per Hour (Daytime)	$140.00	$148.00	Yes
1/2 Day (9.00-1.00pm or 1.00-5.00pm)			
Corporate Rate	$500.00	$528.00	Yes
Charity Rate	$350.00	$370.00	Yes
Full Day (9.00am-5.00pm)			
Corporate Rate	$950.00	$1,003.00	Yes
Charity Rate	$650.00	$686.00	Yes
Evening (5.00pm-12.00am)			
Corporate Rate	$750.00	$792.00	Yes
Charity Rate	$525.00	$554.00	Yes
Education Room (Half day and Full day only on weekend days)			
Charge Per Hour (Daytime)	$95.00	$100.30	Yes
1/2 Day (9.00-1.00pm or 1.00-5.00pm)			
Corporate Rate	$295.00	$312.00	Yes
Charity Rate	$200.00	$211.00	Yes
Full Day (9.00-5.00pm)			
Corporate Rate	$575.00	$607.00	Yes
Charity Rate	$405.00	$428.00	Yes
Evening (5.00pm-12.00am)			
Corporate Rate	$400.00	$422.00	Yes
Charity Rate	$320.00	$338.00	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 *).

	2023-24	Proposed 2024-25	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	No Charge	Yes
Child (3 to 14 years of age)	$7.80	$8.20	Yes
Adult	$11.20	$11.80	Yes
Family (2 Adults and 2 children)	$30.00	$31.70	Yes
Family (additional child)	$5.00	$5.30	Yes
Return Game - Adult	$8.30	$8.80	Yes
Return Game - Child	$5.30	$5.60	Yes
Return Game - Family	$22.40	$23.70	Yes
Return Game - Family (additional Child)	$4.20	$4.40	Yes
Spectators	No Charge	No Charge	Yes
Senior Citizens (65 +) and Community Services Card holders	$8.20	$8.70	Yes
Groups of 10 or More			
Group Rate - Children: 10 to 29 pax	$6.50	$6.90	Yes
Group Rate - Secondary (15 years and over): 10 to 29 pax	$8.40	$8.90	Yes
Group Rate - Adults: 10 to 29 pax	$9.50	$10.00	Yes
Group Rate - Children: 30+ pax	$5.70	$6.00	Yes
Group Rate - Secondary (15 years and over): 30+ pax	$7.80	$8.20	Yes
Group Rate - Adults: 30+ pax	$8.70	$9.20	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 *).

	2023-24	Proposed 2024-25	incl GST
Parking Fees			
Time restrictions may apply			
Metered fees (per hour)	$1.00	$2.00	Yes
Discounted Daily rate at specified car parks	$5.00	$7.00	Yes
Specific Parking fees			
Dickens Street East car park per hour (max stay 2 hours)	$2.00	$3.00	Yes
Lee Road car park per hour (max stay 3 hours)	$0.60	$1.00	Yes
Gloucester Street (max stay 2 hours)	$1.00	$2.00	Yes
Symons Lane - All on lane parking per hour (max stay 3 hours)	$0.60	$1.00	Yes
Symons Lane car park per hour (max stay 4 hours)	$0.60	$1.00	Yes
White Street (max stay 2 hours)	$1.00	$2.00	Yes
Leased Parking fees			
Dalton Street Leased car parking (per week)	$30.00	$48.00	Yes
Dickens Street South Leased car parking (per week)	$25.00	$40.00	Yes
Edwardes Street Leased car parking (per week)	$15.00	$24.00	Yes
Hastings Street Leased car parking (per week)	$30.00	$48.00	Yes
Herschell Street Leased car parking (per week)	$25.00	$40.00	Yes
Raffles Street Leased car parking (per week)	$25.00	$40.00	Yes
Station Street Leased car parking (per week)	$25.00	$40.00	Yes
Tiffen Park Leased car parking (per week)	$25.00	$40.00	Yes
Vautier Street Central Leased car parking (per week)	$25.00	$40.00	Yes
Vautier Street North Leased car parking (per week)	$25.00	$40.00	Yes
Vautier Street South Leased car parking (per week)	$25.00	$40.00	Yes
Supplementary Services			
Parking Permit (per day)	$20.00	$25.00	Yes
Skip Bin (per space per day)	$20.00	$25.00	Yes
Car Pound			
Storage of impounded vehicle first month	$70.00	$75.00	Yes
Storage of impounded vehicle per week after first month	$40.00	$45.00	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.			
Infringement Fees			
Not more than 30 minutes (less a $2.00 discount if paid within seven days of issue)	$12.00	$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	$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	$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	$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	$42.00	Yes
More than 6 hours (less a $5.00 discount if paid within seven days of issue)	$57.00	$57.00	Yes

PARKING CONTINUED

All fees and charges are inclusive of GST (except as noted *).

	2023-24	Proposed 2024-25	incl GST
Street Occupation			
Licence for occupation at ground level or $0.05/m	$62.00	$65.50	Yes
Charge against damage to Council property (whole frontage) per m	$7.80	$8.20	Yes
Removal or replacement of parking meters and signs each	$39.00	$41.20	Yes
Removal and reinstatement of roadmarking, per metre.	$6.80	$7.20	Yes
Vehicle Disposal (admin $75 + disposal)	$225.00	$238.00	Yes
am	Cost plus 10%	Cost plus 10%	Yes

PARKS AND RESERVES

All fees and charges are inclusive of GST (except as noted *).

	2023-24	Proposed 2024-25	incl GST
Reserves			
Occupation and use of any public Park or Reserve (including the Soundshell) by either a commercial operation, circus, Gypsy Fair or entertainment group, which intend to charge a public admission or sell products for financial gain			
Rental (per day)	$482.00	$509.00	Yes
Bond (refundable only if grounds and amenities are left in good order)*	$1,200.00	$1,200.00	No
Community Events which are free to the public			
Use of grounds & amenities	No Charge	No Charge	Yes
Bond (refundable only if grounds and amenities are left in good order)*	$1,200.00	$1,200.00	No

PLANNING SUPPORT SERVICES

All fees and charges are inclusive of GST (except as noted *).

	2023-24	Proposed 2024-25	incl GST
Geographic Information Services (GIS)			
Map Requests			
A request that involves less than 15 minutes to produce			
A0 Paper Size	$62.20	$65.70	Yes
A1 Paper Size	$37.50	$39.60	Yes
A2 Paper Size	$18.20	$19.20	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	$131.00	$138.00	Yes
Planning Administration			
Disbursements			
Plan Copying A0 (per sheet)	$18.70	$19.70	Yes
Plan Copying A1 (per sheet)	$12.50	$13.20	Yes
Plan Copying A2 (per sheet)	$6.20	$6.50	Yes
Photocopying A4/A3 Assisted	$1.30	$1.40	Yes
Full Digital property file	$46.00	$48.60	Yes
Digital building file only	$35.00	$37.00	Yes
Subsequent request following receipt of digital building file	$18.00	$19.00	Yes
Property Number Map Book	$37.50	$39.60	Yes
Certificate of Title	$30.00	$31.70	Yes
Hourly Rates			
Administration Staff	$100.00	$106.00	Yes

POLICY PLANNING

All fees and charges are inclusive of GST (except as noted *).

	2023-24	Proposed 2024-25	incl GST
Policy Planning			
Policy Charges			
Request to Change District Plan	$30,000.00	$31,680.00	Yes
Notice of Requirement (Sec 168)	$22,000.00	$23,232.00	Yes
Alteration of Designation (Sec 181) - Non Notified	$1,650.00	$1,742.00	Yes
Alteration of Designation (Sec 181) - Notified	$16,000.00	$16,896.00	Yes
Removal of Designation (Sec 182)	$350.00	$370.00	Yes
Officers’ Hourly Rates - Planning (per hour)	$200.00	$211.00	Yes
Officers’ Hourly Rates - Administration (per hour)	$100.00	$106.00	Yes

PUBLIC TOILETS AND SHOWERS

All fees and charges are inclusive of GST (except as noted *).

	2023-24	Proposed 2024-25	incl GST
Marine Parade Toilet (Soundshell)			
Toilets			
Adults & Children 5 years and over	No Charge	No Charge	Yes
Children under 5 years	No Charge	No Charge	Yes
Showers			
Shower charge	$4.00	$5.00	Yes
Hire of towel (includes soap)	$3.00	$4.00	Yes
Lockers			
Lockers will be opened after the end of the hire period and will be available for rehire			
Deposit *	$15.00	$15.00	No
Charge up to 4 hours	$2.00	$3.00	Yes
Charge over 4 hours (same day)	$3.00	$5.00	Yes
A daily charge for each additional day or part thereof will apply after the first day	$3.00	$5.00	Yes
Bike Store			
Deposit *	$15.00	$15.00	No
Charge up to 4 hours	$2.00	$5.00	Yes
Charge over 4 hours (same day)	$3.00	$8.00	Yes

REFUSE TRANSFER STATION

All fees and charges are inclusive of GST (except as noted *).

	2023-24	Proposed 2024-25	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)	$136.00	$144.00	Yes
General Refuse (per tonne)	$347.00	$366.00	Yes
Discount for separating Green waste	$6.50	$6.90	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)	$16.30	$16.30	Yes
General refuse (applies to loads up to 100kg)	$32.60	$32.60	Yes
Green waste (applies to loads under 50kg)	$11.00	$11.00	Yes
Green waste (applies to loads up to 100kg)	$16.30	$16.30	Yes
Fixed Charges			
Polystyrene & Bulk packaging (per cubic metre)	$82.00	$86.60	Yes
Car tyres (each); Motorcycle or quad bike tyres (single or pair) Truck or Tractor tyres not accepted	$8.70	$9.20	Yes
Charge to re-issue lost inwards docket	$0.00	$0.00	Yes
Recycling			
Paper + cardboard, glass, cans + plastics (type 1,2) and scrap metal at the recycling station	No Charge	No Charge	Yes

RESOURCE CONSENTS, LAND DEVELOPMENT AND SUBDIVISION

All fees and charges are inclusive of GST (except as noted *).

	2023-24	Proposed 2024-25	incl GST
Development Charges			
The below fees are a base charge. You must include the relevant base charge with your application, to cover the application processing costs. If the actual and reasonable processing costs exceed the base charge, we may invoice you for the additional costs.			
Development Charges (Section 36 Resource Management Act)			
Land Use Controlled	$1,300.00	$1,500.00	Yes
Land Use Restricted Discretionary	$2,000.00	$2,310.00	Yes
Land Use Discretionary	$2,500.00	$2,900.00	Yes
Land Use Non Complying	$3,500.00	$4,050.00	Yes
Notified Resource Consent	$10,979.00	$13,500.00	Yes
Limited Notification Resource Consent	$8,783.00	$10,500.00	Yes
Variation of Conditions - Non Notified	Replaced	Replaced	Yes
Change/Cancel Condition (Variation) Land Use	$1,200.00	$1,500.00	Yes
Change/Cancel Condition (Variation) Subdivision	$1,200.00	$1,500.00	Yes
Variation of Conditions - Notified	$4,000.00	$5,000.00	Yes
Boundary Activity	$329.00	$380.00	Yes
Temporary/Marginal Activity	$329.00	$380.00	Yes
Pre-Application Advice (over and above 1 hour)	Hourly rate	Hourly rate	Yes
Resource Consent Montitoring (Land Use)	$173.00	$200.00	Yes
Certificate of Compliance (Sec 139)	$659.00	$1,000.00	Yes
Existing Use Certificate	$659.00	$850.00	Yes
Extension of Resource Consent Expiry Fee (Sec 125)	Replaced	Replaced	Yes
Extension of Resource Consent Expiry Fee (Sec 125) Land Use	$1,000.00	$1,150.00	Yes
Extension of Resource Consent Expiry Fee (Sec 125) Subdivision	$800.00	$925.00	Yes
Outline Plan Lodgement (Sec 176A)	$1,200.00	$1,400.00	Yes
Review of Decisions (Sec 357)	$1,921.00	$2,219.00	Yes
Overseas Investment Certificate	$659.00	$761.00	Yes
Resource Management Certificate for Sale and Supply of Alcohol 2012	$100.00	$125.00	Yes
Property File Management Fee (charged per consent)	$90.00	$104.00	Yes
Moveable Signs Within CBD			
CBD Sandwich Boards Signage Fee	$162.00	$187.00	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)	Cost plus disbursements	Cost plus disbursements	Yes
Regulatory Engineering	$176.00	$215.00	Yes
Team Leader Planning and Compliance	$194.00	$225.00	Yes
Senior/Principal Resource Consents Planner	$183.00	$215.00	Yes
Resource Consents Planner	$173.00	$200.00	Yes
Regulatory Administrator	$92.00	$108.00	Yes
Land Information Memorandum			
LIM			
Residential and Rural	$329.00	$380.00	Yes
Commercial and Industrial	$491.00	$567.00	Yes
Hearings			
In accordance with section 36 of the Resource Management Act, Council charge for the cost of an independent hearing if requested under section 100A by either an applicant or one or more submitters. A hearing deposit fee is payable prior to the hearing proceeding. Any actual costs of the hearing that exceed the deposit fee will be charged as an additional charge, e.g. costs arising from the use of a specialist consultant, independent hearing commissioner(s).			
Hearing Deposit Fee	$3,000.00	$3,465.00	Yes

RESOURCE CONSENTS, LAND DEVELOPMENT AND SUBDIVISION

All fees and charges are inclusive of GST (except as noted *).

	2023-24	Proposed 2024-25	incl GST
Hearing Fees:			
Elected member commissioner costs per hour for any hearing - Fee per hour (or part thereof)	$210.00	$243.00	Yes
Elected member hearing panel (chairperson, hearing commissioners) - Fee per hour per elected member as chair	$104.00	$120.00	Yes
Independent Commissioners	At cost	At cost	Yes
Consultant's fees (the use of consultants/peer review will be undertaken in consultation with the applicant)	At cost	At cost	Yes
Council staff hourly costs as specified above			
Disbursements costs as specified in Planning Support Services fees and charges			
Subdivision and Land Development			
The below fees are a base charge. You must include the relevant base charge with your application, to cover the application processing costs. If the actual and reasonable processing costs exceed the base charge, we may invoice you for the additional costs			
Planning			
Subdivision Controlled	$1,800.00	$2,100.00	Yes
Subdivision Restricted Discretionary	$3,000.00	$3,500.00	Yes
Subdivision Discretionary	$4,500.00	$5,200.00	Yes
Subdivision Non Complying	$5,000.00	$5,800.00	Yes
Amendments to Flats/Crosslease	$659.00	$765.00	Yes
Certification Fee (223 & 348)	$500.00	$580.00	Yes
Certificate of Compliance (224) Regulatory Engineering	$600.00	$700.00	Yes
Rights of Way Approval (348)	$383.00	$650.00	Yes
Document Sealing/Signing Fee	$131.00	$150.00	Yes
Site Visit Fee	$164.00	$190.00	Yes
Monitoring Inspection in relation to any consent, designation, or site inspection	$340.00	$450.00	Yes
Property File Management Fee (charged per consent)	$86.00	$100.00	Yes
Hourly Rates			
Regulatory Engineering	$176.00	$205.00	Yes
Team Leader Planning and Compliance	$194.00	$225.00	Yes
Senior/Principal Resource Consents Planner	$183.00	$215.00	Yes
Resource Consents Planner	$173.00	$200.00	Yes
Regulatory Administrator	$92.00	$108.00	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)	Cost plus disbursements	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) *	$668.00	$772.00	No
Release of Bond (includes Caveat) *	$527.00	$609.00	No
Release of Bond and issue of replacement Bond (includes withdrawal of existing Caveat and creation of new Caveat) *	$912.00	$1,053.00	No
Easement (per document)	$527.00	$609.00	Yes
Covenant (per document)	$527.00	$609.00	Yes
Certificate under Building Act	$425.00	$491.00	Yes
Release of Certificate, Caveat	$290.00	$335.00	Yes
Consent	$254.00	$293.00	Yes
Release of Consent Notice, Fencing Covenant	$356.00	$411.00	Yes
Lease Renewal	$604.00	$698.00	Yes
Freeholding	$604.00	$698.00	Yes

All fees and charges are inclusive of GST (except as noted *).

RESOURCE CONSENTS, LAND DEVELOPMENT AND SUBDIVISION

All fees and charges are inclusive of GST (except as noted *).

	2023-24	Proposed 2024-25	incl GST
Development Charges			
The below fees are a base charge. You must include the relevant base charge with your application, to cover the application processing costs. If the actual and reasonable processing costs exceed the base charge, we may invoice you for the additional costs.			
Development Charges (Section 36 Resource Management Act)			
Land Use Controlled	$1,300.00	$1,500.00	Yes
Land Use Restricted Discretionary	$2,000.00	$2,310.00	Yes
Land Use Discretionary	$2,500.00	$2,900.00	Yes
Land Use Non Complying	$3,500.00	$4,050.00	Yes
Notified Resource Consent	$10,979.00	$13,500.00	Yes
Limited Notification Resource Consent	$8,783.00	$10,500.00	Yes
Variation of Conditions - Non Notified	Replaced	Replaced	Yes
Change/Cancel Condition (Variation) Land Use	$1,200.00	$1,500.00	Yes
Change/Cancel Condition (Variation) Subdivision	$1,200.00	$1,500.00	Yes
Variation of Conditions - Notified	$4,000.00	$5,000.00	Yes
Boundary Activity	$329.00	$380.00	Yes
Temporary/Marginal Activity	$329.00	$380.00	Yes
Pre-Application Advice (over and above 1 hour)	Hourly rate	Hourly rate	Yes
Resource Consent Montitoring (Land Use)	$173.00	$200.00	Yes
Certificate of Compliance (Sec 139)	$659.00	$1,000.00	Yes
Existing Use Certificate	$659.00	$850.00	Yes
Extension of Resource Consent Expiry Fee (Sec 125)	Replaced	Replaced	Yes
Extension of Resource Consent Expiry Fee (Sec 125) Land Use	$1,000.00	$1,155.00	Yes
Extension of Resource Consent Expiry Fee (Sec 125) Subdivision	$800.00	$925.00	Yes
Outline Plan Lodgement (Sec 176A)	$1,200.00	$1,400.00	Yes
Review of Decisions (Sec 357)	$1,921.00	$2,219.00	Yes
Overseas Investment Certificate	$659.00	$761.00	Yes
Resource Management Certificate for Sale and Supply of Alcohol 2012	$100.00	$125.00	Yes
Property File Management Fee (charged per consent)	$90.00	$104.00	Yes
Moveable Signs Within CBD			
CBD Sandwich Boards Signage Fee	$162.00	$187.00	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)	Cost plus disbursements	Cost plus disbursements	Yes
Regulatory Engineering	$176.00	$215.00	Yes
Team Leader Planning and Compliance	$194.00	$225.00	Yes
Senior/Principal Resource Consents Planner	$183.00	$215.00	Yes
Resource Consents Planner	$173.00	$200.00	Yes
Regulatory Administrator	$92.00	$108.00	Yes
Land Information Memorandum			
LIM			
Residential and Rural	$329.00	$380.00	Yes
Commercial and Industrial	$491.00	$567.00	Yes
Hearings			
In accordance with section 36 of the Resource Management Act, Council charge for the cost of an independent hearing if requested under section 100A by either an applicant or one or more submitters. A hearing deposit fee is payable prior to the hearing proceeding. Any actual costs of the hearing that exceed the deposit fee will be charged as an additional charge, e.g. costs arising from the use of a specialist consultant, independent hearing commissioner(s).			
Hearing Deposit Fee	$3,000.00	$3,465.00	Yes

RESOURCE CONSENTS, LAND DEVELOPMENT AND SUBDIVISION

All fees and charges are inclusive of GST (except as noted *).

	2023-24	Proposed 2024-25	incl GST
Hearing Fees:			
Elected member commissioner costs per hour for any hearing - Fee per hour (or part thereof)	$210.00	$243.00	Yes
Elected member hearing panel (chairperson, hearing commissioners) - Fee per hour per elected member as chair	$104.00	$120.00	Yes
Independent Commissioners	At cost	At cost	Yes
Consultant's fees (the use of consultants/peer review will be undertaken in consultation with the applicant)	At cost	At cost	Yes
Council staff hourly costs as specified above			
Disbursements costs as specified in Planning Support Services fees and charges			
Subdivision and Land Development			
The below fees are a base charge. You must include the relevant base charge with your application, to cover the application processing costs. If the actual and reasonable processing costs exceed the base charge, we may invoice you for the additional costs			
Planning			
Subdivision Controlled	$1,800.00	$2,100.00	Yes
Subdivision Restricted Discretionary	$3,000.00	$3,500.00	Yes
Subdivision Discretionary	$4,500.00	$5,200.00	Yes
Subdivision Non Complying	$5,000.00	$5,800.00	Yes
Amendments to Flats/Crosslease	$659.00	$765.00	Yes
Certification Fee (223 & 348)	$500.00	$580.00	Yes
Certificate of Compliance (224) Regulatory Engineering	$600.00	$700.00	Yes
Rights of Way Approval (348)	$383.00	$650.00	Yes
Document Sealing/Signing Fee	$131.00	$150.00	Yes
Site Visit Fee	$164.00	$190.00	Yes
Monitoring Inspection in relation to any consent, designation, or site inspection	$340.00	$450.00	Yes
Property File Management Fee (charged per consent)	$86.00	$100.00	Yes
Hourly Rates			
Regulatory Engineering	$176.00	$205.00	Yes
Team Leader Planning and Compliance	$194.00	$225.00	Yes
Senior/Principal Resource Consents Planner	$183.00	$215.00	Yes
Resource Consents Planner	$173.00	$200.00	Yes
Regulatory Administrator	$92.00	$108.00	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)	Cost plus disbursements	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) *	$668.00	$772.00	No
Release of Bond (includes Caveat) *	$527.00	$609.00	No
Release of Bond and issue of replacement Bond (includes withdrawal of existing Caveat and creation of new Caveat) *	$912.00	$1,053.00	No
Easement (per document)	$527.00	$609.00	Yes
Covenant (per document)	$527.00	$609.00	Yes
Certificate under Building Act	$425.00	$491.00	Yes
Release of Certificate, Caveat	$290.00	$335.00	Yes
Consent	$254.00	$293.00	Yes
Release of Consent Notice, Fencing Covenant	$356.00	$411.00	Yes
Lease Renewal	$604.00	$698.00	Yes
Freeholding	$604.00	$698.00	Yes

RESOURCE CONSENTS, LAND DEVELOPMENT AND SUBDIVISION

All fees and charges are inclusive of GST (except as noted *).

	2023-24	Proposed 2024-25	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)	$221.00	$255.00	Yes
Per lot for each additional over 3	$33.70	$40.00	Yes
Minimum charge (staff time hourly rate) (Where there is insufficient information or amendments are required, additional charges may be made)	$176.00	$205.00	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 $6,987 *	$6,076.00	$7,018.00	No
Construction - Acceptance of Pipe Assets	$0.00	$0.00	Yes
Wastewater - Sewerage			
Initial inspection, water-tightness test, CCTV inspection and final inspection.			
Minimum charge	$232.00	$268.00	Yes
Per lot for each additional over 3	$59.30	$68.50	Yes
Stormwater			
Initial inspection, water-tightness test, CCTV inspection and final inspection.			
Minimum charge	$232.00	$268.00	Yes
Per lot for each additional over 3	$59.30	$68.50	Yes
Water Supply			
Initial inspection, pressure test, disinfection, residual check and flushing and final inspection			
Minimum charge	$443.00	$512.00	Yes
Per lot for each additional over 3	$73.10	$84.40	Yes
Charging by Metre Length			
Where charging by number of lots is inappropriate the following charges per metre apply			
Sewerage - Minimum charge	$232.00	$268.00	Yes
Sewerage - Per meter	$2.80	$3.20	Yes
Stormwater - Minimum charge	$232.00	$268.00	Yes
Stormwater - Per meter	$2.80	$3.20	Yes
Water Supply - Minimum charge	$442.00	$511.00	Yes
Water Supply - Per meter	$2.80	$3.20	Yes
Roading and Reserves			
Roading - Fixed Charge (initial inspections for construction of new roads)	$614.00	$709.00	Yes
Roading - plus a Per Lot charge of	$29.70	$34.30	Yes
Reserves - Minimum Charge (initial inspections for development of new reserves)	$697.00	$805.00	Yes
Reserves - Additional Inspection Charge	$133.00	$154.00	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)	$34,173.59	$35,383.00	Yes
Urban - Multi-Story (per dwelling unit)	$27,541.37	$28,516.00	Yes
Urban - Multi-Story (plus per hectare - Stormwater)	$79,588.44	$82,406.00	Yes
Jervoistown: Full urban (per lot) non local off site	$30,111.59	$31,178.00	Yes
Jervoistown: Full urban (plus: per lot) local off site	$118,409.29	$122,601.00	Yes
Ahuriri (per lot)	$34,173.59	$35,383.00	Yes
Ahuriri - Multi-Story (per dwelling unit)	$27,541.37	$28,516.00	Yes
Ahuriri - Multi-Story (plus per hectare - Stormwater)	$79,588.44	$82,406.00	Yes

RESOURCE CONSENTS, LAND DEVELOPMENT AND SUBDIVISION

All fees and charges are inclusive of GST (except as noted *).

	2023-24	Proposed 2024-25	incl GST
Greenfields			
King St / Guppy Rd (per dwelling unit)	$28,715.33	$29,732.00	Yes
King St / Guppy Rd (plus per hectare - Stormwater)	$269,010.83	$278,534.00	Yes
King St / Guppy Rd (plus per metre Guppy Road frontage - if applicable)	$995.09	$1,030.00	Yes
King St / Guppy Rd (less: per metre Guppy Road frontage roading structure plan credit - where applicable)	$672.69	$697.00	Yes
Lagoon Farm (per lot)	$30,781.94	$31,872.00	Yes
Mission Heights (per lot)	$26,518.49	$27,457.00	Yes
Park Island (per lot)	$31,096.27	$32,197.00	Yes
Te Awa (per lot)	$28,508.67	$29,518.00	Yes
Te Awa (plus: per hectare) local off site	$681,856.71	$705,994.00	Yes
Te Awa (plus: per meter of road frontage - where applicable)	$4,424.96	$4,582.00	Yes
Rural			
Poraiti (per lot)	$23,251.87	$24,075.00	Yes
Lifestyle Character (per lot)	$28,715.33	$29,732.00	Yes
Lifestyle Character: Plus for lots not connected to a stormwater system discharging above the flood detention dam in Kent Terrace	$3,545.39	$3,671.00	Yes
All other rural areas including subdistrict rural (per lot)	$24,762.14	$25,639.00	Yes
Jervoistown (per lot) non local off site	$24,359.95	$25,222.00	Yes
Jervoistown (plus: per lot - road) Applies to the area west of Jervois Road, North of Meeanee Road and South of Burness Road	$10,230.24	$10,592.00	Yes
Jervoistown (plus: per lot - stormwater) Applies to those properties that drain to the Upper Purimu Drain	$11,926.19	$12,348.00	Yes
Jervoistown (plus: per lot - stormwater) Applies to those properties that drain to the Jervois Drain	$151,677.62	$157,047.00	Yes
Capital Contributions			
Bay View Water Supply (per domestic connection)	$3,892.46	$4,030.00	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	$3,892.21	$4,030.00	Yes
(2) the sum of:			
(2a) Non residential based:			
(i) Offices and Shops			
- Gross Floor area ($ per m2)	$15.51	$16.10	Yes
- plus Pervious Land area ($ per m2)	$5.94	$6.10	Yes
(ii) Warehouses			
- Gross Floor area ($ per m2)	$7.75	$8.00	Yes
- plus Pervious Land aewa ($ per m2)	$5.94	$6.10	Yes
(iii) Unsealed yards ($ per m2)	$5.94	$6.10	Yes
(2b) Residential based			
(i) Residential Care, Travellers Accommodation and Retirement Complexes			
- Population per Head	$565.72	$586.00	Yes
- plus Pervious Land area ($ per m2)	$5.81	$6.00	Yes
(ii) Day Care Centres and Educational Facilities			
- Population per Head	$284.68	$295.00	Yes
- plus Pervious Land area ($ per m2)	$5.81	$6.00	Yes

RESOURCE CONSENTS, LAND DEVELOPMENT AND SUBDIVISION

All fees and charges are inclusive of GST (except as noted *).

	2023-24	Proposed 2024-25	incl GST
Bay View Wastewater (Commercial)			
The Greater of:			
(1) Bay View wastewater connection charge, or	See sewer connection charges	See sewer connection charges	Yes
(2) the sum of:			
(2a) Non residential based:			
(i) Offices and Shops			
- Gross Floor area ($ per m2)	$10.54	$10.90	Yes
(ii) Warehouses			
- Gross Floor area ($ per m2)	$5.09	$5.30	Yes
(2b) Residential based			
(i) Residential Care, Travellers Accommodation and Retirement Complexes			
- Population per Head	$394.91	$409.00	Yes
(ii) Day Care Centres and Educational Facilities			
- Population per Head	$197.46	$204.00	Yes
Napier Financial Contributions			
Transportation			
Roads and Transportation	$16,093.09	$16,663.00	Yes
Water Supply Contribution (Non-Residential Based)			
Offices and Shops			
- Gross floor area ($ per m2)	$9.69	$10.00	Yes
- Plus pervious land area ($ per m2)	$3.63	$3.80	Yes
- or equivalent wastewater connection, whichever is greater	See Equivalent Connections	See Equivalent Connections	Yes
Medical Clinics/Hospitals			
- Gross floor area ($ per m2)	$12.11	$12.50	Yes
- Plus pervious land area ($ per m2)	$3.63	$3.80	Yes
- or equivalent wastewater connection, whichever is greater	See Equivalent Connections	See Equivalent Connections	Yes
Warehouses / Factories / Network Utility Operations			
- Gross floor area ($ per m2)	$4.85	$5.00	Yes
- Plus pervious land area ($ per m2)	$3.63	$3.80	Yes
- or equivalent wastewater connection, whichever is greater	See Equivalent Connections	See Equivalent Connections	Yes
Unsealed Yards			
- Pervious land area ($ per m2)	$3.63	$3.80	Yes
- or equivalent wastewater connection, whichever is greater	See Equivalent Connections	See Equivalent Connections	Yes
Churches			
- Per Church	$4,831.05	$5,002.00	Yes
- Plus pervious land area ($ per m2)	$3.63	$3.80	Yes
- or equivalent wastewater connection, whichever is greater	See Equivalent Connections	See Equivalent Connections	Yes
Wastewater Contribution (Non-Residential Based)			
Offices and Shops			
- Gross floor area ($ per m2)	$6.78	$7.00	Yes
- or equivalent wastewater connection, whichever is greater	See Equivalent Connections	See Equivalent Connections	Yes
Medical Clinics/Hospitals			
- Gross floor area ($ per m2)	$8.42	$8.70	Yes
- or equivalent wastewater connection, whichever is greater	See Equivalent Connections	See Equivalent Connections	Yes

RESOURCE CONSENTS, LAND DEVELOPMENT AND SUBDIVISION

All fees and charges are inclusive of GST (except as noted *).

	2023-24	Proposed 2024-25	incl GST
Warehouses / Factories / Network Utility Operations			
- Gross floor area ($ per m2)	$3.39	$3.50	Yes
- or equivalent wastewater connection, whichever is greater	See Equivalent Connections	See Equivalent Connections	Yes
Churches			
- per Church	$3,369.68	$3,489.00	Yes
- or equivalent wastewater connection, whichever is greater	See Equivalent Connections	See Equivalent Connections	Yes
Stormwater Contribution (Non-Residential Based)			
Offices and Shops - Land area ($ per m2)	$6.66	$6.90	Yes
Medical Clinics/Hospitals - Land area ($ per m2)	$6.66	$6.90	Yes
Warehouses / Factories / Network Utility Operations - Land area ($ per m2)	$6.66	$6.90	Yes
Unsealed Yards - Land area ($ per m2)	$1.70	$1.80	Yes
Churches - Land area ($ per m2)	$6.66	$6.90	Yes
Water Supply Contribution (Residential Based)			
Residential Care Facilities			
- Population ($ per head)	$363.42	$376.00	Yes
- Plus pervious land area ($ per m2)	$3.63	$3.80	Yes
- or equivalent wastewater connection, whichever is greater	See Equivalent Connections	See Equivalent Connections	Yes
Travellers Accommodation			
- Population ($ per head)	$363.42	$376.00	Yes
- Plus pervious land area ($ per m2)	$3.63	$3.80	Yes
- or equivalent wastewater connection, whichever is greater	See Equivalent Connections	See Equivalent Connections	Yes
Day Care Centres			
- Population ($ per head)	$182.92	$189.00	Yes
- Plus pervious land area ($ per m2)	$3.63	$3.80	Yes
- or equivalent wastewater connection, whichever is greater	See Equivalent Connections	See Equivalent Connections	Yes
Educational Facilities			
- Population ($ per head)	$182.92	$189.00	Yes
- Plus pervious land area ($ per m2)	$3.63	$3.80	Yes
- or equivalent wastewater connection, whichever is greater	See Equivalent Connections	See Equivalent Connections	Yes
Retirement Complexes			
- Population ($ per head)	$359.78	$373.00	Yes
- Plus pervious land area ($ per m2)	$3.63	$3.80	Yes
- or equivalent wastewater connection, whichever is greater	See Equivalent Connections	See Equivalent Connections	Yes
Wastewater Contribution (Residential Based)			
Residential Care Facilities			
- Population ($ per head)	$253.06	$262.00	Yes
- or equivalent wastewater connection, whichever is greater	See Equivalent Connections	See Equivalent Connections	Yes
Travellers Accommodation			
- Population ($ per head)	$253.06	$262.00	Yes
- or equivalent wastewater connection, whichever is greater	See Equivalent Connections	See Equivalent Connections	Yes
Day Care Centres			
- Population ($ per head)	$126.59	$131.00	Yes
- or equivalent wastewater connection, whichever is greater	See Equivalent Connections	See Equivalent Connections	Yes

RESOURCE CONSENTS, LAND DEVELOPMENT AND SUBDIVISION

All fees and charges are inclusive of GST (except as noted *).

	2023-24	Proposed 2024-25	incl GST
Educational Facilities			
- Population ($ per head)	$126.59	$131.00	Yes
- or equivalent wastewater connection, whichever is greater	See Equivalent Connections	See Equivalent Connections	Yes
Retirement Complexes			
- Population ($ per head)	$253.06	$262.00	Yes
- or equivalent wastewater connection, whichever is greater	See Equivalent Connections	See Equivalent Connections	Yes
Stormwater Contribution (Residential Based)			
Residential Care Facilities - Land area ($ per m2)	$6.66	$6.90	Yes
Travellers Accommodation - Land area ($ per m2)	$6.66	$6.90	Yes
Day Care Centres - Land area ($ per m2)	$6.66	$6.90	Yes
Educational Facilities - Land area ($ per m2)	$6.66	$6.90	Yes
Retirement Complexes - Land area ($ per m2)	$6.66	$6.90	Yes
Equivalent Connections			
15mm Diameter - Water Connection	$2,471.25	$2,559.00	Yes
15mm Diameter - Wastewater Connection	$1,726.24	$1,787.00	Yes
20mm Diameter - Water Connection	$4,399.79	$4,556.00	Yes
20mm Diameter - Wastewater Connection	$3,080.58	$3,190.00	Yes
25mm Diameter - Water Connection	$6,872.25	$7,116.00	Yes
25mm Diameter - Wastewater Connection	$4,811.66	$4,982.00	Yes
32mm Diameter - Water Connection	$11,257.50	$11,656.00	Yes
32mm Diameter - Wastewater Connection	$7,883.76	$8,163.00	Yes
40mm Diameter - Water Connection	$17,573.72	$18,196.00	Yes
40mm Diameter - Wastewater Connection	$12,302.93	$12,738.00	Yes
50mm Diameter - Water Connection	$27,458.70	$28,431.00	Yes
50mm Diameter - Wastewater Connection	$19,221.21	$19,902.00	Yes
80mm Diameter - Water Connection	$70,286.38	$72,775.00	Yes
80mm Diameter - Wastewater Connection	$49,202.04	$50,944.00	Yes
100mm Diameter - Water Connection	$109,828.75	$113,717.00	Yes
100mm Diameter - Wastewater Connection	$76,881.22	$79,603.00	Yes

CENTENNIAL EVENT CENTRE

All fees and charges are inclusive of GST (except as noted *).

	2023-24	Proposed 2024-25	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 *	$695.00	$734.00	No
Morning or Afternoon	$128.00	$135.00	Yes
Evening	$208.00	$220.00	Yes
Full Day	$342.00	$361.00	Yes
Sports Bodies, Not for Profit, and Local Community Benefit			
Performance Bond *	$695.00	$734.00	No
Morning or Afternoon	$300.00	$317.00	Yes
Evening	$451.00	$476.00	Yes
Full Day	$799.00	$844.00	Yes
Commercial			
Performance Bond *	$695.00	$734.00	No
Morning or Afternoon	Price on Application	Price on Application	Yes
Evening to Midnight	Price on Application	Price on Application	Yes
Full Day to Midnight	Price on Application	Price on Application	Yes
Per hour after midnight	Price on Application	Price on Application	Yes
Additional Facilities			
Kitchen			
Performance Bond *	$232.00	$245.00	No
Morning or Afternoon	$80.90	$85.40	Yes
Evening	$98.40	$103.90	Yes
Full Day	$196.00	$207.00	Yes
Dining Room			
Performance Bond *	$232.00	$245.00	No
Morning or Afternoon	$69.50	$73.40	Yes
Evening	$80.90	$85.40	Yes
Full Day	$151.00	$159.00	Yes
Combined Kitchen and Dining Room			
Performance Bond *	$232.00	$245.00	No
Morning or Afternoon	$104.10	$110.00	Yes
Evening	$133.00	$140.00	Yes
Full Day	$255.00	$269.00	Yes

CENTENNIAL EVENT CENTRE CONTINUED

All fees and charges are inclusive of GST (except as noted *).

	2023-24	Proposed 2024-25	incl GST
Meeting Room			
Performance Bond *	$232.00	$245.00	No
Morning or Afternoon	$69.50	$73.40	Yes
Evening	$80.90	$85.40	Yes
Full Day	$151.00	$159.00	Yes
Changing Rooms			
Male and female per day	$46.20	$48.80	Yes
BasketBall Hoops			
Price estimates or quotations provided on application	Price on Application	Price on Application	Yes
Custodian			
Cleaning and other services during hire period (per hour)	$52.10	$55.00	Yes
Napier City Council Wardens			
Senior Floor Attendant (per hour)	$69.50	$73.40	Yes
Floor Protection Cover (Carpet Tiles)			
Price estimates or quotations provided on application	Price on Application	Price on Application	Yes

SOUNDSHELL

All fees and charges are inclusive of GST (except as noted *).

	2023-24	Proposed 2024-25	incl GST
Soundshell			
Occupation and use of the Soundshell and/or Historic Skating Rink by either a commercial operation, registration event or entertainment group, which intend to charge a public admission or sell products for financial gain			
Hourly charge	$28.90	$30.50	Yes
Morning or Afternoon	$79.30	$83.70	Yes
Evening	$118.00	$125.00	Yes
Whole Day	$165.00	$174.00	Yes
Community Events which are free to the public			
Use of grounds & amenities	No Charge	No Charge	Yes
Bond (refundable only if grounds and amenities are left in good order)*	$1,200.00	$1,267.00	No

SPORTSGROUNDS

All fees and charges are inclusive of GST (except as noted *).

	2023-24	Proposed 2024-25	incl GST
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.			
Sports Tournaments - Open Ground			
Performance Bond *	Price on Application	Price on Application	No
Tournament charge	As per charges for the code	As per charges for the code	Yes
Ground remarking -Remove - NEW HEADING FOR THIS COVERING ALL CODES	$97.00	$102.40	Yes
Cleaning changing rooms per visit (Park Island) Weekdays	$172.00	$182.00	Yes
Cleaning changing rooms per visit (Park Island) Weekends and after hours	$295.00	$312.00	Yes
Cleaning changing rooms per visit (Park Island) Statutory Holidays	$842.00	$889.00	Yes
Rubbish bins (additional to standard supply)	$32.00	$33.80	Yes
Electricity usage	Actual usage	Actual usage	Yes
Other services required (including marking of grounds, waste disposal, install/ removal of posts or goals)	Price on Application	Price on application	Yes
Non-Sporting Events: Community - Open Ground			
Performance Bond *	Price on Application	Price on Application	No
Event charge - per day, per winter playing field	$118.00	$125.00	Yes
Cleaning changing rooms per visit (Park Island) Weekdays	$172.00	$182.00	Yes
Cleaning changing rooms per visit (Park Island) Weekends and After Hours	$295.00	$312.00	Yes
Cleaning changing rooms per visit (Park Island) Statutory Holidays	$842.00	$889.00	Yes
Rubbish bins (additional to standard supply)	$32.00	$33.80	Yes
Electricity usage	Actual usage	Actual usage	Yes
Other services required (including marking of grounds, waste disposal, install/ removal of posts or goals)	Price on Application	Price on application	Yes
Events: Commercial and / or Admission - Open Ground			
Performance Bond *	Price on Application	Price on Application	No
Event charge - per day, per winter playing field	$563.00	$595.00	Yes
Cleaning changing rooms per visit (Park Island) Weekdays	$172.00	$182.00	Yes
Cleaning changing rooms per visit (Park Island) Weekends and After Hours	$295.00	$312.00	Yes
Cleaning changing rooms per visit (Park Island) Statutory Holidays	$842.00	$889.00	Yes

All fees and charges are inclusive of GST (except as noted *).

SPORTSGROUNDS CONTINUED

	2023-24	Proposed 2024-25	incl GST
Rubbish bins (additional to standard supply)	$32.00	$33.80	Yes
Electricity usage	Actual usage	Actual usage	Yes
Other services required (including marking of grounds, waste disposal, install/removal of posts or goals)	Price on Application	Price on application	Yes
Rugby			
Rugby: Seasonal Sporting Competition - Open Ground			
Seasonal charge per ground (20 competition matches maximum)	$1,163.00	$1,228.00	Yes
One-off games	$123.00	$130.00	Yes
7-aside seasonal charge per ground (20 competition matches maximum)	$579.00	$611.00	Yes
7-aside one-off games	$30.00	$31.70	Yes
Junior (Local Competition)	No Charge	No Charge	Yes
Booked practice (one team only)	No Charge	No Charge	Yes
Rubbish bins (additional to standard supply)	$32.00	$33.80	Yes
Preparation outside normal work hours (per hour - labour, plant and materials)	Actual Cost	Actual Cost	Yes
Other services required (including waste disposal, install/removal of posts or goals)	Price on Application	Price on Application	Yes
Touch Rugby			
Touch Rugby: Seasonal Sporting Competition - Open Ground			
Seasonal charge per ground (20 competition matches maximum)	$579.00	$611.00	Yes
One-off games	$30.00	$31.70	Yes
Booked practice (one team only)	No Charge	No Charge	Yes
Rubbish bins (additional to standard supply)	$32.00	$33.80	Yes
Preparation outside normal work hours (per hour - labour, plant and materials)	Actual Cost	Actual Cost	Yes
Other services required (including waste disposal, install/removal of posts or goals)	Price on Application	Price on Application	Yes
Football (Soccer)			
Football: Seasonal Sporting Competition - Open Ground			
Seasonal charge per ground (20 competition matches maximum)	$1,163.00	$1,228.00	Yes
One-off games	$123.00	$130.00	Yes
7-aside seasonal charge per ground (20 competition matches)	$579.00	$611.00	Yes
7-aside one-off games	$30.00	$31.70	Yes
Junior (Local Competition)	No Charge	No Charge	Yes
Booked practice (one team only)	No Charge	No Charge	Yes
Rubbish bins (additional to standard supply)	$32.00	$33.80	Yes
Preparation outside normal work hours (per hour - labour, plant and materials)	Actual Cost	Actual Cost	Yes
Other services required (including waste disposal, install/removal of posts or goals)	Price on Application	Price on Application	Yes
Rugby League			
Rugby League: Seasonal Sporting Competition - Open Ground			
Seasonal charge per ground (20 competition matches maximum)	$879.00	$928.00	Yes
One-off games	$91.00	$96.10	Yes
7-aside or Tag Football seasonal charge per ground (20 competition matches)	$434.00	$458.00	Yes
7-aside or Tag Football one-off games	$25.00	$26.40	Yes
Junior (Local Competition)	No Charge	No Charge	Yes
Booked practice (one team only)	No Charge	No Charge	Yes
Rubbish bins (additional to standard supply)	$32.00	$33.80	Yes
Preparation outside normal work hours (per hour - labour, plant and materials)	Actual Cost	Actual Cost	Yes
Other services required (including waste disposal, install/removal of posts or goals)	Price on Application	Price on Application	Yes
Softball			
Softball: Seasonal Sporting Competition - Open Ground			
Seasonal charge per ground (20 competition matches maximum)	$659.00	$696.00	Yes

SPORTSGROUNDS CONTINUED

All fees and charges are inclusive of GST (except as noted *).

	2023-24	Proposed 2024-25	incl GST
One-off games	$97.00	$102.40	Yes
Junior (Local Competition)	No Charge	No Charge	Yes
Booked practice (one team only)	No Charge	No Charge	Yes
Rubbish bins (additional to standard supply)	$32.00	$33.80	Yes
Preparation outside normal work hours (per hour - labour, plant and materials)	Actual Cost	Actual Cost	Yes
Other services required (including waste disposal)	Price on Application	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)	$3,355.00	$3,543.00	Yes
Club practice (20 weeks; 2 nights per week; 2 wickets)	$3,355.00	$3,543.00	Yes
Representative practice (per day; 1 wicket)	$172.00	$182.00	Yes
One off game (except as specified below)	$327.00	$345.00	Yes
One off game (twilight; outfield wicket)	$172.00	$182.00	Yes
One off game (50 over)	$327.00	$345.00	Yes
One off game (twenty/20)	$134.00	$142.00	Yes
Two day game (consecutive days; one pitch)	$456.00	$482.00	Yes
Three day game (consecutive days; one pitch)	$686.00	$724.00	Yes
Four day game (consecutive days; one pitch)	$907.00	$958.00	Yes
Five day game (consecutive days; one pitch)	$1,131.00	$1,194.00	Yes
Women's 40 over game	$316.00	$334.00	Yes
Junior representative (grass at representative practice rate)	$172.00	$182.00	Yes
Artificial Wickets			
Seasonal charge per wicket (20 club competition matches maximum)	$1,281.00	$1,353.00	Yes
One off game	$67.00	$70.80	Yes
Junior (Local Competition)	No Charge	No Charge	Yes
Additional Charges			
Rubbish bins (additional to standard supply)	$32.00	$33.80	Yes
Preparation outside normal work hours (per hour - labour, plant and materials)	Actual Cost	Actual Cost	Yes
Other services required (including remarking of grounds, waste disposal)	Price on Application	Price on application	Yes
Tennis			
Tennis Charges			
Petane Domain - 3 courts (annual charge)	$1,849.00	$1,953.00	Yes
Preparation outside normal work hours (per hour - labour, plant and materials)	Actual Cost	Actual Cost	Yes
Other services required	Price on application	Price on application	Yes
Athletics			
Athletics Charges			
Napier - per season	$2,015.00	$2,128.00	Yes
Preparation outside normal work hours (per hour - labour, plant and materials)	Actual Cost	Actual Cost	Yes
Other services required	Price on application	Price on application	Yes
Netball			
Netball Charges			
Onekawa Park - 12 courts (full year charge)	$6,914.00	$7,301.00	Yes
Preparation outside normal work hours (per hour - labour, plant and materials)	Actual Cost	Actual Cost	Yes
Other services required	Price on application	Price on application	Yes

SPORTSGROUNDS CONTINUED

All fees and charges are inclusive of GST (except as noted *).

	2023-24	Proposed 2024-25	incl GST
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)	$3,211.00	$3,391.00	Yes
Floodlights hire (per hour of use)	$1,603.00	$1,693.00	Yes
Other services and facilities required	Price on Application	Price on Application	Yes
Other Hirers - Charge Ground			
Performance Bond *	Price on Application	Price on Application	No
Per day minimum charge	$3,237.00	$3,418.00	Yes
Floodlights hire (per hour of use)	$1,592.00	$1,681.00	Yes
Evacuation Controller and Senior Stand Attendants (per hour)	$69.70	$73.60	Yes
Electricians or Technicians on Standby - per hour	$113.00	$119.00	Yes
Video screen	$1,812.00	$1,913.00	Yes
Scoreboard	$118.00	$125.00	Yes
Video Screen Technician - per hour	$118.00	$125.00	Yes
Preparation outside normal work hours (per hour - labour, plant and materials)	Actual Cost	Actual Cost	Yes
Other services and facilities required	Price on Application	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)	$1,227.00	$1,296.00	Yes
One off game charge	$129.00	$136.00	Yes
Rubbish bins (additional to standard supply)	$32.00	$33.80	Yes
Preparation outside normal work hours (per hour - labour, plant and materials)	Actual Cost	Actual Cost	Yes
Other services required (including waste disposal, install/removal of posts or goals)	Price on application	Price on application	Yes
Bluewater Stadium (Park Island)			
20% of gate clause in General Terms applies.			
Charge Ground			
Seasonal charge per ground (20 matches maximum)	$1,316.75	$1,390.00	Yes
One off game charge	$138.00	$146.00	Yes
Non football use	Price on application	Price on application	Yes
Rubbish bins (additional to standard supply)	$32.00	$33.80	Yes
Preparation outside normal work hours (per hour - labour, plant and materials)	Actual Cost	Actual Cost	Yes
Other services required (including waste disposal, install/removal of posts or goals)	Price on application	Price on application	Yes
McRae Field (Park Island)			
Rugby Union and Rugby League - Charge Ground			
Seasonal charge per ground (20 matches maximum)	$1,227.00	$1,296.00	Yes
One off game charge	$129.00	$136.00	Yes

STORMWATER

All fees and charges are inclusive of GST (except as noted *).

	2023-24	Proposed 2024-25	incl GST
Stormwater Connections			
All minimum charges are per connection			
Steel Kerb Connection 90mm Equivalent			
Steel Connection to Kerb & Channel - Deposit (up to 4m)	$822.00	$950.00	Yes
Double Connection to Kerb and Channel - Deposit (up to 4m)	$1,267.00	$1,465.00	Yes
Standard kerb connections include up to 4m of pipe - additional length charged per metre		$220/m	Yes
100mm Connection			
Utility Location (Corridor access request/Road crossing) -work in road reserve only - Fee	$726.00	$839.00	Yes
150mm Connection to Stormwater Pipe or manhole - Minimum charge due on application	$1,216.13	$1,406.00	Yes
Plus a charge per metre of - Open ground pipelaying - Fee	$371.30	$429.00	Yes
Plus charge for road and footpath crossing (road reserve) connection -charges to be confirmed	Actual Cost	Actual Cost	Yes
Larger Than 150mm Connection			
For a diameter larger than 150mm or connections with road crossings (road reserve) all costs including street restoration, traffic management, service relocation etc to be to provided on application. Quotations available on request.			
All minimum payments are non-refundable			
Minimum Charge for Commercial/Subdivision Pipe >150mm connections due on application - Deposit	$858.00	$992.00	Yes
Service Marking for Council Water, Stormwater and Sewers			
Provision of as built plans	No Charge	No Charge	Yes
Per Hour - Marking large diameter pumping and/or gravity mains	$179.00	$207.00	Yes
Per Hour - Marking of Stormwater, sewer and water mains	$179.00	$207.00	Yes
Additional items			
Connection Application Fee - Engineering services (charge per hour, non refundable)	$93.69	$108.30	Yes

CO-LAB TARADALE

All fees and charges are inclusive of GST (except as noted *).

	2023-24	Proposed 2024-25	incl GST
Meeting Room			
Group 1 - Profit-Making Organisations and Family Gatherings			
Hourly charge	$27.90	$29.50	Yes
Morning or Afternoon	$79.30	$83.70	Yes
Evening	$118.00	$125.00	Yes
Whole Day	$164.00	$173.00	Yes
Group 2 - Community, Hobby & Sports Groups			
Hourly charge	$23.60	$24.90	Yes
Morning or Afternoon	$64.30	$67.90	Yes
Evening	$87.90	$92.80	Yes
Whole Day	$118.00	$125.00	Yes

TARADALE TOWN HALL

All fees and charges are inclusive of GST (except as noted *).

	2023-24	Proposed 2024-25	incl GST
Town Hall			
Group 1 - Profit-Making Organisations and Family Gatherings			
Hourly charge	$57.90	$61.10	Yes
Morning or Afternoon	$166.00	$175.00	Yes
Evening	$318.00	$336.00	Yes
Whole Day	$462.00	$488.00	Yes
Group 2 - Community, Hobby & Sports Groups			
Hourly charge	$47.20	$49.80	Yes
Morning or Afternoon	$116.00	$122.00	Yes
Evening	$167.00	$176.00	Yes
Whole Day	$266.00	$281.00	Yes
Rotary Lounge			
Group 1 - Profit-Making Organisations and Family Gatherings			
Hourly charge	$47.20	$49.80	Yes
Morning or Afternoon	$128.00	$135.00	Yes
Evening	$194.00	$205.00	Yes
Whole Day	$284.00	$300.00	Yes
Group 2 - Community, Hobby & Sports Groups			
Hourly charge	$32.20	$34.00	Yes
Morning or Afternoon	$93.30	$98.50	Yes
Evening	$140.00	$148.00	Yes
Whole Day	$189.00	$200.00	Yes

THE BASE - MARAENUI

All fees and charges are inclusive of GST (except as noted *).

	2023-24	Proposed 2024-25	incl GST
Town Hall			
Standard			
Hourly charge (up to 2.5 hours)	$21.40	$22.60	Yes
Morning or Afternoon (3 - 5 hours)	$59.00	$62.30	Yes
Evening (6 - 7 hours	$84.70	$89.40	Yes
Whole Day (8 - 15 hours)	$121.00	$128.00	Yes
Community			
Hourly charge (up to 2.5 hours)	$18.20	$19.20	Yes
Morning or Afternoon (3 - 5 hours)	$47.20	$49.80	Yes
Evening (6 - 7 hours	$63.20	$66.70	Yes
Whole Day (8 - 15 hours)	$83.60	$88.30	Yes

TRANSPORTATION

All fees and charges are inclusive of GST (except as noted *).

	2023-24	Proposed 2024-25	incl GST
Roading			
Street Banners			
Erect and take down (one fee includes both)	$177.00	$187.00	Yes
Corridor and Traffic Management			
Corridor Access Requests	Replaced	Replaced	Yes
Traffic Management Plans	Replaced	Replaced	Yes
Additional Inspections (per additional inspection)	Replaced	Replaced	Yes
Up to 10 Days			
Excavation	697	$736.00	Yes
Non-Excavation	279	$295.00	Yes
11 days to 6 months			
Excavation	1394	$1,472.00	Yes
Non-Excavation	557	$588.00	Yes
6 months to 12 months			
Excavation	2787	$2,943.00	Yes
Non-Excavation	1115	$1,177.00	Yes
Additional Inspections	161	$170.00	Yes
Service Marking for Council Water, Stormwater and Sewers			
Provision of as built plans	No Charge	No Charge	Yes
Marking large diameter sewer pumping mains	No Charge	No Charge	Yes
Marking large diameter trunk mains	No Charge	No Charge	Yes
Per Hour - Marking of Stormwater, sewer and water mains (applies to service authorities that charge for their services to be marked)	$129.00	$136.00	Yes

SEWERAGE

All fees and charges are inclusive of GST (except as noted *).

	2023-24	Proposed 2024-25	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	$726.00	$839.00	Yes
100mm diameter connection - Deposit (minimum charge)	$2,025.00	$2,341.00	Yes
Plus a charge per metre of - Open ground pipelaying - Fee	$431.62	$499.00	Yes
Plus charge for road and footpath crossing (road reserve) connection -charges to be confirmed	Actual Cost	Actual Cost	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	$2,025.00	$2,341.00	Yes
Disconnection/Reuse			
Disconnection/Reuse - Fee	$598.00	$691.00	Yes
Video Inspection			
Video Inspection Charge (per hour) - minimum one hour	$246.00	$284.00	Yes
Bay View Connections (Stage 1 Village)			
All Connections to Stage 1 - Fixed fee to connect plus actual costs of connection	$20,059.00	$23,188.00	Yes
Service Marking for Council Water, Stormwater and Sewers			
Provision of as built plans	No Charge	No Charge	Yes
Per Hour - Marking large diameter trunk mains	$179.00	$207.00	Yes
Per Hour - Marking of Stormwater, sewer and water mains	$173.00	$200.00	Yes
Trade Waste Charges			
City Charge			
Existing Trade Waste Customers - Charge Per cubic metre	$1.00	$1.20	Yes
Industry to be phased into Trade waste charging system - Charge Per cubic metre	$1.00	$1.20	Yes
Awatoto and Pandora Charge			
Awatoto Charge Per cubic metre	$0.30	$0.30	Yes
Pandora Charge Per cubic metre	$0.70	$0.80	Yes
Tanker Discharge			
Per Load at Milliscreen Plant			
Monday to Friday 7.00am to 4.00pm & Saturday 6.30am to 10.00am (Non Statutory Days)			
Tankers ($ per cubic metre)	$13.00	$15.00	Yes
After Hours - A minimum additional charge. (Additional Charges to recover overtime, days in lieu etc may apply)	$248.00	$287.00	Yes
Additional items			
Connection Application Fee - Engineering services (charge per hour, non refundable)	$93.69	$108.30	Yes
Pollution Response Section of Environmental Solutions			
Contractor charges: Cost + 10%	Price per incident	Price per incident	Yes

WATER SUPPLY

All fees and charges are inclusive of GST (except as noted *).

	2023-24	Proposed 2024-25	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	$2,646.00	$3,059.00	Yes
Ordinary Supply (Domestic) Bay View Urban Area			
Connection (15mm diameter). All work located within the kerb to boundary area only - Fee	$2,646.00	$3,059.00	Yes
Meter(s) and meter box(es) - Fee	$860.00	$994.00	Yes
Backflow Preventer - Fee including one-off test	$1,289.61	$1,491.00	Yes
Additional connection costs for road crossing			
Utility Location (Corridor access request/Road crossing) - work in road reserve only - Fee	$726.00	$839.00	Yes
Plus charge for connection road crossing (work beyond kerb) - charges to be confirmed	Actual cost	Actual cost	Yes
Extraordinary Supply (Non-Domestic) 15mm Diameter			
Connection - Fee	$2,646.00	$3,059.00	Yes
Meter and Meter box - Fee	$860.00	$994.00	Yes
Backflow Preventer - Fee including one-off test	$1,087.00	$1,257.00	Yes
Meter and Meter Box to existing 15mm diameter connection - Fee	$1,005.00	$1,162.00	Yes
Additonal connection costs for road crossing			
Utility Location (Corridor access request/Road crossing) -work in road reserve only - Fee	$726.00	$839.00	Yes
Plus charge for connection road crossing (work beyond kerb) -charges to be confirmed	Actual cost	Actual cost	Yes
Extraordinary Supply (Domestic and Non-Domestic) Over 15mm Diameter			
Connection - actual cost - Minimum deposit charge due on application	$2,646.00	$3,059.00	Yes
Meter and Meter Box - actual cost - Minimum deposit charge due on application	$860.00	$994.00	Yes
Backflow Preventer - actual cost. Minimum deposit charge due on application (quotation if required)	$1,087.00	$1,257.00	Yes
Disconnection(s)/Reuse			
Water Disconnections (up to 50mm) - Fee	$650.00	$751.00	Yes
Water Disconnections (over 50mm) actual cost - Minimum deposit charge due on application	$650.00	$751.00	Yes
Well Sealing			
Well Sealing Fee	$196.00	$227.00	Yes
Testing of Backflow Preventer			
Charge for test and inspection only- Remedial work charged at actual	$217.00	$251.00	Yes
Pot Holing in Road for Services			
Actual Costs with a minimum deposit due on application.	$576.00	$666.00	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	$179.00	$207.00	Yes
Per Hour - Marking of Stormwater, sewer and water mains	$179.00	$207.00	Yes
Water take facility annual application fee (additional $50 charged per swipe card)	$127.00	$147.00	Yes
Additional items			
Connection Application Fee - Engineering services (charge per hour, non refundable)	$93.69	$108.30	Yes

NAPIER
CITY COUNCIL
Te Kaunihera o Ahuriri

Financial Information

NAPIER CITY COUNCIL
Te Kaunihera o Ahuriri

PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES

Forecast for the ten years ending 2024/25 to 2033/2034

AP 2023/24 $000		PLAN 2024/25 $000	PLAN 2025/26 $000	PLAN 2026/27 $000	PLAN 2027/28 $000	PLAN 2028/29 $000	PLAN 2029/30 $000	PLAN 2030/31 $000	PLAN 2031/32 $000	PLAN 2032/33 $000	PLAN 2033/34 $000
	Revenue										
85,308	Rates revenue	109,608	121,393	131,421	142,281	154,041	166,776	180,568	195,502	211,674	229,188
-	Finance revenue	166	877	1,272	1,600	1,943	2,276	2,584	2,854	3,091	3,286
7,478	Development and financial contributions	7,665	7,903	8,045	8,190	8,337	8,487	8,640	8,787	8,936	9,088
8,196	Subsidies and grants	10,936	30,857	23,534	25,466	11,556	12,740	14,979	12,313	13,094	14,088
56,967	Other revenue	67,311	64,545	71,724	86,126	88,863	90,000	81,781	70,969	71,749	72,570
294	Other gains/(losses)	5,968	4,727	3,957	2,592	2,630	2,540	2,573	2,606	2,511	2,544
158,243	**Total revenue**	**201,654**	**230,302**	**239,953**	**266,255**	**267,370**	**282,819**	**291,125**	**293,031**	**311,055**	**330,764**
	Expenditure										
52,494	Employee Benefit Expense	62,730	64,675	67,219	68,430	69,660	70,912	72,192	73,421	74,666	75,936
42,538	Depreciation and Amortisation	44,828	49,042	54,300	58,199	62,963	69,312	73,021	77,731	83,008	86,012
2,048	Finance Costs	3,425	7,776	12,375	15,446	17,730	19,484	21,447	23,419	23,546	21,660
75,537	Other Operating Expenses	91,641	85,374	91,873	100,738	101,492	99,392	97,019	93,992	96,524	97,554
172,617	**Total expenditure**	**202,624**	**206,867**	**225,767**	**242,813**	**251,845**	**259,100**	**263,679**	**268,563**	**277,744**	**281,162**
(14,374)	**Operating surplus/(deficit) before tax**	**(970)**	**23,435**	**14,186**	**23,442**	**15,525**	**23,719**	**27,446**	**24,468**	**33,311**	**49,602**
239	Share of associate surplus/(deficit)	728	566	584	595	606	617	628	640	651	662
(14,135)	**Surplus/(deficit) before tax**	**(242)**	**24,001**	**14,770**	**24,037**	**16,131**	**24,336**	**28,074**	**25,108**	**33,962**	**50,264**
-	Income tax expense	-	-	-	-	-	-	-	-	-	-
(14,135)	**Surplus/(deficit) after tax**	**(242)**	**24,001**	**14,770**	**24,037**	**16,131**	**24,336**	**28,074**	**25,108**	**33,962**	**50,264**
	Other comprehensive revenue										
6,459	Valuation gains/(losses) taken to equity	42,041	108,248	10,717	56,244	93,642	8,055	42,561	84,167	8,377	45,430
-	Fair value gains/(losses) through comprehensive income on investments	-	-	-	-	-	-	-	-	-	-
(7,676)	**Total comprehensive revenue and expenses**	**41,799**	**132,249**	**25,487**	**80,281**	**109,773**	**32,391**	**70,635**	**109,275**	**42,339**	**95,694**

NOTES TO PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES

Forecast for the ten years ending 2024/25 to 2033/2034

AP 2023/24 $000		PLAN 2024/25 $000	PLAN 2025/26 $000	PLAN 2026/27 $000	PLAN 2027/28 $000	PLAN 2028/29 $000	PLAN 2029/30 $000	PLAN 2030/31 $000	PLAN 2031/32 $000	PLAN 2032/33 $000	PLAN 2033/34 $000
755	**1. Income from targeted rates for metered water supply**	**789**	**814**	**828**	**843**	**859**	**874**	**890**	**905**	**920**	**936**
	2. Depreciation and Amortisation Expense by Group of Activity										
540	City Strategy	547	576	623	644	653	637	529	487	382	373
9,950	Community and Visitor Experiences	11,268	13,097	14,772	16,179	19,345	21,902	23,012	24,557	25,761	26,614
1,388	Other Infrastructure	1,479	1,532	1,083	1,016	995	983	1,011	1,041	1,054	1,030
1,333	Property Assets	2,537	2,959	3,674	4,515	4,622	4,836	4,853	4,992	5,151	5,122
5,443	Stormwater	5,517	5,574	6,106	6,156	6,061	6,747	6,947	7,186	7,889	8,164
2,850	Support Units	2,533	3,184	3,616	4,117	4,563	5,015	5,361	5,807	6,012	6,049
8,527	Transportation	7,777	8,690	9,531	10,449	11,585	12,537	13,500	14,478	15,242	16,253
7,855	Wastewater	8,140	8,302	9,163	9,290	9,241	10,148	11,064	12,167	13,703	14,464
4,653	Water Supply	5,030	5,128	5,732	5,833	5,898	6,507	6,744	7,016	7,814	7,943
42,539	**Total directly attributable depreciation and amortisation by group of activity**	**44,828**	**49,042**	**54,300**	**58,199**	**62,963**	**69,312**	**73,021**	**77,731**	**83,008**	**86,012**

PROSPECTIVE STATEMENT OF FINANCIAL POSITION

Forecast for ten years ending 30 June 2025 to 30 June 2034

AP 2023/24 $000		PLAN 2024/25 $000	PLAN 2025/26 $000	PLAN 2026/27 $000	PLAN 2027/28 $000	PLAN 2028/29 $000	PLAN 2029/30 $000	PLAN 2030/31 $000	PLAN 2031/32 $000	PLAN 2032/33 $000	PLAN 2033/34 $000
	Assets										
	Current assets										
6,618	Cash and cash equivalents	6,511	5,674	6,010	5,622	5,784	5,822	5,974	6,323	7,215	8,812
16,717	Debtors and other receivables	25,668	29,179	29,958	33,241	32,372	33,573	33,623	32,488	33,781	35,234
14,728	Inventories	5,246	5,513	11,361	11,317	9,824	5,201	672	684	695	707
310	Biological assets	297	306	312	317	323	329	335	341	346	352
-	Other financial assets	-	-	-	-	-	-	-	534	503	505
38,373	**Total current assets**	**37,722**	**40,672**	**47,641**	**50,497**	**48,303**	**44,925**	**40,604**	**40,370**	**42,540**	**45,610**
	Non-current assets										
2,228,477	Property, plant and equipment	2,328,516	2,531,128	2,625,300	2,742,143	2,886,246	2,944,016	3,048,060	3,163,558	3,176,789	3,222,918
561	Intangible assets	1,463	1,368	1,372	1,305	1,330	1,354	1,378	1,403	1,427	1,451
14,873	Inventories	16,313	21,027	15,557	9,254	3,557	-	-	-	-	-
107,701	Investment property	108,727	112,967	116,469	118,682	120,937	123,114	125,330	127,586	129,755	131,961
12,914	Investment in associates	14,030	14,285	14,547	14,815	15,087	15,364	15,646	15,934	16,226	16,523
1,968	Other financial assets	7,563	14,223	20,881	26,817	32,868	38,991	43,324	46,708	49,987	52,911
2,366,494	**Total non-current assets**	**2,476,612**	**2,694,998**	**2,794,126**	**2,913,016**	**3,060,025**	**3,122,839**	**3,233,738**	**3,355,189**	**3,374,184**	**3,425,764**
2,404,867	**Total assets**	**2,514,334**	**2,735,670**	**2,841,767**	**2,963,513**	**3,108,328**	**3,167,764**	**3,274,342**	**3,395,559**	**3,416,724**	**3,471,374**
	Liabilities										
	Current liabilities										
25,055	Trade payables and other accruals	26,232	26,948	27,761	28,441	28,571	28,604	28,829	28,203	28,220	28,492
6,811	Employee benefit liabilities	7,528	7,809	8,111	8,364	8,679	8,889	9,104	9,315	9,591	9,750
-	Borrowings	-	-	-	-	-	-	-	21,378	41,508	41,527
31,866	**Total current liabilities**	**33,760**	**34,757**	**35,872**	**36,805**	**37,250**	**37,493**	**37,933**	**58,896**	**79,319**	**79,769**

PROSPECTIVE STATEMENT OF FINANCIAL POSITION CONTINUED

Forecast for ten years ending 30 June 2025 to 30 June 2034

AP 2023/24 $000		PLAN 2024/25 $000	PLAN 2025/26 $000	PLAN 2026/27 $000	PLAN 2027/28 $000	PLAN 2028/29 $000	PLAN 2029/30 $000	PLAN 2030/31 $000	PLAN 2031/32 $000	PLAN 2032/33 $000	PLAN 2033/34 $000
	Non-current liabilities										
811	Employee benefit liabilities	689	653	672	569	411	357	302	246	123	122
67,224	Borrowings	85,565	173,639	253,082	293,684	328,406	355,228	390,751	381,752	340,244	298,717
1,174	Provisions	1,738	1,791	1,824	1,857	1,890	1,924	1,959	1,992	2,026	2,060
69,209	**Total non-current liabilities**	**87,992**	**176,083**	**255,578**	**296,110**	**330,707**	**357,509**	**393,012**	**383,990**	**342,393**	**300,899**
101,075	**Total liabilities**	**121,752**	**210,840**	**291,450**	**332,915**	**367,957**	**395,002**	**430,945**	**442,886**	**421,712**	**380,668**
2,303,792	**Total net assets**	**2,392,582**	**2,524,830**	**2,550,317**	**2,630,598**	**2,740,371**	**2,772,762**	**2,843,397**	**2,952,673**	**2,995,012**	**3,090,706**
	Net assets / equity										
830,860	Accumulated revenue & expenses	814,422	838,463	853,327	877,506	894,676	919,202	947,485	972,834	1,007,992	1,058,543
1,472,932	Other reserves	1,578,160	1,686,367	1,696,990	1,753,092	1,845,695	1,853,560	1,895,912	1,979,839	1,987,020	2,032,163
2,303,792	**Total net assets / equity**	**2,392,582**	**2,524,830**	**2,550,317**	**2,630,598**	**2,740,371**	**2,772,762**	**2,843,397**	**2,952,673**	**2,995,012**	**3,090,706**

PROSPECTIVE STATEMENT OF CHANGES IN NET ASSETS/EQUITY

Forecast for the ten years ending 30 June 2025 to 30 June 2034

AP 2023/24 $000		PLAN 2024/25 $000	PLAN 2025/26 $000	PLAN 2026/27 $000	PLAN 2027/28 $000	PLAN 2028/29 $000	PLAN 2029/30 $000	PLAN 2030/31 $000	PLAN 2031/32 $000	PLAN 2032/33 $000	PLAN 2033/34 $000
2,311,468	Total net equity balance at 1 July	2,350,783	2,392,581	2,524,830	2,550,317	2,630,598	2,740,371	2,772,762	2,843,398	2,952,673	2,995,012
(7,676)	Total comprehensive revenue for the period	41,799	132,249	25,487	80,281	109,773	32,391	70,635	109,275	42,339	95,694
2,303,792	**Total net equity balance at 30 June**	**2,392,582**	**2,524,830**	**2,550,317**	**2,630,598**	**2,740,371**	**2,772,762**	**2,843,397**	**2,952,673**	**2,995,012**	**3,090,706**
	Total comprehensive revenue and expenses attributable to:										
(7,676)	Napier City Council	41,799	132,249	25,487	80,281	109,773	32,391	70,635	109,275	42,339	95,694
(7,676)	**Total comprehensive revenue and expenses**	**41,799**	**132,249**	**25,487**	**80,281**	**109,773**	**32,391**	**70,635**	**109,275**	**42,339**	**95,694**

PROSPECTIVE STATEMENT OF CASH FLOWS

Forecast for the ten years 2024/25 to 2033/34

AP 2023/24 $000		PLAN 2024/25 $000	PLAN 2025/26 $000	PLAN 2026/27 $000	PLAN 2027/28 $000	PLAN 2028/29 $000	PLAN 2029/30 $000	PLAN 2030/31 $000	PLAN 2031/32 $000	PLAN 2032/33 $000	PLAN 2033/34 $000
	Cash flows from operating activities										
81,734	Receipts from rates revenue	109,358	121,256	131,306	142,156	153,907	166,631	180,411	195,332	211,492	228,991
-	Interest received	166	877	1,272	1,600	1,943	2,276	2,584	2,854	3,091	3,286
-	Dividends received	-	-	-	-	-	-	-	-	-	-
67,597	Receipts from other revenue	78,685	98,822	101,463	115,402	108,433	108,806	102,224	89,898	89,232	91,035
1,559	Goods and services tax (net)	(99)	(107)	(122)	(102)	(19)	(5)	(34)	94	(3)	(41)
(137,844)	Payments to suppliers and employees	(149,631)	(152,984)	(158,465)	(162,388)	(163,804)	(161,844)	(164,007)	(168,424)	(171,473)	(173,116)
(2,048)	Interest Paid	(3,425)	(7,776)	(12,375)	(15,446)	(17,730)	(19,484)	(21,447)	(23,419)	(23,546)	(21,660)
10,998	**Net cash from operating activities**	**35,054**	**60,088**	**63,079**	**81,222**	**82,730**	**96,380**	**99,731**	**96,335**	**108,793**	**128,495**
	Cash flows from investing activities										
250	Proceeds from sale of property, plant & equipment	988	1,003	999	973	983	989	998	1,007	1,015	1,025
76	Proceeds from withdrawal of investments	-	-	-	-	-	-	-	-	534	1,038
(74,416)	Purchase of property, plant & equipment	(86,426)	(142,960)	(136,169)	(116,884)	(111,852)	(117,652)	(131,383)	(105,065)	(83,894)	(83,088)
448	Purchase of intangible assets	(610)	(629)	(641)	(653)	(665)	(677)	(689)	(701)	(713)	(725)
1,025	Acquisition of investments	(4,151)	(6,413)	(6,375)	(5,648)	(5,756)	(5,824)	(4,028)	(3,606)	(3,465)	(3,640)
(72,300)	**Net cash from investing activities**	**(90,199)**	**(148,999)**	**(142,186)**	**(122,212)**	**(117,290)**	**(123,164)**	**(135,102)**	**(108,365)**	**(86,523)**	**(85,390)**

PROSPECTIVE STATEMENT OF CASH FLOWS CONTINUED

Forecast for the ten years 2024/25 to 2033/34

AP 2023/24 $000		PLAN 2024/25 $000	PLAN 2025/26 $000	PLAN 2026/27 $000	PLAN 2027/28 $000	PLAN 2028/29 $000	PLAN 2029/30 $000	PLAN 2030/31 $000	PLAN 2031/32 $000	PLAN 2032/33 $000	PLAN 2033/34 $000
	Cash flows from financing activities										
63,222	Proceeds from borrowings	56,965	88,074	79,443	40,602	34,722	26,822	35,523	12,379	-	-
-	Repayment of borrowings	-	-	-	-	-	-	-	-	(21,378)	(41,508)
63,222	**Net cash from financing activities**	**56,965**	**88,074**	**79,443**	**40,602**	**34,722**	**26,822**	**35,523**	**12,379**	**(21,378)**	**(41,508)**
1,603	Net (decrease)/increase in cash, cash equivalents & bank overdrafts	1,820	(837)	336	(388)	162	38	152	349	892	1,597
5,015	Cash, cash equivalents & bank overdrafts at 1 July	4,691	6,511	5,674	6,010	5,622	5,784	5,822	5,974	6,323	7,215
6,618	**Cash, cash equivalents & bank overdrafts at 30 June**	**6,511**	**5,674**	**6,010**	**5,622**	**5,784**	**5,822**	**5,974**	**6,323**	**7,215**	**8,812**

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.

CAPITAL PROGRAMME FOR THREE YEAR PLAN 2024/2034

	PLAN 2024/25 $000	PLAN 2025/26 $000	PLAN 2026/27 $000	PLAN 2027/28 $000	PLAN 2028/29 $000	PLAN 2029/30 $000	PLAN 2030/31 $000	PLAN 2031/32 $000	PLAN 2032/33 $000	PLAN 2033/34 $000
Transportation										
Transportation	13,682	33,244	38,448	41,965	17,171	19,191	25,347	18,246	19,782	21,742
Total Transportation	**13,682**	**33,244**	**38,448**	**41,965**	**17,171**	**19,191**	**25,347**	**18,246**	**19,782**	**21,742**
Stormwater										
Stormwater	5,083	5,897	6,075	15,602	16,718	6,405	6,461	18,470	19,899	20,037
Total Stormwater	**5,083**	**5,897**	**6,075**	**15,602**	**16,718**	**6,405**	**6,461**	**18,470**	**19,899**	**20,037**
Wastewater										
Wastewater	9,654	10,181	9,110	17,616	17,919	21,233	28,946	27,947	24,991	21,508
Total Wastewater	**9,654**	**10,181**	**9,110**	**17,616**	**17,919**	**21,233**	**28,946**	**27,947**	**24,991**	**21,508**
Water Supply										
Water Supply	8,686	9,184	11,033	14,453	13,050	11,611	9,277	10,138	6,082	5,149
Total Water Supply	**8,686**	**9,184**	**11,033**	**14,453**	**13,050**	**11,611**	**9,277**	**10,138**	**6,082**	**5,149**
Other Infrastructure										
Cemeteries	249	257	254	2,706	859	197	804	138	125	127
Public Toilets	350	464	410	375	599	591	678	230	234	357
Waste Minimisation	4,141	4,140	2,875	2,326	1,641	1,631	1,660	1,725	1,754	1,783
Total Other Infrastructure	**4,740**	**4,860**	**3,539**	**5,407**	**3,100**	**2,419**	**3,142**	**2,093**	**2,113**	**2,267**
City Strategy										
Animal Control	146	686	836	41	33	42	123	2	2	2
Parking	772	49	50	51	52	53	54	55	56	57
Total City Strategy	**918**	**735**	**887**	**92**	**85**	**95**	**177**	**57**	**58**	**59**

CAPITAL PROGRAMME FOR THREE YEAR PLAN 2024/2034 CONTINUED

	PLAN 2024/25 $000	PLAN 2025/26 $000	PLAN 2026/27 $000	PLAN 2027/28 $000	PLAN 2028/29 $000	PLAN 2029/30 $000	PLAN 2030/31 $000	PLAN 2031/32 $000	PLAN 2032/33 $000	PLAN 2033/34 $000
Community and Visitor Experiences										
Bay Skate	319	280	321	657	41	45	41	82	49	50
Community Facilities	646	1,684	143	228	312	477	216	220	223	227
Faraday Centre	212	40	44	47	51	54	55	56	57	58
Housing	3,322	1,839	1,611	648	3,087	911	1,440	149	152	155
Kennedy Park Resort	2,117	1,762	1,429	2,659	1,135	663	1,233	171	122	113
Libraries	702	1,201	737	668	845	675	940	704	717	718
Marine Parade Pools	1,420	562	675	230	258	72	73	54	55	56
McLean Park	50	825	1,313	268	-	-	-	-	-	-
MTG Hawke's Bay	5,483	3,677	1,774	366	807	1,702	1,207	557	313	458
Napier Aquatic Centre	2,370	279	792	1,216	546	31,567	34,224	19,041	468	476
Napier Conferences & Events	1,360	1,212	725	515	1,005	513	556	82	83	84
Napier i-SITE Visitor Centre	47	148	227	113	41	53	72	98	99	101
Napier Municipal Theatre	1,133	1,965	863	340	253	908	621	221	225	228
National Aquarium of NZ	1,350	165	172	1,311	13,828	1,931	1,282	514	481	1,639
Par2 MiniGolf	64	65	48	121	35	16	16	16	16	17
Reserves	3,076	3,099	4,040	2,678	4,835	8,794	10,838	2,086	3,020	2,690
Sportsgrounds	2,936	4,016	4,092	3,113	9,084	2,735	1,582	2,540	776	1,368
Total Community and Visitor Experiences	**26,607**	**22,821**	**19,007**	**15,180**	**36,163**	**51,117**	**54,398**	**26,589**	**6,858**	**8,437**
Property Assets										
Inner Harbour	1,750	4,514	155	1,605	2,999	555	-	-	554	1,691
Lagoon Farm	-	37	-	39	-	40	-	-	-	-
Property Holdings	11,190	47,332	45,065	26	26	27	27	28	28	29
Total Property Assets	**12,940**	**51,883**	**45,221**	**1,669**	**3,026**	**621**	**27**	**28**	**582**	**1,720**
Support Units										
Support Units	4,980	4,392	4,342	6,688	6,161	6,306	6,707	5,473	7,480	5,778
Total Support Units	**4,980**	**4,392**	**4,342**	**6,688**	**6,161**	**6,306**	**6,707**	**5,473**	**7,480**	**5,778**
Total Capital Plan	**87,291**	**143,199**	**137,662**	**118,672**	**113,392**	**118,999**	**134,480**	**109,042**	**87,845**	**86,698**

CAPITAL PROGRAMME FUNDING REPORT

Capital Programme Funding for Three Year Plan 2024/2034

	PLAN 2024/25 $000	PLAN 2025/26 $000	PLAN 2026/27 $000	PLAN 2027/28 $000	PLAN 2028/29 $000	PLAN 2029/30 $000	PLAN 2030/31 $000	PLAN 2031/32 $000	PLAN 2032/33 $000	PLAN 2033/34 $000
Loan Rates	48,158	90,854	84,937	57,638	71,205	73,702	82,721	54,220	36,985	33,566
Waka Kotahi Subsidies	5,737	18,594	19,237	21,190	7,223	8,351	10,532	7,810	8,534	9,471
Reserves	33,396	33,751	33,488	39,844	34,964	36,946	41,227	47,012	42,326	43,661
Total Capital Plan	**87,291**	**143,199**	**137,662**	**118,672**	**113,392**	**118,999**	**134,480**	**109,042**	**87,845**	**86,698**

NAPIER CITY COUNCIL FORECAST FUNDING IMPACT STATEMENT (WHOLE OF COUNCIL) FOR 2024/2034

AP 2023/24 $000		PLAN 2024/25 $000	PLAN 2025/26 $000	PLAN 2026/27 $000	PLAN 2027/28 $000	PLAN 2028/29 $000	PLAN 2029/30 $000	PLAN 2030/31 $000	PLAN 2031/32 $000	PLAN 2032/33 $000	PLAN 2033/34 $000
	Sources of operating funding										
50,941	General rates, uniform annual general charges, rates penalties	73,185	82,595	90,282	98,115	105,680	113,273	121,620	130,905	139,080	148,409
34,367	Targeted rates	36,423	38,797	41,139	44,166	48,361	53,504	58,948	64,597	72,595	80,780
2,973	Subsidies and grants for operating purposes	5,199	4,242	4,296	4,276	4,332	4,389	4,447	4,503	4,560	4,618
28,227	Fees and charges	34,543	36,829	38,899	41,443	43,577	44,434	45,321	46,041	46,663	47,243
-	Interest and dividends from investments	166	877	1,272	1,600	1,943	2,276	2,584	2,854	3,091	3,286
27,485	Local authorities fuel tax, fines, infringement fees, and other receipts	31,520	26,360	31,443	43,274	43,853	44,106	33,053	21,461	21,559	21,740
143,993	**Total operating funding (A)**	**181,036**	**189,700**	**207,331**	**232,874**	**247,746**	**261,982**	**265,973**	**270,361**	**287,548**	**306,076**
	Applications of operating funding										
128,017	Payments to staff and suppliers	154,371	150,047	159,091	169,167	171,152	170,305	169,211	167,414	171,191	173,492
2,048	Finance costs	3,425	7,776	12,375	15,446	17,730	19,484	21,447	23,419	23,546	21,660
13	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
130,078	**Total applications of operating funding (B)**	**157,796**	**157,823**	**171,466**	**184,613**	**188,882**	**189,789**	**190,658**	**190,833**	**194,737**	**195,152**
13,915	**Surplus/(deficit) of operating funding (A - B)**	**23,240**	**31,877**	**35,865**	**48,261**	**58,864**	**72,193**	**75,315**	**79,528**	**92,811**	**110,924**
	Sources of capital funding										
5,222	Subsidies and grants for capital expenditure	5,737	26,614	19,237	21,190	7,223	8,351	10,532	7,810	8,534	9,471
7,478	Development and financial contributions	7,665	7,903	8,045	8,190	8,337	8,487	8,640	8,787	8,936	9,088
66,646	Increase/(decrease) in debt	56,965	88,074	79,443	40,602	34,722	26,822	35,523	(8,999)	(20,130)	(41,578)
250	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
79,596	**Total sources of capital funding (C)**	**70,367**	**122,591**	**106,725**	**69,982**	**50,282**	**43,660**	**54,695**	**7,598**	**(2,660)**	**(23,019)**

NAPIER CITY COUNCIL FORECAST FUNDING IMPACT STATEMENT (WHOLE OF COUNCIL) FOR 2024/2034 CONTINUED

AP 2023/24 $000		PLAN 2024/25 $000	PLAN 2025/26 $000	PLAN 2026/27 $000	PLAN 2027/28 $000	PLAN 2028/29 $000	PLAN 2029/30 $000	PLAN 2030/31 $000	PLAN 2031/32 $000	PLAN 2032/33 $000	PLAN 2033/34 $000
	Application of capital funding										
	Capital expenditure										
27,058	- to meet additional demand	9,510	5,109	7,251	12,856	12,783	16,333	17,352	16,406	11,366	11,736
19,553	- to improve the level of service	26,350	53,617	52,236	39,695	31,157	37,605	35,025	36,208	27,641	26,101
28,069	- to replace existing assets	50,183	83,117	76,793	64,714	68,018	63,601	78,696	52,960	45,311	45,274
18,831	Increase (decrease) in reserves	7,564	12,625	6,310	978	(2,812)	(1,686)	(1,063)	(18,448)	5,833	4,794
-	Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
93,511	**Total application of capital funding (D)**	**93,607**	**154,468**	**142,590**	**118,243**	**109,146**	**115,853**	**130,010**	**87,126**	**90,151**	**87,905**
(13,915)	**Surplus/(deficit) of capital funding (C - D)**	**(23,240)**	**(31,877)**	**(35,865)**	**(48,261)**	**(58,864)**	**(72,193)**	**(75,315)**	**(79,528)**	**(92,811)**	**(110,924)**
-	**Funding balance ((A-B) + (C-D))**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

The Funding Impact Statement (FIS) is provided in accordance with section 98 and Schedule 10 of the Local Government Act. The FIS is intended to make the sources and applications of Council funds more transparent 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 have been used.

Rating System

The following describes in full the rating system to apply from 1 July 2024:

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 Local Government (Rating) Act 2002 (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; and
- 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:

- Professional offices, surgeries etc;
- All retail, wholesale merchandising activities;
- All forms of manufacturing and processing;
- Bars, restaurants, cafés and other service activities;
- Storage facilities; and
- Hotels, motels, B & Bs, and other short-term accommodation providers.

Rural Residential

Any rating unit that would otherwise be classified as Residential but is not connected or able to be connected to either the city water system or 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.

Differential Category	Group / Code	Differential
Residential / Other	1	100%
Commercial & Industrial	2	260%
Rural	3	85%
Rural Residential	4	90%

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 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 2024-25 Council has determined that the UAGC will be set at a level to recover 25% 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).

Council will not be accepting lump sum contributions for any targeted rates.

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.

Differential Categories	Connected (%)	Not connected but within 100 m (%)
Central Business District and Fringe Commercial & Industrial	400%	200%
Other Commercial & Industrial	200%	100%
Residential / Other	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, and
- 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 100 m (%)
Rating units connected to or able to be connected to the Council water supply systems	100%	50%

Stormwater Rate

The primary beneficiary of stormwater 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 stormwater 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:

Differential Category	Differential
Residential / Other	100%
Commercial & Industrial	260%
Rural Residential	100%

Sewerage Rate

This rate recovers the net cost of the wastewater 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.

Differential Category	Differential
Rating units connected to or able to be connected to the sewerage system	100%
Rating units not connected but within 30m of the Sewerage System	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 the 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.

Vehicle Levy

Inner City Vehicle Levy

This levy is used to support additional off-street car parking in the Central Business District. Those commercial rating units in the mapped areas identified as the Inner City Vehicle Levy 100% Levy Area and 50% Area are charged the Inner City Vehicle Levy based on land value. This rate is set on a differential basis as follows:

Differential Category	Differential
Properties where Council provides additional parking due to the property receiving a 100% levy	100%
Properties where Council provides additional parking due to the property receiving a 50% levy.	50%

Refer Council maps:

- Inner City Vehicle Levy – 100%
- Inner City Vehicle Levy – 50%

Taradale Vehicle

This levy is used to support 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 Vehicle Levy based on land value and set on a uniform basis.

Suburban Vehicle Levy

This levy is used to support 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 Vehicle Levy 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’ is 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.

Rangatira Revetment Rate

Revetment construction commenced in 2023 to provide protection from ongoing coastal erosion. The Ragatira Revetment 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 on the north side of Whakarire Avenue. This rate recovers the private funding component of the cost over a period of 25 years.

Resilience Rate

This rate partially funds activities related to emergency preparedness including, but not limited to, infrastructure projects, civil defence planning, emergency equipment, and other disaster-related planning. These costs would otherwise not be budgeted for, or included, in the Long Term Plan. The targeted rate is a fixed amount set on a uniform basis, applied to each separately used or inhabited part of a rating unit. This rate has been introduced according to the procedure set out in Section 23 of the Local Government (Rating) Act 2002.

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 on the water-by-meter targeted rate.

The rate charged on actual water use above 300 m3 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.

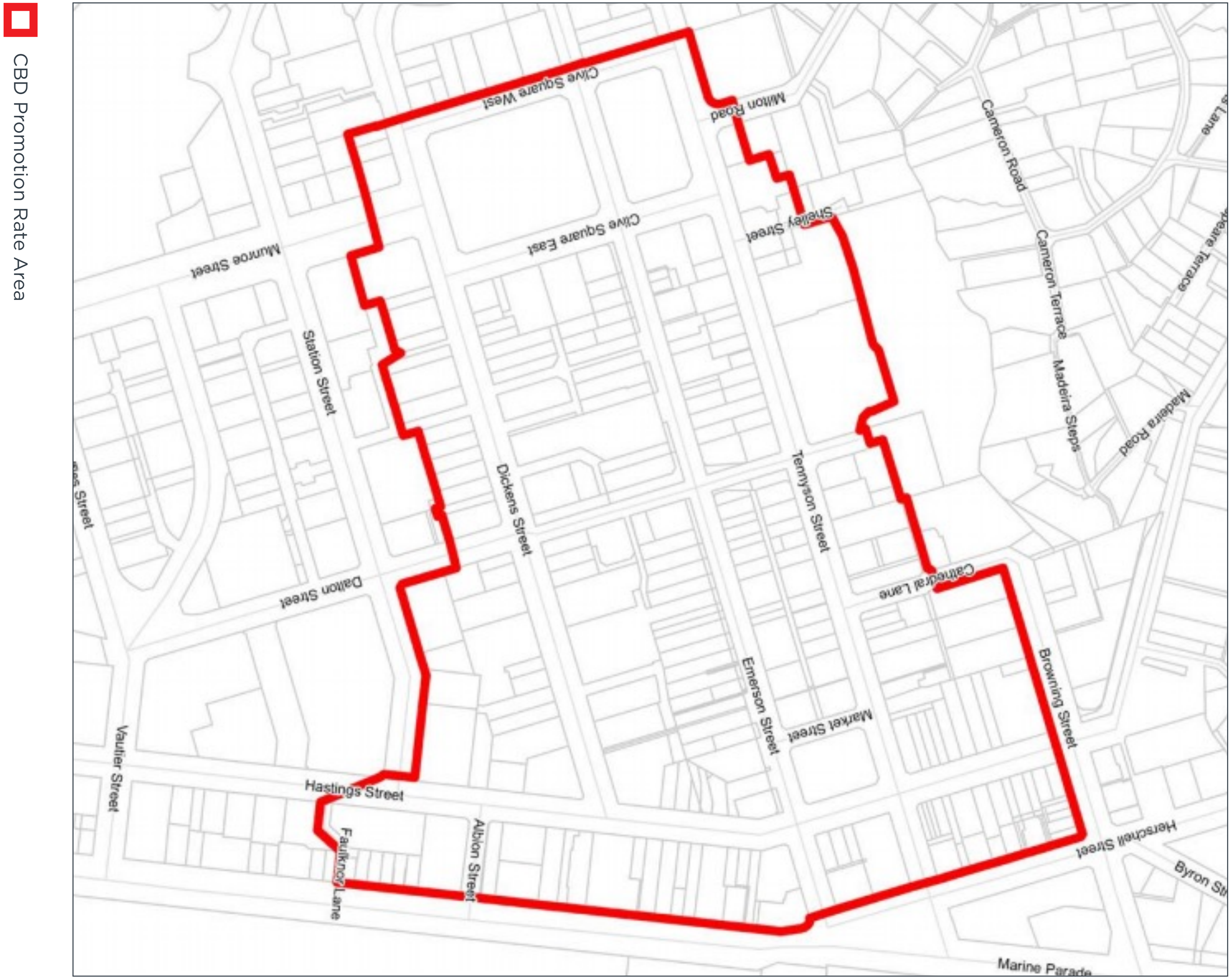
Examples of separately used or inhabited parts of a rating unit include:

- 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, and
- Where a single business comprises multiple buildings or multiple floors of a single building, each building or floor of a multi-storey building is deemed to constitute a separate part (SUIP).

These examples are not inclusive of all situations.

Council Maps

CBD Promotion Rate Area



Inner City Vehicle Levy

100% Levy Area

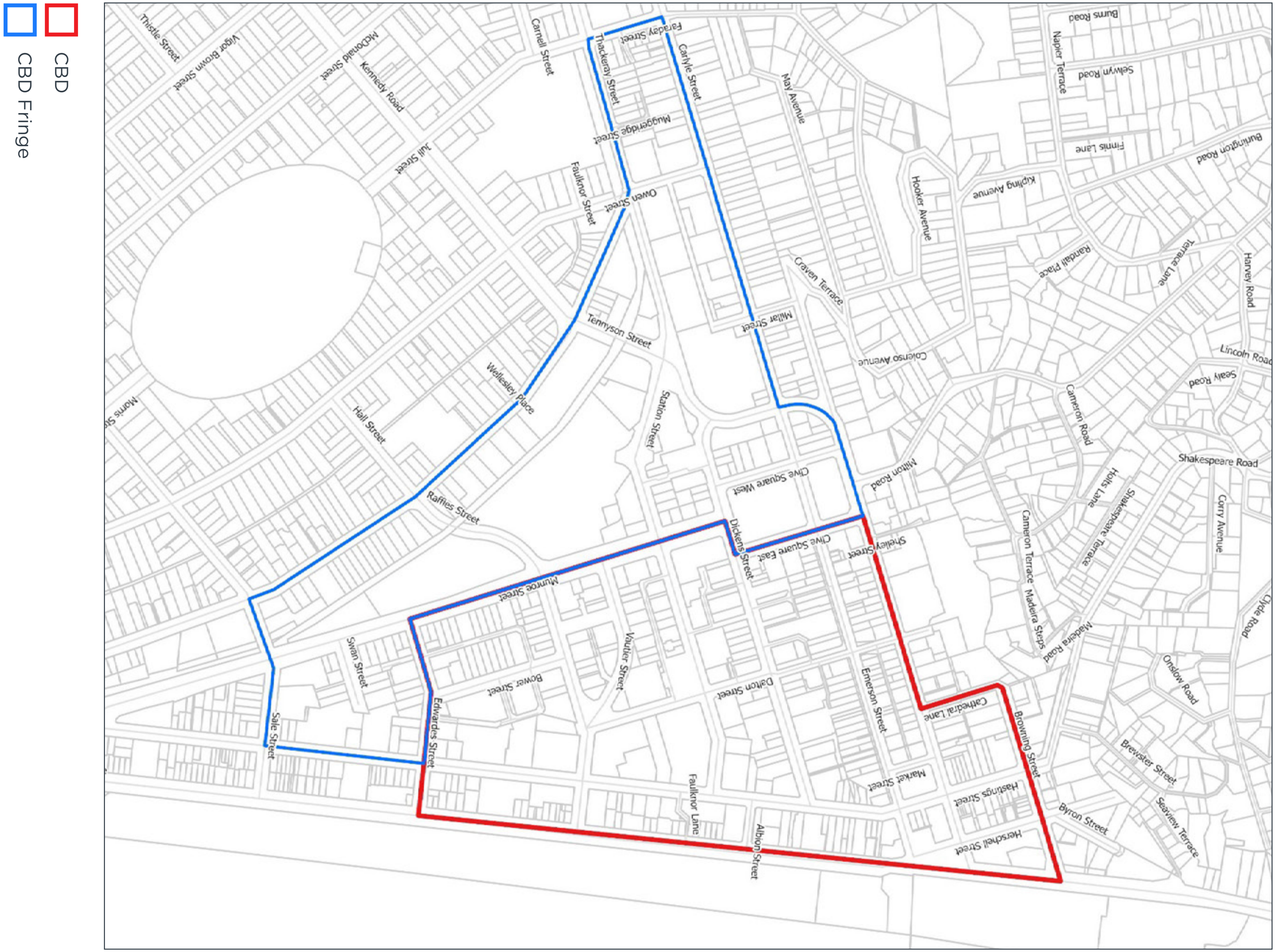
CBD Off-Street Parking - 100% Parking Dispensation Area

CBD Off Street Parking

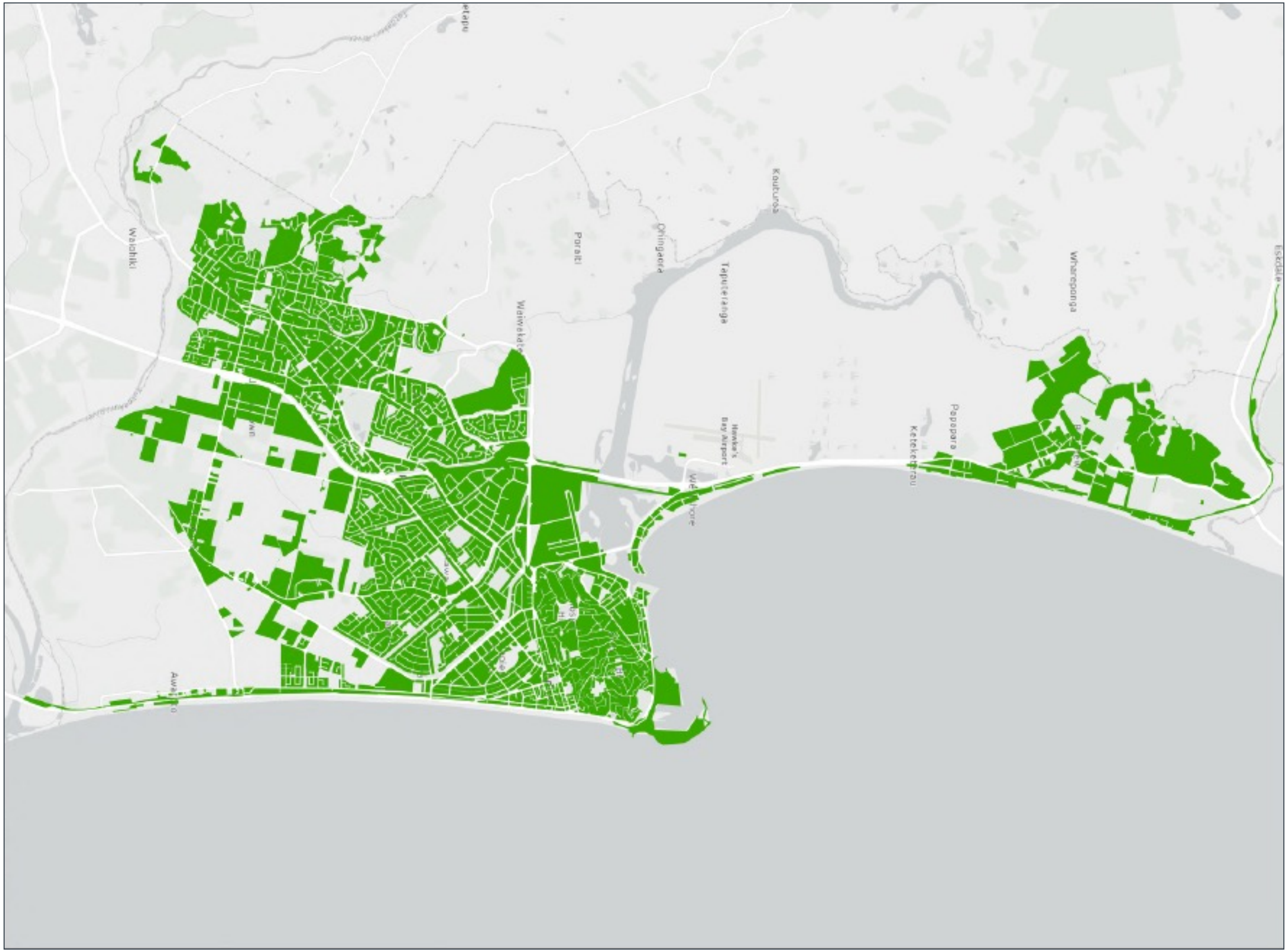
50% Levy Area

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 2024/25 are set and assessed effective from Instalment 1 and are due and payable in four equal instalments as follows:

- First Instalment due 21 August 2024;
- Second Instalment due 20 November 2024;
- Third Instalment due 19 February 2025, and
- Fourth Instalment due 21 May 2025.

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 after the due date for payment. Previous years' rates which remain unpaid will have a further 10% added on 31 July and 31 January.

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		2024-25 Proposed Rate (Incl GST)	2024-25 Proposed Revenue (Incl GST)
General Rates					
General Rate (cents per $ Land Value)	All rateable property	Land Value	Differential		
Differential 1 Residential/Other			1	0.0045194	39,487
Differential 2 Commercial and Industrial			2	0.0117503	23,198
Differential 3 Rural			3	0.0038415	1,433
Differential 4 Rural Residential			4	0.0040674	4,445
Total - General Rates on Land Value					**68,563**
Uniform Annual General Charge (UAGC)	All rateable property	Fixed amount per SUIP*		539.50	15,666
TOTAL GENERAL RATES					**84,229**
Targeted Rates					
Stormwater Targeted Rate	Mapped service area	Capital Value			
			Differential		
Residential			100.00	0.0002948	5,047
Commercial			260.00	0.0007664	2,522
Rural Residential			100.00	0.0002948	189
					7,758
Fire Protection Rate	Service available / Connected	Capital Value	Not Connected	Connected	
CBD Commercial & CBD Fringe			0.01006	0.0201	184
Other Commercial & Industrial	Suburban, shopping centres, hotels, motels & industrial outside CBD		0.00503	0.0101	344
Residential & Other			0.00252	0.0050	928
					1,456
Water Supply	Service available / Connected	Fixed amount per SUIP*			
Water Rate (connected)				300.20	8,341
Water Rate - Serviceable (not connected) 50%				150.10	

Description	Category	Factor	2024-25 Proposed Rate	2024-25 Proposed Revenue
Refuse Collection & Disposal Rate	Service available	Fixed amount per SUIP*		
1 collection per week			214.00	6,294
2 collection per week			428.00	
3+ collection per week			642.00	
Kerbside Recycling Rate	Service available	Fixed amount per SUIP*	111.10	2,959
Sewerage	Service available / Connected	Fixed amount per SUIP*		
Sewerage Rate (connected)			403.20	10,966
Sewerage Rate - Serviceable (not connected) 50%			201.60	
Bay View Sewerage Connection Rate	Service available	Fixed amount per SUIP*	941.35	15
Rangatira Revetment Rate	Property in catchment area	Fixed amount per SUIP*	14.00	4
Inner City Vehicle Levy	Commercial in catchment area	Land value		
100% Vehicle Levy area			0.04870	94
50% Vehicle Levy area			0.02435	27
Taradale Vehicle Levy	Commercial in catchment area	Land value	0.05318	32
Suburban Vehicle Levy	Commercial in catchment area	Land value	0.05318	
NBCI CBD Promotion Levy	Commercial in catchment area	Land value	0.18735	333
Taradale Promotion Rate	Commercial in catchment area	Land value	0.17078	102
Swimming Pool Safety Rate	Service provision	Fixed amount per rating unit	72.00	119
Disaster Recovery Rate	All rateable property	Fixed amount per SUIP*	85.90	2,491
Plus Allowance for Rate Penalties				270
Less General Rate for NCC Properties				-1,142
TOTAL RATES (Excluding water by Meter)				**124,349**
Water By Meter Charges	Connected / Supply	Fixed amount per cubic metre		
Extra-Ordinary Supply			0.72039	789
TOTAL RATES (Including water by Meter)				**125,138**

* SUIP = Separately used or inhabited part

Examples of Rates for 2024/25

Examples of the impact of rating for 2023/24 are shown in the following table:

Differential Category	Land Value	Capital Value	Rates 2023-24	Rates 2024-25	Change $	Weekly Change $	Change %
Residential							
Average Value & Land Value	380,000	785,000	2,992	3,642	650	12.50	21.7%
Average Value - above average LV movement	450,000	785,000	3,099	4,031	931	17.91	30.0%
Low Value residential	220,000	495,000	2,210	2,819	609	11.71	27.5%
Parklands Residential	460,000	1,040,000	3,158	4,092	934	17.96	29.6%
Te Awa Residential	345,000	860,000	2,995	3,510	515	9.90	17.2%
Bay View Residential	370,000	570,000	2,920	3,523	602	11.59	20.6%
Ex Rural Residential (City fringe)	870,000	1,390,000	4,794	6,065	1,271	24.44	26.5%
Commercial / Industrial							
Other Commercial Average	1,126,000	2,155,000	13,775	17,453	3,678	70.74	26.7%
CBD Average	771,000	1,463,000	11,318	14,383	3,065	58.95	27.1%
Industrial Average	936,000	1,774,000	13,012	14,131	1,119	21.52	8.6%
Bay View Average Commercial	473,500	855,500	6,980	7,556	576	11.09	8.3%
Rural Average Commercial	457,200	1,610,600	7,031	7,446	415	7.98	5.9%
Rural							
Average Rural	1,832,800	2,320,400	7,147	7,991	844	16.24	11.8%
Rural Residential							
Bay View Average	375,400	782,700	2,801	3,008	208	4.00	7.4%
Other Rural Residential in Stormwater area	457,500	875,900	2,815	3,070	255	4.90	9.1%
Other Rural Residential outside Stormwater area	457,500	875,900	2,505	2,811	307	5.90	12.2%

The three -yearly revaluation for the city for rating purposes was undertaken in 2023 and those new valuations apply as the basis for setting the rates for 2024-25

The rating examples should be read having regard for the following:

Council’s total rates revenue for 2024/25, excluding rate penalties and water-by-meter charges, will increase by 23.7%

As property values directly affect the level of general and targeted rates charged on either land 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 overall increase for individual properties.

Rating Base Information

As at 30 June 2022	**All Rating Units**	**Rateable Units**
Number of Rating Units	26,655	26,161
Capital value of Rating Units $	20,674,656,450	19,817,225,500
Land value of Rating Units $	9,764,984,450	9,363,975,500

Please note that audited 2023 revalutation rating base information was not available at the time of calcuation.

Firm Foundations for a Sustainable Future
Toka Tū Moana

Three-Year Plan 2024-27
Consultation Document

Tē tōia tē haumatia
Nothing can be achieved without a plan, a workforce and a way of doing things

Contents

Where is the 2024-34 Long Term Plan?

Due to the disruption caused by Cyclone Gabrielle, the government changed the legal requirement for NCC to produce a 10-year Long Term Plan. We are instead producing an unaudited, three-year plan for 2024-2027, with a focus on recovery. This change acknowledges the effects Cyclone Gabrielle has had on our ability to deliver previously planned projects. Our Three-Year Plan will still provide information on budgets and plans beyond 30 June 2027 to give our community visibility of projects planned over the longer term.

What do you think about our plans and priorities?

Last year, we outlined our priorities and the external factors that are affecting our plans over the next three years. We spent some time asking our community what they thought of our strategic priorities and thinking for the Three-Year Plan. Here is what we heard:

- Council needs to be financially sustainable and spend money carefully.
- Napier needs to be able to withstand unexpected knocks and shocks.
- Core activities, such as waste management and clean and safe water provision are important.

This consultation document outlines the key aspects of our Three-Year Plan that we want your thoughts on. It details the internal and external factors affecting our budgets and activities and describes what we need to focus on over the next three years. Tell us what you think!

How to have your say

Read this booklet, then visit sayitnapier.nz and fill in the online form.

Need help making an online submission?

Call into our Customer Service Centre at 215 Hastings Street, or Napier or Taradale Library, where our staff can help you make an online submission. This is the easiest way to have your say. You can also pick up a paper submission form at those locations.

This document is also available in the following formats:
NZ Sign Language (online only)
Easy Read
Large Print
Audio (online only)

Engagement Events

A NZ Sign Language communicator will be available at all sessions.

Community Meetings

Drop-in sessions:
National Aquarium of New Zealand, 1pm to 2.30pm, Sunday 7 April
Taradale Library, 10am to 11am, Saturday 20 April

Public meeting:
Napier War Memorial Centre, 6pm to 7:30pm, Wednesday 17 April

Three-Year Plan Hearings

Monday 27 and Tuesday 28 May 2024
Napier War Memorial Centre 9am – 5pm.

Consultation Timeline

- Submissions open Monday 25 March 2024
- Submissions close 5pm Friday 26 April 2024

- Three Year Plan hearings Monday 27 and Tuesday 28 May 2024, Napier War Memorial Centre
- Adoption of Three-Year Plan 2024-27 Thursday 27 June 2024

Looking for funding?

Our budget for this Three-Year Plan is tight. We like to be able to support great ideas and projects for our city. 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 will provide advice on what funding could be available to you or your group. Funding applications close on 1 May 2024.

About the dollars

Rates impacts shown in the consultation topics relate to all years of our Three-Year Plan. Big projects will stretch across multiple years and have ongoing impacts as they progress. A table showing the full rates impact over the next three years is in the Finance and Infrastructure section of this document on page 31.

Kia ora from Kirsten Wise

After Cyclone Gabrielle, central government gave us a dispensation to prepare a three-year plan. Usually, we'd be setting out a work programme of ten years in a long term plan. Now we can really focus on a concentrated three-year programme that helps our community recover from the impacts of the cyclone and puts us on firm foundations for the years ahead. This is our chance to reconsider and significantly change the way we do things to benefit the wellbeing of everyone in Napier. The most important part of this plan is YOU. Your voice and your views will make this draft a solid road map for the three years ahead of us.

Our three-year plan sets out what we are going to deliver and how we will go about it. In this draft plan we are proposing an average rates increase of 23.7% in the first year. Included in this are funds that will be set aside so we can build our capacity to withstand and recover from challenges. This would be spent on activities related to emergency preparedness and projects that will improve our resilience.

Looking overall at this draft plan, it's clear there are competing priorities that are pulling on our resources. Recovery from the cyclone is one, and this includes rebuilding assets, some of which we own with Hastings District Council, and resourcing property buy-outs. It also means building resilience into existing and future assets such as the work planned for the Wastewater Treatment Plant and the Awatoto industrial zone. We must also respond to the effects of climate change by planting along foreshores and waterways and helping mitigate coastal erosion.

There are many factors contributing to our need to increase rates and you can read details about them in this document. The most important thing is that we put in place strong foundations that mean Napier will have financial sustainability in the future. This includes making full use of the resources we have including changes to how we manage commercial assets, like our investments and our visitor-focused facilities.

Zooming out, across New Zealand all councils are facing challenging financial situations and this year, many will propose significant rates increases to their communities. Across the board, there is an ongoing balancing act required to deliver best service to our community. Infrastructure is essential, and maintaining it is costly, with material and labour costs rising. Recovery too still requires significant resourcing. At the same time, we need to stay focused on the core services our community wants and needs from us. Creating an attractive and vibrant home for our residents and a desirable destination for our visitors is also important.

To strike the right balance, we need to rise to the challenges, not shy away from them. We must consider how to grow our assets and ensure they deliver an inter-generational return. This is the time to get the building blocks in place to firm up our foundations and focus on what we can do now to benefit future generations. This draft plan gives us an opportunity to rethink, adapt and be bold.

Kirsten Wise
Mayor of Napier

Setting the scene

Our Vision

Enabling places and spaces where everybody wants to be.
Ko rua tē pāia ko Te Whanga

Community Outcomes

In 2023, Napier City Council adopted five strategic priorities to guide its decision-making over the coming years. These Strategic Priorities are also the 'Community Outcomes' that underpin the contents of our Three-Year Plan. They are all equally important and will help us to decide which projects, activities and budgets to prioritise in our Three-Year Plan 2024-27.

Financially sustainable Council
He kainga ka awatea
Council has an operating model and financial strategy that is affordable for ratepayers and enables us to achieve our objectives.

A resilient city – the ability to thrive and withstand impacts, knocks and shocks
Te toka tū moana
Council makes good future planning and investment decisions to prepare for a changing climate future and enables our community to build self-reliance. Our people, economy and infrastructure are resilient.

Spaces and places for all
He wāhi taurikura
Napier has spaces and places that everyone has access to and wants to use. We have a focus on accessibility, affordability, safety, and city vibrancy.

Nurturing authentic relationships with our community and partners

Te takutai moana

Council fosters meaningful relationships, demonstrating our commitment to listen to our community's needs, concerns, and aspirations. Developing strong partnerships with mana whenua and tangata whenua ensures we uphold our obligations under Te Tiriti o Waitangi.

A great visitor destination

Te ūnga waka

Napier is a destination aspiring to provide 'world class' facilities and attract visitors to our city. We make it easy for people to invest in our city and create experiences that attract widespread participation.

The national and local context

We understand that people around New Zealand are facing cost-of-living pressures that make it harder to manage further rates increases. Councils around the country face similar challenges. Costs to maintain and build infrastructure for services like water and transportation have increased a lot recently. Climate change and preparing for climate-related emergencies is another issue facing all councils that will cost time and money.

Locally, Napier has many issues that need attention. There are unexpected costs from Cyclone Gabrielle, with parts of our community still recovering from this event. We need to stay focused on cyclone recovery while still providing the core services and infrastructure the community needs and expects of us. We must also keep working on other important projects that will help us achieve our community outcomes.

We believe it’s important to adapt to these challenges by changing the way we do some things. We want to be a financially sustainable Council, so we’re looking at taking a more commercial approach to how we operate some of our services. We are also thinking about how our assets can work harder for us, to bring in more income for the city and reduce pressure on ratepayers.

Changing how we do things means we’ll need to make bold decisions. It will take time and focused effort, but it will result in a firm foundation for a sustainable future.

Internal challenges

Ageing infrastructure (physical assets)

To help keep rates low in previous years, we have taken a more risk-based approach to managing our physical assets. We have now reached a point where significant investment in these assets is needed to deliver required levels of service and keep up with Napier’s growth.

Inability to deliver on time

Over the past few years, staff shortages with certain roles, supply chain issues and external events such as Cyclone Gabrielle mean we’ve struggled to complete projects in the time we said they would take. This has resulted in budgets and work being moved to the next financial year, creating an even bigger work programme the following year.

Financial sustainability
Our external and internal challenges have made it harder to maintain our financial sustainability. In response to this, we reviewed different parts of our organisation and considered new ideas to see if there were any efficiencies, cost savings, or opportunities to make further income for the city. We want to know what you think about these reviews and plans. They are discussed in more detail later in this document.

External challenges

There are external factors that are affecting our ability to deliver all the services and activities we want for the city. These challenges also make it harder to keep our rates increases as low as they have been historically:

Impacts of Cyclone Gabrielle
Cyclone Gabrielle affected Hawke's Bay and Napier City Council in many ways. Our Wastewater Treatment Plant became inoperable, and we had to spend a large amount of money and staff time on recovery work that will continue for a few years. The cyclone affected our ability to deliver what we had planned over the last 12 months. We need to be realistic about what we can deliver for Napier over the next three years. You can read more about our recovery projects on page 7.

Increasing inflation and affordability
Just like everyone, we are feeling the impacts of rising costs. This is mainly through increasing insurance premiums and labour costs. To help us achieve our priority of being a financially sustainable council, we need to live within our means.

Long-term effects from Covid-19 and Napier's 2020 floods
Some projects were put on hold while we focused on dealing with these events. We're still catching up on the work we had to put on hold. This has had a knock-on effect on the timing and funding of other projects and essential work.

Climate change and the environment
Climate change presents challenges. It affects our health and wellbeing, our safety, the natural and built environments, food production, essential infrastructure and the economy.

We want to become a more resilient city. It's important that we lead our community in improving climate resilience and reducing emissions, but it's not just up to Council. We will need authentic partnerships with residents, businesses, industries, community organisations, government agencies and other local councils. Building climate resilience includes having more sustainable transport and urban development. It includes improved water quality and management and improved biodiversity.

We have a role in educating and helping people to take ownership of these matters. We also need to get our own house in order, by reducing our carbon footprint across all areas of our work. We are developing an emissions reduction plan that is aligned with New Zealand's targets and will roll this out over the next three years.

Our recovery plans

On 14 February 2023 Cyclone Gabrielle caused widespread damage, flooding and extreme isolation for Napier.

The Napier Wastewater Treatment Plant in Awatoto and associated industrial area were completely flooded as water overflowed the Tūtaekurī River stop banks. Parts of urban Napier, as well as the areas surrounding urban Napier, and productive horticultural land, were destroyed.

Our Wastewater Treatment Plant was fully restored by August 2023. We are now focusing on improving the future resilience of the treatment plant. Some of this work will take place over the next three years.

The Government is contributing $64 million towards the permanent replacement of the Redclyffe Bridge in the long term, which we co-own with Hastings District Council. Napier is also receiving $3.5m (50% of the cost) to allow us to administer voluntary residential property purchases in Category 3 areas of Napier.

There are many other recovery projects that we need to plan and budget for in the coming years:

- Work to reduce coastal erosion
- Development of the Omarunui landfill (jointly with Hastings District Council
- Improving stormwater drainage
- Resilience planning for the Awatoto industrial area
- Civil Defence & Emergency Management planning and readiness
- Planting along the foreshore, waterways and cemeteries
- Rebuilding Brookfields Bridge (jointly with Hastings District Council).

Government Reforms

Water reforms

Over the past few years, central government developed new legislation and operating reforms for how drinking water, wastewater and stormwater would be managed throughout New Zealand. This was to address the growing pressure all councils were facing to deliver water services efficiently, safely and affordably. After last year's change of Government, the reform programme stopped. A new *Local Water Done Well* framework and transitional arrangements will be introduced and enacted in mid-2024. Legislation to establish enduring settings and begin transition will be introduced in December 2024 and enacted in mid-2025.

A national regulator will be established to oversee water infrastructure. The regulator will ensure water is managed sustainably, with fair pricing and quality standards. *Local Water Done Well* will require all councils to submit alternative water service delivery models to the Government for approval. There is flexibility for councils to choose a model that works best for them. The new policy will also introduce financial rules to councils for managing water. More information about *Local Water Done Well* can be read online at beehive.govt.nz.

In 2019/20 – before the nationwide reform programme was rolled out – Hawke's Bay councils developed a regional model for jointly managing water services. This model proposed having a Council Controlled Organisation (CCO) owning Hawke's Bay's water assets. Now that councils have flexibility to choose their own way to manage water, Hawke's Bay councils are looking at whether a CCO is still the best option for Hawke's Bay communities.

They will consider the effects and challenges of Cyclone Gabrielle. They will also consider the final shape of the *Local Water Done Well* reforms, which are intended to provide a streamlined process for establishing CCOs. If a CCO model is preferred by Hawke's Bay's councils, this will be the subject of separate community consultation in line with current legislation.

Until decisions are made about next steps, this Three-Year Plan 2024-27 has been prepared assuming that Napier City Council will continue to provide drinking water, wastewater and stormwater services to Napier residents. Our investment in water services will be the same as our historical investment until a way forward is decided.

You can find out more about the projects and maintenance planned for our networks on napier.govt.nz using the keyword search #water.

Other government reforms
The Government has committed to repealing the Natural and Built Environment Act 2023 and the Spatial Planning Act 2023, with legislation now passed. It also has plans to amend and, over time, replace the Resource Management Act 1991 with new resource management laws. These changes will all have impacts on our ways of working.

An overview of the finances

What's pushing our rates up?

We know that finding money to pay for a rates increase is hard for many households. We have looked carefully at how to keep next year's increase to a minimum. We have brought down the rates increase by proposing to increase certain user-pays fees and charges (see page 22). We are proposing to pay the deficits (losses) of certain Council facilities with loans for three years (page 23). We're also moving some of our lower priority capital expenditure to future years (page 31).

There are various reasons why we must raise Napier's rates. In previous years, Council made decisions that resulted in rates increases for 2024-27. These decisions include using loans to:

- pay for some of our housing portfolio budget
- keep Napier Aquatic Centre's building and equipment operational
- reduce the rates increase for the 2023/24 Annual Plan.

Other factors that mean we need to increase rates include:

- increased labour costs (staffing)
- inflation impacts on our operating costs, including insurance
- cyclone recovery costs
- funding needed for essential projects.

Proposed rates increase for 2024/25

We are proposing an average rates increase of 23.7% for 2024/25 with further rises in each year of our Three-Year Plan. This is an average of $13.66 per week, or $710.28 per year. Included in this is a proposed Resilience Rate. You can read more about this on page 16.

Check our online rates calculator to see what this means for your rates bill in 2024/25 at napier.govt.nz/rates-calculator.

We carefully considered whether a smaller increase was a better option. The consequence of a smaller increase would be borrowing more for operating expenses. Ratepayers would have to pay for this borrowing in time, which would result in higher rates increases in years 2 and 3 of this plan. We therefore ruled this out.

Increasing rates to 23.7% reduces our need to borrow to pay for operating expenditure. This will ease pressure on ratepayers by having lower future rates increases. It also means we can ensure we have the right amount set aside to properly maintain our physical assets.

Proposed rates increase over the next three years to current ratepayers
2024/25: 23.7%
2025/26: 10.5%
2026/27: 8%

Proportion of each expense type accounting for rates increases
Labour costs: 11.57%
Other general cost increases: 5.20%
Inflation: 3.90%
Borrowing costs: 1.56%
Insurance: 1.47%

How every $1 of rates will be spent in 2024/25

Why do we need to borrow?

Some of our infrastructure (physical assets) is getting old and needs fixing or replacing. We have a big programme of work ahead of us to address this. We are borrowing to fund this as it would be too much of a burden to ratepayers if we increased rates to pay for this work.

Our city's infrastructure benefits not only the current generation of ratepayers but also generations to come. We are using long term loans, so today's ratepayers are not paying for all the debt. Instead, the repayments are spread over many years so future ratepayers contribute to the cost of the infrastructure too.

We are carefully managing our borrowing and staying within our debt limit of 175% of our income. We use the Local Government Funding Agency to get the best deal on interest rates for our loans.

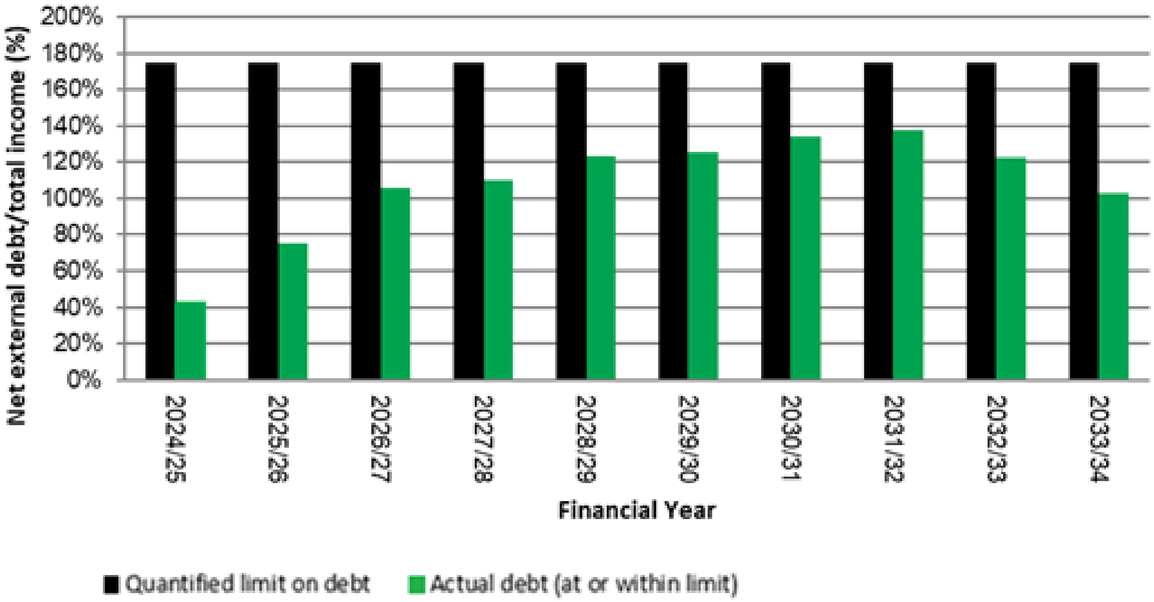
We are looking to develop a commercial investment portfolio to reduce our reliance on borrowing and rates in the future. You can read further details on that on page 17.

For more details on our finances, see the Financial and Infrastructure Strategy section on page 31.

Debt to income

What does this graph show?

The black line is the limit we have set so that we don't borrow more than we can pay off. The bars show what percentage our debt is versus our income.



Financial Sustainability
He Kainga Ka Awatea

The future of Council housing in Napier

We own and manage 377 council housing units situated in 12 villages across Napier. This housing is for people on a low income with few assets and a special housing need. Council subsidises the rent these tenants pay. Most of our tenants are aged over 65 and live in nine of our villages that focus on retirement, containing 304 units. The remaining three villages mainly have social housing tenants, containing 73 units. Social housing tenants are people who have a low income with few assets, or those who might have accessibility needs that can't be met through private rentals.

Over the last few years, costs to provide council housing for our community have increased a lot. Our housing stock has an average age of around 50 years, and maintenance is costing more. The way we provide housing has become financially unsustainable for our ratepayers and community, particularly when considered alongside other services we must provide.

In the last five years Council made a net contribution of $3.5 million to help fund our housing units. This amount includes rent subsidies, maintenance, insurance, debt servicing and renovating units between tenancies. If we continue in this way, we will need to contribute more than $16.1 million over the next ten years.

In around 15 years' time, the number of older people living in Napier will increase a great deal. By this time, it is estimated there will be around 19,500 people aged 65 and over. They will make up 26% of our population*. An increasing number of Napier's older people cannot afford to pay for private retirement villages, and they rely on affordable rental options for their retirement instead.

We recognise council housing remains one of the core options available in Napier for people whose income is limited to superannuation and who have no other assets. There are limited alternatives for this group in our community. We believe that there are more alternative options available for our current social housing and supported living tenants.

Keeping all this in mind, we've been looking at different ways to deliver council housing, acknowledging the current situation is not financially sustainable. We would like your feedback on two questions as outlined below.

When considering which option should be progressed, we would apply the following criteria to ensure best value to the community. This includes looking at further potential sale options as well as redevelopment possibilities.

Financial sustainability – Considers whether the approach will be affordable for ratepayers and will enable us to achieve our housing objectives.

Housing supply – Considers the impact on the overall supply of housing across Napier.

Community need – Considers the impact on the community and tenants, both now and in the future.

Potential supplier – Considers the capability and capacity of potential providers and the external environment in which they operate.

Council achievability – Considers the ability of Council to influence housing outcomes and to implement the changes required.

It is important to remember that with all the options below, other than the status quo, any change to how we operate our housing will take a significant amount of time to implement.

** Napier City Council Positive Ageing Strategy 2020-2024*

Question 1 – Should we continue to deliver our current council housing by increasing rates and borrowing, or should we shift Council's focus to retirement housing only and sell our social housing villages?

There are two options to consider under Question 1:

Option 1a: Continue to use loan funding and rates increases to support Council's current housing delivery approach. This is the status quo.

Option 1b: Shift Council's focus to delivering retirement housing only and sell some Council-owned housing (This is our preferred option).

Option 1a: Status quo - Continue to use loan funding and rates increases to support Council's current housing delivery approach

Under this option, we would continue to provide council housing of 377 units across our 12 villages. There will be no change in the service provided, and no disruption to current tenants.

The operating and capital costs needed to deliver the current model would increase over the next 10 years, from $4.7 million to $7.5 million annually. As rental income is currently fixed at $4.4 million annually, a net ratepayer contribution of $16 million would be needed to fund our housing activity over the next 10 years. This would mean an average annual rates impact of 1.8% over the next 10 years.

Under this option, we would focus on maintaining the current service level. Limited finances would reduce our ability to adapt to our community's future needs. For example, this may affect our ability to maintain the standard of our housing units.

How will this impact your rates?

2024/25 + 0.4% + $12.31 average rates increase per rateable property Total ratepayer contribution = $400,000	2025/26 + 0.7% + $20.43 average rates increase per rateable property Total ratepayer contribution = $600,000	2026/27 +0.7% + $20.82 average rates increase per rateable property Total ratepayer contribution = $600,000

Option 1b: Shift Council's focus to delivering retirement housing only, and sell some Council-owned housing (Preferred)

This is our preferred option. By focusing on our retirement community, we'll be able to meet the needs of the community while also ensuring we are financially well positioned for the future.

Under this option, we would sell three housing villages that are currently used for social housing purposes: Nelson Place, Wellesley Place, and Carlyle Place. These villages have multi-storey units with a mix of 1-3 bedrooms and are not well suited to retirement housing. The money from these sales will be set aside to fund the remaining housing villages.

If we went with this option, there could be disruption for some tenants. It is not certain if social housing and supported living tenants, who occupy the villages to be sold, would need to be moved to alternative non-council accommodation. If this situation were to come about, we would work with these tenants to ensure a smooth transition. Retirement tenants living in the villages to be sold would be offered a place in one of our remaining nine retirement villages. All tenants of retirement age would stay in one of our housing villages, but we would not be able to guarantee that it would be the same unit they are currently in.

The rates impact details for this option are outlined in Question 2 below.

Other options

We did consider selling all Council housing. This would mean we would no longer provide housing for social and retirement tenants. Instead, the portfolio could be sold. There would be no certainty that the units and land would continue to be used for housing.

We ruled out consulting on this option given Napier's ageing population, and the community need for affordable retirement housing as well as previous community feedback.

Question 2: If we shift to a focus on retirement housing, how can Council deliver this in an effective way?

Question 2 only needs to be considered if Council chooses to focus on retirement housing (Option 1b). We would like to gather your thoughts on this now, so we know the community's views in advance.

There are three options for Question 2: Option 2a: Retirement focus using the current approach to delivery Option 2b: Retirement focus with mixed delivery approach. This is our preferred option. Option 2c: Retirement focus with an independent delivery approach

Option 2a: Retirement focus using our current approach to delivery

Under this option, Council would continue to deliver housing services the same way we currently do. We would look after the housing assets and run the tenancy management services. There would be fewer housing villages though, as we would sell the three social housing villages (Nelson Place, Wellesley Place, Carlyle Place). For the remaining retirement tenants, and for new retirement tenants, there will be no change in service or rent.

The funds made from selling the three social housing villages will be set aside to fund the running of the retirement villages for the next ten years only. After this the funds will have been fully used, and we would likely return to the same financially unsustainable position we're in now. This means we would need to reassess our housing service before the ten years are up. This could potentially include rental increases and changes to how we deliver the service.

This option means there will be little disruption and change in the short to medium term, but we will likely need to reconsider everything again in the longer term.

How will this impact your rates?

2024/25 + 0.4% + $12.31 average rates increase per rateable property Total $ cost to ratepayers = $400,000	2025/26 + 0.3% + $8.10 average rates increase per rateable property Total $ cost to ratepayers = $200,000	2026/27 + 0.2% + $5.33 average rates increase per rateable property Total $ cost to ratepayers $200,000

Option 2b: Retirement focus with mixed delivery approach (Preferred)

In 2022 we shifted towards a flat weekly rental rate. This was based on 80% of the cost of providing all housing villages at that time. The other 20% was a council contribution that we funded with loans. There are forecasted cost increases, so our 20% contribution will increase significantly over the next ten years. One way to help minimise these increases this is to review rental annually so that it stays at 80% of the cost of running the housing, as this cost grows over time.

This means we could afford to provide retirement housing over the longer term and consider developing villages further. This option allows us to better provide for the needs of current and future tenants because we could respond more easily to increasing costs and demand.

We would also work with other housing providers to see if they could manage the tenancies or look after maintaining the houses, so these services are provided efficiently.
Any arrangement would need to consider the needs of existing tenants.

Funds would be generated through selling the social housing villages (Nelson Place, Wellesley Place and Carlyle Place). We would also consider developing some of the remaining villages. We would work with other housing and development providers to decide which options would be best. Our intention would be to generate enough money to replace older units with new ones. This would allow us to respond to the growing community need for retirement housing, and to provide fit-for-purpose homes.

This option would involve us entering commercial negotiations with other housing and development providers.

We acknowledge that this option would create disruption and uncertainty for current retirement tenants if future development and sales took place. However, we will be committed to engaging with tenants and the community once plans are more formally developed.

We're committed to providing affordable and healthy homes for people aged 65 and over who have no other accommodation options.

What does 'mixed delivery' mean?

Mixed delivery means our housing villages could be delivered by Council, plus the potential for delivery by other providers.

How will this impact your rates?

2024/25 + 0.4% + $12.31 average rates increase per rateable property Total $ cost to ratepayers = $400,000	2025/26 + 0.4% + $12.85 average rates increase per rateable property Total $ cost to ratepayers = $400,000	2026/27 + 0.5% + $13.43 average rates increase per rateable property Total $ cost to ratepayers = $400,000

Option 2c: Retirement focus with an independent delivery approach

Independent delivery means the service would be provided by other housing providers on Council's behalf. If this option was taken, we would explore the potential to lease or transfer our housing assets to other providers. This means that the housing service would be run by an independent provider – such as a community housing provider – and not Council. The new provider would make decisions on any future rent increases.

This option is highly dependent on a successful commercial negotiation, and it would need significant resources in the short-term to confirm arrangements. We would use the same criteria as outlined earlier to assess whether there is a housing provider that can deliver housing services and ensure the best value to the community.

An independent delivery approach could mean that housing is delivered in a more responsive manner, but it would mean that Council no longer has control over the services provided. There would likely be little disruption to remaining retirement tenants in the short to medium term. There could be further disruption as the new provider makes decisions about how to best deliver the services.

While some debt funding will be needed in the short term to cover these transition costs, further long-term debt is not expected once the lease or transfer has occurred.

How will this impact your rates?

2024/25 + 0.4% + $12.31 average rates increase per rateable property Total $ cost to ratepayers = $400,000	2025/26 No impact on rates	2026/27 No impact on rates

What about previous consultations?

In 2022, we consulted with the community on whether to keep the housing or sell some or all of it. Council decided to keep all housing and fund the shortfall through loans for a few years.

Our intention had been to consult on a rates increase in the 2023/24 Annual Plan, to fund housing over the long term. Our focus on recovery from Cyclone Gabrielle meant we had no resources to do any consultation for the 2023/24 Annual Plan.

Since the 2022 decision, rising costs have impacted our ability to keep the houses maintained with the budget we thought would be required. Our preferred option of keeping our housing villages in their current form must now change.

Council officers are creating a housing strategy that will outline Council's role in housing. Council currently acts as a connector, an advocate and a housing provider to ensure there are sufficient options for retired people who cannot afford private rental and home ownership. This will be reflected in the housing strategy.

Did Council historically ringfence its housing income?
In 2015, a fund was established to ringfence the housing income away from the rest of Council's finances. Research into this undertaken in 2022 identified that only maintenance expenditure was ringfenced in 2015, and this was corrected in 2019. Since 2019, all our housing activity has been fully ring fenced.

Building up our community resilience

The impact of Cyclone Gabrielle brought unexpected costs for Council. These included rates remissions for cyclone-affected ratepayers, and new costs for recovery and resilience planning. To help pay for these costs, on 1 July 2023 we introduced a Disaster Recovery Rate to fund a cyclone recovery budget of $1.5 million for 2023/24. This money was set aside for cyclone recovery purposes only. We want to keep this rate so we can build our resilience to knocks and shocks and thrive no matter what the future holds.

Our recovery from Cyclone Gabrielle is still ongoing, and we recognise that we must be ready for future emergencies. This planning will come at a cost. Climate-related events are likely to become more frequent, and we need to build up reserves (savings) to pay for other potential emergencies beyond Cyclone Gabrielle.

Option 1: Continue with a rate to build resilience (Preferred)
Under this option, the Disaster Recovery Rate would be renamed the Resilience Rate. It would be set aside for activities related to emergency preparedness. This could include activities like civil defence planning or working with other organisations to get the community prepared for emergencies. It could also include projects to help us withstand knocks and shocks, such as improving our stormwater network so businesses can continue to operate and residents are safe from flooding.

The Resilience Rate would be calculated as a Uniform Annual General Charge of $85.90 per rating unit, on all rating units in Napier. It is a fixed amount applied to every property, regardless of value or property type. It will be shown as a separate item in rates invoices.

How will this impact your rates?

2024/25 + 2.45% + $85.90 rates increase per rateable property Total $ cost to ratepayers = $2.16 Million	2025/26 + 2.52% + $88.26 rates increase per rateable property Total $ cost to ratepayers = $2.23 Million	2026/27 + 2.57% + $89.55 rates increase per rateable property Total $ cost to ratepayers = $2.27 Million

Option 2: Don't continue with a rate to build resilience

Under this option, funding for emergency preparedness would come from our existing general rates budget. This would mean our ability to improve our readiness for civil defence events would be limited and such improvements would be made over a longer period.

Examples are projects such as upgrades to improve the resilience of infrastructure, or partnerships with other organisations to help ensure residents are ready for emergencies.

If our city was faced with another emergency, it would create further financial pressure that would need to be funded by ratepayers either through loans or our existing general rates budget.

How will this impact your rates?

2024/25 + 0.41% + $14.35 average rates increase per rateable property Total $ cost to ratepayers = $361,925	2025/26 + 0.44% + $15.29 average rates increase per rateable property Total $ cost to ratepayers = $386,783	2026/27 + 0.47% + $16.30 average rates increase per rateable property Total $ cost to ratepayers = $413,672

A new approach to managing Council's investments

Council owns investment assets worth more than $160 million that bring in income. These include assets such as sections being developed for sale in Parklands, residential rental property, commercial property, and cash held in term deposits at banks.

In 2023 we started developing an Investment Strategy to guide us on how to better use our investment assets to bring in a higher and more consistent income to Council. The strategy takes a long-term view on how we manage these assets as an investment portfolio to generate better financial returns. In time, these better returns will mean we'll rely less on rates to fund our core services and activities.

Managing the value of our investment assets as an inter-generational investment portfolio would benefit the residents and ratepayers of today, and those in generations to come. It will eventually give us extra income to fund more services and activities our residents want and need, without depending as much on rates funding. It will help to build our financial resilience to unexpected events, such as what we have experienced with Cyclone Gabrielle, the 2020 Napier flood, and Covid-19 lockdowns. It will help us diversify our investment types to lower our risks. It will also help us to protect the value of our cash assets against inflation.

We have been looking at different scenarios of how we could manage some or all these assets as an investment portfolio for Napier.

More detail on each of the options below can be found in the supporting documents on page 36.

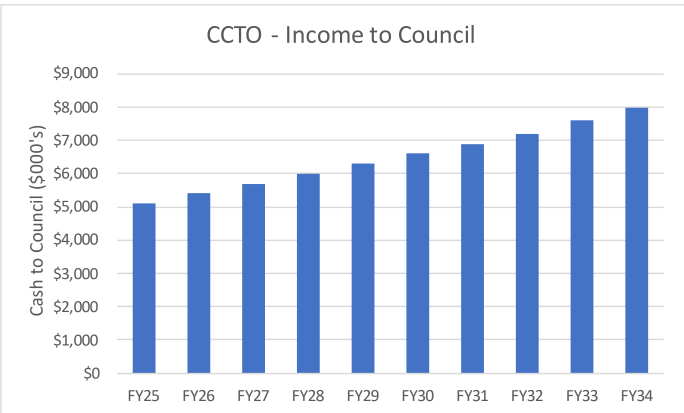
Option 1 – Create a Council Controlled Trading Organisation to establish a commercially focused investment portfolio (Preferred)
Our preferred option is to explore forming a Council Controlled Trading Organisation (CCTO). A CCTO is a subsidiary organisation of a council. In this case, it would be focused on managing the investment portfolio to achieve commercial objectives for Council. A CCTO would also allow Council to attract commercial expertise and partnerships that would be unlikely if the investment portfolio was managed within Council.

Under this option, investments would be managed proactively, with a focus on maximising income over the long term (an inter-generational investment). Management and investment decisions on the investment portfolio would be done by dedicated experts, according to the wishes of Council. Council would set these expectations through a formal document called a Letter of Expectations.

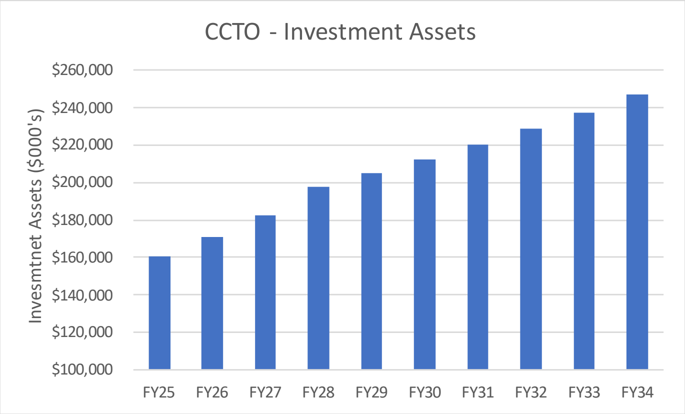
The independence of CCTOs has allowed other councils to access people with suitable governance and management experience. By doing something similar, we believe we can seek development income and investment partnership beyond our Parklands property portfolio, which may not otherwise be available to Council directly.

There will be an extra cost to create and run the CCTO, but this would be outweighed significantly by the additional income the CCTO would generate. Based on similar CCTOs set up at other New Zealand councils, we estimate the one-off establishment cost would be around $750,000.

Our draft Three-Year Plan is using the financial assumptions of operating a CCTO. Our cash flow from our investment portfolio is targeted to grow consistently at 5% per year. At this level of cash flow distribution, the CCTO is keeping some cash for reinvestment in the early years of the Three-Year Plan. This is to provide both long term asset growth and resilience in Council's assets and future income.



What does this graph show?
Conservative estimates of the income earned by property and cash assets through the CCTO that could be distributed to Council. This isn't the total return as some funds would be reinvested to make more income. Council would actively continue development activity with other property and would source new ones for development.
Income is stable for the first three years then makes steady gains from 2027.



What does this graph show?
Conservative estimates of the value of property and cash assets in the CCTO's investment portfolio. Steady growth in value begins from 2026.

How would it operate?
The CCTO's board would be appointed by Council. Council would be responsible for deciding which investment assets should be managed by the CCTO. Core social obligations of Council would not be passed to the CCTO. The CCTO board would have access to investment professionals responsible for the day-to-day decision-making and stewardship of the investments. The CCTO would be accountable to the community and to Council on the investment portfolio's performance through a statement of corporate intent that is approved by Council.

CCTOs are a common practice in local government. More details can be found about them in our supporting documents on page 36.

We expect there would be more expenditure than income in the first year of operating the CCTO. However, we expect this will turn around from the second year of the Three-Year Plan. Over ten years, we expect a net benefit to Council of $15 million more than Option 2 below and $20 million more than Option 3 below, the status quo. Just like an investment such as a savings account, the income earned by the CCTO would increase gradually over time, starting from around 2027/28.

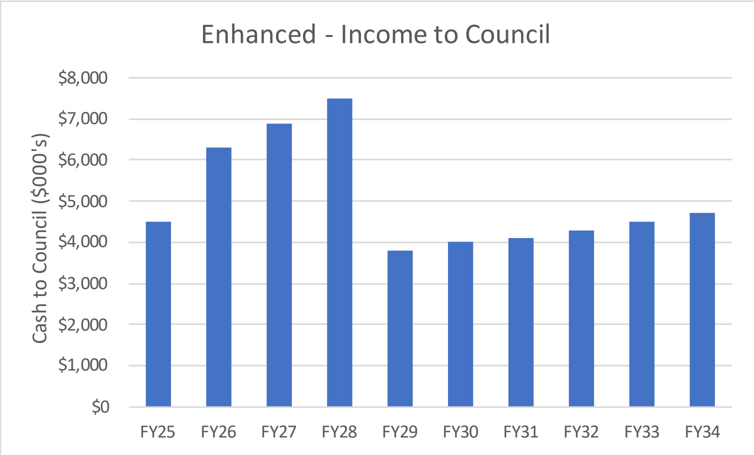
How will this impact your rates?

2024/25	2025/26	2026/27
No impact	+ 0.79% + $23.26 average rates increase per rateable property Total $ cost to ratepayers = $700,000	+ 0.90% + $26.58 average rates increase per rateable property Total $ cost to ratepayers = $800,000

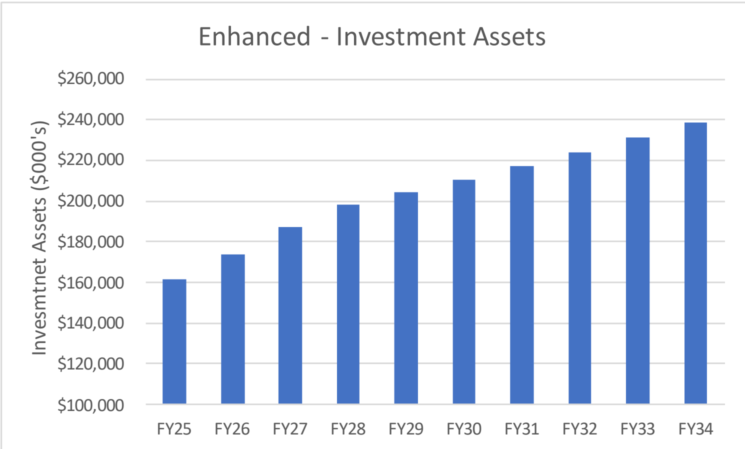
Option 2 – Manage the investment portfolio within Council.
Under this option, the investment portfolio would be managed by Council staff whose roles would be dedicated to this purpose. Their focus would be on making commercial returns, although the investment approach would be more passive.

The likely returns will be higher than option 3 below, the status quo, given the focus on increased returns. They would not be as high as Option 1 due to conflicting objectives such as social and wellbeing objectives.

The advantages of this option are reduced costs in managing the investment portfolio, through using Council staff and our Audit & Risk Committee. The modelled returns assume all income generated is spent in the year it is gained.



What does this graph show?
Conservative estimates of the income earned by property and cash assets if they were managed by Council staff. Council actively continues development activity with other sites and sources new ones for development.
Income rises steadily at first, then drops from 2029 as development and sale of Parklands sections are completed.



What does this graph show?
Conservative estimates of the value of property and cash assets if they were managed by Council staff. Growth follows a similar path to option 1.

How will this impact your rates?

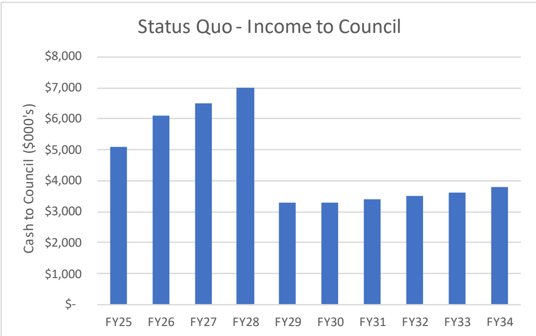
	2025/26 - 0.23% - $6.64 average rates decrease per rateable property Total $ **benefit** to ratepayers = $200,000	2026/27 - 0.45% - $13.29 average rates decrease per rateable property Total $ **benefit** to ratepayers = $400,000

Option 3 – Status Quo: Council investment assets continue to be managed without prioritising financial performance and asset growth.

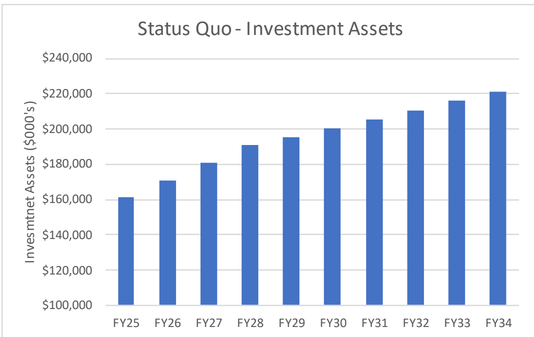
Currently, Council investment assets are managed across the organisation by the team most closely related to the function of that asset. For example, leasehold property is managed by the team that looks after Council buildings that are held for either social or investment reasons. Parklands development is led by our infrastructure team. This approach to asset management has ensured that we've achieved our delivery objectives, but there has been no focus on the investment income to Council. Each investment asset is therefore managed in isolation at present.

Most Council assets are held where there is a social, economic, environmental, or cultural benefit to Napier. Earning a financial return on our investment assets has never been our main objective. There is little risk management currently applied in terms of building financial resilience by diversifying the asset types. In some cases, assets have been sold to reduce the impact on current rates, with no reinvestment of the proceeds to help reduce future rates increases. This includes the earlier stages of the Parklands development.

The constant sale of investment assets to fund operating costs is not sustainable and denies our future ratepayers the benefit that these assets could provide. Ultimately, it means rates will become more expensive as time goes on. There is no financial advantage to keeping with the status quo. The modelled returns assume all income generated is spent in the year it is gained.



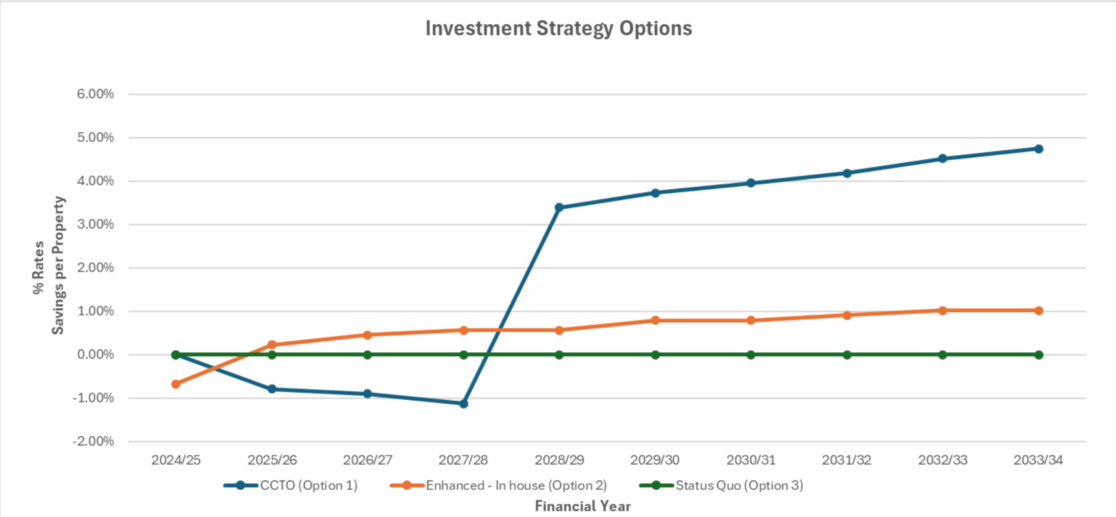
What does this graph show?
Conservative estimates of the income earned by property and cash assets if they were managed as they currently are.
Income rises significantly at first, then drops from 2029 as development and sale of Parklands sections are completed.



What does this graph show?
Conservative estimates of the value of property and cash assets if they were managed by Council staff. Growth is steady but the value of the assets is much lower.

How will this impact your rates?
No change in rates in any years of the Three-Year Plan.

Rates savings for each investment strategy option
What does this graph show?
The percentage of rates saved per property over the next ten years, according to each of the three proposed options.



Reviewing our fees and charges

We have reviewed the fees and charges of all Council user-paid services for 2024/25. We do this each year to ensure we are recovering some operating costs through user pays. The standard increases are in line with the Consumer Price Index (CPI).

As outlined earlier in this document, we are facing increasing financial pressure from external challenges, such as rising costs, and internal challenges, such as the need to fund the repair of ageing infrastructure. We are therefore proposing increases that are greater than the CPI for some of our facilities and activities. This will help to ease this financial pressure and contribute to lower rates increases and Council's overall financial sustainability.

Option 1: Increase some fees and charges beyond the CPI increase of 5.6% (Preferred)
Under this option, fees and charges will increase by a base 5.6%, in line with the Consumer Price Index.

We are proposing increases beyond this to parking fees. The proposed increase in parking fees will cover operating costs of the parking activity. Any surplus would go into our Parking Reserves Fund to potentially be used for projects related to redeveloping or improving city streetscapes.

Prices will also increase at a greater rate for Napier Conferences & Events, Ocean Spa, and Kennedy Park Resort. This is because these facilities will move to a commercial operating model from 1 July 2024, with recovery of all operating costs through fees and charges. Any changes to fees and charges at these facilities will have no impact on rates because we are proposing to support these facilities with loan funding from 1 July. See page 23 for more details on the loan funding proposal. You can also read more about the move to commercialise these facilities on page 27.

Details on the full schedule of proposed fees and charges for 2024/25 are in the supporting documents section on page 36.

How will this impact your rates?
For all years of the Three-Year Plan
- 1.10%
- $32.25 average rates decrease per rateable property
Total $ **benefit** to ratepayers = $970,542

Option 2: Status quo – adjust fees and charges in line with the CPI increase of 5.6%
Under this option, fees and charges would increase by the base 5.6% only, without additional increases to some. As an example, we would not further increase parking fees beyond 5.6%.

With only a base increase to parking fees, there would not be sufficient funds that could potentially be used for projects related to redeveloping or beautifying city streetscapes.

More generally, this would result in less cost recovery and therefore rates would increase further. Affected services and activities would be limited in their ability to improve and broaden their levels of service.

How will this impact your rates?
For all years of the Three-Year Plan
+ 0.31%
+ $9.13 average rates increase per rateable property
Total $ cost to ratepayers = $274,779

A change to how we fund some tourist facilities

In 2023, we carried out an independent review of our business and tourism facilities to see if any could operate without rates funding. The aim of this review was to improve our financial sustainability.

At the end of the review, Council supported the approach of transforming three of our facilities into Council-owned commercial businesses from 1 July 2024, with the objective of being financially self-sustainable. These facilities are Napier Conferences & Events, Ocean Spa and Kennedy Park Resort. You can read more about this review on page 27.

Until these three facilities reach the point of being self-sufficient, they will continue to operate as loss-making businesses. Currently we fund this loss through rates. Continuing to fund the losses this way is not financially sustainable and will potentially result in bigger rates increases over time, as costs increase.

Until they can financially break even, we need to support these three facilities in a way that doesn't impact rates.

Option 1: Loan-fund the deficits (losses) of the three facilities that will become commercial businesses (Napier Conferences & Events, Ocean Spa, Kennedy Park Resort). (Preferred)

Currently, these facilities are partly supported by rates funding. Even after they move to commercial operations from 1 July 2024, it will take some time for them to become financially self-sufficient. To reduce pressure on ratepayers, we are proposing to loan-fund the operating shortfalls of these facilities until they are financially self-sufficient. The loan funding would be for a maximum of three years.

This is our preferred option because it takes pressure off our ratepayers through not having to fund the losses with rates.

This will impact future rates increases as we need to repay the loans. However, the impact on rates increases would not be as much as if the deficits weren't loan funded.

How will this impact your rates?
No change in rates in any years of the Three-Year Plan.

Option 2: Status quo: continue to fund the deficits (losses) of these facilities with rates.
Under this option, Napier Conferences & Events, Ocean Spa and Kennedy Park Resort would transition into commercial businesses, but we would continue to fund the deficits of these facilities using rates. Funding the deficits this way would continue until the facilities are financially self-sufficient.

Rates will potentially increase even more in future to continue funding the rising operating costs of these facilities.

There could also be potential drops in levels of service because we might not be able to carry out maintenance and upgrades as often as needed.

How will this impact your rates?

2024/25	2025/26	2026/27
+ 3.62% + $106.47 average rates increase per rateable property Total $ cost to ratepayers = $3.2 million	+ 2.86% + $84.04 average rates increase per rateable property Total $ cost to ratepayers = $2.52 million	+ 1.76% + $51.80 average rates increase per rateable property Total $ cost to ratepayers = $1.55 million

Spaces and Places
He Wāhi Tau

Napier City Council office accommodation

Our 'back-office' staff have worked from several buildings in town since the old Civic building and Library Tower on Station Street were vacated in 2017 due to safety concerns with their structures.

The Library Tower is owned by Council, and we have been thinking about whether our staff could move back to that site – either into a new building, or after strengthening and refurbishing the existing building.

Having staff working in several buildings is operationally inefficient. It has separated different teams, making it harder for them to work together and communicate. It has also increased costs through having to pay rent to landlords.

We have looked carefully at the pros and cons of all options, including demolishing and rebuilding, selling the building to a developer to strengthen and refurbish and then leasing back the building, or redeveloping it ourselves.

Our analysis of the options shows that demolishing and constructing a new building is likely to take longer than a redevelopment. There is the risk of project delays, for example for unforeseen ground conditions, material procurement delays, or weather disruption. It is also not the best option from an environmental sustainability point of view. Therefore, we have decided not to consider this as one of our options.

Option 1: Council strengthens and redevelops the Library Tower for its staff (Preferred)
Under this option, we would use the same architects and consultants that are currently working on Te Aka, the new library project. We believe this is the best option because developing the two projects under one construction contract would save time and money. It means we could take advantage of our existing working relationships with the Te Aka architects and consultants, helping us to maximise the best outcomes for both developments. We could redevelop the building and the surrounding area exactly to our needs and we would continue to have long-term ownership of the site and building.

Being based in one building next to the new library, customer service centre and councillor meeting space makes sense. It will allow our staff to work with each other more easily by providing quick and easy access to other parts of the organisation. They would be in a safe and modern working environment.

Under this option, it is likely that the building will be ready to reoccupy in 2027.

You can read more about this proposal in the supporting documents section on page 36.

How will this impact your rates?

2024/25 + 0.17% + $5.03 average rates increase per rateable property Total $ cost to ratepayers = $151,387	2025/26 + 1.15% + $33.92 average rates increase per rateable property Total $ cost to ratepayers = $1.02 Million	2026/27 + 2.84% + $83.53 average rates increase per rateable property Total $ cost to ratepayers = $2.51 Million

Option 2: Sell the Library Tower to a developer and lease back the building for Council staff.
Under this option, Council would reoccupy the building through a lease, after it had been strengthened and refurbished by its new owner.

This reduces the cost for the first few years, but the long-term cost is greater because we would have to pay a premium market rental rate. This option would still provide our staff with a safe and modern working environment, but it means we couldn’t redevelop the building and surrounding area exactly to our needs. Selling the building would provide us with money up front, but we would lose a valuable property asset.

As with Option 1, being based in one building next to the new library, customer service centre and councillor meeting space makes sense. It will allow our staff to work with each other more easily by providing quick and easy access to other parts of the organisation. They would be in a safe and modern working environment.

Under this option, the building would be ready to be reoccupied at a time later than Option 1.

How will this impact your rates?

2024/25	2025/26	2026/27
+ 0.1% + $3.06 average rates increase per rateable property Total $ cost to ratepayers = $92,048	- 2.86% - $84.11 average rates decrease per rateable property Total $ **benefit** to ratepayers = $2.53 Million	+ 0.82% + $24.09 average rates increase per rateable property Total $ cost to ratepayers = $724,885

Napier's new library

Te Aka is the name of the project that is delivering a new library and meeting space for our community and councillors. This area will also be the new base for our customer service centre. The new buildings and outdoor area will be in the block bound by Hastings, Station and Dalton Streets.

This is a rare opportunity to design a space that will celebrate our cultural values and unique history. It will be a community gathering place for ceremonial events and celebrations that acknowledges Napier's history and diverse cultures.

From the beginning of the project, we've worked in partnership with mana whenua to co-design the new building and its surroundings. The design will reflect what is unique about our place and people, and the stories that are important to the whenua (land).

We are currently developing the designs for the new library and councillor meeting space. We have set aside $58 million to complete the project.

At the same time, we're developing designs for the outdoor space next to the new library, as well as the wider area and the lane between the new facility and the District Court. It will be a high-quality civic space that all residents can be proud of, supporting small and large events. We have set aside an additional $7.5 million to develop the outdoor area.

The design of the outdoor space will allow library activities to extend beyond the new building, such as for children's story time. The area will provide for cafe dining, waiting spaces for buses, e-bike charging stations and shaded seating for people to enjoy the outdoors all year. New pathways and laneways will be built throughout the area and ground level changes will be made to create safe and fully accessible pedestrian flows. There will also be plantings throughout the site.

The New Zealand Green Building Council runs a sustainability rating system for commercial buildings known as Green Star ratings. We're targeting a Green Star Level 5 rating. This represents excellence and best practice in sustainable design and construction.

This project is now well underway after previous consultation with the community. Therefore, we are not seeking community feedback specifically on the library project.

We anticipate that Council will approve the detailed designs in late 2024 and we aim to start construction towards the end of 2025. Further details on the project can be found at napier.govt.nz, using the keyword search #TeAka.

2023 business and tourism facilities review

Our tourism facilities are a key aspect to Napier being a great destination for visitors and a city that provides inviting spaces and places for residents.

In 2023 we carried out an independent review of some of our business and tourism facilities to see if any could operate as commercial businesses. This is important to know because the income we make from business activities can help to reduce rates increases. The intended outcome of this review was to improve our financial sustainability.

The facilities reviewed were Napier Conferences & Events, Kennedy Park Resort, McLean Park, National Aquarium of New Zealand, Bay Skate, Napier isite, Par 2 Mini Golf, Ocean Spa, Napier Municipal Theatre and Napier Aquatic Centre.

As a result of the review, the facilities were placed into three groups – ‘commercial’, ‘reimagined’ and ‘community’. We have different plans for each of the groups.

Commercial facilities

Facilities in this group will be enabled to successfully operate as Council-owned commercial businesses within two to three years. The aim is to eventually not need rates or loan funding. Each facility will have strategic plans and business cases developed to support the new approach. We will update the facilities’ funding policies to recognise that they will operate commercially from 1 July 2024. For more details, see our separate Revenue & Financing consultation on sayitnapier.nz or view the proposal at our Customer Service Centre, 215 Hastings Street.

Fees and charges for these facilities will be reviewed to reflect their new commercial approach. This is likely to mean increases to fees and charges.

We are proposing to loan-fund the deficits (losses) of Napier Conferences & Events, Ocean Spa and Kennedy Park Resort. Read more about this on page 23 and have your say on our proposed options.

Napier Conferences & Events

Napier Conferences & Events operates from the Napier War Memorial Centre. The Napier War Memorial building was built as a facility for the community to commemorate and pay respect to war veterans. This purpose is protected by law and will remain unchanged. When we move Napier Conferences & Events into a commercial business, we will ensure there is no negative impact to the original and legal purpose of the Napier War Memorial.

Ocean Spa

There is good potential for Ocean Spa to be profitable, but some parts of the facility are ageing. This will be considered as we move Ocean Spa into a commercial business operation.

Kennedy Park Resort
Kennedy Park Resort is well known and has good potential to be operated as a commercial business. We will take a close look at the future development of the park, and how to improve the facility's operations as we move it to a commercial focus.

Par 2 Mini Golf

Par 2 Mini Golf delivers good financial outcomes and currently does not require rates support. We would like to explore new ideas so its financial performance could be further improved.

What about the other Council-owned facilities?

Facilities to be 'reimagined'

The following facilities need more thought on how they will operate in future. This could mean changing their location or services and activities. After considering all other options, it could mean closure as a last resort. Any change to the status quo, including closure, would involve further business cases, Council decisions, and staff and community consultation.

National Aquarium of New Zealand
In the 2021-31 Long Term Plan consultation, we said we needed to consider the long-term viability of the National Aquarium of New Zealand. Our aquarium is a significant tourist attraction for the region and supports several of our strategic priorities. However, the building is in poor condition. It needs significant work to maintain a viable and engaging visitor experience, with appropriate conditions for the animals, staff and visitors. Operating and capital costs will continue to rise, and it is not sustainable for our ratepayers to continue to part-fund these. The status quo is not a realistic long-term option.

The facility's reimagined future could include various options. Examples are reimagining the National Aquarium's activities to make it financially sustainable, such as investigating biodiversity tourism opportunities. A last resort could be closure and adapting the building for another tourism activity(s) or dismantling the building.

Part of the reimagine process would look at different models of operations, such as private/public partnerships, that ensure the activity would break even financially, with little or no rates impact.

We will soon begin working on options and budgets for a reimagined facility. When we have some suitable alternatives ready, we will consult with the community on these. In the meantime, we are keeping capital expenditure on the building to a minimum over the next three years. We have money set aside for repairs and basic maintenance to keep the building safe and operational until 2027.

Napier isite

We see the benefits of having an isite visitor information centre in Napier for our community and visitors, but we need to think of ways to make it financially sustainable and explore options to improve the activity. We will consider options and budgets for a reimagined isite from 2024/25. While the activity of the isite will continue, it might not be in the same location.

The isite had extensive remedial building works carried out in 2022 and 2023, which has extended the life expectancy of the facility for a further 15 to 20 years. When we have some alternative options ready, we will consult with the community on these. In the meantime, we are keeping capital expenditure to a minimum over the next three years.

McLean Park.

Before the 2023 facilities review began, we were working on a strategy for McLean Park to ensure its activities meet the needs of Napier and Hawke's Bay. We paused the strategy's development while the facilities review was taking place.

The review showed that reimagining McLean Park's activities should be considered. To address this, we have restarted work on the McLean Park Strategy. Once the strategy is finalised, it will be used to help with decision-making as we develop the Park and future options for this facility.

Community facilities

The following facilities will focus on continuous improvement and increasing their income but will still be partly ratepayer funded. Fees and charges will be reviewed for all in this group. They will focus on being facilities for the community that help us become a great visitor destination and fulfil our vision of *enabling places and spaces where everybody wants to be.*

Napier Aquatic Centre

We have started a $4 million project for essential maintenance on the facility's buildings. This will keep Napier Aquatic Centre operating for another ten years. We are budgeting some funding in our Three-Year Plan to understand what Napier needs in a future aquatic centre. We are also setting aside a budget of $75 million to develop a new aquatic centre starting in four years' time, which is outside the scope of this Three-Year Plan. Getting started on the plans, location, timing and funding options will not be considered for at least four years.

Municipal Theatre and Bay Skate

We have established an Arts, Culture and Heritage business unit, of which the Municipal Theatre and Bay Skate will be part. This new business unit will help us lift the status of arts, culture, and heritage in Napier, and be a great visitor destination. The new unit will also include MTG Hawke's Bay, Napier Libraries, and the Faraday Museum of Technology, which weren't part of the 2023 facilities review.

Revitalisation of Emerson Street

It has been over thirty years since Emerson Street was last invested in as one of New Zealand's first pedestrian-friendly streets.

In 2023 we asked the community for feedback on how they would like to see our prime shopping street look and function in the future. This includes all of Emerson Street from Clive and Memorial Squares down to Marine Parade, as well as Market Street.

The vision for Emerson Street is to be a vibrant city centre destination that communicates the identity and culture of Napier. This includes putting pedestrians first and having the flexibility to provide for a range of everyday needs and celebratory events. The inclusive design will consider both locals and visitors, providing easy-to-access and social places for all.

The project will signal to our community, the commercial sector, and visitors that Napier is vibrant, safe and forward-moving. There are examples across New Zealand that show these types of improvements will attract more investors and entrepreneurs and over time, positively affect real estate valuations.

The western gateway of Clive and Memorials Squares, and the eastern gateway of Marine Parade are bookends to our city centre. These places can be vibrant front doors to the city, better suited for community gatherings, festivals and markets.

We are working through the design for the entire street this year and will carry out the construction in four stages over the next three years, subject to funding. This will ensure there is one consistent vision and level of investment for the whole street, while spreading the cost over time and reducing disruption to people using Emerson Street.

We have government funding of $1.65 million for this project. It will pay for community engagement, the concept design of the entire street, and the detailed design of stage 1 (between Clive and Memorial Squares). Stage 1 construction will be paid for with the remainder of this government funding and will be tailored to this budget. Our intention is to begin Stage 1 construction in the second half of 2024.

More information on the project can be found at napier.govt.nz using the keyword search #emersonst.

Changes to earlier plans

Faraday Museum of Technology

In our 2021-31 Long Term Plan consultation, we told the community that we were considering our future involvement with the Faraday Museum of Technology. At this time, we are preparing a business case to analyse the various options to ensure the best path forward. One potential option involved purchasing and improving the museum building. After a thorough evaluation, we decided not to pursue this option now, as the building needs a significant upgrade. Through a reimagining process, we will consider several options ranging from the status quo to operating the Faraday Museum from a different location or changing its activities or operating model. See page 27 for more details on our facilities review.

The future of Te Pihinga

In our 2021-31 Long Term Plan consultation, we asked the community whether they wanted us to continue with the development of a community centre for Maraenui, known as Te Pihinga. Our preferred option at that time was to start this work from 2023 to 2025. Since then, we've had a large amount of recovery work due to Cyclone Gabrielle, and other competing priorities, so this work did not start last year as planned. Te Pihinga will now form part of a wider review of all our community halls that will start in 2025/26.

Ahuriri Regional Park development

In our 2021-31 Long Term Plan consultation, we asked the community whether they wanted us to invest $12.5 million into the development of Ahuriri Regional Park from around 2026/27, with Hawke's Bay Regional Council doing the same. Other priorities have come up for both councils since then, so the funding has been removed from this plan. Both Councils will allocate funding for the Regional Park's development from the 2028/29 financial year onwards. In the meantime, we will continue with planned stormwater quality improvements, which will result in better water quality for Te Whanganui a Orotu.

Finance and Infrastructure Strategy key issues

We have prepared a combined Financial and Infrastructure Strategy (F&IS) to satisfy the requirements of the Local Government Act 2002 and the Severe Weather Emergency Recovery (Local Government Act 2002—Long-term Plan) Order 2023. The purpose of the joint strategy is to set out the key infrastructural and financial considerations and challenges that need to be overcome to meet our short and long-term strategic objectives.

The financial aspects of the strategy include our intended levels of service over the next ten years, our limit on rates increases and borrowing and an assessment of our ability to maintain levels of service and meet additional demands within rates and borrowing limits. The strategy also specifies Council's policy on giving securities for our borrowing, and what we're trying to achieve in holding and managing any investments and equity securities.

The infrastructure section of the strategy outlines significant infrastructure issues faced by Council, and the main options and their implications for managing those issues. It contains a description of the major capital projects that Council is proposing or implementing, including cyclone recovery projects. It describes the likely funding options for those major projects and the implications of those options for rates and debt.

Our current financial position

We're starting off this Three-Year Plan in a relatively strong financial position. We have a very low level of external debt in comparison to other councils across the country. Due to the work ahead of us, that needs to change and we're anticipating finishing the 10-year period covered by this strategy facing quite a different reality.

A new approach to managing our finances

Napier's historically low rates restricted our ability to deliver everything our community needed. This historical approach has come at a cost to the condition and performance of our physical assets. We are therefore proposing to shift away from consistently low rates increases. Instead, we're proposing the necessary rates increases, along with strategic borrowing, so we can balance our budget. A balanced budget means our income meets our budgeted operating expenses.

Over the next three years, we're planning for a $354 million infrastructure investment. Our projects for this Three-Year Plan have been prioritised carefully so our budget is manageable, and our work programme can be realistically delivered in the time we said it would take. We have prioritised projects that fall into one or more of these categories: statutory, contracted, recovery, externally funded. Projects outside of these categories have been included where they are considered necessary to achieve our desired community outcomes (see page 4).

The proposed strategy is focused on maintaining existing levels of service. There is no intention to significantly change our levels of service over the next three years, as this would increase our operational and capital expenses. However, if we are consistently faced with escalating costs, we might need to look at reducing levels of service.

Balanced budget benchmark

What does this graph show?

Operating income versus operating expenditure over ten years. It demonstrates the years when our income will be more than our expenditure. The only year we don't have a balanced budget is 2024/25.

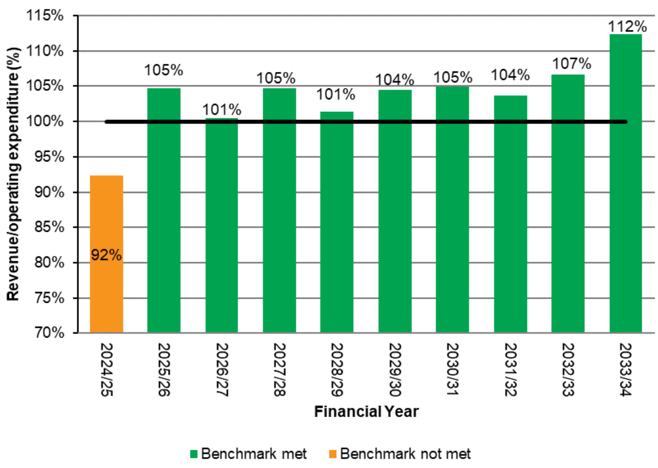


Table of rates impacts on consultation items for every year of the Three-Year Plan

Consultation item	Options	Rates impacts Year 1	Rates impacts Year 2	Rates impacts Year 3
Housing	**Mixed delivery model (preferred)**	**0.4%**	**0.4%**	**0.5%**
	Status Quo	0.4%	0.7%	0.7%
Resilience Rate	**Keep rate (preferred)**	**2.45%**	**2.52%**	**2.57%**
	Don’t keep rate	0.41%	0.44%	0.47%
Investment Portfolio using CCTO	**Manage portfolio with CCTO (preferred)**	**0.00%**	**0.79%**	**0.90%**
	Manage portfolio internally	0.68%	-0.23%	-0.45%
	No changes	0.00%	0.00%	0.00%
Fees and charges	**Increase beyond 5.6% CPI (preferred)**	**-1.10%**	**-1.10%**	**-1.10%**
	Increase in line with 5.6% CPI	0.31%	0.31%	0.31%
Commercial Facilities	**Loan fund losses (preferred)**	**0.00%**	**0.00%**	**0.00%**
	Status Quo – rate fund losses	3.62%	2.86%	1.76%
Officer Accommodation	**Strengthen and refurbish building ourselves (preferred)**	**0.17%**	**1.15%**	**2.84%**
	Sell building and lease back	0.10%	-2.86%	0.82%

Example of proposed rates for 2024/25

Examples of Rates for 2024/25

Examples of the impact of rating for 2023/24 are shown in the following table:

Differential Category	Land Value	Capital Value	Rates 2023-24	Rates 2024-25	Change $	Weekly Change $	Change %
Residential							
Average Value & Land Value	380,000	785,000	2,992	3,642	650	12.50	21.7%
Average Value - above average LV movement	450,000	785,000	3,099	4,031	931	17.91	30.0%
Low Value residential	220,000	495,000	2,210	2,819	609	11.71	27.5%
Parklands Residential	460,000	1,040,000	3,158	4,092	934	17.96	29.6%
Te Awa Residential	345,000	860,000	2,995	3,510	515	9.90	17.2%
Bay View Residential	370,000	570,000	2,920	3,523	602	11.59	20.6%
Ex Rural Residential (City fringe)	870,000	1,390,000	4,794	6,065	1,271	24.44	26.5%
Commercial / Industrial							
Other Commercial Average	1,126,000	2,155,000	13,775	17,453	3,678	70.74	26.7%
CBD Average	771,000	1,463,000	11,318	14,383	3,065	58.95	27.1%
Industrial Average	936,000	1,774,000	13,012	14,131	1,119	21.52	8.6%
Bay View Average Commercial	473,500	855,500	6,980	7,556	576	11.09	8.3%
Rural Average Commercial	457,200	1,610,600	7,031	7,446	415	7.98	5.9%
Rural							
Average Rural	1,832,800	2,320,400	7,147	7,991	844	16.24	11.8%
Rural Residential							
Bay View Average	375,400	782,700	2,801	3,008	208	4.00	7.4%
Other Rural Residential in Stormwater area	457,500	875,900	2,815	3,070	255	4.90	9.1%
Other Rural Residential outside Stormwater area	457,500	875,900	2,505	2,811	307	5.90	12.2%

The three -yearly revaluation for the city for rating purposes was undertaken in 2023 and those new valuations apply as the basis for setting the rates for 2024-25

The rating examples should be read having regard for the following:

Council’s total rates revenue for 2024/25, excluding rate penalties and water-by-meter charges, will increase by 23.7%

As property values directly affect the level of general and targeted rates charged on either land 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 overall increase for individual properties.

Where we are now: financial and infrastructure ‘health’

- Current external debt: $10 million (as at 30 June 2023)
- Projected debt as at 30 June 2034 $340 million.
- Capital plan of $1.13 billion over 10 years.

What is infrastructure?

Infrastructure is the system of physical assets that supports our daily lives.

- Roads and footpaths
- Three waters (water supply, wastewater and stormwater)
- Parks, reserves, and sportsgrounds
- Public buildings and facilities
- Rubbish and recycling

Key issues

Affordability and fairness across Napier’s generations

We need to balance rates affordability against the need to take good care of assets like roads and reservoirs. We have a lot of work to do to modernise and futureproof our ageing physical assets and improve our resilience against natural disasters. Our community also expects to see continual improvement of services because of regular rates increases. The cost of major asset upgrades must be spread across the generations who will benefit from them.

This Three-Year Plan proposes a significant rates increase in 2024/25 of up to 23.7% and steady increases over the next ten years. We’re also planning to borrow to make sure we can deliver projects when they are needed. We will regularly look at our levels of service to ensure what we’re focusing on lines up with what the community expects and is willing to pay for.

Ageing assets

Many of Napier’s physical assets are over 50% through their useful life. This means their reliability is now less predictable and more frequent maintenance is needed. Additionally, our population is increasing so we are outgrowing our infrastructure. More infrastructure will be needed, meaning we need to ensure we have the funds to do this. We plan our maintenance and improvements according to the best information we have about our assets, but we know there are gaps. Those information gaps make it harder to maintain or replace assets before they fail. We’ll consider the condition of assets, so we know what to prioritise for maintenance and upgrades, while still maintaining day-to-day operations and reacting to unanticipated failures.

Cyclone recovery

Cyclone Gabrielle means we’re still facing unanticipated costs and challenges to fix or replace lost assets, such as bridges. We also need to adapt important physical assets, such as our Wastewater Treatment Plant, so they are protected against failure in future events. We will plan and prepare for future resilience and make targeted improvements where most needed. This will allow us to take care of the most urgent needs, while preparing for well-researched, long-term resilience planning. The cyclone showed us that we need to act now. Having important physical assets out of action for a long time had serious negative impacts on our community.

Preparing for climate change and natural hazards

With land increasingly at risk from erosion and coastal inundation, we must strengthen existing structures and ensure new developments can withstand the tests of weather and time. Sustainable land use and comprehensive water management will help to prevent issues before they arise. Improving our readiness for emergencies is vital for our safety. By proactively tackling these risks, Napier can ensure a sustainable and resilient future for its residents and businesses.

We'll prioritise actions that can make a big difference now, without overwhelming our budget. This will allow us to take care of immediate concerns effectively while planning for broader improvements as funds allow. It's a practical step forward, demonstrating our commitment to keeping Napier safe and sustainable, ensuring we do what's necessary today to protect our community tomorrow.

Significant infrastructure projects over next 10 years

What does this table show?

Major projects related to our infrastructure (physical assets), their cost and approximate timing when they will be undertaken.

	2024	2026	2028	2030	2032	2034
Redclyffe Bridge replacement (part Govt. funded and shared with HBRC)	$52.5M					
Roading renewals (51% Waka Kotahi)	$115.6M					
CBD/Emerson St revitalization	$10.5M					
Local traffic safety plans (51% Waka Kotahi)	$7.2M					
Mataruahou reservoir	$4.7M					
Improved water treatment	~$8.8M					
New Mission reservoir (developer contributions)	$10.5M					
Pipe renewals	$13.8M					
Lagoon farm diversion and storage	$26.4M					
Bayview stormwater culvert upgrades		$3.5M				
Maraenui stormwater trunks project (10% IAF funded)	$3.7M					
2020 flood alleviation projects				$9.4M		
Whitmore Park flood alleviation				$7.6M		
Wastewater Treatment Plant storage	$6.2M					
Treatment upgrade at Wastewater Treatment Plant			$3.7M			
Pipe renewals and relining	$25.3M					
Ahuriri Regional Park (shared funding with HBRC)			$13.2M			
Onekawa Park			$1.2M			
McLean Park returf			$6.5M			
Napier Aquatic Centre			$75M			
Retirement housing	$5M+					
Extending cemetery capacity	$4.4M					
Omarunui landfill development	$21.6M					
Food scraps kerbside collection		$540,000				
Te Aka Design & Build	$67.5M					
Accommodation Tower	$45M					
Iron Pot Upgrade	$8.7M					
Waka Hub (IAF Funded)	$3.4M					
Meeanee Quay pier replacement + facilities upgrade	$2.8M					
	2024	2026	2028	2030	2032	2034

Supporting documents

All documents below will be available on sayitnapier.nz from 25 March 2024.

Government reforms
Local Water Done Well – dia.govt.nz/Water-Services-Policy-and-Legislation

The future of Council housing in Napier
2024 Housing Review

A new organisation and approach to managing Council's Investments.

- Report from the Office of the Auditor General – *Governance and Accountability of CCOs: oag.parliament.nz/2015/cco-governance/docs/cco-governance.pdf*
- Prosperous Napier Committee Paper 8 February 2024 "Investment Strategy Next Steps"

Fees & Charges schedule

Napier City Council Office Accommodation
Due diligence report of civic accommodation business case

Napier's new library
napier.govt.nz keyword search #teaka

A Facelift for Emerson Street
napier.govt.nz keyword search #emersonst

Draft Financial & Infrastructure Strategy

Rates Postponement Policy

Liability Management

Rates Remission

Remission & Postponement of Rates on Māori Freehold Land

Rates Policy

Financial information

A note about the independent auditor's report

Due to the disruption caused by Cyclone Gabrielle, the Government changed the legislated requirement for NCC to produce a Long Term Plan with a ten-year horizon. The Government has instead enabled NCC to produce an unaudited, three-year plan for 2024-2027. This change is an acknowledgement of the effects Cyclone Gabrielle has had on our resources and ability to deliver previously planned projects.

Other consultations

We are running three other consultations at the same time as our Three-Year Plan consultation. We want to know what you think about these too. Go to sayitnapier.nz to have your say or pick up the consultation information from our Customer Service Centre, 215 Hastings Street, Napier.

Significance & Engagement Policy

Our Significance and Engagement Policy outlines how and when the community can expect to be involved in our decision-making processes. It lets the Council and the community identify the degree of significance attached to issues, proposals, assets, decisions and activities. We have proposed some amendments to this policy.

Revenue and Financing Policy

The Revenue and Financing Policy outlines our general policies on how we fund our operating and capital expenditure. We are proposing to make some changes to how certain services and activities are funded.

Financial Contributions Policy

The Financial Contributions Policy sets out the contributions required from property developers to help fund the cost of new infrastructure in the city. We are proposing changes to the policy to provide more clarity and align wording with what is used in the proposed District Plan.