

Mahere ā-Tau Annual Plan 2026-27



hbrc.govt.nz


HAWKES BAY
REGIONAL COUNCIL
TE KAUNIHERA Ā-ROHE O TE MATAU-A-MĀUI



Pekapeka Regional Park

What's in this document

- Message from the Chair and Chief Executive..... 4
- Part 1: Introduction..... 6**
 - Role of a regional council..... 7
 - How is council made up?..... 8
 - Your councillors..... 9
 - Our vision, mission and priorities..... 10
 - About this plan..... 12
 - Focus on: Building flood resilience..... 14
 - Focus on: Changing how we support erosion control work..... 17
 - Focus on: New GoBay bus routes..... 18
- Part 2: Financial information..... 20**
 - Financial overview..... 20
 - Prospective financial statements..... 25
 - Prospective Funding Impact Statement..... 34
 - Annual Plan Disclosure Statement..... 35
- Part 3: Rates Funding Impact Statement..... 36**
 - Your rates explained..... 37
 - Sample rates..... 38
 - Details of rates calculated within each district and city..... 40
 - Explanation of rating methods..... 45

Publication 5764
ISBN 978-0-947499-58-7

He Kupu nā te Toihau me te Kaiwhakahaere Matua Message from the Chair and Chief Executive



At its heart, our role is to help create the conditions for communities to thrive.

Thank you for taking the time to read our Annual Plan 2026-27.

Much of the work we do as a regional council is about looking beyond the immediate. Whether we are managing rivers, protecting productive land, investing in infrastructure, or restoring the health of our environment, our responsibility is to think beyond today's challenges and act in the interests of future generations.

That is the lens through which I view the work of Hawke's Bay Regional Council.

At its heart, our role is to help create the conditions for communities to thrive. Safe communities, healthy rivers, resilient landscapes, reliable infrastructure, and a strong regional economy are all connected. The wellbeing and prosperity of Hawke's Bay depend on the health of the rivers, soils, and landscapes that sit behind our communities and our livelihoods.

Much of our work is focused on reducing flood risk, improving water security, and supporting sustainable land management as we adapt to a changing climate. These are not short-term challenges, nor are they challenges any organisation can solve alone.

Across Hawke's Bay, our staff work alongside landowners, tangata whenua, communities, industry, and local government, taking a Ki uta ki tai - mountains to sea approach. It is a simple idea, but a powerful one: what happens in our headwaters and hill country affects the rivers, communities, and coastlines downstream. Building resilience begins with understanding those connections and working with them, rather than against them.

This Annual Plan continues the direction set in our Three-Year Plan, including the ongoing recovery and resilience work following Cyclone Gabrielle. The scale of work underway across the region reflects a shared commitment to strengthening the long-term resilience of our communities.

We are beginning to see that work take shape across the region, particularly through improvements

HBRC Chair Sophie Siers celebrates the completion the new stopbank at Waiohiki.



This year will mark the completion of many resilience projects.

This Annual Plan sees HBRC continue to deliver our critical work for the region with a firm focus on keeping our operating costs down.

We have been able to reduce what we need to collect from rates from a forecast average rates increase of 8.5% in our Three-Year Plan to an average rates increase of 5.2% for 2026-27.

This was particularly challenging given the organisation faced additional cost pressures that would have pushed our rates requirement well beyond the initial forecast. Council and staff worked together to look at all potential options to lessen the financial impact on ratepayers - reviewing how we deliver our work, identifying cost savings across the organisation, and all other financial levers including utilising strong performance from our investment company, HBRIC.

This year will mark the completion of many resilience projects. We have already celebrated the new stopbank at Waiohiki and expect all planned work in our \$256 million multi-year Flood Resilience Programme to be finished in the next eighteen months, subject to weather.

This is an ambitious and multi-faceted programme and is building resilience across the region through new and upgraded stopbanks, upgraded pump stations, and strengthened rainfall and river monitoring network.

to flood protection in some of our most exposed areas. The completion of the Waiohiki stopbank is an important milestone, and one the region can be proud of. It speaks to what can be achieved when communities, contractors, and government work together toward a common goal.

At the same time, we are continuing to strengthen how we support erosion control and catchment management. Cyclone Gabrielle reinforced what many have understood for years: the resilience of our communities downstream is closely linked to the resilience of our landscapes upstream. Long-term investment in our soils, waterways, and hill country remains one of the most important investments we can make as a region.

Not all resilience work looks the same. This year we also launched our expanded GoBay bus network. As household budgets remain under pressure, affordable and reliable transport becomes part of how we support community resilience in a very practical way. Every full bus means fewer cars on the road, lower transport costs for households, and a more connected region.

Households and businesses continue to face enormous financial pressures. Council is not immune to the same rising costs, and there is an ongoing responsibility to balance investment in critical services and infrastructure with affordability for our communities.

As discussions continue around the future shape of local government in New Zealand, I see a shared commitment to tackling the challenges we face and creating opportunities for our communities, and that gives me confidence in Hawke's Bay's future.

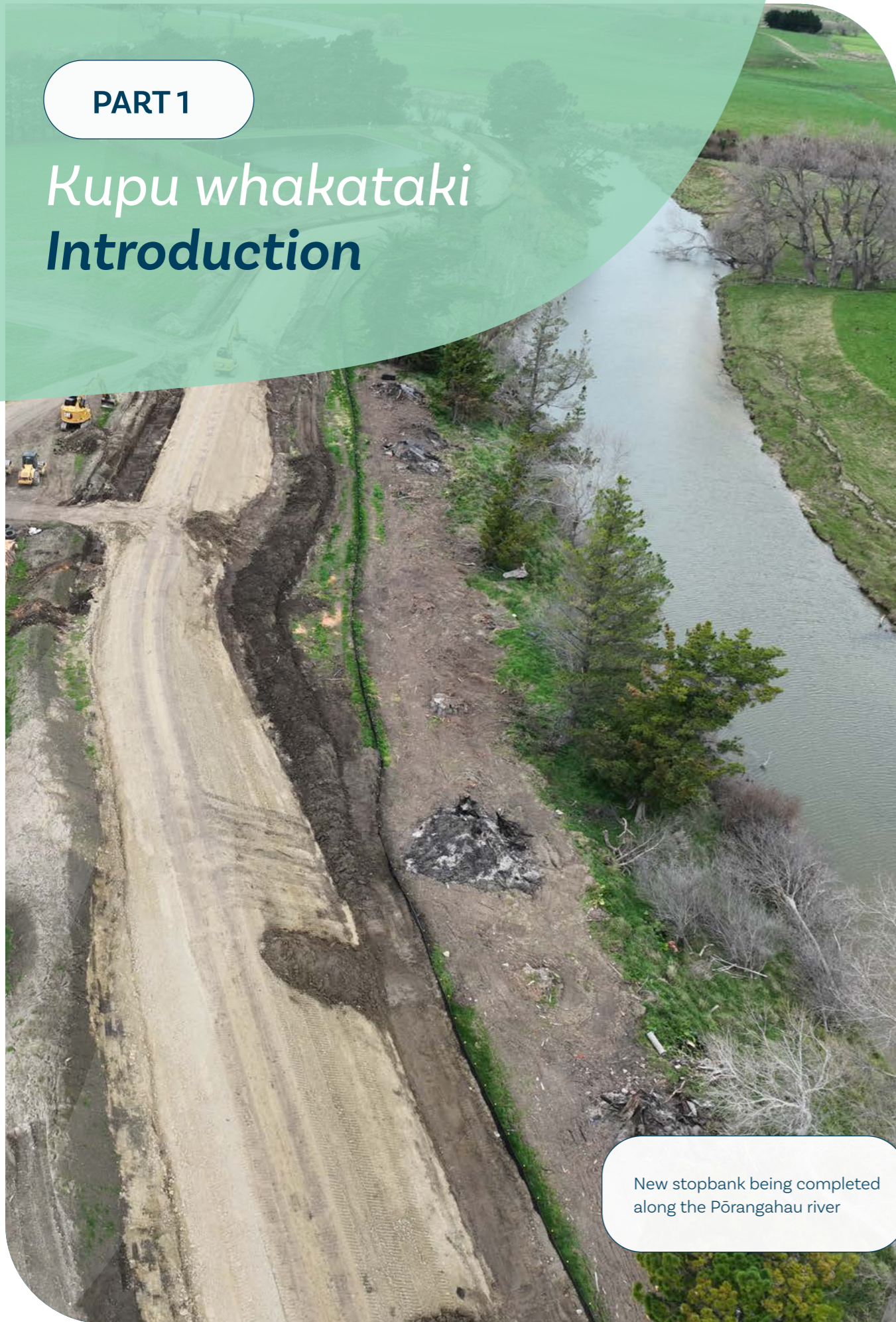
We are a region with strong communities, productive landscapes, and enormous potential. Working closely with our district and city mayors, I see that same commitment reflected across the region. Whatever changes may come, our focus must remain on building a region that is resilient, prosperous, and capable of passing on a stronger legacy to those who follow us.

Ngā mihi nui
Sophie Siers
Chair,
Hawke's Bay Regional Council

Ngā mihi nui
Dr Nic Peet
Chief Executive
Hawke's Bay Regional Council

PART 1

Kupu whakataki Introduction



New stopbank being completed along the Pōrangahau river

Role of a regional council

As a regional council we are primarily responsible for the integrated management of the natural and physical resources for Hawke’s Bay. This includes land, water, air, soil, biodiversity, and built structures such as stopbanks. We also provide regional transport planning and public transport.

We plan, budget, and report on our work in groups of activities. Our six groups of activities are shown in the next column.

Upcoming changes

Major structural change is proposed for local government in New Zealand. The Government’s Simplifying Local Government reform proposes removing elected regional councillors and moving toward combined or unitary structures. Services and functions provided by regional councils will be absorbed into these new entities. A unitary council combines the functions of a regional council and a city or district council into a single organisation.

The Government is driving this reorganisation process with the aim that amalgamating councils will provide more effective and efficient services and functions across a region.

Air Quality Scientist checking for airborne pollutants at one of our monitoring stations



Enjoying the new GoBay network

Governance & Partnerships

We support our elected members and tangata whenua representatives in their governance roles and promote community sustainability through climate action, environmental education, and corporate sustainability. We also support regional development.

Policy & Regulation

We carry out policy planning and implementation, compliance monitoring, pollution response, and issue consents. We are also responsible for maritime safety.

Integrated Catchment Management

We provide science and environmental information, sustainable land management and rural partnerships, and biodiversity and biosecurity work.

Asset Management

We carry out flood protection and control works, and flood assessment and warning. We also manage the Regional Water Security Programme and coastal hazards work.

We own and manage various regional parks and maintain cycleways that are on our stopbanks. Some of these form part of the Hawke’s Bay Trails.

Emergency Management

We are the administering authority for the Hawke’s Bay Civil Defence Emergency Management Group (HBCDEM) on behalf of the region’s councils. We also maintain emergency response capability to support the CDEM Group. Additionally, we operate a 24-hour CDEM and HBRC duty management service to respond to urgent public enquiries and pollution events.

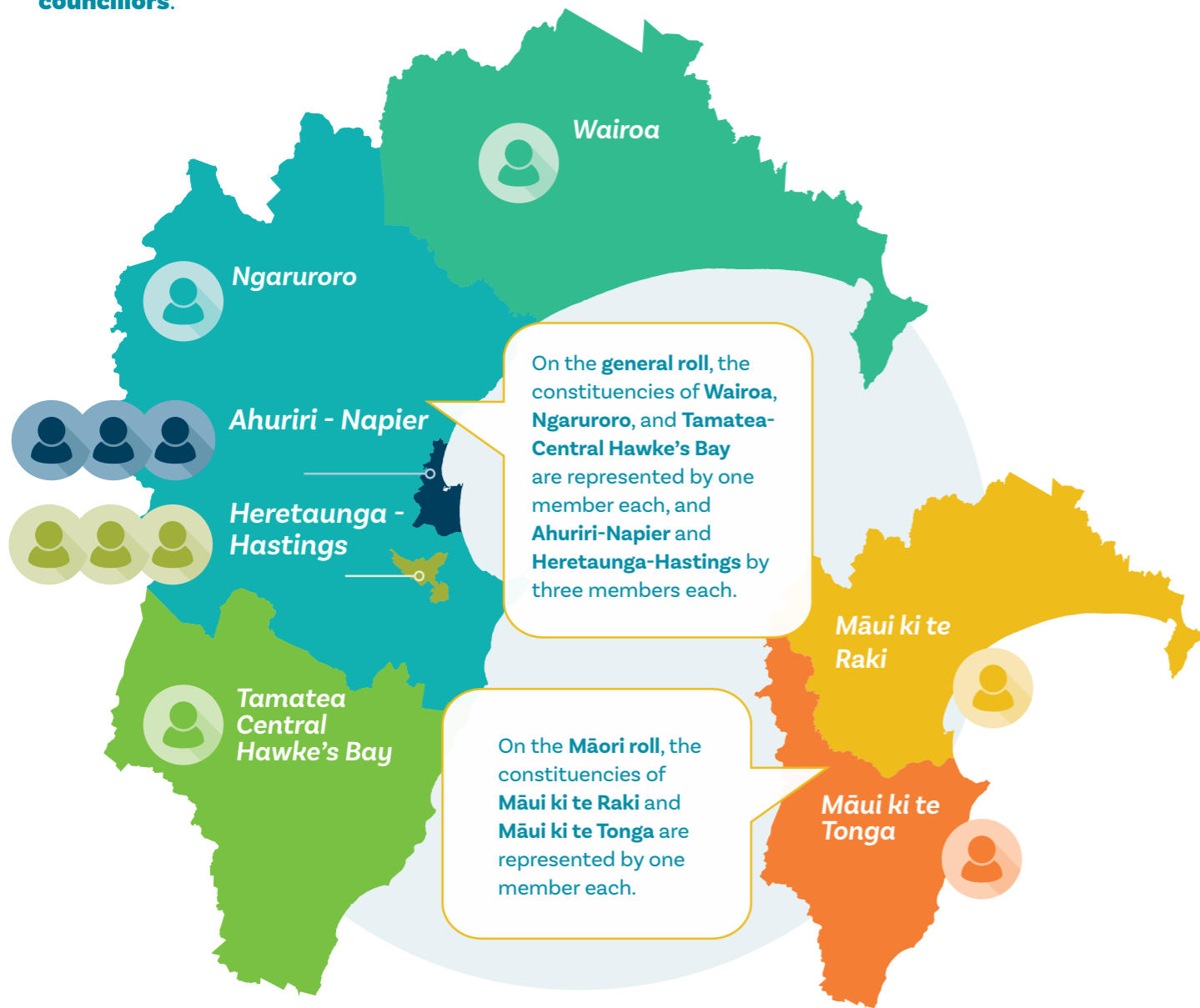
Transport

We undertake regional transport planning and coordinate road safety education across Hawke’s Bay. We also contract public bus and Total Mobility taxi services.

How is council made up?

The Hawke's Bay Regional Council has **seven constituencies** represented by **11 councillors**.

Elected members are responsible for setting the strategic direction and adopting all major policies to enable the Regional Council to achieve its vision for a healthy environment, and a resilient and prosperous community.



Your councillors



Sophie Siers
Chair
Heretaunga/Hastings
Cr.Sophie.Siers
@hbrc.govt.nz



Jerf van Beek
Deputy Chair
Ngaruroro
Cr.Jerf.vanbeek
@hbrc.govt.nz



Di Roadley
Wairoa
Cr.Di.Roadley
@hbrc.govt.nz



Louise Parsons
Ahuriri/Napier
Cr.Louise.Parsons
@hbrc.govt.nz



Neil Kirton
Ahuriri/Napier
Cr.Neil.Kirton
@hbrc.govt.nz



Hinewai Ormsby
Ahuriri/Napier
Cr.Hinewai.Ormsby
@hbrc.govt.nz



Jock Mackintosh
Heretaunga/Hastings
Cr.Jock.Mackintosh
@hbrc.govt.nz



Conrad Waitoa
Heretaunga/Hastings
Cr.Conrad.Waitoa
@hbrc.govt.nz



Tony Kuklinski
Tamatea/ Central
Hawke's Bay
Cr.Tony.Kuklinski
@hbrc.govt.nz



Thompson Hokianga
Māui ki te Tonga Māori
Constituency
Cr.Thompson.Hokianga
@hbrc.govt.nz



Michelle McIlroy
Māui ki te Raki Māori
Constituency
Cr.Michelle.McIlroy
@hbrc.govt.nz

For more information and contact details go to hbrc.govt.nz, search: #councillors



Our vision, mission and priorities

In February 2026, the newly elected Council adopted Tā Tātou Rautaki Our Strategy 2026-2030, refining its key strategic priorities.

Tā tātou tirohanga Our vision

*Kia toitū te taiao
Kia manawaroa, kia whairawa hoki te hapori.*
A healthy environment and a resilient and prosperous community.

Tā tātou tauaki whainga Our mission

Ka mahi tahi tātou me tō tātou hāpori hei whakatutuki i ēnei whāinga kia tiaki ai nga taonga, a, ko ngā awa, ko ngā roto, ko ngā akau, ko ngā koiora taiao, ko te hononga taiao me te Hauora.
We work with our community to protect and manage the region's precious taonga of rivers, lakes, soils, air, coast and biodiversity for health, wellbeing, and connectivity.

Tauaki whainga matua Our priorities

*Whakaiti ana ngā take waipuke
Tautoko ana i te haumaruru wai
Hāpaitia i te oranga o te whenua me te wai*
Reducing flood risk
Supporting water security
Promoting land and water health

Te whakapakari tahi i tō tātou **taiao**. Enhancing our **environment** together.

Ko ō tātou aronga matua rautaki Our strategic priorities

The issues we face as a region tend to be long term, intergenerational, and complex. They affect both current and future generations. Our strategic priorities don't cover everything we do, but focus on the areas where we want to 'shift the dial'. They also respond to a changing climate and must be affordable, which are shown below as cross-cutting priorities.



Responding to a changing CLIMATE
Ko te urupare ki te āhuarangi e panoni haere ana



FINANCIAL health and affordability
Ko te toitūtanga pūtea me te āhei utu



Reducing FLOOD RISK

Whakaiti ana ngā take waipuke

- River flooding
- Surface flooding
- Coastal inundation and erosion



Supporting WATER SECURITY

Tautoko ana i te haumaruru wai

- Water conservation
- Water storage and aquifer recharge
- Water regulation



Promoting LAND AND WATER HEALTH

Hāpaitia i te oranga o te whenua me te wai

- Soil conservation, including erosion control
- Biodiversity and biosecurity
- Water quality

About this plan

This Annual Plan revises our budget for 2026-27, the third and final year of our Three-Year Plan 2024-2027 (also known as our Long Term Plan).

Our Three-Year Plan/Long Term Plan was adopted on 10 July 2024. This Annual Plan continues the momentum of that plan, which focuses on our recovery from Cyclone Gabrielle.

We continue to operate in a challenging financial environment with the cost of living continually increasing. The challenge for us as an organisation is to continue to build regional resilience and deliver the services communities rely on, while reducing the amount we need to collect from our ratepayers.

Erosion protection work on Te Awa o Mokotūāraro (Clive River)



Key differences from our Three-Year Plan

Lower-than-forecast average rates increase

This Annual Plan has an average rates increase of 5.2%. Our Three-Year Plan forecast an average rates increase of 8.5% for 2026-27.

Ratepayers are impacted differently depending on a range of factors including property revaluations, capital to land ratio, and what targeted rates properties pay. Targeted rates are based on location and the benefit you might receive from the service they are used to fund.



Road trip for Reimagining Flood Resilience Upper Tukituki Stakeholder Reference Group

How were we able to reduce our costs?

Council undertook a robust review of our planned budget to find savings and identify other levers to bring down the total average rates increase. Council has:

1. reset how we deliver our land management services, including our Erosion Control Scheme. This is outlined in this section - 'Changing how we support erosion control work'.
2. reduced staff numbers and operating costs primarily in support services to avoid reducing service levels.
3. applied other financial levers including:
 - a. using part of our investment company's (HBRIC) strong performance in 2024-25 and increasing our annual dividend request from HBRIC
 - b. deferring internal loan repayments

See the **Financial overview in Part 2 of this plan for more information.**



This Annual Plan should be read in conjunction with our Three-Year Plan 2024-2027, available online at [hbrc.govt.nz](https://www.hbrc.govt.nz), search: **#3yearplan**

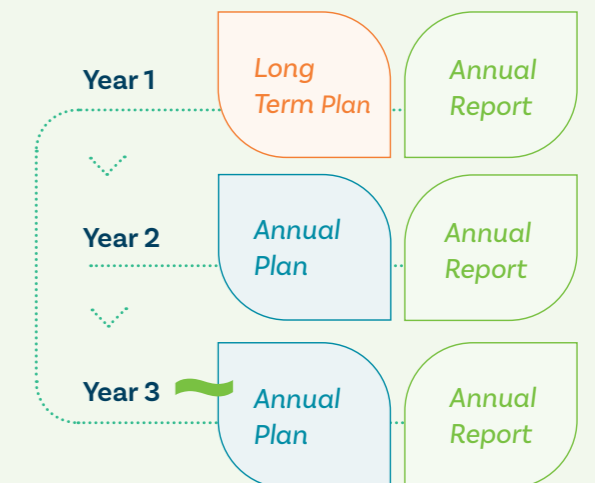
Our planning and reporting cycle

We produce annual plans in the years between long term plans to update information and budgets from our long term plan forecast, highlight any key variances, and set the rates for the year ahead.

A long term plan describes the community outcomes we aim to achieve, the activities we're undertaking to achieve those, and the cost of doing that work.

A long term plan is usually 10-years, and we review it every three years. Our current long term plan is three years enabled by temporary legislation following Cyclone Gabrielle in 2023 for the worst affected councils. This reflects the high level of uncertainty following the cyclone.

Planning cycle



Focus on: Building flood resilience

Impressive progress has been made on our multi-year \$256 million flood resilience programme and the community can expect to see more milestones this year.

The multi-faceted programme is part of the Cyclone Gabrielle recovery cost-share agreement with the Crown, with Regional Council ratepayers contributing around \$47 million, and construction has been in full swing across the region.

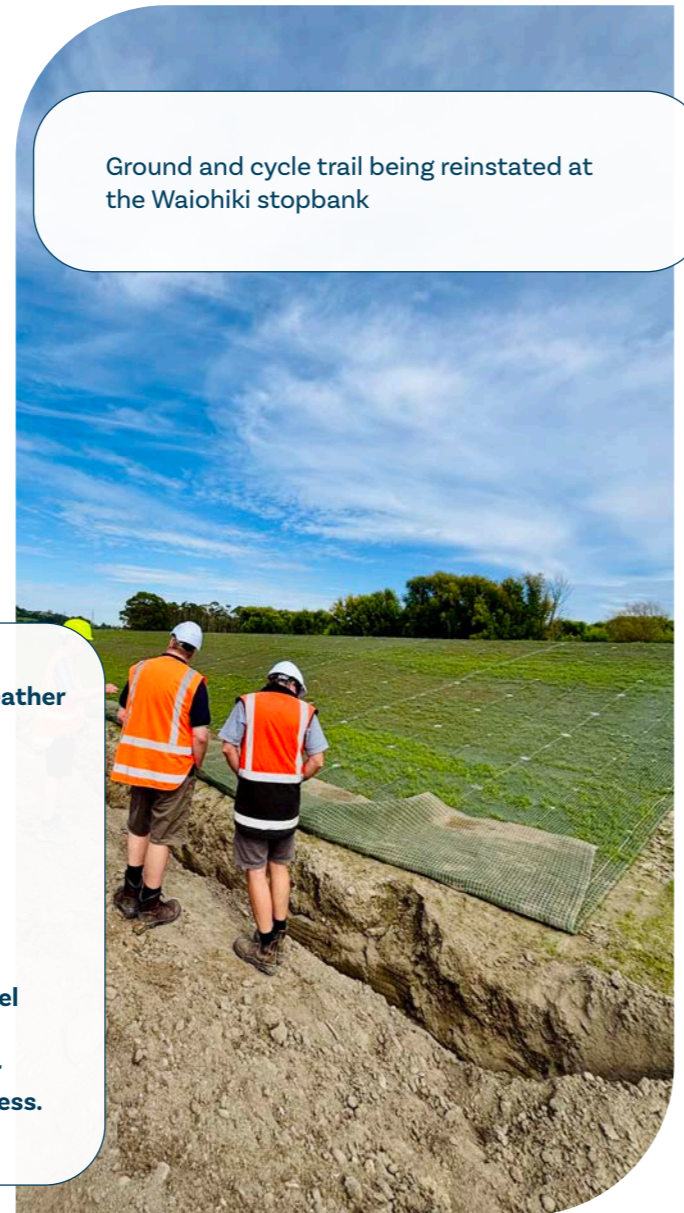
We're proud to have finished building a new stopbank in Waiohiki, and expect to complete new stopbanks in Ōhiti in June 2026, and stopbanks in Pōrangahau and Whirinaki by the end of 2026. These are significant milestones in the region's recovery.

More than 130 properties have already had their post-Cyclone Gabrielle risk category lifted, giving people greater certainty in rebuilding and ensuring communities can remain where they are. A further 140 homes are expected to have their risk category lifted by the end of June 2026.

A significant amount of work happens behind the scenes to get these projects to this stage - researching, planning, designing, consenting, and meeting with communities - and we are incredibly grateful to our staff, contractors, impacted communities, Marae, iwi, and all other stakeholders.

We are building our new stopbanks to a minimum 1% AEP (Annual Exceedance Probability) standard. This means there is a 1% likelihood of a 1-in-100-year severe weather event happening in any single year.

Together, the planned works will lift the overall standard of flood protection for these communities. The risk of flooding can't be eliminated altogether - no system can do that - but these extra defences will buy critical time in a severe event, helping people to get out safely and reducing the risk to homes, livelihoods, and lives.



Ground and cycle trail being reinstated at the Waiohiki stopbank

The programme, known as our NIWE (North Island Weather Event) Flood Resilience Programme, consists of:

- new flood protection in six areas, plus protection upgrades to Mangarau Stream in Havelock North (being delivered by Hastings District Council)
- undertaking upgrades on sections of existing stopbanks
- replacing and upgrading two pump stations
- strengthening Hawke's Bay's rainfall and river level monitoring network
- reviewing our flood protection, drainage and river maintenance schemes to address their effectiveness.

New flood resilience

Waiohiki

The new stopbank at Waiohiki was finished in May 2026. The 1km stopbank runs from Redclyffe Bridge to the Napier Golf Club course along the Tūtaekurī River. Work here also included realigning the Upokohino Stream. This work was finished \$1 million under budget, costing \$9 million.

Ōhiti Road, Ōmāhu

The new \$10 million stopbanks at Ōhiti Road, Ōmāhu are expected to be completed in June 2026 and delivered on budget.

We're building a new 2.1km stopbank near Taihape and Ohiti Roads, and on the village side, extending the existing Ōmāhu stopbank across Taihape Road. Parts of Taihape and Ōhiti Roads were also raised to meet the new stopbank heights.

Whirinaki

The raising of State Highway 2 was completed in April 2026 and construction of the 1.26km residential stopbank started in February 2026, after the initial design was refined. This stopbank is due to be completed by the end of 2026.

The \$23 million project also involves building an industrial stopbank to a greater design standard which is forecast to be completed by December 2026. This stopbank is being built to a 0.2% AEP (Annual Exceedance Probability), meaning there is a 0.2% likelihood of a 1-in-500-year severe weather event happening in any given year.

The aim of the industrial stopbank is to reduce flood risk to key infrastructure such as Contact Energy's power station, Transpower's substation, and the Pan Pac pulp

mill - the mill is one of Hawke's Bay's largest employers.

Pōrangahau

This \$14.6 million project sees protection work being undertaken on both the northern and southern sides of the river. Stage one will see a new 1.7km flood protection network built starting by the Pōrangahau Wastewater Plant. This will include stopbanks, flood walls, road rising, and new drainage elements. Construction started in April 2026 and is expected to be completed by the end of 2026.

Staff are working with designers and landowners on options for the second stage.

Pākōwhai

This \$50 million project is building an 8.5km network which will run from the Ngaruroro River to the Napier Golf Club course. It includes stopbanks, flood walls, a spillway, and a 500m realignment of the Tūtaekuri-Waimate Stream.

The work is being undertaken in five stages. Construction started in May 2026 and work is expected to be completed in mid-2027.

Wairoa

The \$70 million flood mitigation project involves building stopbanks, a spillway, flood gates, road rising, and hard construction elements. This remains the most complex project.

Construction consent has been granted, and the focus continues on finalising detailed design and securing land access. The work will be constructed in stages, maximising the likelihood of completing this in 2027.



Construction project team inspecting the new stopbank from the recently raised Ōhiti Road

Upgrades on sections of existing stopbanks

Work has been gaining momentum and construction is due to start in July 2026. We've prioritised three sites for upgrades - Waipawa township, Brookfield lower, and Ōmāhu upper and lower - to ensure we meet the design standard following a post-cyclone review of 1% AEP.

Replacing and upgrading pumpstations

A lot of behind-the-scenes work has been undertaken as we work towards replacing Mission/ Awatoto and Pākōwhai pump stations. Construction is expected to start in August 2026 and is forecast to be completed in June 2027.

The pumpstations were severely damaged during Cyclone Gabrielle and being built in the 1950s, are reaching the end of their useful life. They are being replaced to improve capacity, reliability, and long-term resilience. They will have better telemetry systems, making it easier to monitor and manage performance remotely.

Brookfields pumpstation replacement will be put forward for funding consideration through the next long-term plan.

Strengthening HB's rainfall and river level monitoring network

Great progress has been made and we're expecting to have upgraded more than 40 monitoring sites by the end of 2026.

Sensors at the monitoring sites gather real-time data on things such as rainfall and river flows and levels. We're ensuring sites have two sensors and two ways to transmit data. We're also reinforcing back-up systems so monitoring continues, even during power or communication failures. We're also upgrading equipment and have been choosing our monitoring spots more strategically - for more resilient data storage, deeper insights, and broader coverage.

Together, these improvements will provide more accurate and timely flood forecasts, and faster warnings, and strengthen the overall resilience of the network.

Scheme reviews

Comprehensive reviews of all 27 flood protection, drainage and river and maintenance schemes we administer are expected to be completed in June 2026 on budget.

The reviews will help us plan for prioritisation of scheme upgrades.



SH2 road raise and stopbank fill in progress at Whirinaki



For more information see hbrc.govt.nz, search: #recoverywork

Focus on:

Changing how we support erosion control work

Regional Council is changing how we help farmers and landowners undertake erosion control work on their land. We want to make our support more sustainable, more targeted, and simpler to access.

As part of an organisation-wide review to reduce future rate pressure on our community we have finished our Erosion Control Scheme earlier than planned. We are setting ourselves up so we can support soil conservation over the long term and keep costs manageable for the community.

Reducing sediment loss from the mountains to the sea remains a long-term challenge for Hawke's Bay. Sediment is our region's biggest environmental stressor because of a combination of highly erodible hill country, historic vegetation clearance, intense rainfall events, and low-lying floodplains where people live and grow food.

For years, we have supported and worked closely with landowners to address environmental concerns at place. Our soil conservation nursery originated with the Hawke's Bay Catchment Board and was established in the late 1940s to early 1950s (following the Soil Conservation and Rivers Control Act 1941).

In 2018, the Regional Council agreed to borrow \$30 million over 10 years to accelerate the pace and scale of this environmental work, known as our Erosion Control Scheme.

To deliver the scheme we expanded our nursery operations to boost production of poplar and willow poles. Poles are widely used for long-term erosion control. They form extensive root systems that bind soil and help to stabilise slopes and reduce erosion.

The Erosion Control Scheme substantially increased (through rates and leveraged external funding) the subsidy available to farmers for erosion control work.

Through that scheme, Regional Council has helped farmers and landowners plant or retire more than 6,000ha of highly erodible land and protect more than 370km of waterways.

Soil conservation is something that everyone benefits from

Soil conservation is a critical part of Hawke's Bay's flood resilience system and functions as essential natural infrastructure across the catchment.

Stabilising erodible land helps keep soil on the land and out of rivers and the sea. This helps manage long-term flood risk, protect important infrastructure such as roads and bridges, and reduces long-term costs to the community.

Importantly, keeping soil on our hills also improves water quality, biodiversity, and protects productive soils.

So what's happening?

Our revised programme, called Next Gen Land Management will:

Make it easier to buy poles and at a lower cost

- Farmers and landowners can now order and pay for poles and their delivery through our website. The subsidy in its previous form is ending, however we will be providing poles at a cheaper price.
- We have focused on improving the efficiency and production of our pole nurseries to cater for strong demand - this includes expanding our nurseries.

Encourage more catchment-scale community action

- We're working more collaboratively with community and catchment groups. By working with groups, rather than one-to-one, we're able to support more farmers. Working together at a catchment scale gives better results for everyone.

Focus on high-risk areas

- We're prioritising our efforts using science to support where we target financial

support for pole and native tree planting.

- This is about getting the greatest impact for our investment.

Help embed erosion-control work into farm planning

- We will continue to support farmers and landowners to meet regulatory requirements while improving long-term land resilience.

For more information see hbrc.govt.nz, search: #farmershub

Focus on: New GoBay bus routes

Hawke's Bay Regional Council launched its new GoBay bus network in January 2026 and with fuel prices hitting wallets hard, is encouraging people to take the bus when travelling within and between Napier and Hastings.

The launch of the new network marks a significant step in improving public transport accessibility and Regional Council is grateful to the hundreds of residents, community groups, and partners who shared their insights over the past four years to help shape the new network.

We now have more direct and more frequent bus services. These are easier to understand and make travel time faster.

Significantly, we have also expanded our bus journeys. For the first time people are able to catch buses to and from the Hawke's Bay Airport and the Hawke's Bay Regional Sports Park. The network also provides more connections to key amenities such as Hawke's Bay Hospital and EIT. It's about providing a genuine alternative to taking the car.

The new bus routes in Hastings provide an efficient and effective alternative to the on-demand service MyWay for the city, which ended in January 2026.

More bus stops are also being installed to support the new bus network. This is being done by Hastings District and Napier City councils, as the local road controlling authorities.

Taking the bus not only saves on petrol, it also saves on parking costs and can be a less stressful travel option.

Taking the bus is also better for the environment. A full bus means a lot less cars on the road. You reduce your individual carbon footprint, cut down on region-wide greenhouse gas emissions, and also help ease traffic congestion.

Regional Council has been pleased to see patronage on the new GoBay bus network continue to climb on our key routes since launching. Sales of the prepay bus card, known as the Bee Card, have also increased. Bee Cards can be purchased from GoBay bus drivers, Hawke's Bay Regional Council Dalton Street offices, Hastings libraries, and online at www.beecard.co.nz

Bus fares are reviewed annually to reflect changes in the costs of running the service.

For more information visit gobay.co.nz



GoBay network launch in January.



ATTENTION PASSENGERS USING WHEELCHAIRS ENGAGE BRAKE LOCK

PART 2

Ngā kōrero pūtea Financial information



Pekapeka Regional Park

Financial overview

This Annual Plan sets out Regional Council’s budget and funding requirements for 2026-27, the third and final year of our Three-Year Plan 2024-2027 (also known as our Long Term Plan).

We produce annual plans in the years between long term plans to update information and budgets from our long-term plan forecast, highlight any key variances, and set rates for the year ahead.

When Council adopted its Three-Year Plan in July 2024, an average rates increase of 8.5% was forecast for 2026-27. After a thorough review to lessen the impact on our ratepayers, Council has brought the average rates increase down to 5.2% for 2026-27.

In preparing this Annual Plan, Council reviewed the baseline budget starting from the Annual 2025-26 position, rather than the original Three-Year Plan assumptions. This ensured that the budget reflected

updated cost assumptions and the full-year financial impact of decisions made in that Annual Plan. The Annual Plan 2025-26 reset the Council’s financial position partway through our Three-Year Plan, reducing the forecast rates increase for that year and establishing a lower funding base for subsequent years. The review of the 2025-26 baseline budget showed that cost pressures were continuing into 2026-27 and would have pushed the total amount we need to collect in rates for 2026-27 well above our Three-Year Plan forecast of an average 8.5% rates increase. The key drivers pushing our costs up included inflation, the timing of loan repayments, and the ongoing costs associated with our flood resilience and recovery programmes. Considering these costs pressures and the financial pressures household budgets are under, Council wanted to reduce the organisation’s costs to reduce the average rates increase.

Key savings were made through:

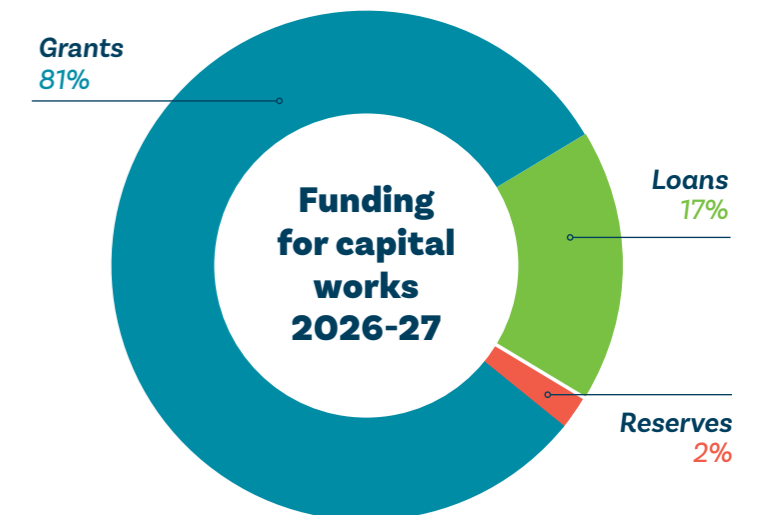
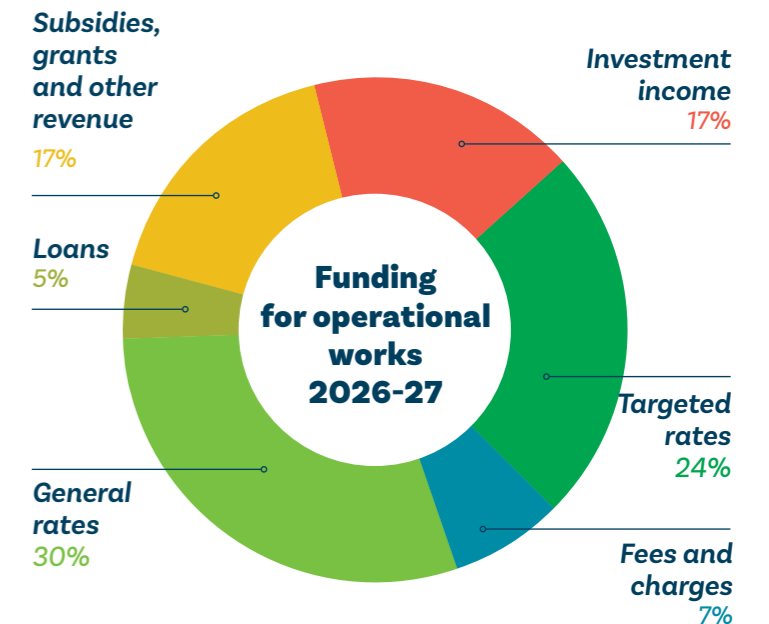
- reviewing how we undertake our work. We have reset how we deliver our land management services, including the early wind-down of our Erosion Control Scheme. We are setting ourselves up so we can support soil conservation over the long term and keep costs manageable for the community. See Part 1 - ‘Focus on - Changing how we support erosion control work’.
- reducing staffing levels and operating costs, including organisational changes.
- deferring this year’s repayments of rates smoothing loans to the next financial year (2027-28). This relates to the Annual Plan 2020-21 when Council resolved to have a Covid and drought-related, zero-rate increase, and to the Long Term Plan 2021-2031 borrowing to cover the costs of Council’s increased work programmes.
- increasing the annual dividend from our investment company, HBRIC, from \$13.5 million to \$14.5 million
- using \$2.5 million from HBRIC’s strong performance in 2024-25 to part fund some programmes.

The Annual Plan 2026-27 completes the financial framework set through the Three Year Plan 2024-2027. Across the period, the Council has responded to changing conditions by adjusting expenditure, rebalancing funding sources, and moderating rates increases where possible. The result is a financial position that supports delivery of agreed services while maintaining financial resilience as the Council transitions into the next long term planning cycle.

To check the rates for your individual property, go to hbrc.govt.nz, search: #findrates

2026-27 funding sources

The graphs below show the various sources of funding the Regional Council will use in the upcoming year to deliver our work. Funding for operating expenditure generally comes from rates, investment returns, grants and subsidies, and fees and user charges. Fees and user charges are calculated each year based on the cost of service delivery. They include hourly rates, consent fees, water monitoring charges, compliance monitoring, navigation, and zone-based water science charges. The Fees and User Charges Schedule 2026-27 is available on our website hbrc.govt.nz, search: #annualplans



2026-27 operating expenditure

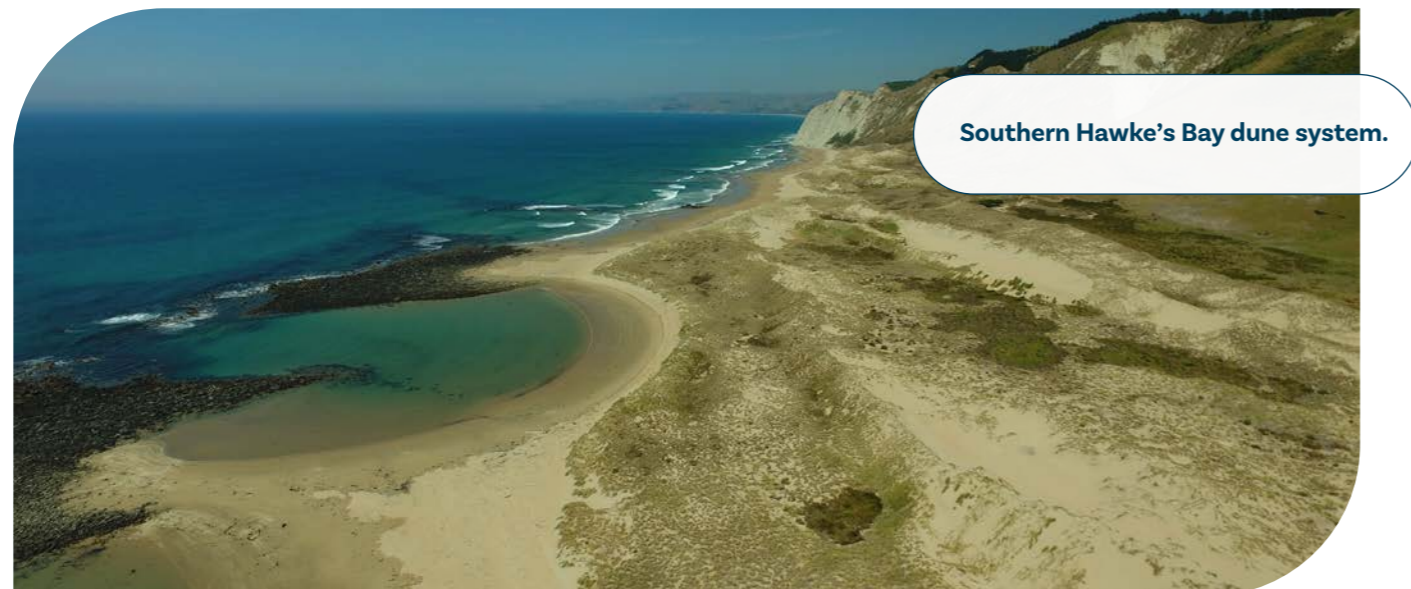
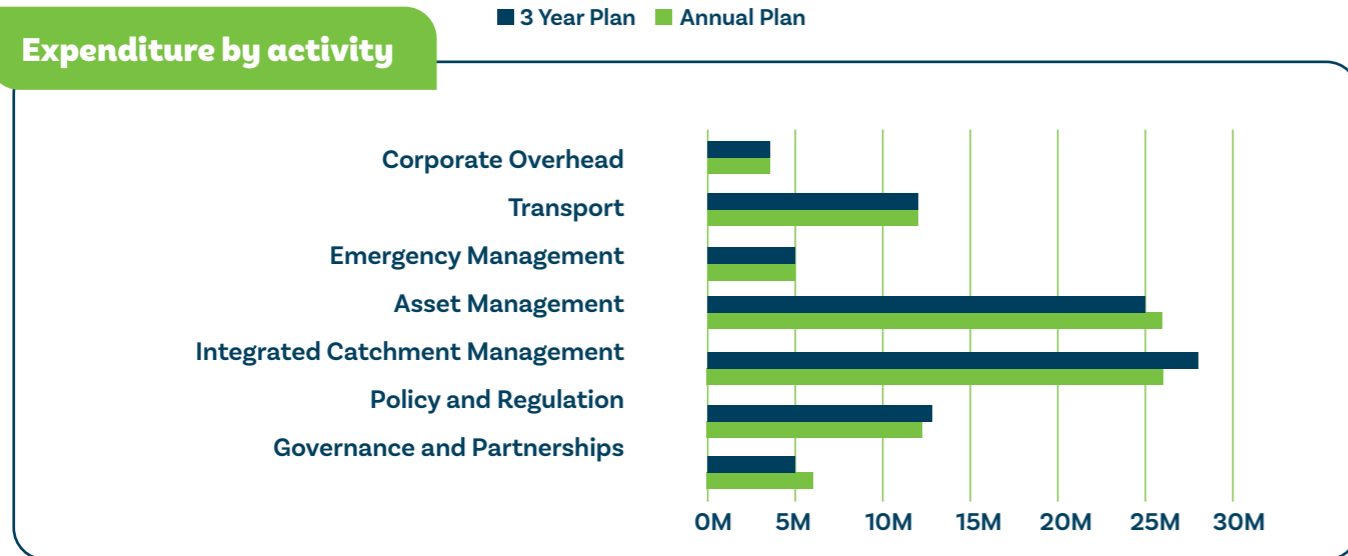
The graph below shows our planned operating spend for the 2026-27 financial year by groups of activities, compared to the spend forecast for this year in our Three-Year Plan 2024-2027.

We plan, budget, and report on our work in groups of activities. The groups of activities (outlined on page 7) are explained in more detail in our Three-Year Plan. Corporate overhead in the graph below reflects costs associated with managing investments and collecting rates. All other corporate overhead costs are allocated across the other groups of activities.

The most significant reduction from the Three-Year Plan is within the Integrated Catchment Management group of activities. This reflects savings achieved through changes to the delivery of land management services, including the end of the Erosion Control Scheme.

Further reductions are in the Policy and Regulation and Transport groups of activities. The decrease in Policy and Regulation primarily relates to a planned increase in staff costs in Year 3 that are no longer budgeted. The reduction in Transport reflects the removal of a previously planned increase in expenditure in Year 3 related to timing of the new bus network rollout and a new bus contract.

Increases from the Three-year Plan are in the Asset Management and Governance and Partnerships groups of activities. The increase in Governance and Partnerships relates to contingency funding and investment in the Fit for the Future Programme, a strategic transformation initiative. The increase in Asset Management is driven by costs associated with the Hawke's Bay Independent Flood Review, which were not budgeted in Year 3 of the Three-Year Plan.



Southern Hawke's Bay dune system.



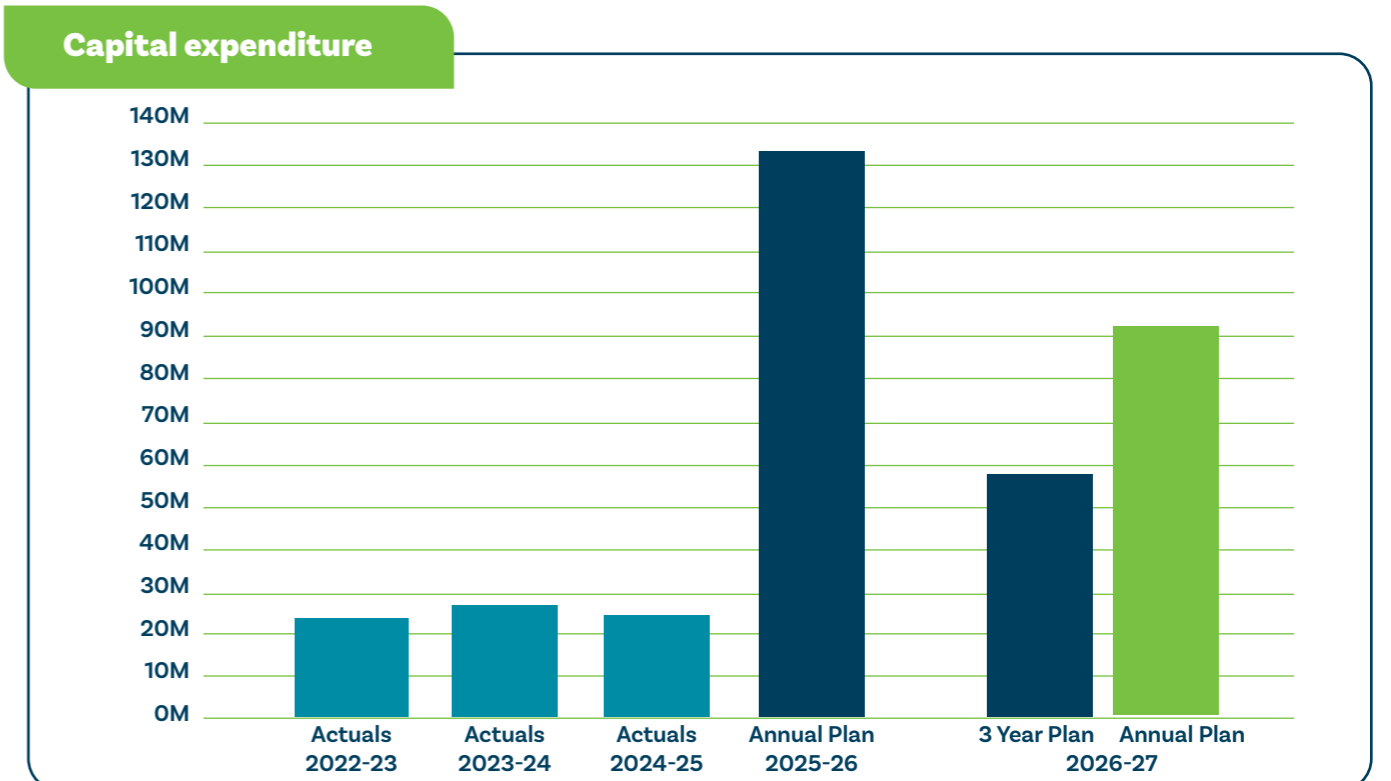
Ocean Beach.

2026-27 capital expenditure

Total capital expenditure for 2026-27 is higher than forecast in the Three-Year Plan. This reflects that, at the time the Three-Year Plan was developed, the NIWE Flood Resilience Programme was still in its early stages. Budgets have since been updated to reflect the latest forecast costs for 2026-27.

The level of capital expenditure in the years following Cyclone Gabrielle remains significant compared to previous years, reflecting the NIWE Programme - the largest construction programme the Council has undertaken.

Capital expenditure and associated borrowing have been managed within Treasury limits, with an ongoing focus on cash flow management and debt levels as these major projects continue.





Ahuriri Estuary

Prospective financial statements

Prospective statement of comprehensive revenue and expense

| | | Annual Report 2024-25 | Annual Plan 2025-26 | 3YP Yr3 2026-27 | Annual Plan 2026-27 |
|--------------------------------------------------------------|------|--------------------------|------------------------|--------------------|------------------------|
| | Note | \$000 | \$000 | \$000 | \$000 |
| Revenue | | | | | |
| Revenue from activities | 1 | 11,224 | 9,369 | 9,784 | 9,838 |
| Rates revenue | 2 | 47,920 | 53,121 | 60,998 | 55,877 |
| Subsidies and grants | 3 | 64,001 | 51,609 | 54,042 | 80,004 |
| Other revenue | 3 | 43,116 | 15,660 | 15,715 | 19,195 |
| Fair value gains on investments | 7 | 6,172 | 4,080 | 4,224 | 4,080 |
| Total operating revenue | | 172,433 | 133,839 | 144,763 | 168,993 |
| Expenditure | | | | | |
| Expenditure on activities | 1 | (122,223) | (77,765) | (81,221) | (76,302) |
| Finance costs | | (5,975) | (6,438) | (6,798) | (7,135) |
| Depreciation and amortisation expense | 5 | (4,727) | (3,905) | (4,583) | (4,548) |
| Fair value losses | | (4,980) | - | - | - |
| Impairment | | - | (20) | - | (20) |
| Total operating expenditure | | (137,905) | (88,128) | (92,602) | (88,004) |
| Operating surplus | | | | | |
| Operating surplus / (deficit) before income tax | | 34,527 | 45,711 | 52,161 | 80,989 |
| Other comprehensive revenue and expense | | | | | |
| Other comprehensive revenue and expense | | | | | |
| Gain/(loss) on other financial assets | 7 | 69,004 | 1,224 | 1,842 | 1,224 |
| Gain/(loss) on revalued intangible asset | | 2,995 | - | 385 | - |
| Gain/(loss) on revalued property, plant and equipment assets | | (2,814) | - | 924 | - |
| Gain/(loss) on revalued infrastructure assets | | (710) | - | 7,111 | - |
| Total other comprehensive revenue and expense | | 68,475 | 1,224 | 10,261 | 1,224 |
| Total comprehensive revenue and expense | | 103,003 | 46,935 | 62,423 | 82,213 |

The accompanying notes form part of these prospective financial statements.

Prospective statement of changes in net assets/equity

| | Annual Report 2024-25 | Annual Plan 2025-26 | 3YP Yr3 2026-27 | Annual Plan 2026-27 |
|-----------------------------------------------------|--------------------------|------------------------|--------------------|------------------------|
| | \$000 | \$000 | \$000 | \$000 |
| Net assets / equity at the start of the year | 907,497 | 961,047 | 799,615 | 1,067,720 |
| Total comprehensive revenue and expenditure | 103,003 | 46,935 | 62,423 | 82,213 |
| Reserves | - | 2,070 | (3,053) | 1,729 |
| Net assets / equity at the end of the year | 1,010,500 | 1,010,052 | 858,985 | 1,151,663 |

Prospective statement of financial position

| | Annual Report 2024-25 | Annual Plan 2025-26 | 3YP Yr3 2026-27 | Annual Plan 2026-27 |
|----------------------------------------------------|--------------------------|------------------------|--------------------|------------------------|
| Note | \$000 | \$000 | \$000 | \$000 |
| Assets | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 36,059 | 43,274 | 35,370 | 39,615 |
| Infrastructure assets | 454,929 | 558,017 | 452,273 | 605,797 |
| Investment property | 66,717 | 69,385 | 68,918 | 67,099 |
| Intangible assets | 12,456 | 13,207 | 11,243 | 9,746 |
| Forestry assets | 7(b) 9,092 | 10,259 | 12,745 | 9,707 |
| Prepayments | 168 | 168 | 168 | 168 |
| Other financial assets | 143,314 | 148,380 | 145,818 | 141,750 |
| Investment in council-controlled organisations | 420,891 | 374,211 | 338,426 | 446,958 |
| Total non-current assets | 1,143,625 | 1,216,901 | 1,064,961 | 1,320,840 |
| Current assets | | | | |
| Inventories | 695 | 574 | 821 | 483 |
| Trade & other receivables | 26,142 | 62,543 | 18,997 | 20,731 |
| Derivative financial instruments | 592 | 2,234 | 2,238 | 558 |
| Other financial assets | 2,529 | 318 | 2,983 | 2,629 |
| Cash and cash equivalents | 19,073 | 9,244 | 19,248 | 23,602 |
| Total current assets | 49,031 | 74,913 | 44,287 | 48,003 |
| Total assets | 1,192,656 | 1,291,814 | 1,109,248 | 1,368,844 |
| Net assets / equity | | | | |
| Accumulated funds | 287,303 | 369,777 | 439,963 | 401,146 |
| Fair value reserves | 574,890 | 508,513 | 298,471 | 604,408 |
| Other reserves | 8 148,306 | 130,538 | 120,550 | 146,108 |
| Total net assets / equity | 1,010,499 | 1,008,828 | 858,984 | 1,151,663 |
| Liabilities | | | | |
| Non-current liabilities | | | | |
| Borrowings | 4(a) 112,950 | 182,213 | 148,237 | 131,229 |
| ACC leasehold financing liabilities | 29,307 | 29,280 | 29,285 | 28,104 |
| Provisions for other liabilities and charges | 19 | - | - | - |
| Employee benefit liabilities | 346 | 433 | 437 | 300 |
| Total non-current liabilities | 142,622 | 211,925 | 177,959 | 159,632 |
| Current liabilities | | | | |
| Borrowings | 4(a) 4,650 | 39,263 | 28,167 | 20,950 |
| ACC Leasehold financing liabilities | 1,780 | 1,752 | 1,764 | 1,047 |
| Employee benefit liabilities | 2,969 | 2,014 | 2,607 | 2,642 |
| Trade and other payables | 29,982 | 27,531 | 29,647 | 32,597 |
| Funds held on behalf | 153 | 500 | 10,120 | 312 |
| Total current liabilities | 39,534 | 71,060 | 72,305 | 57,548 |
| Total liabilities | 182,156 | 282,986 | 250,264 | 217,181 |
| Total net assets / equity & liabilities | 1,192,656 | 1,291,814 | 1,109,248 | 1,368,844 |

The accompanying notes form part of these financial statements.

Prospective cash flow statement

| | Annual Report 2024-25 | Annual Plan 2025-26 | 3YP Yr3 2026-27 | Annual Plan 2026-27 |
|-----------------------------------------------------------------|--------------------------|------------------------|--------------------|------------------------|
| Note | \$000 | \$000 | \$000 | \$000 |
| Cash flows from operating activities | | | | |
| <i>Cash was provided from:</i> | | | | |
| Receipts from customers | 7,833 | 11,770 | 12,295 | 12,532 |
| Rates received | 47,239 | 53,141 | 61,018 | 55,897 |
| Dividends received | 27,090 | 8,625 | 8,801 | 12,186 |
| Interest received | 3,251 | 4,315 | 4,404 | 4,315 |
| Grants received | 64,001 | 8,224 | 53,995 | 79,957 |
| Other revenue | 14,638 | 366 | 47 | 48 |
| Total | 164,052 | 86,442 | 140,560 | 164,934 |
| <i>Cash was applied to:</i> | | | | |
| Payments to suppliers | 109,603 | 38,077 | 42,941 | 37,097 |
| Payments to and on behalf of employees | 38,455 | 40,892 | 42,890 | 40,316 |
| Interest expense | 5,501 | 5,670 | 6,120 | 6,456 |
| Funds held on behalf | 16,303 | - | - | - |
| Total | 169,862 | 84,639 | 91,951 | 83,869 |
| Net cash flows from operating activities | (5,810) | 1,803 | 48,609 | 81,065 |
| Cash flows from investing activities | | | | |
| <i>Cash was provided from:</i> | | | | |
| Disposal of property, plant and equipment | 529 | - | - | - |
| Disposal of investment properties | 50 | - | - | - |
| Disposal of financial assets | 1,445 | 4,488 | 2,350 | 2,711 |
| Total | 2,024 | 4,488 | 2,350 | 2,711 |
| <i>Cash was applied to:</i> | | | | |
| Purchase of property, plant & equipment | 3,578 | 6,287 | 1,605 | 3,629 |
| Purchase of intangible assets | 119 | - | - | - |
| Construction of infrastructure assets | 20,784 | 83,884 | 57,298 | 87,989 |
| Community lending | - | - | - | - |
| Forestry assets development | - | - | - | - |
| Leasehold liability | 2,371 | - | - | - |
| Total | 26,852 | 90,171 | 58,903 | 91,619 |
| Net cash flows from investing activities | (24,828) | (85,683) | (56,553) | (88,909) |
| Cash flows from financing activities | | | | |
| <i>Cash was provided from:</i> | | | | |
| Loans drawn | 24,000 | 91,379 | 31,612 | 19,228 |
| <i>Cash was applied to:</i> | | | | |
| Loans repaid | 36,563 | 9,474 | 27,250 | 12,350 |
| Net cash flows from financing activities | (12,563) | 81,905 | 4,362 | 6,878 |
| Net increase / (decrease) in cash & cash equivalents | (43,202) | (1,976) | (3,582) | (965) |
| Opening cash & cash equivalents | 62,276 | 11,220 | 22,831 | 24,567 |
| Closing cash & cash equivalents | 19,075 | 9,244 | 19,248 | 23,602 |

Notes to the financials

Note 1 - Activity revenue and expenditure

| | Annual Report | Annual Plan | 3YP Yr3 | Annual Plan |
|---------------------------------------------------------------------------------------------|----------------|---------------|---------------|---------------|
| | 2024-25 | 2025-26 | 2026-27 | 2026-27 |
| Note | \$000 | \$000 | \$000 | \$000 |
| Revenue | | | | |
| Groups of activity | | | | |
| Governance and partnerships | 906 | - | - | - |
| Policy and regulation | 3,305 | 3,356 | 3,428 | 3,563 |
| Integrated catchment management | 3,515 | 2,411 | 2,649 | 2,805 |
| Asset management | 2,557 | 2,802 | 2,870 | 2,940 |
| Emergency management | 639 | - | 122 | - |
| Transport | 839 | 492 | 550 | 506 |
| Corporate overhead | (538) | 308 | 165 | 23 |
| Total revenue from activities | 11,224 | 9,369 | 9,784 | 9,838 |
| Expenditure | | | | |
| Groups of activity | | | | |
| Governance and partnerships | 6,944 | 5,594 | 5,339 | 6,718 |
| Policy and regulation | 46,618 | 12,302 | 12,988 | 12,420 |
| Integrated catchment management | 26,220 | 25,159 | 28,135 | 21,857 |
| Asset management | 29,573 | 24,517 | 25,232 | 26,320 |
| Emergency management | 6,137 | 5,059 | 4,919 | 4,704 |
| Regional recovery agency | 1,573 | - | - | - |
| Transport | 10,625 | 11,436 | 12,402 | 12,460 |
| Corporate overhead | 5,234 | 4,061 | 3,589 | 3,526 |
| Total expenditure by activities | 132,925 | 88,128 | 92,602 | 88,004 |
| Less finance costs - interest on borrowings | 5,500 | 5,760 | 6,120 | 6,456 |
| Less finance costs - fees associated with the transfer of Napier leasehold cashflows to ACC | 475 | 678 | 678 | 678 |
| Total finance costs | 5,975 | 6,438 | 6,798 | 7,135 |
| Less depreciation and amortisation expense | 5 | 4,727 | 3,905 | 4,548 |
| Less impairment expense | | 20 | | 20 |
| Total expenditure on activities | 122,223 | 77,765 | 81,221 | 76,302 |

Projected rating base information

| | |
|-------------------------------|------------------|
| As at 30 June 2026 | |
| Number of rating units | 74,679 |
| Capital value of rating units | \$77,337,050,235 |
| Land value of rating units | \$40,672,881,735 |

Note 2 - Rates revenue

| | Annual Report | Annual Plan | 3YP Yr3 | Annual Plan |
|-------------------------------------------------------|---------------|---------------|---------------|---------------|
| | 2024-25 | 2025-26 | 2026-27 | 2026-27 |
| | \$000 | \$000 | \$000 | \$000 |
| General funding rates | | | | |
| Uniform Annual General Charge | 9,010 | 6,327 | 11,851 | 6,726 |
| General Rate | 15,915 | 22,398 | 24,027 | 22,928 |
| Total general funding rates | 24,925 | 28,725 | 35,878 | 29,654 |
| Targeted rates | | | | |
| Coastal Hazards | 224 | 224 | 223 | 213 |
| CDEM Emergency Management | 3,531 | 3,666 | 4,115 | 3,862 |
| Subsidised Public Transport | 4,579 | 4,926 | 5,197 | 5,359 |
| Sustainable Homes - Clean Heat | 584 | 608 | 632 | 608 |
| Regional Economic Development | 1,440 | 675 | 660 | 715 |
| Primary Production Pests | 716 | 769 | 738 | 1,134 |
| Sustainable Land Management Strategy | 966 | 1,109 | 1,022 | 775 |
| Water Quality | 613 | 584 | 689 | 734 |
| Land Monitoring, Research, and Investigations Science | 295 | 371 | 241 | 268 |
| Heretaunga Plains Flood Control Scheme | 4,098 | 4,515 | 5,197 | 5,670 |
| Maraetotara Flood Maintenance Scheme | 16 | 17 | 17 | 17 |
| Upper Makara Stream Catchment Scheme | 113 | 112 | 122 | 111 |
| Upper Tukituki Flood Control Scheme | 1,207 | 1,214 | 1,322 | 1,240 |
| Whirinaki Industrial & Other | 6 | 109 | 134 | 179 |
| Drainage & Pumping Schemes | - | 4,296 | 4,448 | 4,138 |
| Mangarau Stream | - | 922 | - | 922 |
| Total targeted rates | 22,705 | 24,117 | 24,796 | 25,943 |
| Rates Remissions | (474) | (200) | (5) | (200) |
| Penalties | 763 | 480 | 330 | 480 |
| Total rates revenue | 47,920 | 53,121 | 60,998 | 55,877 |

Note 3 - Other revenue

| | Annual Report | Annual Plan | 3YP Yr3 | Annual Plan |
|--------------------------------------------|---------------|---------------|---------------|---------------|
| | 2024-25 | 2025-26 | 2026-27 | 2026-27 |
| | \$000 | \$000 | \$000 | \$000 |
| Subsidies and grants | | | | |
| Grants | 62,072 | 20,152 | 8,296 | 17,686 |
| Grants - Flood Resilience Programme | - | 31,457 | 45,746 | 62,319 |
| New Zealand Government - Sediment & Debris | 1,929 | - | - | - |
| Total subsidies and grants | 64,001 | 51,609 | 54,042 | 80,004 |
| Other revenue | | | | |
| Dividend revenue | 29,613 | 8,625 | 8,801 | 12,186 |
| Leasehold rents | 2,473 | 2,544 | 2,505 | 2,689 |
| Interest revenue | 3,381 | 4,315 | 4,404 | 4,315 |
| Gain / (Loss) on disposal of assets - net | 28 | - | - | - |
| Gain / (Loss) on investments - net | 2,619 | - | - | - |
| Other income | 2,263 | 176 | 6 | 6 |
| Insurance Proceeds | 1,436 | - | - | - |
| Forestry income | 1,304 | - | - | - |
| Total other revenue | 43,116 | 15,660 | 15,715 | 19,195 |

Note 4(a) - External debt and interest expense

| | Annual Report 2024-25 Note | Annual Plan 2025-26 | 3YP Yr3 2026-27 | Annual Plan 2026-27 |
|----------------------------|----------------------------------|------------------------|--------------------|------------------------|
| | \$000 | \$000 | \$000 | \$000 |
| Loan requirements | | | | |
| Opening balance | 130,163 | 139,571 | 172,042 | 145,175 |
| New borrowing | 24,000 | 109,155 | 31,612 | 19,354 |
| Repayments | (36,563) | (27,250) | (27,250) | (12,350) |
| Total loan balances | 117,600 | 221,476 | 176,404 | 152,179 |
| Interest expense | 5,500 | 5,670 | 6,120 | 6,456 |

Note 4(b) - Internal debt & interest expense

| | Annual Report 2024-25 Note | Annual Plan 2025-26 | 3YP Yr3 2026-27 | Annual Plan 2026-27 |
|------------------------------------|----------------------------------|------------------------|--------------------|------------------------|
| | \$000 | \$000 | \$000 | \$000 |
| Loan requirements | | | | |
| New borrowings | | | | |
| Governance and partnerships | 927 | 100 | 100 | 100 |
| Policy and regulation | 840 | 840 | 840 | 1,019 |
| Integrated catchment management | 2,235 | 2,133 | 3,080 | 155 |
| Asset management | 7,645 | 14,704 | 10,582 | 16,240 |
| Emergency management | - | 631 | - | 362 |
| Transport | - | - | - | - |
| Corporate overhead | 2,566 | 1,170 | 1,609 | 1,478 |
| Total new borrowings | 14,213 | 19,578 | 16,210 | 19,354 |
| Principal repayments | | | | |
| Governance and partnerships | 3,892 | 3,576 | 4,301 | 3,326 |
| Policy and regulation | 10 | 84 | 336 | 168 |
| Integrated catchment management | 1,768 | 1,944 | 4,145 | 2,042 |
| Asset management | 440 | 2,363 | 8,516 | 4,638 |
| Emergency management | 765 | 765 | 1,373 | 828 |
| Transport | 14 | 14 | 27 | 14 |
| Corporate overhead | 1,034 | 729 | 4,998 | 1,334 |
| Total principal repayments | 7,923 | 9,475 | 23,697 | 12,350 |
| Total loan movement | 6,290 | 10,105 | (7,487) | 7,004 |
| Loan balances | | | | |
| Governance and partnerships | 21,038 | 16,716 | 11,224 | 13,490 |
| Policy and regulation | 840 | 1,586 | 2,006 | 2,437 |
| Integrated catchment management | 17,684 | 15,959 | 13,524 | 14,072 |
| Asset management | 18,436 | 41,664 | 46,735 | 53,266 |
| Emergency management | 8,391 | 11,745 | 9,131 | 11,279 |
| Transport | 50 | 23 | (18) | 9 |
| Corporate overhead | 29,934 | 32,367 | 27,792 | 32,511 |
| Loan balances | 96,374 | 120,060 | 110,394 | 127,064 |
| Loan interest expense | | | | |
| Governance and partnerships | 1,096 | 938 | 940 | 796 |
| Policy and regulation | 19 | 57 | 91 | 91 |
| Integrated catchment management | 818 | 845 | 892 | 801 |
| Asset management | 432 | 1,756 | 2,133 | 2,554 |
| Emergency management | 667 | 646 | 535 | 634 |
| Transport | 3 | 2 | 2 | 2 |
| Corporate overhead | 1,255 | 1,425 | 1,528 | 1,488 |
| Total loan interest expense | 4,288 | 5,670 | 6,120 | 6,366 |

Note 5 - Depreciation and amortisation

| | Annual Report 2024-25 \$000 | Annual Plan 2025-26 \$000 | 3YP Yr3 2026-27 \$000 | Annual Plan 2026-27 \$000 |
|---------------------------------------------------------------------------|-----------------------------------|---------------------------------|-----------------------------|---------------------------------|
| Capital additions and disposals of property, plant & equipment | | | | |
| Land and buildings | 1,239 | 303 | - | 892 |
| Vehicles, plant and equipment | 1,785 | 2,448 | 1,656 | 3,187 |
| Hydrology equipment | 288 | 3,838 | 396 | 824 |
| Intangible assets | 839 | (1,065) | - | - |
| Total capital expenditure on property, plant & equipment | 4,151 | 5,525 | 2,052 | 4,903 |
| Depreciation on property, plant and equipment | | | | |
| Land and buildings | 641 | 628 | 710 | 557 |
| Vehicles, plant and equipment | 476 | 1,708 | 2,240 | 1,823 |
| Hydrology equipment | 2,067 | 399 | 546 | 565 |
| Intangible assets | 514 | 210 | 298 | 346 |
| Property, plant & equipment asset depreciation | 3,698 | 2,945 | 3,794 | 3,291 |
| Depreciation on infrastructure assets | | | | |
| Infrastructure assets | 1,029 | 960 | 789 | 1,257 |
| Infrastructure asset depreciation | 1,029 | 960 | 789 | 1,257 |
| Total depreciation & amortisation | 4,727 | 3,905 | 4,583 | 4,548 |

Note 6 - Reserve movements

| | Annual Report 2024-25 \$000 | Annual Plan 2025-26 \$000 | 3YP Yr3 2026-27 \$000 | Annual Plan 2026-27 \$000 |
|--------------------------------------------|-----------------------------------|---------------------------------|-----------------------------|---------------------------------|
| Funding from reserves | | | | |
| Project scheme reserves | 1,620 | 295 | 1,423 | 1,402 |
| Tangoio soil conservation forestry reserve | (249) | (109) | (113) | (311) |
| Asset replacement reserve | 2,365 | (321) | (2,550) | (778) |
| Infrastructure asset depreciation reserve | 92 | (947) | 137 | 1,381 |
| Future investment fund | 4,724 | 1,677 | (1,719) | 1,677 |
| Long-term investment fund | 6,748 | 805 | (3,385) | (953) |
| Council disaster damage reserves | 2,462 | - | - | - |
| Scheme disaster damage reserves | 150 | (543) | (530) | (499) |
| Other reserves | 603 | (11) | (10) | (189) |
| Total net funding from reserves | 18,512 | 846 | (6,747) | 1,729 |

Note 7(a) - Fair value gains from investments

| | Annual Report 2024-25 \$000 | Annual Plan 2025-26 \$000 | 3YP Yr3 2026-27 \$000 | Annual Plan 2026-27 \$000 |
|-------------------------------------------------|-----------------------------------|---------------------------------|-----------------------------|---------------------------------|
| Investment property at beginning of year | 67,195 | 68,078 | 67,550 | 65,792 |
| Movement during the year | (298) | - | - | - |
| Fair value gains | 70 | 1,307 | 1,368 | 1,307 |
| Investment property at end of year | 66,966 | 69,385 | 68,918 | 67,099 |

Note 7(b) - Fair value gains from forestry assets

| | Annual Report 2024-25 \$000 | Annual Plan 2025-26 \$000 | 3YP Yr3 2026-27 \$000 | Annual Plan 2026-27 \$000 |
|-------------------------------------------------------------------------------------------------------|-----------------------------------|---------------------------------|-----------------------------|---------------------------------|
| Forestry assets at beginning of year | 11,318 | 9,926 | 12,403 | 9,374 |
| Additions | - | - | - | - |
| Movement during the year | - | - | - | - |
| Fair value gains | (2,226) | 333 | 341 | 333 |
| Forestry assets at end of year | 9,093 | 10,259 | 12,745 | 9,707 |
| Other fair value gains | 3,346 | 3,663 | 12,775 | 3,663 |
| Total fair value gains and losses (included in statement of comprehensive revenue and expense) | 1,191 | 5,303 | 14,485 | 5,303 |

Note 8 - Council reserve funds

| | Infrastructure Asset Renewal | Wairoa Rivers & Streams | Special Schemes | Asset Replacement | Regional Disaster Damage | Scheme Disaster Damage | Te Awa o Mokotūāraro (Clive River) Dredging | Tangoio Soil Conservation | Maungaharuru Tangitū | Long Term Investment Fund | Sale of Land Non-investment Fund | Rabbit | Ngāti Pāhauwera | Port IPO Future Investment Fund | Enforcement Revenue Reserve Fund | Total Other Reserves | Fair Value Reserves |
|------------------------|------------------------------|-------------------------|-----------------|-------------------|--------------------------|------------------------|---------------------------------------------|---------------------------|----------------------|---------------------------|----------------------------------|------------|-----------------|---------------------------------|----------------------------------|----------------------|---------------------|
| Note number | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | | |
| At 1 July 2026 | 4,748 | 1,151 | (959) | 8,172 | (2,649) | 1,165 | 2,101 | 1,799 | 578 | 57,806 | 849 | 215 | 87 | 68,713 | 601 | 144,376 | 603,184 |
| Deposits in year | 1,191 | - | 1,631 | 2,945 | - | 43 | 346 | 3 | - | 1,300 | - | - | - | 1,677 | - | 9,138 | 1,224 |
| Withdrawals in year | (157) | - | (214) | (3,723) | - | (543) | - | (314) | - | (2,252) | - | (10) | - | - | (179) | (7,393) | - |
| Net Movement | 1,035 | - | 1,417 | (778) | - | (499) | 346 | (311) | - | (953) | - | (10) | - | 1,677 | (179) | 1,745 | 1,224 |
| At 30 June 2027 | 5,782 | 1,151 | 458 | 7,393 | (2,649) | 666 | 2,447 | 1,488 | 578 | 56,853 | 849 | 205 | 87 | 70,390 | 421 | 146,121 | 604,408 |

The 2026-2027 forecast opening positions are based on the best information available at the time of compilation.

The Clive River was officially renamed Te Awa o Mokotūāraro in June 2023.

Purpose of reserve funds

1. Infrastructure Asset Renewal - a reserve established to fund the renewal of scheme infrastructure assets as required by the Local Government Act 2002.
2. Wairoa Rivers and Streams - a reserve established to fund flood mitigation and recovery work within the Wairoa district.
3. Special Flood and Drainage Scheme - reserves established for each scheme to account for rating balances that arise each year as a consequence of the actual income and expenditure incurred in any one year.
4. Asset Replacement - a reserve established to fund the replacement of operating property, plant and equipment which are not scheme based.
5. Regional Disaster Damage - a reserve established to provide funding for the cost of responding to and managing an event; cost of reinstatement of any uninsured assets (e.g., pathways on top of stopbanks); any difference between the deductible and the threshold for eligibility for central government assistance (government covers 60% of the loss in the event of a disaster); to fund the policy excess of \$1.5 million included in the policy with private insurers to cover 40% of the loss up to \$24 million in the event of a disaster; and the possibility of the cost of reinstating the level of service provided by the asset being considerably more than the optimised replacement value.
6. Scheme Disaster Damage - reserves established to meet each scheme's share of Local Authority Protection Programme (LAPP) insurance excess and other costs to restore scheme assets that are not recoverable from other sources.
7. Te Awa o Mokotūāraro (Clive River) Dredging - a reserve established to meet the expenditure of dredging requirements on Te Awa o Mokotūāraro (Clive River).
8. Tangoio Soil Conservation - a reserve established to separate the revenues and expenses associated with the Tangoio Soil Conservation Reserve as this reserve is managed and overseen by the Regional Council on behalf of the Crown.
9. Maungaharuru Tangitū - a reserve established as a catchments fund in accordance with the Maungaharuru-Tangitū Claims Settlement Act.
10. Long-Term Investment Fund - a reserve established to hold the proceeds of endowment leasehold land sales to be reinvested in accordance with HBRC's policy on 'Evaluation of Investment Opportunities' approved on 30 April 2008. Formerly the Sale of Land Investment Fund.
11. Sale of Land Non-Investment Fund - a reserve established to hold transfers from the Long-term Investment Fund to be invested in accordance with HBRC's policy on 'Open Space Investment' approved on 25 June 2008 and HBRC's Investment Policy set out in the 2009-2019 Long Term Plan.
12. Rabbit - a reserve established to fund costs expected to be incurred with growing rabbit populations.
13. Ngāti Pāhauwera - a reserve established to ring-fence funding for Ngāti Pāhauwera rivers initiatives. For the clean up of the Mohaka, Waikari and Waihua Rivers and their catchments.
14. Port IPO Future Investment Fund - a reserve established to hold the proceeds of the Napier Port IPO.
15. Enforcement Revenue Reserve Fund - a reserve established to hold enforcement revenue for future environmental protection and restoration activities, and managing diversion scheme funds.



Prospective Funding Impact Statement

Prospective funding impact statement: whole of council

| | Annual Report 2024-25 \$000 | Annual Plan 2025-26 \$000 | 3YP Yr3 2026-27 \$000 | Annual Plan 2026-27 \$000 |
|-------------------------------------------------|-----------------------------------|---------------------------------|-----------------------------|---------------------------------|
| Sources of operating funding | | | | |
| General rates & uniform annual general charges | 25,214 | 29,005 | 36,202 | 29,933 |
| Targeted rates | 22,705 | 24,117 | 24,796 | 25,943 |
| Subsidies & grants for operating purposes | 45,766 | 8,758 | 8,296 | 8,113 |
| Fees & charges | 13,287 | 9,369 | 9,784 | 9,838 |
| Fines, infringement fees & other receipts | 5,412 | 2,720 | 2,510 | 2,694 |
| Interest and dividends from investments | 35,613 | 12,940 | 13,205 | 16,501 |
| Total operating funding | 147,997 | 86,908 | 94,793 | 93,022 |
| Applications of operating funding | | | | |
| Payments to staff & suppliers | 122,268 | 81,309 | 84,876 | 80,725 |
| Finance costs | 5,501 | 6,348 | 6,798 | 7,044 |
| Internal charges & overheads applied | 13 | (3,454) | (3,675) | (4,334) |
| Total applications of operating funding | 127,781 | 84,203 | 87,999 | 83,436 |
| Surplus / (deficit) of operating funding | 20,217 | 2,705 | 6,795 | 9,586 |
| Sources of capital funding | | | | |
| Subsidies & grants for Capital Expenditure | 18,235 | 42,851 | 45,746 | 71,891 |
| Increase / (decrease) in debt | - | 12,563 | 4,362 | 7,004 |
| Gross proceeds from sale of assets | 529 | - | - | - |
| Total sources of capital funding | 6,201 | 124,757 | 50,108 | 78,895 |
| Applications of capital funding | | | | |
| Capital expenditure: | | | | |
| - to improve the level of service | 22,646 | 128,768 | 56,043 | 88,306 |
| - to replace existing assets | 1,767 | 4,742 | 2,860 | 3,313 |
| Increase / (decrease) in reserves | 5931 | (1,976) | (63) | (1,882) |
| Increase / (decrease) of investments | (3,928) | (4,072) | (1,937) | (1,255) |
| Total application of capital funding | 26,417 | 127,462 | 56,902 | 88,481 |
| Surplus / (deficit) of capital funding | (20,217) | (2,705) | (6,795) | (9,586) |
| Funding balance | - | - | - | - |

Annual Plan Disclosure Statement

Annual plan disclosure statement

The purpose of this statement is to disclose the Council's planned financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenue, expenses, assets, liabilities, and general financial dealings.

The Council is required to include this statement in its annual plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

| Benchmark | Planned 2026-27 | Achieved |
|------------------------------------------------------------------|-----------------|----------|
| Rates affordability benchmark | | |
| Total rates revenue will not exceed 60% of total revenue | 33.06% | YES |
| Annual rate increase will not exceed 8% of operating expenditure | 3.13% | YES |

For this benchmark, -

- the Council's planned rates income for the year must not exceed 60% of total income, and
- the Council's planned rates increase for the year must not exceed 8% of operating expenditure

| Benchmark | Planned 2026-27 | Achieved |
|-----------------------------------------------|-----------------|----------|
| Debt affordability benchmark | | |
| Debt / total revenue not exceed 175% | 90.05% | YES |
| Interest / annual rates income not exceed 20% | 11.55% | YES |

For this benchmark, the Council's planned borrowing is compared with debt to total revenue ratio not exceeding 175% and total interest expense on external public debt not exceeding 20% of total annual rates income

| Benchmark | Planned 2026-27 | Achieved |
|----------------------------------|-----------------|----------|
| Balanced budget benchmark | | |
| Equal or greater than 100% | 187.39% | YES |

For this benchmark, the Council's planned revenue (excluding development contributions, vested assets, financial contributions, gains on derivative financial instruments, and revaluations of property, plant or equipment) is presented as a proportion of its planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant or equipment). The Council meets the balanced budget benchmark if its operating revenue equals or is greater than its operating expenses

| Benchmark | Planned 2026-27 | Achieved |
|-------------------------------------|-----------------|----------|
| Essential services benchmark | | |
| Equal or greater than 100% | 6968.01% | YES |

For this benchmark, the Council's planned capital expenditure on network services is presented as a proportion of expected depreciation on network services. The Council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services

(NB Council only has one network service and that covers the flood and drainage schemes)

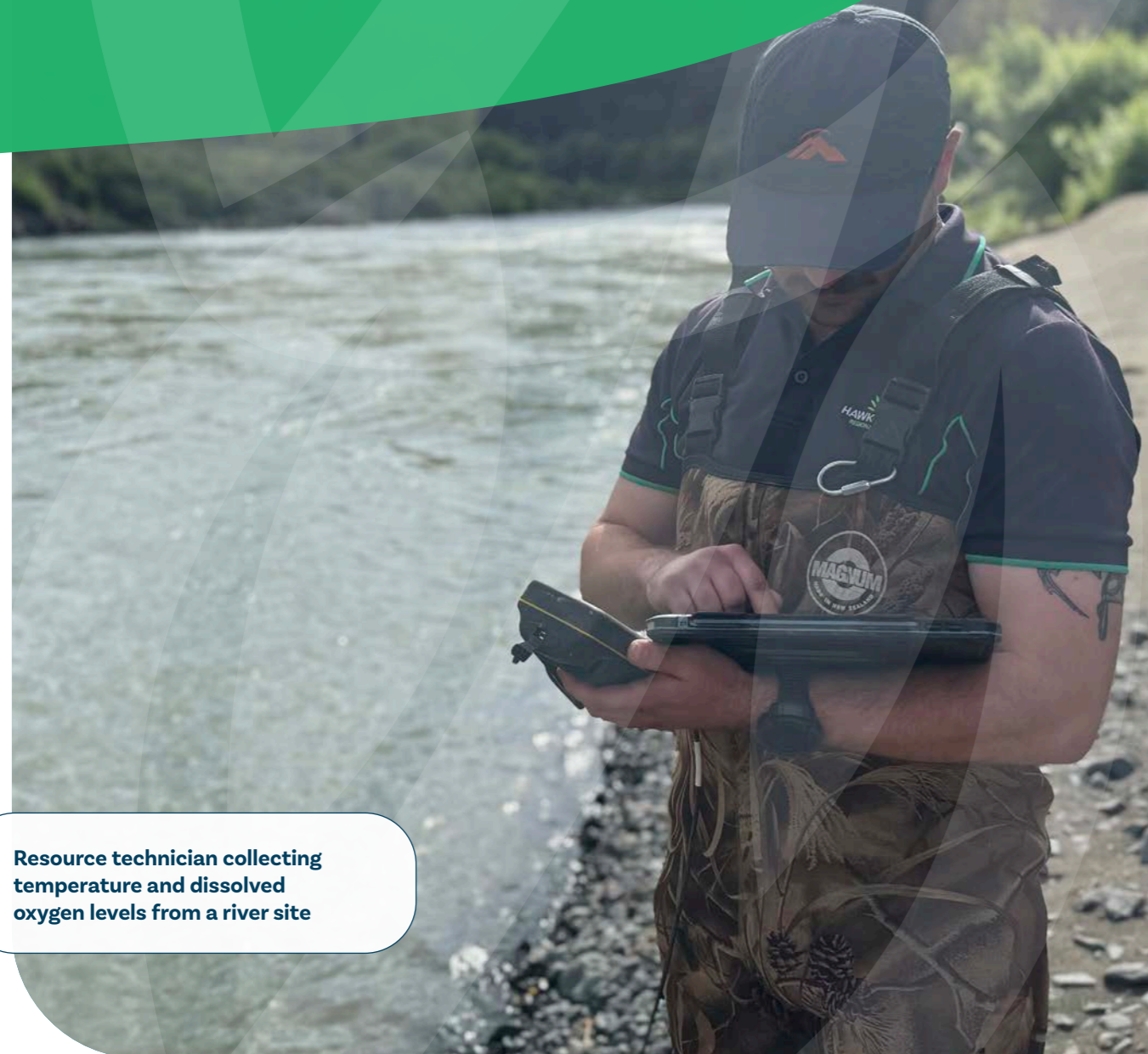
Capital expenditure on flood protection and control works are funded by a combination of depreciation, reserve funding and borrowing for new assets. Not all infrastructure assets are depreciated as items such as stop banks do not drop in value.

Capital expenditure post Cyclone Gabrielle is significantly higher than normal and hence we have a very high essential services benchmark

| Benchmark | Planned 2026-27 | Achieved |
|---------------------------------|-----------------|----------|
| Debt servicing benchmark | | |
| Equal or less than 10% | 3.82% | YES |

For this benchmark, the Council's planned borrowing costs are presented as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluation of property, plant and equipment)

Because Statistics New Zealand projects that the Council's population will grow as fast as the national population growth rate, it meets the debt servicing benchmark if the Councils' planned borrowing costs equal or are less than 10% of its planned revenue.

PART 3**Te tauākī pāpātanga
ā-pūtea penapena
tāke kaunihera****Rates funding impact
statement**

Resource technician collecting temperature and dissolved oxygen levels from a river site

Your rates explained

This Rates Funding Impact Statement sets out the impact of Hawke's Bay Regional Council's (HBRC) Revenue and Financing Policy on ratepayers.

The Revenue and Financing Policy identifies beneficiaries of HBRC activities and how they will pay for the cost of those activities. The policy follows guiding principles which include being clear and fair, administratively efficient, consistent, and flexible.

When the whole of community benefit, activities are funded through a combination of investment income and general rates. When parts of the community or individuals benefit, activities are funded through targeted rates and/or direct charges.

The Rates Funding Impact Statement specifies the level of rates that apply to each group of beneficiaries within each of the Regional Council activities funded, either fully or partially, by rates.

All the rates and levels of rates included in this Rates Funding Impact Statement are GST inclusive.

This definition includes separately used parts, whether or not actually occupied at any particular time, which are used by the owner for rental (or other form of occupation) on an occasional or long-term basis by someone other than the owner. For the purpose of this definition, vacant land and vacant premises offered or intended for use or habitation by a person other than the owner and usually used as such are defined as 'used'.

For the avoidance of doubt, a rating unit that has a single use or occupation is treated as having one separately used or inhabited part. Units in a rest home, retail shops in a shopping complex, and additional farmhouses are considered individual SUIPs and are therefore charged with separate UAGCs and UTRs. Where two or more rating units are contiguously joined, owned by the same ratepayer, and used for the same purpose or a farm property with separately titled paddocks, then additional UAGCs or UTRs will not be payable. HBRC's intention is that this mix of rating basis better reflects the benefits delivered to the general community while addressing some of the rate level volatility experienced by those ratepayers in the community whose capital values have increased by more than the average.

HBRC directly collects rates for all rating units contained within its boundaries and where specific rates are set across district and city boundaries on a value basis, then the rates are set on Estimate of Projected Valuation (equalisation) which recognises annual movement of values across the region for each territorial authority.

Section 21 of the Local Government (Rating) Act 2002 requires that Uniform Annual General Charges and Targeted Rates set on a uniform basis are not to exceed 30% of the total revenue from all rates sought by HBRC for the budgeted year. The rates making up this category amount to 26.1% of the HBRC's total rates in 2026-27 and are therefore within the limits prescribed by the Act.

Due dates for payment of rates

The rates for the 2026-27 financial year are due and payable on 20 September 2026. Pursuant to Section 57 of the Local Government (Rating) Act 2002, a penalty charge of 10% will be imposed on any outstanding current rates as of 21 September 2026. A further 10% will be charged on total rates, including penalties outstanding from 1 July 2027.

Definition of 'Separately used or inhabited part of a rating unit' (SUIP)

When a fixed amount is set for each property, whether it be a Uniform Annual General Charge (UAGC) for general rates or a Uniform Targeted Rate (UTR) for targeted rates, then a fixed amount is charged for each separately used or inhabited part of a rating unit. This includes any portion inhabited or used by the owner or a person other than the owner, and who has the right to use or inhabit that portion by virtue of a tenancy, lease, licence, or other agreement.

Inspection and objection to HBRC's Rating Information Database

The Rating Information Database (RID) is available for inspection at HBRC at 159 Dalton Street, Napier and on our website hbrc.govt.nz, search: #rates

Ratepayers have the right to inspect the RID records and can object to their rating liability on the grounds set out in the Local Government (Rating) Act 2002.

Sample rates

Comparison of rates on specific urban properties (GST inclusive)

| Description of rates | Rating | Napier Hill | | Napier South | | Taradale | | Havelock North | |
|---------------------------------------|--------|---------------|----------------|---------------|----------------|---------------|----------------|----------------|----------------|
| | basis | 2025-26 | 2026-27 | 2025-26 | 2026-27 | 2025-26 | 2026-27 | 2025-26 | 2026-27 |
| Details for comparison | | | | | | | | | |
| Capital Value | CV | 890,000 | 890,000 | 620,000 | 620,000 | 670,000 | 670,000 | 1,350,000 | 1,400,000 |
| Land Value | LV | 520,000 | 520,000 | 380,000 | 380,000 | 360,000 | 360,000 | 600,000 | 390,000 |
| Area (Hectares) | Area | 0.075 | 0.075 | 0.062 | 0.062 | 0.046 | 0.046 | 0.035 | 0.035 |
| Rates | Basis | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| General Rate | CV | 296.55 | 309.36 | 206.58 | 215.51 | 223.24 | 232.89 | 424.98 | 477.96 |
| Uniform Annual General Charge | Fixed | 94.36 | 99.27 | 94.36 | 99.27 | 94.36 | 99.27 | 94.36 | 99.27 |
| General funded rates | | 390.91 | 408.63 | 300.94 | 314.78 | 317.60 | 332.16 | 519.34 | 577.23 |
| Coastal Hazards | Fixed | 3.99 | 3.75 | 3.99 | 3.75 | 3.99 | 3.75 | 3.99 | 3.75 |
| CDEM Emergency Management | Fixed | 54.71 | 57.05 | 54.71 | 57.05 | 54.71 | 57.05 | 54.71 | 57.05 |
| Subsidised Public Transport Direct | Fixed | 82.69 | 88.42 | 82.69 | 88.42 | 82.69 | 88.42 | 82.69 | 88.42 |
| Subsidised Public Transport Indirect | CV | 6.76 | 7.57 | 4.71 | 5.27 | 5.09 | 5.70 | 9.72 | 11.62 |
| Sustainable Homes - Clean Heat | LV | 14.61 | 15.03 | 10.68 | 10.98 | 10.12 | 10.40 | 15.54 | 11.43 |
| Regional Economic Development | Fixed | 3.59 | 3.76 | 3.59 | 3.76 | 3.59 | 3.76 | 3.59 | 3.76 |
| HPFCS Direct | CV | - | - | 60.33 | 75.83 | 65.19 | 81.94 | - | - |
| HPFCS Indirect | CV | 21.18 | 27.23 | 14.76 | 18.97 | 15.95 | 20.50 | 30.38 | 42.00 |
| Mangarau Streams | LV | - | - | - | - | - | - | 34.62 | 25.00 |
| Karamū & Tributaries | CV | - | - | - | - | - | - | 88.29 | 72.52 |
| Napier Meeanee Puketapu | CV | - | - | 49.23 | 51.71 | 53.20 | 55.88 | - | - |
| Targeted Rates | | 187.53 | 202.80 | 284.67 | 315.73 | 294.52 | 327.39 | 323.52 | 315.54 |
| TOTAL RATES | | 578.44 | 611.43 | 585.62 | 630.51 | 612.12 | 659.55 | 842.86 | 892.77 |
| Dollar increase/(decrease) | | | \$32.99 | | \$44.89 | | \$47.43 | | \$49.91 |
| Percentage increase/(decrease) | | | 5.70% | | 7.67% | | 7.75% | | 5.92% |

Note: The rates shown are indicative only, based on sample properties. Actual changes will vary across properties depending on individual property values and how those values have shifted relative to others following the 2025 Hastings revaluation

Comparison of rates on specific urban properties (GST inclusive)

| Description of rates | Rating | Flaxmere | | Hastings | | Wairoa | | Central HB | |
|---------------------------------------|--------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|---------------|
| | basis | 2025-26 | 2026-27 | 2025-26 | 2026-27 | 2025-26 | 2026-27 | 2025-26 | 2026-27 |
| Details for comparison | | | | | | | | | |
| Capital Value | CV | 520,000 | 510,000 | 810,000 | 740,000 | 385,000 | 385,000 | 590,000 | 590,000 |
| Land Value | LV | 285,000 | 255,000 | 470,000 | 400,000 | 109,000 | 109,000 | 180,000 | 180,000 |
| Area (Hectares) | Area | 0.089 | 0.089 | 0.076 | 0.076 | 0.114 | 0.114 | 0.264 | 0.264 |
| Rates | Basis | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| General Rate | CV | 163.70 | 174.11 | 254.99 | 252.64 | 132.94 | 146.53 | 201.19 | 202.19 |
| Uniform Annual General Charge | Fixed | 94.36 | 99.27 | 94.36 | 99.27 | 94.36 | 99.27 | 94.36 | 99.27 |
| General funded rates | | 258.06 | 273.38 | 349.35 | 351.90 | 227.30 | 245.80 | 295.55 | 301.46 |
| Coastal Hazards | Fixed | 3.99 | 3.75 | 3.99 | 3.75 | - | - | - | - |
| CDEM Emergency Management | Fixed | 54.71 | 57.05 | 54.71 | 57.05 | 54.71 | 57.05 | 54.71 | 57.05 |
| Subsidised Public Transport Direct | Fixed | 82.69 | 88.42 | 82.69 | 88.42 | - | - | - | - |
| Subsidised Public Transport Indirect | CV | 3.74 | 4.23 | 5.83 | 6.14 | - | - | 4.60 | 4.96 |
| Sustainable Homes - Clean Heat | LV | 7.38 | 7.47 | 12.17 | 11.72 | - | - | - | - |
| Regional Economic Development | Fixed | 3.59 | 3.76 | 3.59 | 3.76 | 3.59 | 3.76 | 3.59 | 3.76 |
| HPFCS Direct | CV | 47.79 | 61.25 | 74.44 | 88.87 | - | - | - | - |
| HPFCS Indirect | CV | 11.70 | 15.30 | 18.23 | 22.20 | - | - | - | - |
| Mangarau Streams | LV | 16.44 | 16.35 | 27.12 | 25.64 | - | - | - | - |
| UTTFC Direct | CV | - | - | - | - | - | - | 63.90 | 63.84 |
| UTTFC Indirect | CV | - | - | - | - | - | - | 9.09 | 9.15 |
| Karamū & Tributaries | CV | 34.01 | 26.42 | 52.97 | 38.33 | - | - | - | - |
| Targeted Rates | | 266.03 | 283.99 | 335.73 | 345.88 | 58.30 | 60.81 | 135.89 | 138.75 |
| TOTAL RATES | | 524.09 | 557.37 | 685.08 | 697.78 | 285.60 | 306.61 | 431.44 | 440.21 |
| Dollar increase/(decrease) | | | \$33.28 | | \$12.70 | | \$21.01 | | \$8.77 |
| Percentage increase/(decrease) | | | 6.35% | | 1.85% | | 7.36% | | 2.03% |

Note: The rates shown are indicative only, based on sample properties. Actual changes will vary across properties depending on individual property values and how those values have shifted relative to others following the 2025 Hastings revaluation.

Sample rates

Comparison of rates on specific commercial / industrial properties (GST inclusive)

| Description of rates | Rating | Hastings Retail | | Hastings Industrial | | Napier Retail | | CHB | | Wairoa | |
|---------------------------------------|--------|-----------------|-----------------|---------------------|-----------------|----------------|----------------|---------------|---------------|---------------|----------------|
| | basis | 2025-26 | 2026-27 | 2025-26 | 2026-27 | 2025-26 | 2026-27 | 2025-26 | 2026-27 | 2025-26 | 2026-27 |
| Details for comparison | | | | | | | | | | | |
| Capital Value | CV | 2,760,000 | 2,840,000 | 3,720,000 | 3,970,000 | 1,180,000 | 1,180,000 | 590,000 | 590,000 | 385,000 | 385,000 |
| Land Value | LV | 580,000 | 720,000 | 1,200,000 | 1,290,000 | 660,000 | 660,000 | 405,000 | 405,000 | 155,000 | 155,000 |
| Area (Hectares) | Area | 0.101 | 0.101 | 0.431 | 0.431 | 0.067 | 0.067 | 0.581 | 0.581 | 0.110 | 0.110 |
| Rates | Basis | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| General Rate | CV | 868.85 | 969.58 | 1,171.06 | 1,355.36 | 393.18 | 410.17 | 201.19 | 202.19 | 132.94 | 146.53 |
| Uniform Annual General Charge | Fixed | 188.72 | 198.53 | 94.36 | 99.27 | 283.08 | 297.80 | 94.36 | 99.27 | 94.36 | 99.27 |
| General funded rates | | 1,057.57 | 1,168.11 | 1,265.42 | 1,454.62 | 676.26 | 707.97 | 295.55 | 301.46 | 227.30 | 245.80 |
| Coastal Hazards | Fixed | 7.98 | 7.49 | 3.99 | 3.75 | 11.97 | 11.24 | - | - | - | - |
| CDEM Emergency Management | Fixed | 109.41 | 114.10 | 54.71 | 57.05 | 164.12 | 171.14 | 54.71 | 57.05 | 54.71 | 57.05 |
| Subsidised Public Transport Direct | CV | 323.20 | 343.36 | 435.61 | 479.97 | 146.20 | 145.26 | - | - | - | - |
| Subsidised Public Transport Indirect | CV | 19.87 | 23.57 | 26.78 | 32.95 | 8.97 | 10.03 | 4.60 | 4.96 | - | - |
| Sustainable Homes - Clean Heat | LV | 15.02 | 21.10 | 31.08 | 37.80 | 18.55 | 19.07 | - | - | - | - |
| Regional Economic Development | CV | 119.78 | 124.11 | 161.45 | 173.49 | 54.16 | 52.51 | 27.73 | 25.84 | 18.33 | 18.75 |
| HPFCS Direct | CV | 253.64 | 341.08 | 341.87 | 476.80 | 114.81 | 144.31 | - | - | - | - |
| HPFCS Indirect | CV | 62.10 | 85.20 | 83.70 | 119.10 | 28.08 | 36.11 | - | - | - | - |
| Mangarau Streams | LV | 100.34 | 138.53 | 190.32 | 227.56 | - | - | - | - | - | - |
| UTTFC Direct | CV | - | - | - | - | - | - | 217.24 | 217.00 | - | - |
| UTTFC Indirect | CV | - | - | - | - | - | - | 9.09 | 9.15 | - | - |
| Karamū & Tributaries | CV | 180.50 | 147.11 | 243.29 | 205.65 | - | - | - | - | - | - |
| Napier, Meeanee, Puketapu | CV | - | - | - | - | 374.89 | 393.77 | - | - | - | - |
| Targeted rates | | 1,191.84 | 1,345.64 | 1,572.80 | 1,814.10 | 921.75 | 983.44 | 313.37 | 313.99 | 73.04 | 75.80 |
| TOTAL RATES | | 2249.41 | 2513.75 | 2838.22 | 3268.73 | 1598.01 | 1691.41 | 608.92 | 615.45 | 300.34 | 321.59 |
| Dollar increase/(decrease) | | | \$264.34 | | \$430.51 | | \$93.40 | | \$6.53 | | \$21.26 |
| Percentage increase/(decrease) | | | 11.75% | | 15.17% | | 5.84% | | 1.07% | | 7.08% |

Note: The rates shown are indicative only, based on sample properties. Actual changes will vary across properties depending on individual property values and how those values have shifted relative to others following the 2025 Hastings revaluation

Comparison of rural rates in three districts (GST inclusive)

| Description of rates | Rating | Hastings | | CHB | | Wairoa | |
|----------------------------------------|--------|----------------|-----------------|----------------|----------------|---------------|----------------|
| | basis | 2025-26 | 2026-27 | 2025-26 | 2026-27 | 2025-26 | 2026-27 |
| Details for comparison | | | | | | | |
| Capital Value | CV | 1,170,000 | 970,000 | 1,230,000 | 1,230,000 | 725,000 | 725,000 |
| Land Value | LV | 930,000 | 770,000 | 1,180,000 | 1,180,000 | 360,000 | 360,000 |
| Area (Hectares) | Area | 5.264 | 5.264 | 44.317 | 44.317 | 20.145 | 20.145 |
| Rates | Basis | \$ | \$ | \$ | \$ | \$ | \$ |
| General Rate | CV | 368.32 | 331.16 | 419.43 | 421.52 | 250.34 | 275.94 |
| Uniform Annual General Charge | Fixed | 94.36 | 99.27 | 94.36 | 99.27 | 94.36 | 99.27 |
| General funded rates | | 462.68 | 430.42 | 513.79 | 520.79 | 344.70 | 375.20 |
| Coastal Hazards | Fixed | 3.99 | 3.75 | - | - | - | - |
| CDEM Emergency Management | Fixed | 54.71 | 57.05 | 54.71 | 57.05 | 54.71 | 57.05 |
| Regional Economic Development | CV | 8.54 | 8.44 | 9.72 | 10.82 | 5.80 | 7.03 |
| Subsidised Public Transport Indirect | CV | 8.42 | 8.05 | 9.59 | 10.33 | - | - |
| Primary Production Pest | LV | 38.87 | 54.82 | 55.58 | 84.49 | 17.32 | 29.66 |
| Sustainable Land Management | LV | 56.08 | 37.42 | 80.24 | 57.70 | 24.98 | 20.27 |
| Water Quality | LV | 29.48 | 35.50 | 42.24 | 54.63 | 13.14 | 19.19 |
| Land Monitoring, Research, and Investi | LV | 18.79 | 12.94 | 26.90 | 19.94 | 8.35 | 7.02 |
| HPFCS Direct | CV | 107.52 | 116.50 | - | - | - | - |
| HPFCS Indirect | CV | 26.33 | 29.10 | - | - | - | - |
| UTTFC Direct | CV | - | - | 586.50 | 585.82 | - | - |
| UTTFC Indirect | CV | - | - | 18.94 | 19.07 | - | - |
| Tūtaekuri-Waimate Moteo | CV | 489.18 | 727.11 | - | - | - | - |
| Paeroa | CV | - | - | - | - | 119.95 | 113.21 |
| Targeted rates | | 841.90 | 1,090.67 | 884.42 | 899.85 | 244.25 | 253.43 |
| TOTAL RATES | | 1304.58 | 1521.10 | 1398.21 | 1420.64 | 588.95 | 628.63 |
| Dollar increase/(decrease) | | | \$216.52 | | \$22.44 | | \$39.68 |
| Percentage increase/(decrease) | | | 16.60% | | 1.60% | | 6.74% |

Note: The rates shown are indicative only, based on sample properties. Actual changes will vary across properties depending on individual property values and how those values have shifted relative to others following the 2025 Hastings revaluation.

Details of rates calculated within each district and city

General Rates and Uniform Annual General Rates

| Rate type | Districts | Rates set on | Units of charge | Calculation factor | Estimated rates | Rates revenue |
|--------------------------------------|---------------------|---------------|-----------------|--------------------|--------------------------|-------------------|
| | | | | | revenue | 2025-26 |
| | | | | | 2026-27 | 2025-26 |
| General Rate | | | | | Cents in \$ | |
| | Napier City | Capital Value | | 0.03476 | 8,558,204 | 8,090,878 |
| | Hastings District | Capital Value | | 0.03414 | 13,693,984 | 13,728,742 |
| | Central HB District | Capital Value | | 0.03427 | 3,038,521 | 2,989,799 |
| | Wairoa District | Capital Value | | 0.03806 | 1,352,934 | 1,225,460 |
| | Taupō District | Capital Value | | 0.03328 | 37,032 | 36,206 |
| | Rangitīkei District | Capital Value | | 0.03260 | 8,039 | 7,833 |
| | | | | | 26,688,714 | 26,078,918 |
| Uniform Annual General Charge | | | | | SUIPs Per SUIP \$ | |
| | Napier City | Fixed Amount | 29,549 | 99.27 | 2,933,183 | 2,748,988 |
| | Hastings District | Fixed Amount | 35,709 | 99.27 | 3,544,741 | 3,353,465 |
| | Central HB District | Fixed Amount | 7,486 | 99.27 | 743,061 | 690,609 |
| | Wairoa District | Fixed Amount | 5,119 | 99.27 | 508,170 | 478,303 |
| | Taupō District | Fixed Amount | 54 | 99.27 | 5,360 | 5,096 |
| | Rangitīkei District | Fixed Amount | 1 | 99.27 | 99 | 94 |
| | | | | | 77,918 | 7,734,615 |

None of the targeted rates collect revenue that relates to one or more groups of water services activities and is being collected as an agent of a water organisation

Details of rates calculated within each district and city

| Rate type | Districts | Rates set on | Units of charge | Calculation factor | Estimated rates | Rates revenue |
|-----------------------------------------------|---------------------|---------------|-----------------|--------------------|--------------------------|------------------|
| | | | | | revenue | 2025-26 |
| | | | | | 2026-27 | 2025-26 |
| Coastal Hazards | | | | | SUIPs Per SUIP \$ | |
| | Napier City | Fixed Amount | 29,549 | 3.75 | 110,697 | 116,199 |
| | Hastings District | Fixed Amount | 35,709 | 3.75 | 133,777 | 141,750 |
| | | | | | 65,258 | 244,474 |
| CDEM Emergency Management | | | | | SUIPs Per SUIP \$ | |
| | Napier City | Fixed Amount | 29,549 | 57.05 | 1,685,670 | 1,593,650 |
| | Hastings District | Fixed Amount | 35,709 | 57.05 | 2,037,126 | 1,944,079 |
| | Wairoa District | Fixed Amount | 5,119 | 57.05 | 292,040 | 277,283 |
| | Central HB District | Fixed Amount | 7,486 | 57.05 | 427,029 | 400,361 |
| | | | | | 77,863 | 4,441,865 |
| Subsidised Public Transport - Direct | | | | | Cents in \$ | |
| Commercial / Industrial | Napier City | Capital Value | | 0.01231 | 466,159 | 462,553 |
| | Hastings District | Capital Value | | 0.01209 | 612,294 | 528,900 |
| | | | | | 1,078,453 | 991,454 |
| All Others - excluding utilities | | | | | SUIPs Per SUIP \$ | |
| | Napier City | Fixed Amount | 25,992 | 88.42 | 2,298,154 | 2,093,500 |
| | Hastings District | Fixed Amount | 24,539 | 88.42 | 2,169,725 | 2,013,952 |
| | | | | | 50,531 | 4,467,878 |
| Subsidised Public Transport - Indirect | | | | | Cents in \$ | |
| Indirect Charge | Napier City | Capital Value | | 0.00085 | 208,578 | 184,756 |
| | Hastings District | Capital Value | | 0.00083 | 333,719 | 313,517 |
| | Central HB District | Capital Value | | 0.00084 | 73,962 | 68,272 |
| | | | | | 616,259 | 566,545 |

Details of rates calculated within each district and city (continued)

| Rate type | Districts | Rates set on | Units of charge | Calculation factor | Estimated rates | Rates revenue |
|---------------------------------------------------|---------------------|---------------|-----------------|--------------------|--------------------|------------------|
| | | | | | revenue | 2025-26 |
| | | | | | 2026-27 | 2025-26 |
| Sustainable Homes - Clean Heat | | | | | Cents in \$ | |
| | Napier City | Land Value | | 0.00289 | 315,152 | 303,601 |
| | Hastings District | Land Value | | 0.00293 | 383,473 | 395,024 |
| | | | | | 698,625 | 698,625 |
| Regional Economic Development | | | | | Per SUIP \$ | |
| Residential / Lifestyle Properties | Napier City | Fixed Amount | 26,141 | 3.76 | 98,287 | 92,724 |
| | Hastings District | Fixed Amount | 29,440 | 3.76 | 110,689 | 104,885 |
| | Wairoa District | Fixed Amount | 4,029 | 3.76 | 15,150 | 14,309 |
| | Central HB District | Fixed Amount | 5,980 | 3.76 | 22,484 | 20,795 |
| | Taupō District | Fixed Amount | 4 | 3.76 | 15 | 14 |
| | | | | | 65,594 | 246,626 |
| Commercial / Industrial Properties | | | | | Cents in \$ | |
| | Napier City | Capital Value | | 0.00445 | 169,641 | 173,506 |
| | Hastings District | Capital Value | | 0.00437 | 246,530 | 217,666 |
| | Wairoa District | Capital Value | | 0.00487 | 4,201 | 4,085 |
| | Central HB District | Capital Value | | 0.00438 | 11,187 | 11,988 |
| | Taupō District | Capital Value | | 0.00426 | 35 | 30 |
| | | | | | 431,594 | 407,274 |
| All Other Properties - excluding utilities | | | | | Cents in \$ | |
| | Napier City | Capital Value | | 0.00089 | 4,746 | 3,829 |
| | Hastings District | Capital Value | | 0.00087 | 81,660 | 80,828 |
| | Wairoa District | Capital Value | | 0.00097 | 16,908 | 13,885 |
| | Central HB District | Capital Value | | 0.00088 | 39,478 | 36,168 |
| | Taupō District | Capital Value | | 0.00089 | 853 | 855 |
| | Rangitīkei District | Capital Value | | 0.00089 | 220 | 194 |
| | | | | | 143,865 | 135,758 |
| Primary Production Pests | | | | | Cents in \$ | |
| | Napier City | Land Value | | 0.00701 | 44,895 | 29,244 |
| | Hastings District | Land Value | | 0.00712 | 738,556 | 525,540 |
| | Wairoa District | Land Value | | 0.00824 | 172,021 | 100,605 |
| | Central HB District | Land Value | | 0.00716 | 341,392 | 223,666 |
| | Taupō District | Land Value | | 0.00737 | 5,414 | 4,027 |
| | Rangitīkei District | Land Value | | 0.00737 | 1,511 | 974 |
| | | | | | 1,303,789 | 884,056 |
| Sustainable Land Management Strategy | | | | | Cents in \$ | |
| | Napier City | Land Value | | 0.00479 | 30,673 | 42,204 |
| | Hastings District | Land Value | | 0.00486 | 504,604 | 758,431 |
| | Wairoa District | Land Value | | 0.00563 | 117,530 | 145,188 |
| | Central HB District | Land Value | | 0.00489 | 233,249 | 322,784 |
| | Taupō District | Land Value | | 0.00503 | 3,699 | 5,811 |
| | Rangitīkei District | Land Value | | 0.00503 | 1,032 | 1,405 |
| | | | | | 890,788 | 1,275,823 |

Details of rates calculated within each district and city (continued)

| Rate type | Districts | Rates set on | Units of charge | Calculation factor | Estimated rates revenue | |
|--------------------------------------------------------------|---------------------|---------------|-------------------|--------------------|-------------------------|------------------|
| | | | | | 2026-27 | 2025-26 |
| Water Quality | | | | | Cents in \$ | |
| | Napier City | Land Value | | 0.00454 | 29,069 | 22,213 |
| | Hastings District | Land Value | | 0.00461 | 478,205 | 399,187 |
| | Wairoa District | Land Value | | 0.00533 | 111,381 | 76,417 |
| | Central HB District | Land Value | | 0.00463 | 221,047 | 169,891 |
| | Taupō District | Land Value | | 0.00477 | 3,506 | 3,059 |
| | Rangitīkei District | Land Value | | 0.00477 | 978 | 740 |
| | | | | | 844,186 | 671,506 |
| Land Monitoring, Research, and Investigations Science | | | | | Cents in \$ | |
| | Napier City | Land Value | | 0.00165 | 10,602 | 14,129 |
| | Hastings District | Land Value | | 0.00168 | 174,412 | 253,906 |
| | Wairoa District | Land Value | | 0.00195 | 40,623 | 48,606 |
| | Central HB District | Land Value | | 0.00169 | 80,621 | 108,061 |
| | Taupō District | Land Value | | 0.00174 | 1,279 | 1,945 |
| | Rangitīkei District | Land Value | | 0.00174 | 357 | 470 |
| | | | | | 307,894 | 427,117 |
| Flood control schemes | | | | | | |
| Heretaunga Plains Flood Control Scheme | | | | | Cents in \$ | |
| | Napier City | Capital Value | Direct | 0.01223 | 2,048,738 | 1,609,242 |
| | Napier City | Capital Value | Indirect | 0.00306 | 752,410 | 577,668 |
| | Hastings District | Capital Value | Direct | 0.01201 | 2,515,694 | 2,025,244 |
| | Hastings District | Capital Value | Indirect | 0.00300 | 1,203,775 | 979,969 |
| | | | | | 6,520,618 | 5,192,122 |
| Maraetotara Flood Maintenance Scheme | | | | | Cents in \$ | |
| | Hastings District | Capital Value | | 0.00598 | 20,027 | 19,557 |
| Mangarau Stream | | | | | Cents in \$ | |
| | Hastings District | Land Value | Residential | 0.00641 | 481,337 | 533,268 |
| | Hastings District | Land Value | Residential Clive | 0.00520 | 12,531 | 13,080 |
| | Hastings District | Land Value | Res Non Urban | 0.00488 | 67,547 | 71,444 |
| | Hastings District | Land Value | Hort/Farming | 0.00436 | 139,139 | 147,489 |
| | Hastings District | Land Value | Comm CBD | 0.01924 | 159,227 | 120,302 |
| | Hastings District | Land Value | Comm Other | 0.01764 | 117,730 | 98,529 |
| | Hastings District | Land Value | Comm Non Urban | 0.01507 | 82,239 | 75,636 |
| | | | | | 1,059,749 | 1,059,749 |
| Upper Makara Stream Catchment Scheme | | | | | Cents in \$ | |
| | Central HB District | Capital Value | High | 0.74338 | 87,527 | 90,878 |
| | Central HB District | Capital Value | Medium | 0.12137 | 25,613 | 24,035 |
| | Central HB District | Capital Value | Low | 0.00607 | 5,482 | 5,379 |
| | Hastings | Capital Value | Medium | 0.12090 | 8,335 | 7,901 |
| | Hastings | Capital Value | Low | 0.00604 | 150 | 142 |
| | | | | | 127,107 | 128,335 |

Details of rates calculated within each district and city (continued)

| Rate type | Districts | Rates set on | Units of charge | Calculation factor | Estimated rates revenue | |
|-------------------------------------------------------|---------------------------|---------------|-----------------|--------------------|-------------------------|------------------|
| | | | | | 2026-27 | 2025-26 |
| Upper Tukituki Flood Control Scheme - Direct | | | | | Cents in \$ | |
| | Central HB District | Capital Value | High | 0.09735 | 252,446 | 247,261 |
| | Central HB District | Capital Value | Medium | 0.03678 | 410,909 | 400,513 |
| Direct | Central HB District | Capital Value | Low | 0.01082 | 602,005 | 589,607 |
| | Hastings District | Capital Value | Medium | 0.03663 | 2,188 | 2,040 |
| | Hastings District | Capital Value | Low | 0.01077 | 16,101 | 16,749 |
| | | | | | 1,283,649 | 1,256,169 |
| Upper Tukituki Flood Control Scheme - Indirect | | | | | Cents in \$ | |
| Indirect | Central HB District | Capital Value | | 0.00155 | 138,479 | 135,002 |
| | Hastings District | Capital Value | | 0.00155 | 4,148 | 4,573 |
| | | | | | 142,628 | 139,574 |
| Whirinaki Industrial | | | | | Cents in \$ | |
| | Hastings District | Capital Value | | 0.27614 | 206,348 | 125,851 |
| Drainage schemes | | | | | | |
| Brookfields Awatoto | | | | | Cents in \$ | |
| | Napier City | Capital Value | | 0.08009 | 211,242 | 236,432 |
| Clive & Muddy Creek | | | | | Cents in \$ | |
| | Hastings District | Capital Value | | 0.02449 | 321,251 | 356,712 |
| Haumoana | | | | | Cents in \$ | |
| | Hastings District | Capital Value | | 0.03317 | 187,012 | 186,031 |
| Karamū Drainage & Enhancement | | | | | Cents in \$ | |
| | Hastings District | Capital Value | | 0.00518 | 1,212,949 | 1,592,939 |
| Napier, Meeanee, Puketapu | | | | | Cents in \$ | |
| | Napier City - Urban | Capital Value | | 0.00834 | 1,225,191 | 1,152,568 |
| | Napier City - Industrial | Capital Value | | 0.03337 | 321,171 | 305,223 |
| | Hastings District - Rural | Capital Value | | 0.00819 | 14,616 | 18,470 |
| | | | | | 1,560,978 | 1,476,261 |
| Ohiua Whakaki Drainage Scheme | | | | | Cents in \$ | |
| | Wairoa District | Capital Value | A | 1.35750 | 123,875 | 125,967 |
| | Wairoa District | Capital Value | B | 0.37719 | 3,831 | 3,896 |
| | | | | | 127,706 | 129,862 |
| Opoho Drainage Scheme | | | | | Per SUIP \$ | |
| | Wairoa District | Fixed Amount | A | 29,558.03 | 29,558 | 24,686 |
| | Wairoa District | Fixed Amount | B | 11,022.40 | 11,022 | 9,206 |
| | Wairoa District | Fixed Amount | C | 4,408.96 | 4,409 | 3,682 |
| | | | | | 44,989 | 37,575 |
| Pākōwhai | | | | | Cents in \$ | |
| | Hastings District | Capital Value | | 0.08376 | 204,215 | 216,457 |

Details of rates calculated within each district and city (continued)

| Rate type | Districts | Rates set on | Units of charge | Calculation factor | Estimated rates revenue | |
|---------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-----------------|--------------------|-------------------------|---------------|
| | | | | | 2026-27 | 2025-26 |
| Paeroa Drainage Scheme Special Rating Area | | | | | | |
| | | | | Cents in \$ | | |
| | Wairoa District | Capital Value | A | 0.07535 | 25,794 | 25,940 |
| | Wairoa District | Capital Value | B | 0.01435 | 4,705 | 4,757 |
| | | | | | 30,499 | 30,697 |
| Poukawa Drainage Special | | | | | | |
| | | | | Cents in \$ | | |
| | Hastings District | Capital Value | | 0.09132 | 32,247 | 26,238 |
| Puningā | | | | | | |
| | | | | Cents in \$ | | |
| | Hastings District | Capital Value | | 0.15600 | 233,423 | 180,175 |
| Raupare Enhancement | | | | | | |
| | | | | Cents per Hectares | | |
| | Hastings District | Area | 1,098 | 1299.98609 | 14,272 | 13,856 |
| Raupare Twyford | | | | | | |
| | | | | Cents in \$ | | |
| | Hastings District | Capital Value | | 0.00905 | 163,391 | 181,406 |
| Tūtaekurī Waimate Moteo | | | | | | |
| | | | | Cents in \$ | | |
| | Hastings District | Capital Value | | 0.07496 | 414,153 | 276,325 |
| Sustainable Homes Financial Assistance | | | | | | |
| | | | | | | |
| | Voluntary targeted rate to repay financial assistance to insulate homes and provide clean heat, solar heating, Photovoltaic cells, HRV, domestic water storage and septic tank replacement | \$10 per \$100 | | \$10 | \$10 per \$100 | |
| Erosion Control Financial Assistance | | | | | | |
| | | | | | | |
| | Voluntary targeted rate to repay financial assistance to fund erosion control | \$10 per \$100 | | \$10 | \$10 per \$100 | |

Explanation of rating methods

| General Rates | Activities Funded | Types of land to be rated | (Local Government (Rating) Act, schedule 2) | Basis of rating (Local Government (Rating) Act (2002, schedule 3)) |
|-------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|--------------------------------------------------------------------|
| General Rate | General rate funds the remaining cost of the council activities, excluding that portion funded by targeted rates and the UAGC. | All rateable rating units within the region. | | Capital Value |
| Uniform Annual General Charge (UAGC) | The UAGC is set on a fixed cost per separately used or inhabited part of a rating unit (SUIP). This is calculated as a percentage of the total rates up to a maximum of 30%. | All rateable rating units within the region. | | UAGC (refer to note 1) |
| Targeted Rates | Activities Funded | Types of land to be rated | (Local Government (Rating) Act, schedule 2) | Basis of rating (Local Government (Rating) Act (2002, schedule 3)) |
| Coastal Hazards | To fund development of the Clifton to Tangoio Coastal Hazards Strategy. | All rateable units within Napier and Hastings. | | UTR (refer to note 1) |
| Hawke's Bay Civil Defence Emergency Management (CDEM) | Funding of the CDEM Group Office to manage the provision of effective CDEM consistent with the CDEM Act 2002. | All rating units in the region except for Rangitikei and Taupō districts. | | UTR (refer to note 1) |
| Erosion Control - Financial Assistance | Repayment of financial assistance to ratepayers to fund riparian fencing, plating, and maintenance of planted areas for highly-erodible land unsuitable for commercial forestry. | Those ratepayers who have opted for financial assistance to be repaid over 10 years with interest as a fixed amount through a Targeted Differential rate. | | Extent of provision of any service to the rating unit |
| Subsidised Public Transport Direct | Public passenger transport, including Total Mobility. | The direct portion for all commercial and industrial rating units based within a designated valuation roll footprint. The direct portion for all other rateable units, excluding utilities, based within a designated valuation roll footprint. Council considers QV codes in determining categorisation. Yearly review of map footprint for direct to be completed for >50% urbanisation. | | Capital Value UTR (refer to note 1) |
| Subsidised Public Transport Indirect | Public passenger transport, including Total Mobility. | This indirect rate is calculated on all rateable units in Napier, Hastings, and Central Hawke's Bay districts to reflect the availability of the Total Mobility Scheme. | | Capital Value |
| Sustainable Homes - Clean Heat | Management of the scheme to encourage the replacement of open fire or wood burners with more efficient forms of heating, and where necessary, the installing of insulation. | Rating units in Napier and Hastings within a designated valuation roll footprint. | | Land Value |
| Sustainable Homes - Financial Assistance | Repayment of financial assistance to ratepayers to insulate homes, replace open fires or non-compliant wood-burners, solar heating, photovoltaic cells, domestic water storage, double glazing, and septic tank replacement. | Those ratepayers who have opted for financial assistance to be repaid over 10 years with interest as a fixed amount through a voluntary targeted differential rate. | | Extent of provision of any service to the rating unit |
| Regional Economic Development | To fund regional economic development in the Hawke's Bay region. | Residential and Lifestyle rating units based as a fixed amount per SUIP. Commercial and industrial rateable units, excluding utilities, based on a variable capital value calculation. Council considers QV codes in determining categorisation. All other rateable units, excluding utilities, based on a variable capital value calculation. Council considers QV codes in determining categorisation. | | UTR (refer to note 1) Capital Value Capital Value |
| Primary Production Pests | Pest management – rabbits, rook, and primary production pest plants. Rated on all rateable rural land in the region. | Non-urban properties by valuation roll | | Land value |
| Sustainable Land Management | Rural partnerships and water efficiency. All productive rateable rural land in the region. | Non-urban properties by valuation roll | | Land Value |
| Water Quality | Water Quality - Fresh Water Science. Rated on all rateable rural land in the region. | Non-urban properties by valuation roll | | Land Value |
| Land Monitoring, Research, and Investigations Science | State of the Environment monitoring and investigation for healthy ecosystems and sustaining land for productive use. Rated on all rateable rural land in the region. | Non-urban properties by valuation roll | | Land Value |

Note 1: A uniform Annual General Charge (UAGC) or Uniform Targeted Rate (UTR) is set on each separately used or inhabited part of a rating unit, this includes any portion inhabited or used by the owner or a person other than the owner, and who has the right to use or inhabit that portion by virtue of a tenancy, lease, license, or other agreement. This definition includes separately used parts, whether or not actually occupied at any particular time, which are used by the owner for rental (or other form of occupation) on an occasional or long-term basis by someone other than the owner.

Explanation of rating methods - types of rates / activities funded

| Flood Protection and Control Schemes | | | |
|--------------------------------------------------------------|---------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| Flood Protection and Control Schemes | Rating Factor | Types of land to be rated | Basis of rating (Local Government (Rating) Act (2002, schedule 3)) |
| Heretaunga Plains Flood Control Scheme (HPFCS) | | | |
| Napier City & Hastings District | Direct | Properties receive direct benefit from reduced risk of flooding and rivers changing their course. Rating units receiving direct benefit within Napier City and Hastings District from flood control measures. | Capital Value |
| Napier City & Hastings District | Indirect | Properties receive indirect benefit as a result of their proximity to area of increased economic activity, increased social/recreational/cultural infrastructure, and increased opportunity for employment, service industry, and investment. All rating units within Napier City and Hastings District. | Capital Value |
| Mangarau Stream | | | |
| Hastings District | | Flood resilience work for Mangarau Stream completed by Hastings District Council. Hastings District Council rating area 1 utilising differential categories based on land use and location. | Land Value |
| Maraetotara Flood Maintenance Scheme | | | |
| Hastings District | | This scheme reduces the risks of the Maraetotara River flooding Te Awanga township, roading, and communication links. The rating scheme has only one rating class covering an area of 54 hectares. Rates are levied for the scheme's maintenance activities only. The scheme was established to protect a 1/100-year flood event, although land on the right bank will still be flooded when the river is high. The scheme keeps the Maraetotara River flows within the stopbanks, floodwalls, and natural high ground, and a flood-gated outlet from the lagoon through stopbanks to the river. | Capital Value |
| Upper Makara Streams Catchment Scheme | | | |
| Central Hawke's Bay District | High | This scheme in Central Hawke's Bay reduces number of floods impacting the road network in the Makara valley and community assets around Elsthorpe. Direct Benefit - valley floor in the upstream, flood plains of the Makara Stream, Makara flats, and Makara flats downstream of Kokatewai Road | Capital Value |
| Central Hawke's Bay District and Hastings District | Medium | This scheme in Central Hawke's Bay reduces number of floods impacting the road network in the Makara valley and community assets around Elsthorpe. Direct Benefit - the flood plain of the Makara Stream from the Elsthorpe township to the outlet of the catchment, floodplain of the Silver Range Stream from the Makara Stream, to the bridge on the Kahurānaki Road, and Makara floodplain northward and follows a soil and topography boundary on the eastern side of the Kahurānaki Road. | Capital Value |
| Central Hawke's Bay District and Hastings District | Low | This scheme in Central Hawke's Bay reduces number of floods impacting the road network in the Makara valley and community assets around Elsthorpe. An area not in the classes above but receiving indirect benefit from all the works carried out on the scheme through the protection of communication assets including roads, telecommunications networks, the support of amenities, services, and facilities in the area, and the general economic stability of the community. Contains the balance of the catchment. | Capital Value |
| Upper Tukituki Flood Control Scheme (UTTFCS) Direct | | | |
| Central Hawke's Bay District | High | Land adjacent to stopbanked reaches, and lower land at risk of inundation adjacent to non stopbanked reaches, of Tukituki and Waipawa rivers and receiving a high direct benefit from reduced risk of flooding and rivers changing their course as a result of stopbanks and river control works. | Capital Value |
| Hastings District & Central Hawke's Bay District | Medium | Land receiving an intermediate level of direct benefit from reduced risk of flooding and rivers changing their course as a result of stopbanks and river control works. | Capital Value |
| Hastings District & Central Hawke's Bay District | Low | Land receiving a lower level of direct benefit from reduced risk of flooding and rivers changing their course as a result of stopbanks and river control works. | Capital Value |
| Upper Tukituki Flood Control Scheme (UTTFCS) Indirect | | | |
| Hastings District & Central Hawke's Bay District | Indirect | An indirect rate for all rating units within Central Hawke's Bay and those in Hastings District within the direct UTTFCS designated flood scheme area. | Capital Value |
| Whirinaki Industrial | | | |
| Hastings District | | Land receiving a lower level of direct benefit from reduced risk of flooding and rivers changing their course as a result of stopbanks and river control works. | Capital Value |

Explanation of rating methods - types of rates / activities funded

| Drainage and Pumping Schemes | | | | |
|---------------------------------------------------|---------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|--------------------------------------------------------------------|
| Targeted Rates | Rating Factor | Types of land to be rated | (Local Government (Rating) Act, schedule 2) | Basis of rating (Local Government (Rating) Act (2002, schedule 3)) |
| Brookfields Awatoto | | | | |
| Napier City | D7 | Rateable land situated in Napier within the Brookfields Awatoto drainage area which the council considers receives direct benefit of drain and stream maintenance works. | | Capital Value |
| Clive & Muddy Creek | | | | |
| Hastings District | D8 | Rateable land situated in the Hastings District within the Clive Muddy Creek drainage area which the council considers receives benefit of drain and stream maintenance works. | | Capital Value |
| Haumoana | | | | |
| Hastings District | D4 | Rateable land situated in the Hastings District within the Haumoana drainage area which the council considers receives direct benefit of drain and stream maintenance works. | | Capital Value |
| Karamū Drainage & Enhancement | | | | |
| Hastings District | | This scheme covers properties in Havelock North, being properties in the Karamū catchment, which do not contribute to the Heretaunga Plains Flood Control Scheme Streams & Drains. The scheme involves maintenance of the completed enhancement works in the Karamū Stream. | | Capital Value |
| Napier, Meeanee, Puketapu | | | | |
| Hastings District | D1 | Rateable land situated in the Hastings District which the council considers received direct benefit of drain maintenance works within the drain catchment areas of Meeanee, Napier, Puketapu, and Dartmoor but excluding Napier CBD and the Brookfields Awatoto drainage area within Napier City. | | Capital Value |
| Napier City | D1 | Rateable land situated in Napier City on the right back of the Tūtaekuri River within the drain catchment area of Ōmarunui, which the council considers received direct benefit of drain maintenance works within the drain catchment areas of Meeanee, Napier, Puketapu, and Dartmoor but excluding Napier CBD and the Brookfields Awatoto drainage area within Napier City. | | Capital Value |
| Napier City | D11 | Rateable land within the D1 differential and being zoned for industrial purposes. The council considers the benefit to these properties is added economic activity made possible by the drainage network and its continued maintenance. | | Capital Value |
| Ohuia Whakaki Drainage Scheme | | | | |
| Wairoa District | A | This scheme is located only a few kilometres east of Wairoa where it drains a 3,410-hectare catchment to Hawke's Bay. The scheme uses a combination of detention and gravity drains plus controlled pump discharges to enable landowners to improve production. The cost is apportioned across a land area of just over 1,038 hectares based on the location. Land that without drainage could be inundated up to 12 months of the year. Primary rate payer. | | Capital Value |
| Wairoa District | B | This scheme is located only a few kilometres east of Wairoa where it drains a 3,410-hectare catchment to Hawke's Bay. The scheme uses a combination of detention and gravity drains plus controlled pump discharges to enable landowners to improve production. The cost is apportioned across a land area of just over 1,038 hectares based on the location. Land that without drainage could be inundated up to 12 months of the year. All other ratepayers. | | Capital Value |
| Opoho Drainage Scheme | | | | |
| Wairoa District | A, B, C | This scheme drains approximately 200ha of low lying, productive land to the east of the Opoho Stream near Nuhaka. The Opoho scheme involves three neighbouring farms situated approximately halfway between Wairoa and Nuhaka. The relativities between the three properties in the scheme were determined by the way of an analysis of the benefits received by each property and respective apportionment of costs. The rating allocation should be reviewed every six years. | | UTR (refer to note 1) |
| Paeroa Drainage Scheme Special Rating Area | | | | |
| Wairoa District | A | Rateable property situated in the Wairoa District on the lower lying land in the valley of the Waikoko Stream, the sloping land in the Clydebank Road area and on the valley floors in the middle reaches of the Awatere and Waikiki Streams which the Council considers receives both direct and indirect benefit of the drain and stream maintenance works. | | Capital Value |
| Wairoa District | B | Rateable property situated in the Wairoa District which the council considers receives direct and indirect benefit. | | Capital Value |
| Pākōwhai | | | | |
| Hastings District | D6 | Rateable land situated in the Hastings District within the Pākōwhai, Puninga drainage area which the council considers receives direct benefit of drain and stream maintenance works. | | Capital Value |
| Poukawa Drainage Special | | | | |
| Hastings District | A | Rateable properties situated in the Hastings District which the council considers receives both direct and indirect benefit of the maintenance of the drainage scheme. | | Capital Value |
| Puninga | | | | |
| Hastings District | D9 | Rateable land situated in the Hastings District within the Clive Muddy Creek drainage area which the council considers receives benefit of drain and stream maintenance works. | | Capital Value |
| Raupare Enhancement | | | | |
| Hastings District | DA3 | Selected properties in the Raupare catchment (1,179 hectares) which have agreed to contribute to the enhancement of specific streams and drains in the Raupare Catchment. | | Area |
| Raupare Twyford | | | | |
| Hastings District | D3 | Rateable land situated in the Hastings District within the Twyford Raupare drainage area which the council considers receives direct benefit of drain and stream maintenance works. | | Capital Value |
| Tūtaekuri Waimate Moteo | | | | |
| Hastings District | D5 | Rateable land situated in the Hastings District within the Tūtaekuri-Waimate, Moteo drainage area which the council considers receives direct benefit of drain and stream maintenance works. | | Capital Value |

All rates' figures are GST inclusive

info@hbrc.govt.nz | +64 6 835 9200
159 Dalton Street, Napier 4110
Private Bag 6006, Napier 4142
hbrc.govt.nz


HAWKES BAY
REGIONAL COUNCIL

TE KAUNIHERA Ā-ROHE O TE MATAU-A-MĀUI