

**OUR PLAN  
YOUR SAY**

CONSULTATION DOCUMENT

# Annual Plan

(Incorporating Development Contributions Policy and Amendment to Revenue and Financing Policy)

# 2020/2021

## FROM THE MAYOR

We are proud, as the Mayor and Chief Executive of Hastings District Council, to present this year's Annual Plan. There's no denying that the COVID-19 pandemic has been a testing time for everyone, introducing challenges none of us expected. We have worked hard to present a budget which we hope finds the right balance in this unprecedented situation.

Together with our staff and Councillors, we are looking forward to rising from this period as a community, while as a Council supporting you all through the next year and delivering our core work and projects.

### SUPPORT

Assisting our people through these difficult times is front of our minds. We want to assure you that the Council has a robust pandemic plan, particularly for the continuation of critical services. We have a team dedicated to looking at and responding to this changing environment and the ongoing impacts on Council activity and the community.

We are committed to a more proactive and lenient approach to rates payments. If you are a business owner or residential ratepayer experiencing difficulties making rate payments as a result of COVID-19 please contact us. We may be able to help you set up a suitable payment plan. Please contact the Rates Team on 06 871 5000.

## THE BUDGET – FINDING THE RIGHT BALANCE

Setting the budget for 2020/21 has been challenging. The Council has worked hard to set a level that is affordable for the community (less than previously forecast rate increases), whilst keeping our expected levels of service.

The Council considered a number of budget options including a zero % increase. The best overall balance was considered to be an overall rating revenue increase of 1.9% (excluding the new rubbish collection and recycling service which is explained further in this document).

### Key considerations in this decision include:

- Council playing a role in stimulating local economic activity – taking too much out of the capital work programme by reducing rates further would result in fewer jobs, infrastructure improvements and money in our local economy.
- Cutting expenditure too far to achieve a zero rates increase would likely only defer costs to the future.
- Retaining the ability to add local support initiatives alongside Government's financial package supporting businesses and employees
- A budget which includes a rates relief package to assist ratepayers having difficulty meeting rates payments due to COVID-19 .



To'osavili Nigel Bickle, Chief Executive, and Mayor Sandra Hazlehurst (right).

## THE WORK PROGRAMME

The Council's work programme, outlined on the next pages, will retain some flexibility to enable it to play a role in stimulating the local economy, boosting employment and assisting people where it's appropriate to do so. The number one priority remains the delivery of safe drinking water. Whilst some changes to the work programme are unexpected, this additional infrastructure means we will have full confidence in the safety and efficiency of the drinking water supply. Other areas of Council focus include increasing the vibrancy of the city centre, and delivery of efficient and effective core infrastructure.

Thank you for taking the time to read the consultation document on this year's Annual Plan. We are looking forward to your feedback.

## THE BUDGET

BUDGETED  
RATES REVENUE

BEFORE  
**4.4%**

NOW  
**1.9%**

### WHAT'S CHANGED?

The following is a high level of summary of the key budget changes. Additional costs in some areas have been offset by cost reductions which have reduced the budgeted rates revenue from 4.4% to 1.9% (excluding the new rubbish collection and recycling service which is explained further in this document). The focus has been on limiting any impacts on service levels to the community and avoiding the transfer of any costs to future years.

#### Extra Costs

- Additional funds for forecast COVID-19 impacts on Council business including loss of revenue;
- New initiatives as detailed inside (Food Hub, Cape Coast, Waipatu);
- Looking after more and better parks;
- Cost escalations within maintenance contracts for our roads and other core infrastructure;
- Public security improvements at some Council facilities.

#### Reduced Costs

- Reductions in operational costs including, personnel, training, travel and accommodation costs (\$1.8m);
- Operational efficiencies achieved within the drinking water activity, reducing the proposed increase in the targeted rate;
- Partial use of sale proceeds from Orchard Road depot sale – balance of proceeds placed in a contingency reserve.

## YOUR RATES

This Annual Plan represents Year Three of the 2018-2028 Long Term Plan.

| RATES FORECAST                                 | TOTAL DISTRICT | RATING AREA ONE | RATING AREA TWO |
|--|----------------|-----------------|-----------------|
| 2020/21 Draft Annual Plan—including water levy | 1.9%           | 2.2%            | 1.7%*           |

Note: This represents the overall increase in the budget (excluding refuse/recycling). Individual property impacts will vary from those above, particularly due to the district revaluation.

\*Rural properties connected to the Council water supply will also incur the \$20 increase in the water targeted rate.

## OTHER IMPACTS ON YOUR RATES:

### District Revaluation

- On the back page you will find details on the three-yearly district revaluation and the impact this can have on your rates.

### Rubbish collection and recycling service

- Please see inside for changes to how the rubbish collection and recycling service will be funded from 1 July 2020. While the service is a little different these costs are not new and have always been paid for by residents but mainly through the purchase of rubbish bags. The transfer in cost from the current user charge system to funding solely through rates accounts for an additional 3.6% of rate requirement. The impact of this change will be variable between properties and depend on your current arrangements for disposing of refuse. The table above excludes these costs for comparison purposes.

KEEPING YOU POSTED



## KEY INVESTMENT PROGRAMMES

### OUR ENVIRONMENT

#### WATER FOR OUR FUTURE

Continued rollout of the investment programme into safe drinking water remains a Council priority. A clearer understanding of requirements to provide safe drinking water, while also complying with drinking water standards has emerged as this programme has progressed. This has required financial amendments to account for site, geotechnical, and design considerations. Tender prices and scope adjustments, such as the inclusion of the Te Pöhue water supply and an alternative site for the Havelock North booster pump station, have also impacted the budget.

The forecast capital budget to complete the water investment programme is \$60.6M. Despite the increased capital cost the forecast increase in the targeted rate has been able to be adjusted downwards from \$50 to \$20 through finding operational savings. If required, future refinement to the water levy will be considered during the development of the 2021 Long Term Plan.

#### The focus for the coming year is:

- Small community drinking water upgrades (Esk Valley/Whirinaki, Waipātiki, Whakatū, Clive, Haumoana/ Te Awanga, Waimārama and Te Pöhue).
- Urban water supply upgrades (Frimley and Eastbourne) including water treatment and storage.



### OUR ECONOMY

#### ENJOYING OUR CITY CENTRE

The Long Term Plan includes a collection of projects that focus on changing the shape of our city centre, developing a cultural precinct and creating a people-focused environment.

#### The focus for the coming year is:

- Heretaunga Street 200 Block hospitality areas.
- Landmarks Square extension and improvements.
- Civic Square landscape improvements.
- Karamu Road Street upgrade (St Aubyn – Queen Street).
- Albert Square improvements.
- Southern Carpark/Railway Road gateway.
- Ongoing City Centre activations (art and light installations).



### OUR PEOPLE

#### UPGRADING OUR BRIDGES

The Long Term Plan's seven-year bridge strengthening programme responds to new rules of allowable dimensions and weight limits for vehicles on our roads.

#### The focus in the coming year is:

- Strengthening weight-restricted bridges identified in the prioritised programme previously set with the rural community.
- Key High Productivity Motor Vehicle (HPMV) route improvements connecting Havelock North with the State Highway network.



### OUR PEOPLE

#### RELAXING IN OUR RESERVES

Upgrades of parks and playgrounds continues within the District in 2020/21.

#### The focus for the coming year is:

- Upgrade of playground at Essex Crescent Reserve.
- Review Tainui Reserve Management Plan, and further track improvements as outlined in Council's Reserve Management Plans for Tainui, Tanner, Tauroa and Hikanui Reserves.
- Continued enhancement programme for Cape Coast and Waimārama.
- New toilet facilities for Te Awanga Reserve, Waimārama Domain and Landmarks Square.



### OUR PEOPLE

#### YOUTH & COMMUNITY

Our people sit at the heart of everything we do at Council. Efforts to foster success and improve the wellbeing of our communities is a key focus.

#### The focus for the coming year is:

- Supporting and navigating rangatahi into sustainable employment and developing the life skills of our young people.
- Continuation of the Youth Employment Pop-up which opened in the City Centre in 2019.
- Development of community plans for Raureka, Te Pöhue and Bridge Pā communities.



## NEW INITIATIVES IN THIS PLAN

### HAWKE'S BAY FOOD INNOVATION HUB

The 2020/21 Annual Plan includes proposed investment (not previously budgeted) toward the establishment and ongoing operation of a Hawke's Bay Food Innovation Hub. The Hub is projected to be a centre of excellence in food processing skills training, a place of sustainable food and beverage innovations, production and packaging and a centre of entrepreneurship in food business.

#### Key Points:

- The facility is expected to generate \$100 million of additional gross product over 10 years as well as more than 500 skilled jobs.
- The \$18 million project has attracted \$12 million of government funding.
- \$6 million is to come from regional investors (\$1 million from Hastings District Council).
- The balance of regional funding (\$5 million) along with attracting tenancies in the facility is being actively pursued.
- A Limited Partnership is proposed to be established which will have financial advantages for investors.
- The project has had representation from other Council's, iwi, Eastern Institute of Technology, Waikato University, Plant & Food Research and the business community.

### LOWES PIT

Funding allowance of \$2 million has been allocated to advance stormwater treatment solutions at Lowes Pit within the Ōmahu industrial zone. This fits with Council's strategic objective of minimising the impacts of urban stormwater on the environment.

### WAIPATU

Initial funding of \$500,000 has been allocated to advance solutions to transportation and stormwater issues in and around the Waipatu community.

### CAPE COAST

Funding of \$600,000 has been allocated to advance solutions for the ongoing erosion of 'Cape Corner' at the intersection of East, Beach and Clifton Roads. This is a vital connection for the local residents of East Haumoana, Te Awanga and Clifton, as well as the many visitors and tourists to the area.



## A NEW RUBBISH & RECYCLING COLLECTION SERVICE



### MAKING NEW CHOICES

Our community has spoken and we have listened. This is why you will see changes to your kerbside rubbish and recycling services this year.

As part of our joint (with Napier) Waste Management and Minimisation Plan we received over 6,500 submissions which told us clearly that we need to reduce the rubbish we send to landfill. Did you know that over 60% of our rubbish bin content currently going to the landfill could instead be composted or recycled?

We look forward to working with our community to help empower residents to cut down on what they put in their rubbish bins. We are asking you to make landfill your last choice.

To help us achieve our waste reduction objectives a new system of rubbish collection will be rolled out and funded from your rates (previously funded through rates and purchasing rubbish bags).

#### COVID-19 Impact on Rubbish and Recycling

COVID-19 has changed the way Council runs many of its services, including rubbish and recycling. The various requirements of Alert Levels 4 and 3 have delayed the start of our kerbside recycling service, and also limited what items we can currently collect and process. Council will be working with its contractors to restart the full recycling service as soon as possible while adhering to government requirements. For updates on the start dates for the new recycling and rubbish service, please check our website.

### COSTS AND IMPACTS

The charges for these services will form part of your rate account from 1 July 2020. The total cost being \$199 per annum (refuse collection \$129, recycling \$70).

This represents a cost transfer from the existing system to this new system. The impact on properties will depend on your current arrangements for disposing of rubbish. As an example, a household disposing 71 bags per year or 1.37 bags weekly (based on survey average disposal rates) is currently paying approximately \$230 annually (inclusive of the current targeted rates for refuse collection and recycling). The proposed targeted rates for 2020/21 total \$199 therefore a household under this scenario achieves a net saving.

We do understand that one solution may not fit everyone and these changes could provide challenges for some people. Moving forward we'll be looking at how we can provide an incentive and reward residents who only generate small volumes of waste. This could be in the way of a rebate or some form of pay per lift.

We will be working with local providers to help residents make use of the alternative options already available to them in respect of green waste.

#### Summary of service details are:

- Each property on the kerbside **recycling** collection service will receive three standard 45 litre crates for weekly recycling collection.
- Each property on the kerbside **rubbish** collection service will receive a 120 litre wheelie bin for weekly collection.
- Green waste will not be permitted in the wheelie bin – removing green waste from our rubbish and having it composted is important as is recycling to us.
- When the new refuse service is underway orange rubbish bags will no longer be collected from the kerbside. Rural residents can still dispose of orange rubbish bags for free at the transfer stations.

GOODBYE BAGS & BUCKETS

HELLO CRATES & WHEELIE BINS!

MAKE LANDFILL YOUR LAST CHOICE!

## AMENDMENT TO REVENUE AND FINANCING POLICY

Some refinement of the Revenue and Financing Policy in the Building and Resource consents area is proposed to better reflect the benefits and costs of providing these services. The proposal will see the charge-out rate for residential building consents increase from \$175 per hour to \$205 per hour and the introduction of a charge of \$225 per hour for commercial building consent processing. It is also proposed to increase the charge for resource consent processing to \$205 per hour. More information can be found at [www.myvoicemychoice.co.nz](http://www.myvoicemychoice.co.nz)

## WAIMĀRAMA SEAWALL

Property owners contributing to the targeted rate for the Waimārama Seawall will be contacted directly regarding future proposed works on the seawall and the funding of this work.

## IMPACT OF DISTRICT REVALUATION

Rating valuations are fit-for-purpose valuations carried out on all properties in New Zealand once every three years to help councils allocate rates. The district valuation for Hastings District was completed last year. All property owners will have received their valuation in November 2019.

### PROPERTY REVALUATIONS

Three-yearly property revaluations can change the share of rates that you pay however Council does not collect more rates overall from the revaluation.

**It's not something Council can control and revaluations do tend to even out over time.**

Whilst Council has managed to deliver an overall budget (excluding the change in refuse/recycling service) with an increase of 1.9% there will be some other impacts for property owners, both up and down.

### VIEW YOUR RATES ONLINE\*

You can now also view your indicative rates for the 2020/21 year (which includes the budget in this Annual Plan) on the Council website ([www.hastingsdc.govt.nz](http://www.hastingsdc.govt.nz)) by clicking on the rating database (under quick links). You can also contact the rates team on (06) 871 5000 or email [rates@hdc.govt.nz](mailto:rates@hdc.govt.nz)

### THE KEY IMPACTS ARE:

| PROPERTY TYPE AND LOCATION              | IMPACT OF REVALUATION TO YOUR RATES |
|---|-------------------------------------|
| <b>Wider Urban Area (Rating Area 1)</b> |                                     |
| Residential Flaxmere                    | 4 to 5% increase                    |
| Residential Hastings – Havelock North   | 1 to 2% decrease                    |
| Horticulture                            | 10 to 25% increase                  |
| CBD (Hastings and Havelock North)       | 8 to 14% decrease                   |
| Industrial                              | 26% increase                        |
| <b>Rural (Rating Area 2)</b>            |                                     |
| Coastal Residential                     | 0 to 4% decrease                    |
| Lifestyle / Horticulture / Farming      | 0 to 1% increase                    |
| Rural Commercial                        | 5% decrease                         |

\*Note: These will include the revised target rates for the rubbish and recycling services.

## Annual Plan process

May 9

FULL PLAN PUBLICALLY AVAILABLE

June 9

FEEDBACK CLOSES

June 25

COUNCIL ADOPTS FINAL ANNUAL PLAN FOR 2020/2021

The feedback period runs from May 9 to June 9 2020

## DEVELOPMENT CONTRIBUTIONS POLICY

Development contributions, paid by the developer, are a funding tool to enable Councils to recover a fair and equitable portion of the costs associated with the provision of infrastructure to support and service growth development.

Council is proposing to update its schedule of charges to reflect actual expenditure incurred to date, minor changes to the timing of proposed infrastructure works, and to reflect actual uptake rates in our ring-fenced industrial zones.

The proposed schedule of charges would take effect on any application received from July 1 2020. There have only been minor amendments to the schedule of charges. More information can be found in the policy document itself.

### HOW TO HAVE YOUR SAY

A copy of the Draft Annual Plan, Draft Development Contributions Policy and Long Term Plan 2018-2028 along with information on providing feedback is available download or view the plans on our consultation website [www.myvoicemychoice.co.nz](http://www.myvoicemychoice.co.nz). Physical copies will be available from Hastings District Council Service Centre, Lyndon Road East or your local library once facilities are permitted to open under COVID-19 Alert Guidelines. You can also phone **871 5000** and we'll post you a copy.

**The appropriateness of holding submission hearings will be reviewed as part of the developments in respect of the COVID-19 virus pandemic.**



Mayor Sandra Hazlehurst



Councillor Tania Kerr (Deputy Mayor)



Councillor Bayden Barber



Councillor Alwyn Corban



Councillor Malcolm Dixon



Councillor Damon Harvey



Councillor Eileen Lawson



Councillor Simon Nixon

## YOUR LOCAL COUNCILLORS



Councillor Henare O'Keefe JP



Councillor Peleti Oli



Councillor Ann Redstone



Councillor Wendy Schollum



Councillor Sophie Siers



Councillor Geraldine Travers



Councillor Kevin Watkins